

Notice of Meeting



THE CABINET

Tuesday, 20 September 2011 - 5:00 pm
Council Chamber, Civic Centre, Dagenham

Members: Councillor L A Smith (Chair); Councillor R Gill (Deputy Chair); Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor L A Reason, Councillor G M Vincent, Councillor P T Waker and Councillor J R White

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Chief Executive

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AGENDA

1. **Apologies for Absence**
2. **Declaration of Members' Interests**

In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 23 August 2011 (Pages 1 - 8)**
4. **Budget Monitoring 2011/12: April to July 2011 (Pages 9 - 35)**
5. **Gascoigne Estate Renewal - Site Delivery and Disposal Options (Pages 37 - 64)**
6. **Changes to Parking Policy and Charges at the Borough's Car Parks (Pages 65 - 88)**
7. **Proposed Establishment of an Additionally Resourced Provision at Monteagle Primary School (Pages 89 - 93)**
8. **Fews Lodge Extra Care Scheme (Pages 95 - 104)**
9. **Tender for the Provision of Temporary Agency Staff Contract (Pages 105 - 123)**

- 10. Disciplinary Procedure (Pages 125 - 149)**
- 11. Debt Management Performance and Write-Offs - 1 April to 30 June 2011 (Quarter 1) (Pages 151 - 163)**
- 12. Tendering of Contract for Insurance, Claims Handling and Operational Risk Management Services (Pages 165 - 172)**
- 13. Any other public items which the Chair decides are urgent**
- 14. 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 Cabinet, 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 as amended).

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

THE CABINET

Tuesday, 23 August 2011
(5:00 - 5:55 pm)

Present: Councillor L A Smith (Chair), Councillor R Gill (Deputy Chair), Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor L A Reason, Councillor P T Waker and Councillor J R White

Also Present: Councillor J E McDermott

Apologies: Councillor G M Vincent

24. Declaration of Members' Interests

Councillors Smith and Gill declared a personal interest in relation to item 11 (Urgent Action - Demographic Growth Capital Fund Grant: Sixth Form Accommodation at Robert Clack Comprehensive School) as Governors of the School.

25. Minutes (12 July 2011)

The minutes of the Cabinet meeting on 12 July 2011 were confirmed as correct.

26. 2011/12 Budget Monitoring: April to June 2011

The Cabinet Member for Finance, Revenues and Benefits presented a report on the Council's revenue and capital budget position for 2011/12 as at 30 June 2011.

The General Fund revenue expenditure showed a project overspend for the full year of £4.5m against the approved budget of £183.4m, as a consequence of overspends in areas of Children's Services (Complex Needs and Social Care), Customer Services (reduced income and cost pressures in Housing and Environmental divisions) and Finance and Resources (due to an over-stated income budget in Revenues and Benefits). In respect of the £1.5m pressure within the Revenues and Benefits service, the Cabinet Member agreed to provide Cabinet colleagues with full details of the cause and the steps taken to ensure that it would not be repeated. He also confirmed that the next budget monitoring report to Cabinet would include a proposal to redress the position.

The Housing Revenue Account (HRA) was projected to overspend by £0.16m while the Capital Programme showed a projected underspend of £12.078m against the current budget for the year of £145.939m. In respect of the latter, the Cabinet Member referred to the proposed reprofiling of a number of schemes to reflect the current funding position.

Cabinet **agreed**:-

- (i) To note the projected outturn position for 2011/12 of the Council's revenue and capital budgets as detailed in paragraphs 3 and 6 and Appendix A of the report;

- (ii) To note the progress against the 2011/12 savings targets referred to in paragraph 4 and Appendix B of the report;
- (iii) To note the position for the HRA as detailed in paragraph 5 and Appendix C of the report;
- (iv) To approve the following:
 - a. The transfer of £330,000 Think Family Funding from Children's Services to Adult and Community Services, to support youth offending services;
 - b. The Capital Programme budget adjustments as detailed in Appendix E to the report.

27. Estate Renewal Programme - Delivery and Disposal Options for Goresbrook Village and The Leys

Further to Minute 49 (2 November 2010), the Cabinet Member for Housing presented a report on the disposal and delivery options for the Goresbrook Village and Leys Estates, which represented two of the three sites in the current Estate Renewal Programme.

The Cabinet Member outlined the main aims of the programme and its funding, which included an £18.3m grant from the Homes and Communities Agency, and referred to the proposed procurement of development partners to deliver the two schemes.

Cabinet **agreed**:-

- (i) That the preferred delivery option for the Goresbrook Village Estate be to procure a development partner through the Homes and Communities Agency Development Partner Panel, with the final terms to be agreed under delegated authority by the Corporate Director of Finance and Resources, advised by the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services, and in consultation with the Lead Members for Housing and Regeneration;
- (ii) That the preferred delivery option for the Leys Estate be to procure a development partner through the City West 'Framework' Development Partner Panel, with the final terms to be agreed under delegated authority by the Corporate Director of Finance and Resources, advised by the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services, and in consultation with the Lead Members for Housing and Regeneration; and
- (iii) The indicative benchmark tenure mix for each site to be used in the development and project briefs as set out in section 2 of the report.

28. Axe Street / Abbey Sports Centre Redevelopment

The Cabinet Member for Regeneration presented a report on the proposed development of a new leisure centre in Barking Town Centre as part of a

streamlining of Council-provided indoor leisure facilities in the Borough.

The Cabinet Member commented on the success of the new Becontree Heath Leisure Centre which opened earlier this year and referred to the key aspects of the business case for a similar project in Axe Street, adjacent to the current site of Abbey Sports Centre and with a planned opening in Spring 2014. As part of the business case, the Goresbrook Leisure Centre would be closed at some point after the 2012 Olympics and the site sold on the open market while the Abbey Sports Centre would be closed when the new Axe Street centre was opened to the public. Officers clarified the funding and borrowing proposals and their correlation to the off-setting of the capital receipts from the disposal of the Goresbrook and Abbey Sports Centres.

In response to an issue raised by Councillor McDermott regarding the Elderberry's Club that met at Goresbrook Leisure Centre, the Divisional Director of Culture and Sport confirmed that the Council would be consulting with all current users over the coming months with a view to ensuring their continued access to leisure facilities within the Borough.

Cabinet agreed:-

- (i) Prudential borrowing payments of an estimated £1.132m per annum in order to build a new leisure centre in Axe Street costing £12.98m, whilst noting that payments would reduce to around £289,000 per annum following the closure and disposal of the existing Abbey and Goresbrook Leisure Centres;
- (ii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to undertake the procurement for the design and construction stages of the new leisure centre;
- (iii) That the site to the north of Axe Street, as shown hatched on the plan at Appendix 1 to the report, be the preferred location of the new leisure centre;
- (iv) To authorise the Corporate Director of Finance and Resources to place the Goresbrook Leisure Centre on the open market with a view to completing the disposal in December 2012, the sale terms to be agreed in consultation with the Divisional Director of Legal and Democratic Services;
- (v) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to conclude all legal agreements and enter into a Memorandum of Understanding with the London Thames Gateway Development Corporation regarding the transfer of the Captain Cook Public House Site to the Council in order to facilitate the construction of the new leisure centre;
- (vi) To authorise the Corporate Director of Finance and Resources, in consultation with the Corporate Director of Adult and Community Services, to seek to include a cinema in the new leisure centre complex as an alternative to a sports hall space, in the event that it was considered to be in the best interests of the development and that a third party could be identified to operate the facility at no worse than financially neutral cost to

the Council; and

- (vii) To note that two further reports would be presented to Cabinet, the first setting out the potential uses and disposal of the existing Abbey Sports Centre and Goresbrook Leisure Centre sites at the appropriate time; and the second to appoint the preferred contractor for the new leisure centre development, including the final specification, the actual dates of construction, the findings and resulting actions from the Equality Impact Assessment relating to the scheme and the outcome of the cinema feasibility study.

29. Housing Repairs and Maintenance Procurement

The Cabinet Member for Housing reported on the proposed procurement of planned and reactive housing repairs services, the current contract for which expires in April 2013.

The Cabinet Member advised that in preparation for the new contract an Option Appraisal was undertaken by Elevate and key council officers across repairs, housing, finance and assets and commercial services, which was informed by initial feedback from surveys and focus groups with residents. As a result, it was proposed to carry out one overall procurement exercise but with separate contracts for each of the defined elements. Further work in the areas of repairs policies and standards, ongoing resident engagement, contract structures and pricing mechanisms and ongoing governance arrangements are also planned.

Cabinet **agreed**:-

- (i) The commencement of the procurement of housing repair and maintenance contracts in accordance with the proposals detailed within the report;
- (ii) To delegate authority to the Corporate Director of Customer Services, in consultation with the Corporate Director of Finance and Resources, the Divisional Director for Legal and Democratic Services and the Cabinet Members for Housing and Finance, Revenues and Benefits, to agree the final procurement strategy (including the procurement procedure, contract structure, contractor selection and evaluation criteria and detailed proposals for client management of the contracts) and commence and undertake the procurement; and
- (iii) Note that on completion of the procurement exercise a further report would be brought to Cabinet for final decisions on the award of contracts.

30. Highways Weed Control Collaborative Procurement Strategy

This report was deferred to allow further discussions on the proposals.

31. Introduction of a Paid Parking Permit Scheme for Staff

The Cabinet Member for Crime, Justice and Communities presented a report on the proposed introduction of charges for Council staff to park in designated Council car parks with effect from 1 September 2011.

The Cabinet Member advised that the parking charge would be, on average, £1 per day and would bring this Council into line with many other employers in London, including local authorities, who charged for staff parking. In addition to the income that would be generated from the scheme it would also encourage staff to reconsider their journey to work and whether other options such as car-share, cycling or walking were more viable.

Issues that arose during the discussions included:

- Consultation with the Unions - The Corporate Director of Customer Services confirmed that there had been extensive consultation with the Unions, who remained opposed to the scheme.
- The burden of the new charge on staff who were already faced with higher costs of living as well as the local government pay freeze;
- The enforcement of the scheme - The Corporate Director advised that a report would be presented to the next meeting of Cabinet explaining in detail the enforcement arrangements that would be applicable once the relevant Traffic Management Orders became effective.
- Whether staff that are designated as Essential Car Users, and therefore required to use a car by the Council to properly perform their duties, should be required to purchase a staff parking permit.
- Whether the charge to staff should be proportionate to salaries - The Corporate Director of Customer Services advised that this option was rejected by the majority of respondents to the consultation. The Chief Executive also advised that Chief Officers are to pay £40 per month for a priority permit.

The Chair reminded all Cabinet Members that the principle of car parking charges had been agreed by the Council as part of the 2011/12 budget process but he asked the Corporate Director to respond to the issues raised at this meeting in the report to be presented to the next Cabinet meeting in relation to increased public car parking provision and the review of existing pay and display parking charges.

Cabinet **agreed**:-

- (i) To the introduction of a staff car parking permit scheme requiring staff to purchase permits to park in the following designated Council car parks, with effect from 1 September 2011:
 - Civic Centre
 - Stour Road (2 and 90)
 - Roycraft House
 - London Road Multi Storey
 - John Smith House
 - Axe Street
 - The Mall
- (ii) To the following charges for staff car parking permits:

- Standard Permit - £210 per annum, paid in monthly payments of £17.50 per month (through the payroll).
- Priority Permit - £360 per annum, paid in monthly payments of £30.00 per month (through the payroll).
- Pre-Paid Day / Half Day Permit - £10.00 for 20 half-day permits.

(Councillor McCarthy voted against the proposal and asked that this be recorded in the minutes.)

32. Human Resources Policies and Procedures - Grievance Resolution Procedure

The Cabinet Member for Customer Services and Human Resources presented a report introducing a revised Grievance Resolution Procedure, which had been considered and endorsed by the Employee Joint Consultative Committee on 16 November 2010.

The Cabinet Member explained that the new Procedure brought together all of the Council's procedures relating to grievance handling, including dealing with bullying and harassment, and introduced a new provision within the resolution process for bullying and harassment cases whereby a sub-group of the Council's Personnel Board would review and advise the officer nominated to undertake the appeal hearing.

Cabinet **agreed** to adopt the Grievance Resolution Procedure as set out at Appendix 1 to the report, subject to the addition within the specific Bullying and Harassment area of the policy to the reference to the new appeal hearing provision.

33. Urgent Action - Demographic Growth Capital Fund Grant: Sixth Form Accommodation at Robert Clack Comprehensive School

The Cabinet received and noted a report on the action taken by the Chief Executive on 10 August 2011, acting under the urgency procedures contained within paragraph 17 of Article 1, Part B of the Council's Constitution, in agreeing the following:

- (i) The acceptance of the capital grant of £3,058,000 from the Young People Learning Agency to support the provision of 16-19 student teaching accommodation at Robert Clack Comprehensive School;
- (ii) To authorise the Corporate Director of Children's Services to sign and accept the grant on behalf of the Council for submission to the YPLA, together with information confirming the project, by 15 August 2011; and
- (iii) The procurement proposals as set out in the appended report and to authorise the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources and the Cabinet Member for Children and Education, to approve the appointment of the final contractor and the placing of an order.

34. Private Business

It was agreed to exclude the public and press for the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraphs 1 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

35. Interim Organisational Review

The Chief Executive presented a report on her interim organisation review proposals, together with an outline of the longer-term proposals that would come forward toward the end of 2012.

The Chief Executive explained that the current proposals were designed to make the changes to the organisation most urgently required in line with the following principles:

- Increasing responsiveness to elected Members and the public
- Acknowledging financial constraints and the need for increased efficiency and effectiveness
- Legislative changes
- Partnership working, including the Elevate partnership with Agilisys
- Olympic Host Borough status
- Examining the balance of staffing and responsibilities across the Council

In respect of the proposal to re-introduce annual Chief Officer Performance Management Assessments by Councillors, the Chief Executive responded to Cabinet Members' suggestions that there may be further benefits of increasing the frequency of the assessment and/or extending them to include Divisional Director level.

Cabinet **agreed**:-

- (i) To the principles of an interim organisational review to be undertaken by the Chief Executive, as detailed in the report;
- (ii) To note that as part of the review the Chief Executive would implement the following actions:
 - a) Continuation of four Corporate Director posts at this time, to be reviewed again in October 2012;
 - b) Transfer the reporting line of the Divisional Director, Human Resources from the Corporate Director of Finance and Resources to the Chief Executive;
 - c) Transfer the Customer Services and Client ICT function from the current Customer Services Directorate to the Finance and Resources Directorate, and rename the Customer Services Directorate "Housing and Environment";
 - d) Enable the Corporate Director of Finance and Resources to support the

Cabinet Member of Regeneration, other senior councillors and the Chief Executive, in promoting regeneration issues;

- e) Transfer the lead responsibility for the Olympics from the Corporate Director of Finance and Resources to the Corporate Director of Adults and Community Services;
- f) Re-introduce the formal Councillor performance management assessment of Chief Officers from February / March 2012, to take place at the end of each financial year;
- g) Transfer the Parks Management function from the Culture and Sport division to the Environmental and Enforcement Services division, together with the appropriate budget adjustments in relation to building expenditure;
- h) Transfer the management of “Stage 3” complex complaints from the Audit and Risk division to the Policy and Public Affairs division under the Chief Executive;
- i) Reduction of posts in specific areas, as detailed in paragraphs 3.1.9 - 3.1.11 of the report;
- j) Formally consult with Union representatives on the proposals.

CABINET

20 SEPTEMBER 2011

Title: Budget Monitoring 2011/12: April to July 2011	
REPORT OF THE CABINET MEMBER FOR FINANCE, REVENUES AND BENEFITS	
Open report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 8724 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>This report provides Cabinet with an update of the Council's revenue and capital position for the four months to the end of July 2011.</p> <p>The Council began the current financial year in a better financial position than the previous year with a General Fund (GF) balance of £10.8m.</p> <p>At the end of July 2011, total Service expenditure for the full year is projected to be £187.9m against the approved budget of £183.4m; a projected overspend of £4.5m. The overspends arise in Children's Services (Complex Needs and Social Care), Customer Services (reduced income and cost pressures in Housing and Environmental divisions) and Resources and Finance (due to an over stated income budget in Revenues and Benefits). Further explanatory summaries are contained in section 3 of this report.</p> <p>The 2011/12 budget includes a planned contribution of £1.5m to further improve GF balances. The current projected service pressures of £4.5m, less the planned contribution to balances of £1.5m, could result in the General Fund balance reducing by £3.0m to £7.8m without action plans being developed to mitigate the forecast overspend.</p> <p>The report includes a request to transfer £190k from Children's Services to Legal Services to support the additional casework experienced by the legal team. A further £60k transfer from Children's Services to Legal Services is also requested to fund in-house Advocacy support.</p> <p>The Housing Revenue Account (HRA) is projected to contribute £47k less than budgeted to the HRA reserve. The projected contribution to the HRA reserve currently stands at £1.4m. The HRA is a ring fenced account and cannot make contributions to the General Fund.</p> <p>The Capital Programme has been updated to reflect project roll-overs and changes approved at Cabinet on 14 June and the budget stands at £147.0m; this represents the position on all the schemes in the capital programme. Capital budgets cannot contribute</p>	

to the General Fund revenue position although officers ensure that all appropriate capitalisations occur.

The report includes a request to make budget adjustments to the existing capital programme as detailed in appendix E.

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the projected outturn position for 2011/12 of the Council's revenue and capital budget as detailed in paragraphs 3 and 6 of the report;
- (ii) Note the progress against the 2011/12 savings targets in paragraph 4 of the report;
- (iii) Note the position for the HRA as detailed in paragraph 5 of the report;
- (iv) Approve the revenue budget adjustments as set out in paragraph 3.7 of the report;
- (v) Approve the finalised 2010/11 reserves as set out in paragraph 3.8 of the report;
- (vi) Approve the transfers from reserves as set out in paragraph 3.9 of the report;
- (vii) Approve the capital budget adjustments as set out in the appendix E of the report.

Reason(s)

As a matter of good financial practice, the Cabinet should be regularly updated with the position on the Council's budget. In particular, this paper alerts Members to particular efforts to reduce in year expenditure in order to manage the financial position effectively.

1 Background

1.1 The Outturn report to Cabinet on 14 June 2011 reported that, as at 31 March 2011, general fund balances stood at £10.8m, an increase of £2.8m on the position twelve months earlier. This position will be confirmed following completion of the audit of the Council's Statement of Accounts in late summer.

1.2 This report provides a summary of the Council's General Fund (GF) revenue and capital positions and the HRA. It also provides an update on progress made to date in the delivery of the agreed savings targets built into the 2011/12 budget setting out risks to anticipated savings and action plans to mitigate the risk.

1.3 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved within the Council by monitoring the financial results on a monthly basis through briefings to the Cabinet Member for Finance, Revenues and Benefits and reports to Cabinet. This ensures Members are regularly updated on the Council's overall financial position and enables the Cabinet to make relevant financial and operational decisions to meet its budgets.

1.4 The report is based upon the core information contained in the Oracle general ledger system supplemented by examination of budgets between the budget holders and the relevant Finance teams. In addition, for capital monitoring there is the work carried out by the Capital Programme Management Office (CPMO).

2 Current Overall Position

2.1 The current Directorate revenue projections (before the planned contribution to balances of £1.5m) indicate an overspend of £4.5m for the end of the financial year of which:

- £1.3m arises from budget pressures in Children’s Service. An overspend of £3.4m within the Complex Needs and Social Care budget is forecast, offset by a projected £2.1m under spend in Management and other costs;
- £1.0m arises from cost pressures in Environmental Services (£0.5m), General Fund Housing (£0.1m) and Barking and Dagenham Direct (£0.4m);
- £2.2m in Finance and Resources due to an error in setting the income budgets in Revenues and Benefits and debt recovery risk in Housing Benefit overpayments.

The initial net forecast of a £3.0m overspend (£4.5m less £1.5m) would result in the Council’s General Fund balance falling below the budgeted target of £10.0m. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances. Actions have already been put in place to reduce the Council’s cash out-goings.

2.2 In the report to Members regarding the setting of the 2011/12 annual budget and Council Tax, the Corporate Director of Finance and Resources, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003, set a target GF reserves level of £10.0m. The General Fund balance at 31 March 2011 (subject to audit) was £10.8m and the current projected balance for the end of the financial year (including the planned contribution to balances of £1.5m) is £7.8m.

The HRA budget for 2011/12 includes a contribution to the HRA reserve of £1.5m. At the end of July, the HRA is forecast to overspend by £0.1m which when adjusted for the contribution to balances (£1.5m) would results in a net increase in funds of £1.4m.

	Balance at 1 April 2011	Projected Balance at 31 March 2012	Target Balance at 31 March 2012
	£’000	£’000	£’000
General Fund	10,841	7,856	10,000
Housing Revenue Account (including Rent Reserve)	4,448	5,870	4,448

2.3 The current full year projection to 31 March 2012 across the Council for the General Fund is shown in the table below.

Council Summary	Net Budget £’000	Full year projection at July 2011 £’000	Over/(under) Budget Projection £’000
<u>Directorate Expenditure</u>			
Adult and Community Services	65,119	65,119	-
Children’s Services	64,814	66,114	1,300

Customer Services	26,858	27,823	965
Finance & Resources	13,392	15,612	2,220
Chief Executive Office	591	591	-
General Finance	12,608	12,608	-
Total Service Expenditure	183,382	187,867	4,485
Planned Contribution to Balances			(1,500)
Total Projection at end of May			2,985

- 2.4** The projection set out in the table above excludes the potential impact of cost pressures identified within the service directorates, which are more fully explained in section 3 below. Directorate management teams are actively developing action plans to control these pressures which will be monitored closely during July and August.

3 Directorate Performance Summaries

The key areas of potential overspend and risks are outlined in the paragraphs below.

3.1 Adult and Community Services:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	69,951	65,119	65,119
Projected overspend			-

The Adult and Community Service (ACS) budget position at month 4 of the 2011/12 financial year is projecting a break-even position for the year end.

The Directorate is experiencing severe pressures at the interface with local hospitals and the PCT at this time, which may have led to budget overspends if the Directorate had not been successful in securing through negotiation the funding 'to support social care where it benefits health' of £2.4 million. It should be noted that discussions continue with the ONEL PCT cluster about the impact of their budgetary policy on jointly commissioned services and on Council services.

The current budgets reflect savings decisions made last year as part of the Council Tax setting process, which amounted to reductions of £4.62m from the ACS Budget this will represent a challenge to deliver without service detriment.

The Directorate and its Management Team have a track record of dealing with issues and pressures throughout the year to deliver a balanced budget.

Savings targets are currently showing a potential shortfall of £200k due to pressures in the following areas:

- Community Halls – there has been a delay on the transfer of the buildings to community associations and this is a potential savings risk;
- Community Equipment – this budget has had significant pressures due to a high demand and is now showing an overspend of £80k which is being off-set by other savings within the directorate;

- Mental Health – placement budgets are struggling with a demand pressure which they are managing through the social care funding in establishments.

The Directorate will ensure that these savings are met through managing other budgets robustly.

3.2 Children's Services:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	61,913	64,814	66,114
Projected overspend			1,300

Children's Services are reporting a potential in year overspend risk of £1.3m, which they intend to reduce during the course of the year.

Children's Complex Needs and the Children's placements budget are still experiencing pressures of £3.4m. As part of the placements recovery plan, there is a high cost placements meeting occurring once a month to discuss how to reduce the cost of these placements, however due to the higher than average 0-17 population, the Borough is also trying to manage down the demand.

Of the £4.5m savings put forward for 2011/12, there are risks to the delivery of certain savings however it is expected that each divisional director will manage the risks and achieve their savings targets.

Dedicated School Grant (DSG)

The Council retains £17.9m of the DSG in 2011/12 (2010/11; £16.3m).

3.3 Customer Services:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	28,202	26,858	27,823
Projected overspend			965

The Projected spend for Customer Services as at period 4 is £27,823k, which is an over spend of £965k. This represents a positive movement of £175k from the previous month. The main pressures are:

- Refuse income related to trade waste;
- Staff costs in refuse;
- Vehicle Fleet – continued spot hire pending supply of new vehicles under Translinc contract;
- Rising fuel & energy prices above budgeted inflation;
- Reduction in school buy-backs – mainly impacting on refuse and grounds maintenance;
- Temporary accommodation costs due to changes in Housing Benefit Subsidy rules. The service is addressing this through a combination of converting more

expensive Private Sector Landlords on to a lower cost portfolio, as well as using the council's own properties where feasible;

- Share of joint venture shortfall in funding;
- Delivery of 2011/12 savings.

The overall savings target for Customer Services was £4,264k of which the latest forecast is that £3,150k will be delivered this year. The shortfall for 2011/12 is £1,114k. Management action plans have been drawn up to mitigate the above pressures and the projections above reflect the net position. There is a risk of non-delivery of the additional savings required, over and above those formally agreed for the year, to offset those pressures.

3.4 Finance and Resources:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	10,388	13,392	15,612
Projected overspend			2,220

At this early stage of the year the Finance & Resources department is projecting a £2.2m overspend which is mainly due to the Directorate inheriting the budget pressures already existing within the Revenues & Benefits service at the point of transfer. £1.5m of this pressure has been highlighted in the Medium Term Financial Strategy (MTFS) and a separate Cabinet report will be submitted to consider a release from the Council's contingency budget to cover the budget shortfall. The remaining overspend relates to an increase in the Housing Benefit overpayments bad debt provision (£0.3m), court fees (£0.3m) and funding the Joint Venture contract (£0.1m). The department is currently considering how to mitigate the pressures to ensure that it does not overspend, but at this stage it is confident that it will be able to deliver its services within its overall approved working budget.

The Directorate is expecting to achieve its 2011/12 saving targets.

3.5 Chief Executive Office:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	1,023	591	591
Projected overspend			-

The Chief Executive Office will be able to deliver their services within the approved working budget. Some services have experienced early budget pressures, due to a delay in implementing their new structures, but as these are known work has already commenced to ensure that the overall spend is kept within the approved cash limited budgets.

The Directorate is expecting to achieve its 2011/12 saving targets.

3.6 General Finance:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	(19,482)	12,608	12,608
Projected overspend			-

General Finance continues to project a breaking-even position for its budget at the end of July.

As part of the General Finance savings target for this year, £1.0m was planned to be generated through the implementation of revised Terms and Conditions of Employment across the Council. This major project has commenced but is now unlikely to generate the full year savings included in the 2011/12 budget in the current year. An impact assessment arising from the delay in implementing this project is currently being prepared by Human Resources. It is likely that Cabinet will be asked, in a future report, to release an element of the £2.7m budget contingency to offset any shortfall in the planned saving.

3.7 Revenue Budget Adjustments Requesting Approval:

Cabinet are requested to approve the transfer of £190k from Children's Services to Legal Services to support the additional casework experienced by the legal team. This will minimise the use of external legal firms.

An additional transfer of £60k from Children's Services to Legal Services is also requested to fund in-house Advocacy support to reduce the use of Counsel.

3.8 Finalised 2010/11 Reserves Requesting Approval:

At its meeting on 14 June 2011 Cabinet received a report on the Council's provisional revenue and capital outturn (agenda item 4) and was advised of a number of corporate contingencies that had been established (paragraph 3.3). As part of the finalisation of the accounts there was a minor variation in the total amount reported in the Statement of Accounts. The table below shows that there was an increase in the amounts contributed of £65k:

Contributions to reserves	Cabinet report 14 June £'000	Statement of Accounts £'000	Difference £'000
Redundancies - corporate restructuring	1,380	2,505	(1,125)
Elevate transition - incorporated above	803	0	803
Budget Support	1,000	1,000	0
Insurance	500	1,000	(500)
Customer Services budget issues (restructuring)	1,405	0	1,405
Operational Delivery Risk (Joint Venture)	1,750	1,750	0
Resources & Finance under spend	480	569	(89)
Barking Adult College & Other Education	1,048	1,068	(20)

Other	0	539	(539)
Total	8,366	8,431	(65)

It should be noted that these adjustments do not change the overall outturn position that was notified to Cabinet on 14 June.

3.9 Transfers From Reserves Requesting Approval:

Cabinet are requested to approve the transfer of £1,750k from the Operational Delivery Reserve to the Finance and Resources Service. The reserve was established in 2010/11 to meet anticipated costs associated with the Joint Venture in 2011/12 and now needs to be released.

Cabinet are requested to approve the transfer of £480k from reserves to the Finance and Resources Service. The reserve was established in 2010/11 from under spends in Finance and Resources and should be rolled forward into the service this year.

4 In Year Savings targets

The delivery of the 2011/12 budget is dependent on meeting a substantial savings target of £20.3m. Directorate management teams are monitoring their targets and providing a monthly update of progress which is summarised in the table below. The savings shortfalls have been included in the Directorate projections set out in section 3 above.

A detailed breakdown of savings is provided in appendix B.

Directorate Summary of Savings Targets	Target £'000	Projection £'000	Shortfall £'000
Adult and Community Services	4,620	4,420	200
Children's Services	4,500	4,500	-
Customer Services	4,264	3,150	1,114
Finance & Resources and CEO	2,960	2,960	-
General Finance	4,000	4,000	-
Total	20,344	19,030	1,314

5 Housing Revenue Account

There is a budget pressure on the HRA as at period 4 of £47k. However, the HRA budget includes a contribution to the HRA reserve of £1,469K and this pressure would result in a net contribution to reserves of £1,422K. The budget pressure relates to:

- Rising energy and insurance costs which may not all be recoverable in year from tenants/leaseholders;
- Severance costs of £161k have been offset by reduced staffing costs where there are some vacant posts;
- The projected outturn includes allowances to cover the part year costs of additional Metropolitan Police Officers as well as potential costs associated towards tendering of a new Repairs and Maintenance contract.

- Collection of rent and Leasehold service charges is slightly below target and there is a forecasted pressure of £160k to reflect this.
- The pressures are being offset by additional rental income from properties which are earmarked for decants. This is because the rate of decants is slower than originally budgeted for.

A detailed HRA is provided in appendix C.

6 Capital Programme

The Capital Programme budget has been updated to reflect the capital roll forwards approved by Cabinet on 14 June 2011.

Directorate Summary of Capital Expenditure	Original Budget £'000	Revised Budget £'000	Projected Outturn £'000	Projected Variance £'000
Adult and Community Services	10,963	12,611	12,778	167
Children's Services	56,993	66,321	68,914	2,593
Customer Services	38,017	48,530	48,367	(163)
Finance & Resources	15,682	19,527	19,034	(493)
Total	121,655	146,989	149,093	2,104

At the end of July 2011 the overall status of LBBB's Capital Programme is 'Green'; currently all departments have attained a status of 'Green'.

Adult and Community Services:

- The £167K over spend consists of minor variances.

Children's Services:

- The Former UEL Site New Primary School project shows a £1.6m over spend that will be met by bringing forward the 2012/13 budget. Over the life of the project it is expected to be on budget;
- Schools Modernisation Fund is projecting a £1.3m over spend. This will be met by additional external funding from the Department for Education;
- Thames View Infants London TG Agreement is projecting a £0.4m over spend. This is anticipated to be met by additional external funding from London Thames Gateway and confirmation of the funding is expected shortly;
- The Skills Centre is currently expected to be completed with a £1.4m under spend. A budget adjustment will be requested once the figures are confirmed;
- The remaining over spend is attributable to minor differences on various projects.

Customer Services:

- Overall the service is predicting an under spend of £163k. Although variances on individual project are high this is due to the need to transfer budgets between related projects. Work is currently being undertaken to distribute budgets accordingly.

Finance & Resources:

- The Corporate Accommodation Strategy is currently projecting a £0.4m underspend on an overall budget of £2.2m, however this may change as the project progresses;
- The remaining over spend is attributable to minor differences on various projects.

All projects continue to be robustly monitored by CPMO and supporting Finance Teams, ensuring appropriate compliance is adhered to.

The detailed capital Programme is available at appendix D with budget adjustment requests contained within appendix E.

7 Financial Control

- 7.1 At the end of July all key reconciliations have been prepared and reviewed, no major unidentified items were left unreconciled.

8. Financial Implications

Implications verified by: Tracie Evans, Corporate Director

- 8.1 This initial review of 2011/12 performance indicates that the council continues to face significant pressures in the cost of Children's placements and in its Environmental Services division. The Corporate Director of Customer Services has initiated a detailed review of the Environment and Enforcement budgets and progress will be reviewed and reported. The Corporate Director of Finance and Resources continues to monitor actions to control spend and ensure departmental savings targets, set within the budget, are delivered.

9. Legal Implications

Implications verified by: Tasnim Shawkat, Divisional Director of Legal and Democratic Services

- 9.1 Previous reports have advised Members of the obligation upon a billing authority to set a balanced budget each year by virtue of section 32 Local Government Finance Act 1992 taking account of required expenditure, contingencies and reserves among other things. Section 43 makes corresponding provision for major precepting authorities. Those sections require the relevant authorities to set an 'appropriate' level of reserves for the year in question. The reserves may be drawn upon during the year even if as a result they fall below the minimum. Members will note the reported position and comments made in relation to reserves and the budget position for this year going forward.
- 9.2 Similarly Members are reminded of the Council's ongoing duty under section 28 Local Government Act 2003 to keep its financial position under review and if it appears that there has been a deterioration in its position it must take such action as it considers necessary to deal with the situation. It is to be noted that a robust financial position based on effective past measures is here reported. Members will wish to be satisfied that appropriate actions are being taken to deal with any projected overspends and deliver services in the tougher economic climate the council finds itself in.

10. Other Implications

- **Risk Management**

The risk to the Council is that if the currently projected overspends are not managed effectively the level of balances will fall below the recommended value of £10m as set by the Corporate Director of Finance and Resources.

- **Customer Impact**

As far as possible all restraints have been placed on non-essential services spend. Some cuts may directly or indirectly affect customers but every effort will be made to mitigate any impact on front line services. All departments are required to consider the equalities impacts of their savings plans, and to put in place mitigating actions where necessary. A global equalities impact assessment was reported to Assembly as part of agreeing the 2011/12 annual budget and Council Tax.

- **Safeguarding Children**

All actions taken to mitigate the overspend of the placements budget in Safeguarding and Rights will need to be undertaken within a risk management framework to ensure that the safeguarding needs of individual children are not compromised.

Background Papers Used in the Preparation of the Report:

- Provisional Revenue and Capital Outturn 2010/11; Cabinet 14 June 2011
- Budget and Medium Term Plan 2011/14; Cabinet 26 February 2011

Appendices

- A – General Fund expenditure by Directorate
- B – Savings Targets by Directorate
- C – Housing Revenue Account expenditure
- D – Capital Programme
- E – Requested Capital Budget Adjustments

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GENERAL FUND REVENUE MONITORING STATEMENT JULY 2011/12

SERVICES	Outturn 2010/11	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>					
Adult Care & Commissioning	48,705	45,896	45,886	45,886	-
Mental Health	4,172	3,837	3,799	3,799	-
Community Safety & Neighbourhood Services	3,736	4,360	4,690	4,690	-
Culture & Sport	12,671	10,449	10,459	10,459	-
Management	667	247	285	285	-
	69,951	64,789	65,119	65,119	-
<u>Children's Services</u>					
Education	12,455	6,111	7,025	7,025	-
Targeted Support	1,359	14,406	13,574	13,574	-
Complex Needs and Social Care	34,773	31,646	31,624	34,997	3,373
Commissioning and Safeguarding	6,031	4,877	4,817	4,817	-
Other Management Costs	7,295	8,104	7,774	5,701	(2,073)
	61,913	65,144	64,814	66,114	1,300
<u>Children's Services - DSG</u>					
Schools	(15,175)	(21,148)	(21,148)	(21,148)	-
Quality & Schools Improvement	9,040	5,343	5,343	5,343	-
Integrated Family Services	2,544	3,510	3,510	3,510	-
Safeguarding & Rights Services	214	4,763	4,763	4,763	-
Children's Policy & Trust Commissioning	1,163	1,442	1,442	1,442	-
Skills and Learning	770	-	-	-	-
Other Services	1,444	6,090	6,090	6,090	-
	-	-	-	-	-
<u>Customer Services</u>					
Environment & Enforcement	20,601	16,948	16,943	17,456	513
Housing General Fund	3,360	3,378	3,378	3,499	121
Barking & Dagenham Direct	4,242	6,532	6,537	6,868	331
	28,203	26,858	26,858	27,823	965
<u>Finance & Resources</u>					
Directorate of F&R	(109)	414	414	414	-
Human Resources	(32)	250	340	340	-
Commercial Services (including JV contract)	4,482	2,598	2,598	4,818	2,220
Financial Services	(5)	-	130	130	-
Audit & Risk	(20)	-	-	-	-
Regeneration	4,571	5,229	5,229	5,229	-
Corporate Management	4,694	4,681	4,681	4,681	-
ICT (now within JV contract)	(3,193)	-	-	-	-
	10,388	13,172	13,392	15,612	2,220

Appendix A

SERVICES	Outturn 2010/11	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
<u>Chief Executive Services</u>					
Chief Executive Unit	1,185	-	(90)	(90)	
Legal & Democratic Services	795	441	381	381	
Corporate Policy & Public Affairs	(957)	300	300	300	
	1,023	741	591	591	-
<u>Other</u>					
General Finance	(27,608)	1,257	1,317	1,317	-
Contingency	-	2,834	2,704	2,704	-
Levies	8,126	8,587	8,587	8,587	-
	(19,482)	12,678	12,608	12,608	-
TOTAL	151,996	183,382	183,382	187,867	4,485

GENERAL FUND REVENUE MONITORING STATEMENT JULY 2011/12

SERVICES	Detail	Target	Projected Outturn	Projected Shorfall
		£'000	£'000	£'000
<u>Adult & Community Services</u>				
ACS/SAV/8	Adult care restructure	250	250	-
ACS/SAV/9	Cross directorate staffing reductions	320	320	-
ACS/SAV/12	YOS/DAAT family focused skills	75	75	-
ACS/SAV/13	Crime prevention	250	250	-
ACS/SAV/14	Youth Offending & Substance Misuse	50	50	-
ACS/SAV/15	Parks police	100	100	-
ACS/SAV/16	Adult care commissioning	1,177	1,177	-
ACS/SAV/17	Charging policy review	125	125	-
ACS/SAV/18	Community Grants	250	250	-
ACS/SAV/19	Joint working/closer integration	300	300	-
ACS/SAV/20	Meals on wheels income	125	125	-
ACS/SAV/21	Broadway theatre	100	100	-
ACS/SAV/22	Parks & Events	150	150	-
ACS/SAV/25	Community halls	125	125	-
ACS/SAV/26	Community equipment	100	-	100
ACS/SAV/27	Mental health budget reduction	100	-	100
ACS/SAV/28	PPP review	300	300	-
ACS/SAV/29	Support services	300	300	-
ACS/SAV/30	Security costs	200	200	-
ACS/SAV/32	Reduce Family Learning	23	23	-
ACS/SAV/33	Reduce Security provision in Buildings	150	150	-
ACS/SAV/34	Increase Volunteers in Libraries	50	50	-
		4,620	4,420	200
<u>Children's Services</u>				
CHS/SAV/1	Directorate re-organisational efficiencies	1,599	1,599	-
CHS/SAV/2	Children's Policy and Trust Commissioning Management	(15)	(15)	-
CHS/SAV/3	Youth Provision Reconfiguration	300	300	-
CHS/SAV/4	Childminding	35	35	-
CHS/SAV/5	Management Children's Centres	114	114	-
CHS/SAV/6	Teenage Pregnancy	127	127	-
CHS/SAV/7	Supplies & Services Budget	12	12	-
CHS/SAV/8	Advisory Teachers/National Strategy	(70)	(70)	-
CHS/SAV/9	Attendance Service Reduction	150	150	-
CHS/SAV/10	City Learning Centre	150	150	-
CHS/SAV/11	Community Music Service	140	140	-
CHS/SAV/12	Director's representatives at Governors Meetings	5	5	-
CHS/SAV/13	Inspection Service	150	150	-
CHS/SAV/14	Language Support Service Grant	(38)	(38)	-
CHS/SAV/15	Modern Foreign Language Support	(10)	(10)	-
CHS/SAV/16	Transport Savings From Adjustments for Affordability	500	500	-
CHS/SAV/17	Transport to DSG	200	200	-
CHS/SAV/18	Trewern	66	66	-

Appendix B

SERVICES	Detail	Target	Projected Outturn	Projected Shorfall
		£'000	£'000	£'000
CHS/SAV/19	Westbury Centre	41	41	-
CHS/SAV/21	Court Assessment Team	35	35	-
CHS/SAV/24	Service Development Support Officer	50	50	-
CHS/SAV/25	14-19 ABG Funded Staff	53	53	-
CHS/SAV/26	Aim Higher	(35)	(35)	-
CHS/SAV/27	Apprenticeships Savings	502	502	-
CHS/SAV/28	Job Brokerage Services	125	125	-
CHS/SAV/30	School Gates	(25)	(25)	-
CHS/SAV/31	Children's IT service	60	60	-
CHS/SAV/32	Woodlands Premises Cost	39	39	-
CHS/SAV/34	Crisis Intervention	32	32	-
CHS/SAV/35	Family Group Conference	53	53	-
CHS/SAV/36	Safeguarding & Quality Assurance	55	55	-
CHS/SAV/37	Charging for CiC	100	100	-
		4,500	4,500	-
<u>Customer Services</u>				
CUS/SAV/1	Customer services management re-structure	424	424	-
CUS/SAV/2	Redesigning street cleansing operations	200	-	200
CUS/SAV/3	Passenger Transport - remodelling of services	1,119	969	150
CUS/SAV/4	Environmental & Trading Standards	150	150	-
CUS/SAV/5	Parks & open spaces	370	170	200
CUS/SAV/6	Street Scene - Parking CPZ	686	363	323
-	Street Scene - Parking Staff Permit	354	177	177
CUS/SAV/7	Street Scene - Call Outs	75	40	35
CUS/SAV/8	Street Scene - Depot	48	48	-
CUS/SAV/9	Street Scene - Road Safety	54	25	29
CUS/SAV/10	Housing Advice Proforma Restructure	75	75	-
CUS/SAV/11	Housing Advice Re-align Recharges to HRA	150	150	-
CUS/SAV/13	Environment reduction in staff post	30	30	-
CUS/SAV/14	Revenues and Benefits Head of Service post	85	85	-
CUS/SAV/15	Housing Advice Reduce subsidy gap	200	200	-
CUS/SAV/21	Supplies & services	(81)	(81)	-
CUS/SAV/22	B&D Direct - Service Efficiency in new One Stop Shop	(50)	(50)	-
CUS/SAV/23	B&D Direct - Staff Saving in new One Stop Shop	(25)	(25)	-
CUS/SAV/28	Temporary Accommodation Re-design	400	400	-
		4,264	3,150	1,114

Appendix B

SERVICES	Detail	Target	Projected Outturn	Projected Shortfall
		£'000	£'000	£'000
<u>Finance & Resources and Chief Executive Services</u>				
FIN&RES/SAV/1	Human Resources - Staffing Review	306	306	-
FIN&RES/SAV/2	Asset & Capital Delivery Staffing Reductions inc Capital	825	825	-
FIN&RES/SAV/3	Marketing and comms review	554	554	-
FIN&RES/SAV/4	Rationalisation of complaints & FOI's	71	71	-
FIN&RES/SAV/5	Rationalisation of Legal practice	470	470	-
FIN&RES/SAV/6	Rationalisation of Democratic Services	197	197	-
FIN&RES/SAV/7	PPP review	387	387	-
FIN&RES/SAV/8	Regeneration & Economic development re-structure	300	300	-
FIN&RES/SAV/9	Corporate Finance review	497	497	-
FIN&RES/SAV/10	Audit & Risk	23	23	-
FIN&RES/SAV/11	Corporate Director of Resources Post	80	80	-
FIN&RES/SAV/12	Reduction in corporate projects	150	150	-
FIN&RES/SAV/13	Deletion of total commissioning service	200	200	-
FIN&RES/SAV/14	Reduction in Building Schools for Future budgets	650	650	-
FIN&RES/SAV/15	Misc MWOW & One B&D Savings	186	186	-
FIN&RES/SAV/16	Misc Support Services non-recurring savings	(1,936)	(1,936)	-
		2,960	2,960	-
<u>Corporate Savings</u>				
JV/SAV/1	Initial Savings from the Joint Venture	3,000	3,000	-
CORP/SAV/01	Terms & Conditions Review	1,000	1,000	-
		4,000	4,000	-
TOTAL		20,344	19,030	1,314

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HOUSING REVENUE ACCOUNT MONITORING STATEMENT JULY 2011/12

HOUSING REVENUE ACCOUNT	Outturn 2010/11	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
Rents	(73,118)	(76,625)	(76,625)	(77,250)	(625)
Non Dwelling Rent	(2,367)	(2,565)	(2,565)	(2,577)	(12)
Other Income	(12,128)	(11,603)	(12,029)	(11,927)	102
Capitalisation of Repairs	(2,518)	(2,500)	(1,000)	(1,000)	-
Repairs and Maintenance	22,874	23,153	21,579	21,514	(65)
Supervision and Management	31,533	28,926	29,426	29,880	454
Rent Rates and Other	990	920	920	920	-
Subsidy	18,048	18,931	18,931	18,931	-
Depreciation	13,481	14,697	14,697	14,697	-
Bad Debt Provision	658	953	953	1,113	160
Interest Charges	1,173	3,431	3,431	3,431	-
Corporate & Democratic Core	811	811	811	811	-
Pensions	-	80	80	113	33
Interest	(484)	(78)	(78)	(78)	-
Contribution to HRA Reserve	(1,047)	(1,469)	(1,469)	(1,422)	47

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CAPITAL PROGRAMME MONITORING STATEMENT JULY 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>				
Community Services, Heritage & Libraries				
Ripple Hall (St Georges/Vol Group Relocation)	100	375	375	-
Valence Site Redevelopment	300	465	450	(15)
Eastbury Manor House Redevelopment	-	-	15	15
Disabled Adaptations (HRA)	500	502	502	-
	900	1,342	1,342	-
Leisure & Olympics				
Contingency	18	18	116	98
Barking Park Restoration & Improvement	4,303	4,698	4,698	-
Pondfield Park	-	22	22	-
Green Flag & Small Scale Works	-	-	-	-
Staff Costs	98	98	-	(98)
Abbey Green Park Development	33	48	48	-
Valence Park Improvements	24	31	31	-
Mayesbrook Watercourse & Park Study	-	-	-	-
Civic Centre Gardens (Formerly Kestrel)	-	152	152	-
BTC Public Art Project	-	11	11	-
Abbey Sports Centre (Wet Side Changing Areas)	-	9	9	-
Barking Park Artwork	84	84	84	-
Becontree Heath Leisure Centre	4,617	5,120	5,182	62
Goresbrook Leisure Centre - Olympic Training Venue	139	207	207	-
Mayesbrook Park Improvements (Phase 1)	747	771	866	95
Play Builder	-	-	10	10
	10,063	11,269	11,436	167
Total For Adult & Community Services	10,963	12,611	12,778	167
<u>Children's Services</u>				
Primary Schools				
Eastbury	150	176	459	283
Northbury Infants & Juniors	-	62	-	(62)
Cambell Infant & Juniors	25	267	267	-
Barking Riverside first Primary School	3,015	5,181	5,181	-
Roding Primary School - Cannington Road Annex	250	323	323	-
Beam Primary Expansion	100	304	304	-
St Joseph's Primary - expansion	1,850	1,962	2,100	138
St Peter's Primary - expansion	75	137	132	(5)
Thames View Infants - London TG Agreement	420	240	623	383
Cambell Junior - Expansion & Refurb	25	167	167	-
Thames View Juniors - Expansion & Refurb	2,230	2,250	2,250	-
Former UEL Site - New Primary School	8,500	8,510	10,138	1,628
Ripple Primary - Expansion	-	(3)	-	3
Roding Primary School	-	(7)	-	7
Westbury - New Primary School	1,750	1,924	1,924	-
Lymington Primary School - New School	-	-	-	-
St Georges - New Primary School	2,260	2,745	2,745	-
Trinity School - Conversion	-	-	-	-
Manor Junior	-	-	-	-
	20,650	24,238	26,613	2,375

CAPITAL PROGRAMME MONITORING STATEMENT JULY 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Other Schemes				
Renewal School Kitchens 2009/10	25	32	51	19
SMF - School Modernisation Fund (Inc 2009-10 SMF Element)	997	1,902	3,224	1,322
Youth Access Card	15	264	264	-
Extended Schools Phase 4	-	(21)	-	21
Extended Schools	-	1	1	-
School's Kitchen Extension/Refurbishment 10/11	490	554	554	-
Cross-Government Co-Location Fund	50	141	141	-
Basic Needs Projects (Formerly Additional School Places)	1,501	1,535	1,535	-
Schools Re-Boiler Works	-	2	-	(2)
Schools Legionella Works	-	88	88	-
Schools L8 Water Quality Remedial Works 2010/11	15	143	143	-
Schools Reboiler & Repipe Fund	250	327	329	2
Schools Asbestos Management & Removals 2010-11	-	8	8	-
William Bellamy Childrens Centre	-	3	3	-
Becontree Childrens Centre	-	-	-	-
John Perry Childrens	-	10	10	-
Furze Children'S Centre	-	-	-	-
Alibon Childrens Centre	-	-	18	18
Gascoigne Community Centre	-	-	-	-
Youth Bus	-	(11)	-	11
Gascoigne Primary	-	-	-	-
512a Heathway - Conversion to a Family Resource	-	-	225	225
Devolved Capital Formula	-	805	805	-
Barking Abbey - Schools For The Future	-	-	-	-
Eastbury PFI Variation Area - Schools For The Future	-	-	-	-
Eastbury QJEU Capital Build - Schools For The Future	-	-	-	-
Warren - Schools For The Future	-	-	-	-
Sydney Russell - Schools For The Future	24,000	12,078	12,078	-
Trinity - Schools For The Future	-	-	-	-
Provision of New School Places	-	14,000	14,000	-
	27,343	31,861	33,477	1,616
Skills, Learning & Enterprise				
Dagenham Job Shop	-	11	-	(11)
Advanced Skills Centre	9,000	10,211	8,824	(1,387)
	9,000	10,222	8,824	(1,398)
Total For Children's Services	56,993	66,321	68,914	2,593
Customer Services				
HRA				
Housing Futures	3,363	3,363	13,643	10,280
Refurbishment of Bartlett & Oldmead	-	135	-	(135)
Millard Terrace	34	115	35	(80)
Extensions and loft conversions	-	15	-	(15)
Lifts replacement	1,810	2,291	1,020	(1,271)
SAMS formerly remote concierge	-	155	65	(90)
DH works Framework contracts	-	455	626	171
Major maintenance renewals	2,500	2,500	1,000	(1,500)
Heating works (Thaxted, Maxey & Humphries Houses)	-	157	283	126
Decent Places/CHP provision	-	(1)	-	1
In House Costs/Contract Preparation	1,000	907	800	(107)
CHP Programme	1,000	1,209	63	(1,146)
Electrical Switchgear Project	520	792	744	(48)
Extensions and deconve	-	(87)	73	160
Communal Lighting and Electrical Switchgear	1,500	1,500	1,050	(450)
External Enveloping Work	3,000	2,609	373	(2,236)
Sheltered Alarms Upgrade	-	88	38	(50)
Colne & Mersea Blocks	4,269	5,762	5,674	(88)
Capitalised Improvement Works	-	155	224	69
Housing Capitalised Works	-	2	-	(2)
Estate Improvement Project	-	309	800	491
Oldmead & Bartlett Remedial Works	-	100	100	-
King William St Qtr	1,816	1,816	429	(1,387)
Council Housing & Thames	12,621	-	-	-
Council Housing - New Builds	463	3,003	596	(2,407)
New Council Housing Phase 3	-	12,621	12,332	(289)

**CAPITAL PROGRAMME MONITORING STATEMENT
JULY 2011/12**

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Land Disposal	-	(3)	-	3
	33,896	39,968	39,968	-

CAPITAL PROGRAMME MONITORING STATEMENT JULY 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Non-HRA Housing				
Private Sector Households	800	1,118	1,118	-
Private Sector Households (105)	-	44	687	643
Housing Modernisation Programme	-	57	57	-
	800	1,219	1,862	643
Environment & Enforcement				
Highways Maintenance(TFL)	380	380	-	(380)
Land Quality Inspection Programme	80	80	-	(80)
Street Light Replacing	1,000	1,216	1,216	-
Flats recycling banks scheme	-	307	307	-
Principal Rd Resurfacing - Longbridge Rd (TFL)	-	446	341	(105)
Road Safety Improvement Schemes (TFL)	-	100	96	(4)
SNAPS	-	174	-	(174)
Becontree Neighbourhood Improvements	-	63	-	(63)
Parking Software Replacement	-	-	-	-
Highways Structural Repairs	-	-	-	-
Local Safety Schemes (TFL)	-	-	-	-
Environmental Improvements - On Street Waste Receptacles	630	630	630	-
Christmas Lighting	45	45	45	-
	2,135	3,441	2,635	(806)
Customer Services B&D Direct				
Excellent Customer Services	-	10	10	-
Office Accomodation	-	80	80	-
	-	90	90	-
ICT				
Microsoft Enterprise Agreement	36	162	162	-
One B & D Ict Main Scheme	1,150	3,650	3,650	-
IT for Members	-	-	-	-
ICT Infrastructure	-	-	-	-
	1,186	3,812	3,812	-
Total For Customer Services	38,017	48,530	48,367	(163)
Resources				
Asset Strategy				
L8 Surveys and Risk Assessment Updates	35	35	-	(35)
L8 Control of Legionella Remedial Works	-	72	243	171
Asbestos (Public Buildings)	128	112	112	-
Automatic Meter Reading Equipment	119	111	111	-
Backlog Capital Improvements	375	667	667	-
CMRP DDA for Buildings	-	27	27	-
Implement Corporate Accommodation Strategy	2,073	2,185	1,750	(435)
Legionella (Public Buildings)	-	170	-	(170)
New Dagenham Library & One Stop Shop	-	200	200	-
Intruder Alarms	-	-	-	-
Energy Efficiency Programme	-	-	-	-
	2,730	3,579	3,110	(469)

CAPITAL PROGRAMME MONITORING STATEMENT JULY 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Regeneration				
London Road Market Square	-	-	-	-
Creekmouth	-	(15)	-	15
Dagenham Heathway	-	83	83	-
Legi Business Centres	3,647	3,915	3,915	-
Industrial Area Improvement	-	84	84	-
Barking Town Square (Phase 2)	494	536	536	-
Retail Premise Improvement Grant	21	21	21	-
Barking Town Centre - Low Carbon Emission (TFL & GLA)	85	135	135	-
BTC Public Realm - Tsq & Abbey	103	134	134	-
Area Based Schemes (Shopping Parades)	-	183	183	-
Robin Hood Shopping Parade Enhancement (TFL & S106)	-	330	330	-
Barking Town Centre	-	92	92	-
Barking Station Forecourt Interim Public Realm Improvements	-	65	65	-
East End Thames View Demolition	57	64	64	-
Axe Street Housing	263	263	263	-
Demolition of Kingsbridge Site	-	25	25	-
Rainham Road Corridor (TFL)	-	96	96	-
Green Lane Corridor (TFL)	-	119	119	-
London Road/North Street Site Acquisitions	1,100	1,003	1,003	-
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Gascoigne)	6,382	398	398	-
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Leys)	-	366	366	-
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Goresbrook Village)	-	483	483	-
Boroughwide Estate Renewal - Decants and Leaseholder Buyback	-	5,684	5,684	-
TFL LIP 2011-12	-	-	-	-
Barking Station Forecourt - Phase 1 Implementation (TFL & S106)	800	910	910	-
Mayesbrook Park Access Improvements (TFL)	-	381	371	(10)
Merry Fiddlers Junction Improvements (TFL)	-	150	144	(6)
Cycling on Greenways and Local Cycle Links (TFL)	-	150	143	(7)
Station Access Improvements (TFL)	-	50	48	(2)
Future Scheme Development - various locations (TFL)	-	30	25	(5)
Car Club Expansion (TFL)	-	15	14	(1)
Biking Borough Initiative (TFL)	-	128	123	(5)
Cycling on Greenways (TFL)	-	-	-	-
LIP Cycling/Walking Schemes (TFL)	-	-	-	-
William Quarter Street - Phase 1	-	-	-	-
Bus Priority 2010-11 (TFL)	-	-	-	-
Minor Works - Various Locations - Local Transport Fund (TFL)	-	70	67	(3)
	12,952	15,948	15,924	(24)
Total For Resources	15,682	19,527	19,034	(493)
GRAND TOTAL	121,655	146,989	149,093	2,104

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REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £'000	Budget 2012/13 £'000	Total Budget £'000	External Funding £'000	Departmental Borrowing £'000	Corporate Borrowing £'000	Total Funding £'000
<u>Children's Services - Current Programme</u>							
St Joseph's Primary - expansion	1,962	50	2,012	2,012	-	-	2,012
Cross-Government Co-Location Fund	141	-	141	141	-	-	141
Allbon Childrens Centre	-	-	-	-	-	-	-
Eastbury	238	-	238	238	-	-	238
Sub Total	2,341	50	2,391	2,391	-	-	2,391
<u>Children's Services - Proposed Programme</u>							
St Joseph's Primary - expansion	2,012	-	2,012	2,012	-	-	2,012
Cross-Government Co-Location Fund	1	-	1	1	-	-	1
Allbon Childrens Centre	98	-	98	98	-	-	98
Eastbury	280	-	280	280	-	-	280
Sub Total	2,391	-	2,391	2,391	-	-	2,391
<u>Resources - Current Programme</u>							
Implement Corporate Accommodation Strategy	883	-	883	-	472	411	883
Corporate Accommodation Strategy	1,454	1,559	3,013	-	-	3,013	3,013
Sub Total	2,337	1,559	3,896	-	472	3,424	3,896
<u>Resources - Proposed Programme</u>							
Implement Corporate Accommodation Strategy	883	-	883	-	472	411	883
Corporate Accommodation Strategy	1,019	1,994	3,013	-	-	3,013	3,013
Sub Total	1,902	1,994	3,896	-	472	3,424	3,896
Current Total - Schemes with requested change	4,679	1,609	6,288	2,391	472	3,424	6,288
Proposed Total - Schemes with requested change	4,294	1,994	6,288	2,391	472	3,424	6,288
Total of proposed changes	(385)	385	-	-	-	-	-

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CABINET

20 September 2011

Title: Gascoigne Estate Renewal - Site Delivery and Disposal Options	
Report of the Cabinet Member for Regeneration	
Open report	For Decision
Wards Affected: Gascoigne	Key Decision: Yes
Report Author: Jeremy Grint, Divisional Director of Regeneration & Economic Development	Contact Details: Tel: 020 227 2443 E-mail: jeremy.grint@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint	
Accountable Director: Tracie Evans	
<p>Summary:</p> <p>This report sets out the recommended options for the disposal and delivery of new homes at the Gascoigne Estate, Barking.</p> <p>The planned Estate Renewal of phase 1 at Gascoigne comprises four tower blocks and some adjacent low rise blocks for decanting and demolition. In total 364 flats will be demolished by the end of the financial year 2013/2014 and there is a commitment to take down a further 1000 by the end of 2017. This is part of the Housing Revenue Account Debt Settlement and CLG have been informed that these properties will be demolished before the end of 2017. However the Cabinet have not formally agreed the expenditure for this.</p> <p>The decant and buyback programme would deliver cleared and unencumbered sites for development.</p> <p>The Cabinet has previously approved the Estate Renewal programme of works, including the Gascoigne Estate in two separate reports. A 6 July 2010 Cabinet report outlined the strategic objectives of the Housing Management Asset Strategy as:</p> <ol style="list-style-type: none"> 1. Support the establishment of a long-term viable Housing Revenue Account (HRA) 2. Establish a funded and deliverable Decent Homes Programme 3. Establish a funded and deliverable Estate Renewal programme in support of the Council's core Decent Homes Programme. <p>The Cabinet agreed the following recommendations:</p> <p>(i) <i>The development of a programme of Estate Renewal initially across three estates: Gascoigne Estate (East), Goresbrook Village and the Leys with detailed business cases and option appraisals being developed to identify first phases for activity that will be presented to Cabinet for decision at a future meeting.</i></p>	

- (ii) *The establishment of an Estate Renewal Account within the Housing Revenue Account (HRA) to help fund the redevelopment of identified estates to be funded from,*
- *The re-allocation of £7.1m corporate borrowing support, previously identified to support the Council's new build programme (now funded fully within the HRA)*
 - *Land sales capital receipts*
 - *Right-to-Buy receipts*
 - *External regeneration monies*
 - *Units in-kind from any arrangements with individual developers which enable the Council to utilise part of the rents to support further borrowing*
- (iii) *The Estate Renewal Account to be administered and held within the HRA and used as directed by the Corporate Director for Customer Services and Corporate Director for Finance and Resources.*
- (iv) *Note that a fundamental review of housing revenue and capital procurement is being undertaken ensure the most cost effective delivery of the Housing Asset Management Strategy*
- (v) *The establishment of a Member working group to be convened by the Cabinet Member for Housing to explore and formulate with officers the detailed business case and option appraisals for the Estate Renewal programme. This will be preceded by meetings with the affected Ward Members.*

Cabinet agreed that the Estate Renewal programme would decant and buy back at the Gascoigne Estate, 13 tower blocks and associated low-rise buildings on the eastern side of the estate. On the western side of the estate, all the homes would be subject to Decent Homes work.

A further report to Cabinet on 2 November 2010 identified how to spend the initial £7.1m set aside for the Estate Renewal programme and the remaining £16m that will be spent across the first phase of the Estate Renewal. The required costs for the Estate Renewal Programme and apportionment of the funding are included as **Appendix 3** to this report.

The Cabinet agreed seven recommendations including the following recommendation:

(iii) Authority to undertake a programme of community consultation and engagement with residents of the affected areas of the Gascoigne, Goresbrook Village and the Leys estates and commence decant and the purchase of leasehold interests.

As a result of this letters were sent to every resident on the Gascoigne Estate in November. These letters informed them of their status within the phases of the redevelopment and the programme of Estate Renewal. Open meetings have been held as well as surgeries for residents to book appointments to discuss their situation and a number of residents have moved from their units in the first phase. The speed of this consultation has been maintained to ensure that the decanting can be undertaken swiftly and demolition can commence.

A report was drafted for the 23 August 2011 Cabinet to look at the next phase of this programme – the delivery and disposal of the new residential units on the three Estate Renewal sites, Gascoigne, Goresbrook Village and the Leys.

Officers were asked by Cabinet Members to examine a further option for the Gascoigne Estate – the possibility of a stock transfer for the eastern side of the estate linked to the sale of any cleared land.

There is an imperative to provide new homes quickly for two reasons. The first reason is to provide new social rented homes not only for those households on the housing waiting list but also to assist with the decanting process and the additional needs arising out of that. Linked to this the Council have been offered by the Homes and Communities Agency £18.3m for new affordable homes including social rent properties. In order to access this funding, new homes need to be completed by March 2015. Bearing in mind the length of time it takes to procure a development partner and undertake the development process it is essential that we get a partner on board quickly to maximise that potential grant.

Also, it must be emphasised that the Gascoigne Estate Renewal project is not just a housing project. It will have significant regeneration benefits for Barking Town Centre. The Local Development Framework states that *“the Council wishes to build a mixed community, with a variety of tenures living in high quality homes of different sizes and type providing long term social economic change.”*

Key to the Council’s vision is that the perception of Gascoigne as an Estate should disappear, with the area becoming simply integrated, as a largely residential area, within the overall regeneration of the Town Centre.

In order to achieve the above, three options are looked at in detail in the report,:

- DO1: Enter into an agreement with a Housing Association which, instead of a direct capital receipt, could encompass new build Council, refurbished Council and Housing Association built properties (affordable rented, intermediate and private sale);
- DO2: Enter into a development agreement with a developer on the basis of a proportion of new homes being delivered to the Council instead of a direct capital receipt together with the option of the Council to long lease sub-market (i.e. affordable) rented properties subject to suitable terms and to acquire further social rented homes by applying a part of the affordable housing grant secured from the HCA and Council borrowing and surpluses within the HRA settlement;
- DO3: Transfer the retained stock on the eastern side of the estate to a Housing Association and sell any cleared sites to the Housing Association

It is worth considering the principles which underpinned the inclusion of Gascoigne in the Estate Renewal programme:-

- Robust housing asset management (which can be directly traced back to Housing Futures option appraisal in 2004/05) to take the properties which would be most expensive to bring up to standard and were the least popular with tenants / housing applicants – which are the high rise blocks on Gascoigne
- The social and economic imperatives to regenerate the estate as set out in the Council’s Barking Town Centre strategy in 2003 and the Council’s Barking Town Centre Action Area plan approved in 2010.

A stock transfer is not consistent with achieving these objectives.

With regard to the other two options there are pros and cons as set out in **Appendix 2**. For example the partnership with a Housing Association model would allow the Council to address the whole Estate Renewal area, would bring its own Affordable Homes Funding,

and other internal resources, whereas the development partner model only applies to Phase 1 and would rely on Council Affordable Homes Funding and Council HRA resources. The HA partnership would also generate some funding to run a social and economic regeneration programme to assist Gascoigne residents access employment and may create a surplus which could be used to reduce the costs to the HRA in future decanting on the estate allowing HRA money to be used elsewhere in the Borough. In addition, such an approach would increase the decant options for households on the Gascoigne by increasing access to the HA properties, not only in the Borough but elsewhere, reducing demands on the Councils housing stock. However the Development Partner model would result in 128 social rents homes more quickly (using Affordable Homes Funding and HRA resources) and there is no guarantee that the Housing Association model would reach this figure although in overall terms they would provide a larger number of affordable homes. In regeneration terms both options would deliver mixed tenure schemes and contribute significantly to changing the perception of the area.

On balance it is recommended that Cabinet should agree to authorise Officers to establish a partnership with a Housing Association as set out in Section 3.1. Such an approach will give comfort to the Gascoigne residents that a comprehensive scheme for Estate Renewal will happen and such an approach will both allow flexibility in decant arrangements and allow some HRA resources to be spent elsewhere in the Borough on other Estate Renewal activity.

Recommendation(s)

Cabinet is recommended to:

- (i) Agree that the preferred delivery option for the Gascoigne Estate will be to select, through an OJEU competitive tender process, a Housing Association to enter into a partnership arrangement with Council to regenerate the areas identified for redevelopment on the Estate, with the final terms to be agreed under a delegated authority by the Corporate Director of Finance and Resources, advised by the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services, and in consultation with the Lead Members for Housing and Regeneration; and
- (ii) Confirm whether Cabinet should be further informed or consulted on the progress of the project set out in this report, including the procurement and/or award of the proposed contract, failing which, that Cabinet delegates power to the Corporate Director of Finance and Resources, subject to the advice of the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services, and in consultation with the Lead Members for Housing and Regeneration; to negotiate and agree final terms of all necessary commercial and legal transactions, agreements and contracts, and do all other lawful things necessary to finalise and complete the project set out in this report.

Reason(s)

To assist the Council in achieving one of its key objectives in providing new high quality affordable homes and also contributing to the regeneration of Barking Town Centre.

Background:

- 1.1. The eastern side of the Gascoigne Estate is currently being decanted in preparation for demolition. The funded first phase will result in 364 flats being decanted and demolished by the end of 2013/14. In order to ensure delivery of the new homes without delay once demolition has taken place and to ensure that we can draw down the £18.3m of HCA Affordable Homes Programme Funding made available to us, by the specified HCA Programme end date of March 2015, it is essential Members have agreed the delivery option quickly.
- 1.2. The Council has established a clear set of objectives for the delivery of new housing on sites in its ownership. These are therefore the key criteria for assessing the different delivery options:-
 1. maximise as a priority social rent homes and affordable homes;
 2. ensure speed and certainty of delivery;
 3. maintain design, sustainability (code level 4) quality and space standards;
 4. ensure local accountability and developing capacity within the community;
 5. aim to create long term returns to the Council and community;
- 1.3. Whilst the Council has recently been successful in securing £18.3m of HCA grant for 762 new affordable homes by the end of 2015, this is relatively modest given the level of housing need in the Borough and previous levels of HCA grant and intervention levels. Therefore the Council needs to consider additional ways of increasing the supply of new social rented and other forms of affordable homes in the short to medium term.
- 1.4. The following table provides an indication of how this HCA grant will be spent based on the submitted bid application to the HCA:

Estate	Number of Affordable Rent Units	Number of Social Rent
Gascoigne	60	76
Goresbrook	0	80
Leys	0	70

- 1.5. The Government /HCA intend that funding for new affordable housing will come via either much higher borrowing to replace grant and/or free land from public authorities and recycled grant. This would be financed from higher “affordable” rents which are to be set at up to 80% of local market rents, with an expectation that Housing Associations and other providers would convert a proportion of their re-let (void) properties from social rent to higher ‘affordable’ rents. Where estate renewal is being undertaken the HCA is willing to show a degree of flexibility and allow for some replacement social rent properties rather than affordable rent units.
- 1.6. At its meeting in May 2011, Cabinet agreed a development strategy for the William Street Quarter, Barking and Eastern End of Thames View sites involving the transfer of the sites on a leasehold basis to the Building Schools for the Future Local Education Partnership (BSF LEP) to provide a range of sub-market rented properties to be managed by the Council. It is suggested that this option is not pursued for the Estate Renewal sites because it is considered that the BSF LEP

has reached its current delivery capacity for housing development until these two projects (WSQ and EETV) are completed, fully let and evaluated.

- 1.7. This report sets out alternative models for housing delivery which would maximise the level of grant that is available, provide for a suitable level of affordable housing, with sufficient levels of social rent and allow for concurrent development. All models bar one assume some form of partnership arrangement with the Council to ensure that the Council has a strong influence on the design, delivery, future management and levels of participation of local tenants, residents and Council Members in line with the localism agenda.

2. Gascoigne Estate:

- 2.1 Gascoigne Estate was constructed in the 1960's and is the largest flatted estate in the Borough, occupying 35ha, with more than 2,400 flats, 1,770 units on the eastern side and 630 homes on the western side. There are some Housing Association properties within the eastern part of the estate, approximately 70 homes owned by Southern Housing built in 2004 and, adjacent to Phase 1 of the Estate Renewal, a home for Adults with Learning Disabilities, not fit for purpose, currently owned by London and Quadrant.
- 2.2 In terms of Estate Renewal the Cabinet has confirmed that this needs to take place on the eastern half of the estate with the western half remaining and over time being subject to Decent Homes work. The regeneration of the eastern side of the estate (approximately 24 hectares, 13 tower blocks and 1,770 dwellings) has been a long held aim of the Council. The first part of this process started in the late 1990s. Under the approved Estate Renewal Programme, 13 tower blocks would be decanted, along with a number of adjoining low-rise blocks. The total number of flats to be decanted and demolished is 1,365.
- 2.3 In the approved Barking Town Centre Area Action Plan (part of the Local Development Framework) the eastern side of the Gascoigne Estate is earmarked as being suitable for a range of residential, as well as some small scale commercial and community uses. Its location, within a 10 minute walk of Barking Station, means that a higher density than is already built on the Gascoigne Estate could be realised as part of the redevelopment. It is estimated that the Phase 1 site could accommodate around 350- 400 new homes (364 demolished). The indicative tenure mix would be a third social rent, a third intermediate and a third private for sale. The proposed overall house type mix would be 75% flats and 25% houses.

3. Delivery Options

Appendix 1 sets out the advantages and disadvantages of the options **Appendix 2** looks at the Council's key new delivery criteria set out in paragraph 1.2 against the three key delivery options – DO1, DO2 and DO3:

Delivery Option (DO)

DO1 –Set aside land value and enter into an agreement with a Housing Association which could encompass new build Council funded by applying part of the affordable housing grant secured from the HCA and council borrowing, refurbished Council

and Housing Association built properties (affordable rented, intermediate and private sale);

DO2 - Set aside land value to enter into a development agreement with a developer on the basis of a proportion of new homes being delivered to the Council in lieu of land value together with the option of the Council to long lease sub-market (i.e. affordable) rented properties subject to suitable terms and to acquire further social rented homes by applying a part of the affordable housing grant secured from the HCA and council borrowing and surpluses within the HRA settlement;

DO3 –Transfer the retained stock on the eastern side of the estate to a Housing Association and sell the cleared sites to the Housing Association

3.1. Option DO1 - Partnership with an HA

A partnership arrangement with a Housing Association, providing one third social rent, one third intermediate and one third private homes for sale. This option has a number of advantages and disadvantages:

- (i) Gascoigne is the only estate in the Estate Renewal programme that is not being completely decanted and redeveloped in a single phase. As a result there will be some Decent Homes and external enveloping work required on the estate to bring retained units up to standard ensuring the same quality of accommodation for all residents. Undertaking the re-development with a Housing Association may generate some funding to cross-subsidise some decent homes work on the homes not being demolished and provide a small pot of money for undertaking social economic regeneration activities across the whole estate.
- (ii) This method of delivery should maximise the amount of affordable homes but not necessarily maximise the amount of social rent homes. The reason for this is that because of reduced “grant “(affordable homes funding) levels Housing Associations are reluctant for funding reasons to build homes at target rent levels. Also because they have greater flexibilities than local authorities they can provide properties for people to initially rent at a sub – market level (between 65-80% of a market rent). These types of homes are attractive particularly to young couples in work on low wages who may within say a five year period be able to consider purchasing a property. This is beneficial from a regeneration point of view
- (iii) Under this option a Management Committee to oversee the management and maintenance of the units on the Gascoigne could be established allowing every resident to have direct access to the same levels of management and maintenance service. The Council Members would be part of this management organisation which would enable the Council to ensure the delivery of better service levels for all residents and potentially encourage the driving up of standards.
- (iv) As the Affordable Homes funding is a programme bid some, if not all, of the “grant” could be transferred to Goresbrook Village and the Leys if for example a Housing Association was to undertake the development at Gascoigne .However because of the decant timescales there is unlikely to be

sufficient land available by March 2015 at Goresbrook Village and the Leys to allow this to happen. Therefore in order to maximise the grant it is essential that some new Council homes are built at the Gascoigne

- (v) This option would take between 6- 9 months to procure a Housing Association and there would be costs associated with the procurement process particularly legal and valuers fees.
- (vi) There is unlikely to be any long term return to the Council unless some new council homes are built as well.

3.2 Option DO2 - Procure a development partner

This option would entail the scheme being progressed under a development agreement with a developer procured via an OJEU compliant Developer Framework and setting aside a receipt for the land value in favour of a proportion of the new homes being transferred at no charge to the Council as social rented units (likely to be no more than 20% of the 'for sale' properties). The potential for additional Council house rented units and additional affordable units would be determined by the amount of funding through borrowing and use of surpluses under the HRA settlement and some of the HCA Affordable Homes funding available together with any option brought forward by the developer to long lease other sub-market rented properties.

- (i) Such an approach is likely to result in the maximum amount of social rent (provided a proportion of the Affordable Homes Funding is used) and if the long lease option was available may result in the maximum number of affordable homes. Using the Affordable Homes Funding allocation, identified in the bid to the HCA, the Council would be able to acquire 76 social rent units and 60 affordable rent (at 80% of market rent). In addition the Council is likely to receive (based on soft market testing) 20% of the remaining new homes free (c52 homes) based on 400 (minus 136 acquired by the Council) units being provided on phase 1. This means the total number of affordable homes would be 188 (of which 128 would be at a social rent). This scenario means there would be less funding available for Goresbrook Village and the Leys.
- (ii) The procurement of a development partner through the Homes and Communities Agency Development Partner panel should be achievable in 4 months. This should mean that the new development would start more quickly than other options. Also the cost of the procurement would be significantly cheaper than other options as the HCA Development Partner panel process includes a number of "model" legal agreements and benchmarked rates. However this would only apply to Phase 1 of the redevelopment and further procurement processes would be required for future phases which would mean additional costs. In addition it should be noted that the HCA Development Partner Panel includes one Housing Association.
- (iii) As the affordable housing is either managed or owned by the Council there are short, medium and long term accountability and returns.

3.3 Option DO3 – Stock Transfer

The implications of pursuing this option of what would be a stock transfer to a Housing Association of the tenanted flats on eastern side of Gascoigne estate are set out below.

This course of action would transfer risk and liability for the estate from the Council to the Housing Association selected. The estimated cost of bringing the 1,770 flats to a decent homes plus standard (DH+) is in the order of £90 million. This is based on the actual costs of works the Council carried out within the past 2 years to Oldmead and Bartletts Houses and applying this to the 1,020 flats in the tower blocks and a commensurately reduced cost to the 750 low rise flats.

In order to bring about a stock transfer the Council would have to commission a detailed stock condition survey of the blocks and flats on the remaining areas and on phase 2 of the Estate Renewal project at Gascoigne. Following this there would be a requirement to produce a strong business case to support a potential transfer leading to an offer document. Alongside this the Council would need to resource a resident consultation team and sustain what would in effect be a campaign to achieve a successful tenants' ballot outcome. In addition work would be needed to identify an RSL partner for transfer in partnership with residents, or create a new RSL for this purpose. In all instances a business plan would be required that shows how the RSL would manage and invest in the estate over the next thirty years.

These preparations leading up to a ballot would take a minimum of 18 months with a cost to the HRA estimated at £1 million. In this time, significant parts of the Gascoigne would be decanted and work on demolition would be well underway or Members could consider stopping this activity. The stock transfer process would delay the provision of any new affordable homes.

It needs to be borne in mind that given the costs of refurbishment and / or redevelopment that any Housing Association would be taking on with a stock transfer in relation to asset and land value. This is likely to be an unattractive offer for any Housing Association and may result in the request for a dowry which would need to come from the HRA. This position also results from there no longer being any Large Scale Voluntary Transfer funding or gap funding available from CLG. The level of investment required is likely to deter potential RSL partners and a robust assessment of costs would be needed before this option could be considered. This would need to include carrying out stock transfer modeling based on known costs and income.

A stock transfer in these circumstances would be difficult to deliver. If a transfer took place and significant changes were subsequently needed in the business plan, this could result in the Council having little influence over the decisions affecting the future of Gascoigne, outside of the transfer agreement. A stock transfer would also be a lengthy process, resulting in the spending of HRA funding with the likelihood of no receipt and extensive costs on officer time for an unknown outcome. Also it would result in the need to consider stopping the Estate Renewal process on the Gascoigne and stopping the decanting of tenants and buyback of leaseholders who have already all been told that this will happen. In addition should a ballot be lost it would also impact on the HRA settlement where Government has been informed

that 1,940 units will be removed from the stock and the debt adjusted accordingly. Potentially 1,000 units may not be removed and this may result in an adverse financial impact on the settlement of over £14 million.

To reiterate, this option is not guaranteed and the Council may finance the investigation and preliminary work only to find this option is not attractive to any HA, or financially viable.

It is worth returning to the principles which underpinned the inclusion of Gascoigne in the Estate Renewal programme:-

- Robust housing asset management (which can be directly traced back to Housing Futures option appraisal in 2004/05) to take the properties which would be most expensive to bring up to standard and were the least popular with tenants / housing applicants – which are the high rise blocks on Gascoigne
- The social and economic imperatives to regenerate the estate as set out in the Council's Barking Town Centre strategy in 2003 and the Council's Barking Town Centre Action Area plan approved in 2010.

A stock transfer is not consistent with achieving these objectives.

4. Conclusion

- 4.1 Securing the regeneration of Gascoigne estate is a Council priority not only for housing reasons but for sound regeneration reasons particularly in relation to Barking Town Centre and the need to improve the retail offer for the Borough. Decanting and buying back properties is now underway with the objective of having a cleared, unencumbered site available for development from the beginning of 2013 onwards.
- 4.2 With regard to the Development Partner and Housing Association partner options there are pros and cons as set out in **Appendix 2**. The preferred option is the partnership with a Housing Association model which would allow the Council to address the whole Estate Renewal area, would bring its own Affordable Homes Funding, and other internal resources, whereas the development partner model only applies to Phase 1 and would rely on Council Affordable Homes Funding and Council HRA resources. The HA partnership would also generate some funding to run a social and economic regeneration programme to assist Gascoigne residents access employment and may create a surplus which could be used to reduce the costs to the HRA in future decanting on the estate allowing HRA money to be used elsewhere in the Borough. In addition, such an approach would increase the decant options for households on the Gascoigne by increasing access to the HA properties, not only in the Borough but elsewhere, reducing demands on the Councils housing stock. However the Development Partner model would result in 128 social rents homes more quickly (using Affordable Homes Funding and HRA resources) and there is no guarantee that the Housing Association model would reach this figure although in overall terms they would provide a larger number of affordable homes. In regeneration terms both options would deliver mixed tenure schemes and contribute significantly to changing the perception of the area.

- 4.3 On balance it is recommended that Cabinet should agree to authorise Officers to establish a partnership with a Housing Association as set out in Section 3.1. This approach will give comfort to the Gascoigne residents that a comprehensive scheme for Estate Renewal will happen and such an approach will both allow flexibility in decant arrangements and allow some HRA resources to be spent elsewhere in the Borough on other Estate Renewal activity.

5. Financial Implications

Implications completed by: Tracie Evans, Corporate Director

- 5.1 This project is part of the £45m Estate Renewal programme (decanting buy backs and demolition). Funding (c£22m) for this currently comes from Council capital and HRA borrowing and surpluses. Phase 2 of the programme requires an additional £23m of funding and this is presently modelled to be funded from HRA surpluses within the first five years of the new business plan. This second tranche has not been formally agreed by the Council. There is no further borrowing capacity within the HRA at present for the financial years to 2017 covered by this report.
- 5.2 Separately, the Council have been offered, by the Homes and Communities Agency, £18.3m of Affordable Homes Funding, for new affordable homes including social rent properties. In order to access this funding, new homes need to be completed by March 2015. Also a number of these new homes will come from the LEP Housing Model (see para 1.5) which, provided the deal is closed and the scheme gets built, will yield £14.28m of the £18.3m Affordable Homes Funding. This £14.28m can contribute towards the costs of new council homes on the Leys, Goresbrook Village and the Gascoigne and is expected together with “free” land, HRA borrowing and surpluses to enable a further 286 council homes to be built. The current Affordable Homes programme, officers have had to submit to the HCA, shows 70 social rent units for the Leys, 80 social rent for Goresbrook Village and 60 social rent and 76 affordable rent (80% of market rent) units at the Gascoigne. This would require between £21.04m - £25m of HRA surpluses and can be kept within the HRA debt cap. Provided both the LEP housing model and the 286 homes were completed this would allow either additional homes (c38 3 bed houses) or additional decent homes or estate renewal work elsewhere (£3.945m) to be undertaken post March 2015 without any additional “grant”.
- 5.3 As the Affordable Homes funding is a programme bid some, if not all, of the “grant” could be transferred to Goresbrook Village and the Leys if for example a Housing Association was to undertake the development at Gascoigne as described below. However because of the decant timescales there may not be sufficient land available by March 2015 at Goresbrook Village and the Leys to allow this to happen. Therefore in order to maximise the grant it is essential that some new Council homes are built at the Gascoigne.
- 5.4 The HCA Affordable Homes funding of £18.3m requires completion of at least 610 new affordable homes by the end of 2015. However the HCA have informed officers that they would expect more homes to be produced for the level of grant provided. The HCA approved bid was predicated on the LEP model producing 520 completed units before March 2015. Formal permission should be obtained as the HCA grant conditions would not usually apply to this type of scheme.

- 5.5 The LEP scheme has still not been finalised and if the scheme did not go ahead in its current form and that would impact on the amount of Affordable Homes Funding available.
- 5.6 There is also a risk that the current LEP model may not be tenable in its present form and require remodelling and this in turn could lead to a delay in the completion of units and ultimately the ability to draw down the HCA funding.
- 5.7 The latest HRA business model includes £25m of “new HRA build” together with the Estate Renewal funding above to be funded from HRA reserves and this has been achieved by reducing the amount available for the Decent Homes programme. Officers are currently working with Savills to re-profile the Decent Homes programme required under the recent stock condition survey to accommodate the new build programme.
- 5.8 As part of the discussions with Cabinet Members, options were put forward in terms of delivery and procurement options for the three Estate Renewal sites. There are number of additional financial implications associated with each option.
- 5.9 Using a partnership arrangement with an HA, the Council would dispose of the land at a nominal value in return for the HA building homes, some of which the Council could acquire using HRA borrowing, surpluses and HCA Affordable Homes Funding. This model would not result in a market value capital receipt; but could enable the Council to retain an interest in terms of any new build properties for Council use. This model could also result in both short term and longer term returns to the Council, e.g. improvements to existing Council properties and social regeneration, and will give rental returns on the proportion of properties that it acquires (the exact amount will be dependent on the number and mix of units). Procurement costs will be incurred as this option involves a 6- 9 month OJEU procurement process. Some funding has been allowed for procurement in the current Estate Renewal programme.
- 5.10 The second option which would only apply to the Phase 1 redevelopment of the Gascoigne estate involves procuring a partner through the HCA Development Partner Panel and disposing of the land at a nominal value in return for building some homes for social rent to be owned by the Council. This will be less costly and quicker than the option above, as the bulk of the procurement work has been undertaken and model agreements and benchmarked rates have been established. Also the Council would get some nil cost homes which could help support the HRA business plan. However in order to maximise the number of homes for social rent the Council will need to use some of the HRA surpluses as well as part of the Affordable Homes Funding which could have been used elsewhere in the Borough. Also this is only a short term option and a further procurement process will need to take place in due course to cover the additional phases which will involve additional costs and time.
- 5.11 Alternatively if the Council were to pursue the stock transfer option, it would involve the permanent sale of the land at market value to the HA, but the Council would no longer retain any financial interest in the properties (including nomination rights), or likewise any costs or risks. The main financial implication of this is that the Council would not have to bear the cost of the demolition (and/or refurbishment) on future phases of the Estate Renewal programme estimated at c£23m, as it instead

involves the wholesale transfer of the site to the HA who would fund any necessary works. This is of course predicated on any stock transfer being successful which is highly speculative. However compared to the partnership model or the Development Partner Panel model, there would be no future income streams back to the Authority. The estimated cost of bringing the existing 1,770 flats to a decent homes plus standard (DH+) is in the order of £90 million. This is based on the actual costs of works the Council carried out within the past 2 years to Oldmead and Bartletts Houses and applying this to the 1,020 flats in the tower blocks and a commensurately reduced cost to the 750 low rise flats. Taking off the 364 flats which are currently being decanted in phase 1 this leaves a figure of 1364 units which reduces the decent homes cost to c£69.6m. Alternatively the HA could continue with the decant programme which with regard to phase 2 is estimated to cost £23m and carry out a decent homes work on the remaining 476 units at a cost of c£24.2m. On this basis a Housing Association would need to find between £47m-69.6m to take on Gascoigne Estate. Although a notional land value of between £15-20m may be realised from all the decanted sites this is very unlikely to be an attractive proposition to any Housing Association. In the past, substantial grants have been made available from Central Government to give Housing Associations the incentive to take over Council stock. These are no longer available.

- 5.12 Also in order to undertake a stock transfer detailed structural survey of all the properties plus the development of a robust business case, and a residents consultation document would need to be funded from the HRA. This is estimated to cost at least £1m.
- 5.13 The base data return for the HRA debt settlement was submitted to CLG on 31 August 2011. This return contains details of the Estate Renewal programme, previously approved by Members, which includes 1942 units (1445 for Gascoigne) to be decanted and demolished by the end of the 2017 financial year. Only 364 properties will be vacated as part of the phase 1 process on the Gascoigne leaving at risk 1000 plus properties which the HA might decide not to decant. This will have adverse financial implications for the HRA debt settlement and possibly impact on the ability to fund any more Council homes.
- 5.14 The options proposed in this report contain a number of unknown financial variables such as land values, future HRA income streams (based on new HRA properties) and therefore it is not possible to comment on the most financially viable option.
- 5.15 However, the option chosen should seek to ensure that the Council is able to deliver the required number of units to maximise and draw down the £18.3m HCA funding in the timescales stipulated taking into account the available funding within the HRA business plan and the needs of the Decent Homes programme on the existing stock

6. Legal Implications

Implications completed by: Tasnim Shawkat, Divisional Director of Legal and Democratic Services

- 6.1 The proposals envisage that there may be a disposal of property owned by the Council. The Local Government Act 1972 Section 123 obliges local authorities to dispose of property at the best consideration unless there is ministerial consent. Similar provisions apply to land held for Housing Act 1985 purposes. However the

Minister has issued General Disposal Consents which permit disposal at less than best consideration if specified conditions are met which would be likely to be made in this case.

- 6.2 The proposals are going to lead to decanting for tenants to enable the demolition and refurbishment of the estate. As part of the process Initial Demolition Notices have to be served. These advise tenants as to the plans for eventual demolition of the site. These Notices have a limited timespan which if exceeded require the consent of the Secretary of State to be re-issued. It is important that they are not served too early so as to be potentially out of time before the programme starts or late so as there is a risk that tenants may seek to exercise the right to buy. This should be balanced with a communications strategy that keeps residents informed as to progress so that they can make plans for decoration and understand that they may not be able to elect to take up the right-to-buy.
- 6.3 If property is to be disposed, there will be a requirement to ensure there is due diligence to the requirement of securing best value. Title checks will need to be carried out to check for any encumbrances affecting the property.
- 6.4 It is understood that the site earmarked for disposal may have some leasehold properties to be acquired. The risks involved in any delay to redevelopment programme in the event that early acquisition / acquisition by private treaty cannot be achieved then as a last resort it will need to be addressed by means of acquisition under a Compulsory Purchase Orders.
- 6.5 With regard to the procurement issues, the report outlines one option to procure a partnership contract with a Registered Provider of Social Housing to facilitate the regeneration of those areas of Gascoigne Estate identified for regeneration. The estimated value of the proposed works / services to be provided under the proposed partnership contract will exceed the EU threshold for works/services contracts which would oblige the Council to seek tenders via the OJEU (Official Journal of the European Union) Procurement route which is a lengthy process.
- 6.6 The preferred option is for the site to be developed in partnership with the Homes and Communities Agency Development Partner Panel. If property is to be disposed, there will be a requirement to ensure there is due diligence to the requirement of securing best value. As this option envisages the transfer of property to a developer at a nominal value, there would need to be a valuation of the whole package in terms of deliverables to ensure that what was being achieved would secure overall value for money for the Council and the Housing Revenue Account. Safeguards would need to be sought ensuring that the Council was able to protect its interests and this may be in the terms of a development agreement supplemented by form of bonds, charges, covenants, options or a form of golden share or by a combination of those methods. This option has the additional advantage of the Partner Panel being already compliant with the OJEU procurement process.
- 6.7 Furthermore, Rule 3.6 of the Council's Contract Rules requires the strategy for the procurement of contracts of above £400,000 in value to be submitted to Cabinet for approval prior to procurement of such contracts. This is particularly so as the report is asking Cabinet to delegate power to the Director of Finance and Resources (in consultation with the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services and in consultation with the Lead

Members for Housing and Regeneration), to agree final terms with the selected bidder, upon conclusion of the procurement process. If Cabinet is to delegate such power, it should be briefed as fully as possible so that it is clear as to the full strategy, implications and risks of the project and procurement.

- 6.8 Finally given the size and strategic importance of this project there will be resources implications in terms of the need to supplement internal advisors with additional; external specialists in areas such as legal, financial and technical advice

7. Other Implications

7.1 Risk Management

There are risks associated with the capacity, financial standing and project management resources of each potential partner. To mitigate these risks, all of the procurement processes will be undertaken in a way that ensures tenderers are fully assessed and evaluated against clear, set criteria to ensure that they can fully satisfy the Council's requirements in terms of relevant expertise, financial standing, internal staff resources and, in the case of Housing Associations, the capacity within their agreed development programmes with the HCA, to deliver the scale of project they would be committing to in Barking & Dagenham.

7.2 Contractual Issues

The carrying out of works would need to be compliant with the European Tendering Regime and in addition in accordance with the Public Contract Regulations. The Corporate Procurement team have been consulted on this report and comment; 'The recommended approach as outlined in Option DO2 with the selection of a development partner via the Homes and Community Agencies Partnership would appear to be the most expedient and cost effect from a procurement cost perspective.'

7.3 Staffing Issues

A inter-departmental Project Team is currently operating to manage the delivery of the Estates Renewal programme of decants and buybacks, this involves officers from;

- Housing allocations/lettings
- Housing management
- Community and neighbourhood services
- Legal Practice
- Property services
- Finance
- Regeneration and economic development.
- Corporate Programme and Strategic Asset Management

Three separate procurement projects will be undertaken to appoint the Development and JV partners via the proposals set out in options above, these procurement projects will be lead by the Sustainable Communities Team with support from Property and Legal Practice. No increase in staffing levels is assumed to deliver these projects however the complexity and time required to deliver a

project of this scale and nature simultaneously should not be underestimated and clear prioritisation of activity will be required.

7.4 Customer Impact

An Equalities Impact Assessment was completed for the original £7.1m Estate Renewal Programme, this has been subsequently updated to reflect the current position for delivery of the £22.1m programme and is fully signed-off by the Equalities and Diversities Team.

The key actions from this Assessment are set out below;

Category	Actions
Improving Involvement and Consultation	Addressing barriers to participation Inter departmental working through Integrated Project Team Liaising with community and other groups that could facilitate participation of difficult to reach groups Developing consultation and engagement strategy programme
Improving data collection and evidence	Use equalities monitoring form as part of the consultation process Updating of the Neighbourhood Knowledge Management (<i>nkm</i>) database Training of staff / project officers with front line contact with communities
Improving assessment and analysis of information	Using the existing Neighbourhood Knowledge Management (<i>nkm</i>) database
Developing procurement and partnership arrangements to include equality objectives and targets within all aspects of the process (including monitoring of the contract / commission)	During any procurement and partnership arrangements we will adhere to Guidelines for Building Equalities into Contracts
Monitor, evaluate and review this EIA (including publishing the results)	The EIA will be monitored and reviewed on an ongoing basis every six months throughout the programme lifetime (Jan 2011 – March 2014). Reports will be produced and published on the LBBB website

The three options have been assessed for their impact on residents within Gascoigne:

- Option DO1: Partnership with a Housing Association:
While a partnership with a Housing Association would result in the best level of participation by the Council, this may not represent the best outcome for residents. A partnership with a HA would take at least a year to set up, and may result in a high level of intermediate rent housing including a significant proportion of rent to homebuy and a relatively small percentage of new social rent housing. In terms of being able to decant households within the Gascoigne area this may prove more difficult due to their inability to afford these rent levels without being on benefit. This

would then deter them from obtaining employment. Also some decanted households will be forced to move away from the Gascoigne area potentially disrupting school and social networks. The rent to homebuy model could lead to a more transient population who do not stay long, thereby not contributing towards building a community.

- **Option DO2: Delivery through the HCA DPP:**
This option gives more certainty. Potentially 32% of the new units could be provided at a social rent level with an additional 13% at an affordable rent level. The remainder would be private for sale. However, some of the social rent would be provided at the back end of the development phase which could impact on the ability to decant other Gascoigne residents into them. Also there is an issue about who will occupy the private units and there may be a high level of buy to let, which is not conducive for a stable community. This is unavoidable with any private units and it will be important for the Council to maintain a presence on the Estate through Estate Managers and community groups.
- **Option DO3: Stock transfer:**
This is expected to have the most damaging impact on residents. A stock transfer will take at least a year to undertake, at considerable expense and it is not guaranteed that the residents will vote for it. It will result in the decanting process being delayed and many households will continue to live in tower blocks that need at a minimum decent homes investment.

7.5 Safeguarding Children

Design undertaken as part of any development will take into consideration the needs of local communities with a focus on creating accessible and safe spaces that allow for freedom of movement and will benefit the local community at large including children. In particular, the design and development process will explore opportunities to introduce new or improve existing play facilities in the area.

7.6 Health Issues

There is a large body of evidence that improvements to housing quality can improve health and wellbeing outcomes and there is also evidence that high rises and multi-dwelling accommodation can be detrimental to psychological well-being. Therefore any option for the Gascoigne Estate which sees substantial improvement in the quality of the housing stock and a reduction in the number of high-rise and multi-dwelling buildings on the estate will have a positive impact on health.

The evidence on health relating to housing tenure is less robust and more varied. Although there is evidence that home ownership is related to better health, this is only in the context of home owners having better quality housing stock and hence in the context of asset transfer this would only be realised if the existing stock was substantially refurbished and improved prior to transfer. We have not found academic evidence of variation in health outcomes between Housing Association and local authority landlords. Housing Associations may have developed specialist provisions for specific client groups which may be beneficial for tenants health and wellbeing but this would be specific to the provider and therefore it is not possible to make general statements on the potential health benefit of options using Housing Associations compared to Local Authority landlords.

There is evidence of the positive impact of mixed tenure neighbourhood characteristics particularly in terms of deprivation at both small neighbourhood scale (about 100-150 households) and larger neighbourhood scale (about 2,200 households), although the evidence is strongest this is when the social tenure falls to below 30% of the total tenure in an area. This would support options which see greater mixing of housing types on the estate being potentially more beneficial for health. For references please see **Appendix 5**.

7.7 Crime and Disorder Issues

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals.

In decanting the site it is important that this is done in a measured and timely way, not creating the opportunity for small numbers of people to remain on site, which could increase vulnerability of those residents and also of the site itself. In demolition and rebuild, contractors must be sure to adequately secure the site so as to ensure that any asset of the Council is protected and that the site does not become 'attractive' to criminals, for example by the removal of all piping and boiler work/electrical cable as soon as possible, as this can often be attractive to thieves due to its resale value. Contractors should be required to ensure that all equipment and resources at the site should be sufficiently secured so as to not increase the opportunity for crime which would possibly impact on Council, Police and Fire services' resources.

In terms of the redesign these implications can be partly addressed in the design of the built environment, both within the properties but also within the public space. Design of family housing can impact positively on certain crime types, for example specific types of violence such as domestic violence can be reduced by social aspects of any development such as better quality housing, sufficient space for families to live and for children to learn and through better access to services based in local community facilities.

The Gascoigne Estate currently benefits from a large amount of open space and recreational areas for young people of all ages. Improved facilities within the new development for young people will also provide new opportunities for education, recreation and employment directing them away from crime and disorder.

It is important that any plans include such recreational facilities aimed at both very young children and also teenagers and that community facilities are enhanced and are designed to bring all the community together to create a cohesive community and a neighbourhood that residents are proud of and value.

7.8 School

As you will appreciate, this is a significant development and the fact that there will be no support for other infrastructure development does raise issues for Children's Services, particularly with respect to the provision of school places. The department is of course aware that the existing development on the site will be removed and the existing residents decanted. However, any benefits in anticipated reduced demand for school places from the loss of these homes is unlikely to have

much impact as the Borough has experienced a significant rise in demand for school places brought about by a substantial and sustained rise in births since 2000, and an increase in residents to the borough over recent years as larger families move in.

In Central Barking there have been a number of developments which have recently been completed and occupied with above average occupancy levels. This has increased the pupil yield and despite the temporary reduction due to the demolition of the former Lintons we have experienced high demand such that we have had to increase school places at a number of schools as follows:

- | | |
|---|--------------|
| • Northbury infants and Junior Schools | 210 places |
| • Gascoigne Primary | 210 places * |
| • Ripple Primary (inc Westbury conversion) | 470 places * |
| • Eastbury Primary | 450 places * |
| • St. Joseph's Primary, Barking (subject to planning) | 210 places * |

Each year we have been increasing school capacity so that the youngest age groups can be accommodated in our schools, there has been particular demand this year and we are responding at four of the above mentioned schools (indicated by an asterisk *) by continuing to provide additional facilities. Extra provision in terms of the development of the Gascoigne Phase 1 site will increase demand and our sites are almost at saturation point. The experience in recent years where we have struggled to accommodate the youngest pupils in Barking Schools has been that children as young as 4 years old have had to take a bus and travel to the nearest school with a vacancy which often has been in Dagenham. We are anticipating that for next and future years this problem will continue without the extra demand which this development will inevitably bring.

More than this the issues are going to become more problematic as the pupil population increases the demand for secondary school places will not be met by adequate provision. Again because of the demand in Barking there are pupils at secondary age who are being displaced to Dagenham located secondary schools. There is unprecedented demand for school places and not sufficient funds to meet demand at present, some of this will need to be met by new site provision as schools reach their site capacity.

8. Background Papers Used in the Preparation of the Report:

- Cabinet Report – Boroughwide Estate Renewal Programme 2010 – 14 (6 July 2010, Minute 21)
- Boroughwide Estate Renewal Programme Phasing and Decant Options (2 November 2010)

9. List of appendices:

Appendix 1: Delivery Options

Appendix 2: Delivery Outcomes

Appendix 3: Funding Requirements

Appendix 4: HCA Development Partner Panel

Appendix 5: Health Impact References (Section 5.6)

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Appendix 1

Delivery Options

Option	Proposal	Advantages	Disadvantages
DO1:	<p>Enter into a partnership with a Housing Association (HA). Potentially encompassing new build Council, refurbished Council and HA properties.</p>	<ul style="list-style-type: none"> • Gives the ability to provide a range of sub-market housing units. • Any social rented properties are held in perpetuity • Some local control over the design and deliverability of these units • The Council could be involved in an umbrella organisation to oversee the management of the units jointly with the HA this would ensure a consistent level of management across the development. • For Gascoigne which is being decanted and demolished in a piecemeal fashion this approach would ensure a smoother delivery of housing throughout the phased decant and demolition stages. This could also provide a method for involving the remaining community in the development plans and social regeneration of the area. • This option could if preferred deliver a scheme of up to 100% sub-market units with the ability as market picks up for tenants to staircase up into home ownership. 	<ul style="list-style-type: none"> • Control over delivery timetables and design would be shared with the HA. • HA delivery finance model would drive the process and may result in very few social rented properties. • Fees associated with setting up the JV • Time taken to establish the JV and agreed heads of terms
DO2:	<p>Set aside land value to enter into a development agreement with a</p>	<ul style="list-style-type: none"> • More control over development and standard of delivery • More control over number of sub-market 	<ul style="list-style-type: none"> • No receipt • Relies on long term private equity or bank funding being available to the developer to fund other sub market rented properties.

	<p>developer procured via a Developer Framework on the basis of a proportion of new homes being delivered given to the Council in lieu of land value . Also the Council offered the ability to long lease other sub market rented properties at suitable terms</p>	<p>tenure housing units provided</p> <ul style="list-style-type: none"> Completed social homes transferred to the Council at nil cost to LBBB Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved- some long term return Ability to lease further sub – market rented homes would increase ability to re-house local people and give a limited return through managing. Also over time provision might become available to acquire stock through HRA Could create a model similar to the BSF LEP with a lease back arrangement for a proportion of the affordable homes. Option to apply some of the Affordable Housing Grant secured from HCA and Council borrowing within HRA settlement to acquire further social rent homes 	<ul style="list-style-type: none"> If private sale units are proposed to cross subsidise the market values will affect the level achievable. Risk around guaranteeing the rental stream on the sub market rent properties Relies on use of HRA resources and Affordable homes funding to produce social rent homes
<p>DO3:</p>	<p>Transfer retained stock on east side of Gascoigne estate to an HA and sell cleared sites to the Housing Association</p>	<ul style="list-style-type: none"> Transfer of risk / liability to refurbish and or redevelop existing blocks of flats (potentially £90 m to repair / refurbish) Would potentially allow for some decanted tenants to be rehoused within the Gascoigne estate reducing the demands on Council housing stock 	<ul style="list-style-type: none"> Delay of at least 18 months to reach tenants' ballot Cost to the HRA would be approaching £1m Uncertainty that there would be interest from housing associations for a stock transfer of Gascoigne estate Uncertainty about ballot outcome No dowry / grant from Government to facilitate the transfer No capital receipt from the disposal Council would lose all control – there would be no guarantee that a transfer would result in redevelopment of the estate as Council would want.

			<ul style="list-style-type: none">• TUPE of staff to housing association• Very little control over design or deliverability of the units• No long term return on asset
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Appendix 2:

Delivery Outcomes

Delivery Objectives:	Option DO1 –Partnership with an HA	Option DO2 -Partnership with a developer	Option DO3 – Sell land to an HA and Stock Transfer remaining properties
1) maximise as a priority social rent homes and affordable homes	<p>By working in partnership with a housing association this option could achieve at least 66% of the homes as affordable homes.</p> <p>In relation to the phase 1 of the Gascoigne approximately 400 homes could be provided of which at least 267 would be affordable. The degree of social rent in this would be need to be part of the negotiation and would depend on the number of intermediate units and outright sale units provided. This should be all be complete March 2015 when the grant deadline finishes</p>	<p>In return for foregoing a capital receipt the Council could get some “free” social rent units plus through Affordable homes funding and HRA borrowing and surpluses could acquire some units. Based on a scheme of 400 units 176 would be affordable of which 128 would be at a social rent level. These figures are more certain than the HA partnership model. This would all be complete by March 2015 when the grant deadline finishes</p>	<p>The stock transfer would take at least 18 months to come to fruition. If it was successful and the HA continued to pursue the estate renewal process it may be possible to build 100 units by March 2015 of which about 66 would be affordable . The degree of social rent would need to be negotiated through any planning application process</p>
2) ensure speed and certainty of delivery	<p>A partnership with an HA would take 6-9 months due to OJEU requirements. However following that we would expect to be on site by Summer 2013. The speed of delivery is likely to be mainly due to the pace the contractor builds and availability of affordable homes funding to the HA</p>	<p>Under the development framework process the Council could have a developer on board within 4 months so potentially development could start in Jan 2013. The speed of delivery will be related to speed of selling any market housing and whether the deal includes some sub market rent to lease</p>	<p>A stock transfer will take a minimum of 18months, if a stock transfer was successful and if the HA continued to pursue the Estate Renewal process it may be possible to be on site by March 2014. The speed of delivery will be affected by the level of affordable homes funding available.</p>
3) maintain design,	<p>Any partnership with a HA will seek</p>	<p>Through the developer</p>	<p>If the stock transfer is successful the</p>

<p>sustainability (code level 4) quality and space standards</p>	<p>to maximise any grant made available, which favours high quality design and space standards. Also the Council would expect to be part of the development team to ensure the right quality of buildings are produced.</p>	<p>agreement the Council can ensure conditions are set to require the development to be of a high sustainability and quality standard. Also the Council would expect to work very closely with the developer on the development process and where the Council is receiving and acquiring properties through the construction process</p>	<p>Council will only have the ability through its planning powers to control the level of quality and design that is put forward for future development.</p>
<p>4) ensure local accountability and developing capacity within the community</p>	<p>The partnership with the Council and a HA will ensure maximum local accountability and aim to involve the community in all decisions both on the design and delivery but also the long term management and maintenance of the Gascoigne estate via the umbrella management committee.</p>	<p>As part of the development process officers would ensure that local residents were fully involved. Post the development the Council would manage the affordable housing, including the social rent and any sub-market rent.</p>	<p>If the stock transfer was successful the HA is likely to involve the local community in the both in the development process and possibly in the management process. However the Council will have little or no influence.</p>
<p>5) aim to create long term returns to the Council and community</p>	<p>As part of the procurement process we would seek to get some short term return to put into improving the remaining Council stock and the environment of the remaining Council stock .However this may impact on the number of social rented properties that could be provided We would also seek a long term fund to support economic and social regeneration of the area.</p>	<p>The long term return under this option would be that 45% of the properties remained in direct Council ownership and the proposals may include a sub market rented lease scheme which over time may result in more properties returning to the Council</p>	<p>There would be no long return to the Council under this option. The HA may establish economic and social regeneration fund to assist local residents in the area.</p>

Funding Requirements

Table 1:

Funding Required To Complete Estate Renewal Boroughwide			
Project All Phases	Gascoigne 13 blocks *	Goresbrook Village 3 blocks	The Leys 19 blocks
Total	£30,400,000	£5,349,000	£9,621,000
*assumes some adjacent low rise demolition to create development sites and is at current cost (Cabinet report 2 November 2010 section 2.3)			
			Total
			£45,370,000

Table 2:

Estate Renewal Programme (£23m Full Funding)			
Project	Gascoigne Estate	Goresbrook Village	The Leys
All phases	Grange House, Cobham House, Lexham House, Basing House + Nos 4-15, 17-22, 23-26 St Margarets	Bassett House, Dunmow House and Ingrave House	Birdbrook Close and Wellington Drive
Dwellings	364	282	215
Tenants	340	275	150
Leaseholders	24	7	65
Decant Costs	£1,598,000	£1,292,500	£705,000
L/H buy backs and disturbance allowance	£3,418,800	£1,307,500	£8,121,000
Planning, procurement and staff costs	£455,000	£520,000	£370,000
Demolition and Estate Management	£3,140,000	£2,400,000	£425,000
Total	£8,611,800	£5,350,000	£9,621,000
			£23,582,800

- Ardmore First Base Partnership
- BDW Trading Ltd (Barratt)
- Bouygues UK Ltd
- Carillion Igloo Consortium
- Countryside Properties (UK) Ltd
- Crest Nicholson Operations Ltd
- Family Mosaic Home Ownership
- Galliford Try plc
- Hadley Mace Ltd
- J B Leadbitter & Co Ltd
- Kier Ltd
- Laing O'Rourke Plc
- Lovell Partnerships Ltd
- Mi-Space
- Skanska Construction UK Ltd
- Taylor Wimpey UK Ltd
- Wates Construction Ltd

Appendix 5

Health Impact References (Section 5.6)

1. A SELECT REVIEW OF LITERATURE ON THE RELATIONSHIP BETWEEN HOUSING AND HEALTH. Scottish Government Communities Analytical Services. September 2010.
2. Housing and public health: - a review of reviews of interventions for improving health. Evidence briefing summary. December 2005. NICE.
3. TEENAGE HOUSING TENURE AND NEIGHBOURHOODS AND THE LINKS WITH ADULT OUTCOMES: EVIDENCE FROM THE 1970 COHORT STUDY. CASE report 64 January 2011 Tunstall R et. al.
4. Mixing housing tenure: is it good for social wellbeing? Doherty J et al. Draft paper. [http://urbanrim.org.uk/cache/Mixing%20Tenure%20\(draft\).pdf](http://urbanrim.org.uk/cache/Mixing%20Tenure%20(draft).pdf)

CABINET

20 SEPTEMBER 2011

Title: Changes to Parking Policy and Charges at the Borough's Car Parks	
REPORT OF THE CABINET MEMBER FOR CRIME, JUSTICE AND COMMUNITIES	
Open report	For Decision
Wards Affected: Abbey , Eastbury, Heath, Village, River, Longbridge, Whalebone, Chadwell Heath	Key Decision: Yes
Report Author: Trevor Prowse, Divisional Director of Environment and Enforcement	Contact Details: Tel: 020 8227 5772 E-mail: trevor.prowse@lbbd.gov.uk
Accountable Divisional Director: Trevor Prowse	
Accountable Director: Darren Henaghan, Corporate Director of Customer Services	
<p>Summary:</p> <p>The Barking and Dagenham Draft Local Implementation Plan (LIP), agreed by Cabinet on the 23 November 2010, outlines the Council's continuing strategy to achieve a safe, sustainable and accessible transport system.</p> <p>The borough has some of the busiest roads in London, and suffers from the problems traffic congestion causes.</p> <p>In order to support the delivery of the LIP, this report seeks to introduce a series of local policy changes at the Borough's car parks. The objectives of these changes are to</p> <ol style="list-style-type: none"> 1. increase capacity for short term visitor and shopper car parking in our town centres; 2. improve facilities for safe overnight parking; 3. improve accessibility to our car parks for vulnerable groups; and 4. promote the use of more sustainable modes of travel such as cycling or public transport to reduce traffic congestion in the borough. <p>This report describes in detail the proposed policy changes for the borough's existing public car parks and proposes the adoption of the parking spaces around four council buildings as additional public car parking space and the introduction, subject to consultation, of on-street pay and display schemes in three shopping parades.</p> <p>These proposals have been developed following detailed consultation as part of the process of establishing a statutory traffic management order. This included</p>	

advertising the proposals within the local media and directly with affected service users.

Cabinet, on the 23 August 2011, agreed to the introduction of a Paid Parking Permit Scheme for staff. This scheme requires staff to purchase permits to park in the car parks described in Appendix A. Cabinet asked a series of questions about the impact of the scheme on staff, which are addressed in section 5.3 of this report.

Comments of the Chief Financial Officer

A detailed comprehensive financial modelling exercise has been undertaken to support the delivery of this scheme. This will be self-financing as well as being able to meet the relevant proportion of the savings target approved by Members in the 2011/12 budget. However, as the actual take-up of the scheme at this stage is unknown, in the absence of these known variables, the model involves the use of assumptions. These assumptions may prove to have over or under rated the revenue return.

Income from off-street parking is subject to VAT and therefore the charges quoted in this report are inclusive of VAT.

After the deduction of incremental costs arising from the implementation of this scheme any resulting revenue surplus must be ring-fenced to be spent on further traffic and parking schemes, public transport or on street maintenance etc.

Comments of the Divisional Director for Legal & Democratic Services

This report recommends the expansion of public off-street car parking in the Borough which will be achieved by opening up some of the Council's private car parks to the public.

This can be achieved by designating the car parks as to be public off-street car parks under Section 32 of the Road Traffic Regulation Act 1984 ('RTRA'). This enables the Council to create off-street car parks for the purpose of relieving and preventing congestion. Once the car parks are designated then charges can be set under section 35 of the RTRA.

In addition this report proposes revised charges to some of the existing public car parks which can be done under section 35 of the RTRA.

As part of the process of the introduction of a new charging arrangement, an advertisement was placed and a number of comments were received. The comments related to the principle of charging and were considered and responded to. It is confirmed that the measures and actions proposed in this report are consistent with the use of the powers contained in the RTRA.

Recommendation

The Cabinet is recommended to agree:

- (i) That Parking Charges Orders in respect of the existing public car parks set out in Appendix A Schedule 1, be varied so as to allow for increased or decreased charges (as the case may be) in accordance with the charging scheme set out in Appendix A, Schedule 1;
- (ii) The Council takes steps to establish the new pay and display public car parks identified in Appendix A, Schedule 2 as off street parking places under the Road Traffic Management Act 1984;
- (iii) That Parking Charges Orders in respect of the proposed new pay and display car parks set out in Appendix A, Schedule 3 be introduced to allow for parking charges to be levied in those car parks; and
- (iv) That parking should remain free for the public on Sundays in all car parks operated by the London Borough of Barking and Dagenham.

Reason(s)

The proposals are part of a series of actions with the objective of securing a safe, sustainable and accessible transport system. This is part of delivering the Policy House objective of better homes through developing good quality transport, including public transport, roads and footpaths, and also better future through a borough that is great for doing business in and where businesses are supported to thrive, and also a borough that reduces its waste and CO2 emissions.

1. Background

- 1.1 Barking and Dagenham’s Local Implementation Plan, (the Borough’s Transport Strategy) outlines the Council’s continuing strategy to achieve a safe, sustainable and accessible transport system. This was approved by Cabinet on the 23 November 2010.
- 1.2 The LIP describes the transport opportunities and challenges within the borough and describes the trend of increased car ownership, congestion and slower journey times.
- 1.3 Barking Town Centre and the Heathway are key shopping destinations, and provide good interconnectivity with alternative modes of transport. The proportion of road journeys made within the borough by cyclists are relatively low for London.
- 1.4 In order to support the delivery of the draft LIP, this report seeks to introduce a series of local policy changes at the Borough’s car parks. The objectives of these changes are to:-
 - increase capacity for short term visitor and shopper car parking in our town centres;
 - improve facilities for safe overnight parking;
 - improve accessibility to our car parks for vulnerable groups; and

- promote the use of more sustainable modes of travel such as cycling or public transport to reduce traffic congestion in the borough.
- 1.5 This report describes in detail the proposed policy changes for the borough's existing public car parks and proposes the adoption of the parking spaces around four council buildings as additional public car parking space.
- 1.6 The existing public car parks discussed in this report are:
1. London Road;
 2. The Heathway, and;
 3. Axe Street
- 1.7 In addition, the parking spaces around four council buildings, the location of which is described in Appendix A Schedule 2, are proposed to be adopted as additional public car parking space. These buildings are:
1. The Civic Centre, Dagenham,
 2. John Smith House, Barking.
 3. Roycraft House, Linton Road, Barking, and;
 4. Stour Road Offices, Dagenham.
- 1.8 Reviews of parking facilities are regularly undertaken to ensure that they continue to provide the range of options for parking which are necessary to support businesses, residents and visitors to any particular area.
- 1.9 Residents will be encouraged to rent parking spaces in the London Road multi storey car park. It will be opened 24 hours per day in order that it can also provide additional parking facilities for the developing evening and weekend economy of Barking Town Centre.
- 1.10 A similar arrangement is to be put in place at the Mall car park and, as part of this review, changes to the charges made at Pay and Display car parks are also recommended for approval.
- 1.11 An important part of the Council's Parking Strategy is to make further Council owned car parks available for use by the public.
- 1.12 In addition, three schemes are proposed to support shopper parking in smaller shopping parades. Detailed consultation with shop owners and residents in the proposed areas will take place prior to any introduction of a scheme. The proposed shopping areas are:
1. Broad Street, Dagenham
 2. Faircross Parade, Barking
 3. High Road, Chadwell Heath.

2. Proposals

London Road Multi Storey Car Park

2.1 Existing Policy

London Road is a public car park open from 6 am until 9pm Monday to Saturday. There is a small area for business permit holders, and a dedicated area on the ground floor for blue badge holders. The rest of the facility is used for general parking and permit holders. A range of permits are available, including staff parking permits.

Current Parking Charges at this site are:

Time Length	Price
Up to 1 hour	£1.00
Up to 2 hours	£1.50
Up to 4 hours	£4.00
Up to 6 hours	£7.00
Over 6 hours	£12.50
Business Permit	£450.00

2.2 Current Issues

Usage of the car park by business permit holders and shoppers is low at all times, however the car park is very well used by Barking and Dagenham Council Staff during the week. On Saturdays the car park is almost empty.

The current pricing structure does not encourage short term use, especially by shoppers. As the car park closes overnight and on Sundays, take up of local business and residents permits is also limited as consistent access is not available.

Consultation with the business community and local residents has shown a preference to increase the hours of opening at London Road. Town centre residents identified a requirement for the added convenience of overnight parking for visitors.

2.3 Proposed Revised Policy

London Road will open 24 hours a day 7 days a week, including statutory holidays. Dedicated parking spaces will be made available for long term permit holders, in particular local residents. Blue Badge Parking will be available on the Ground Floor.

To promote security, the car park will initially be staffed overnight. The lighting and CCTV system is also under review in conjunction with the Barking and Dagenham Crime and Disorder Partnership and any improvements identified as necessary by the review will be completed before the policy

change is made. Signage improvements will also be made on the approaches to the car park.

To promote use of the car park by visitors and shoppers the short term car parking charges will be reduced. Alongside maintaining the existing day time business and staff permits, new 24 hour 7 day a week permits will be introduced for long term business and resident parking.

Parking charges at this site are now proposed as:

Time Length	Price	Percent increase / decrease
Up to 1 hour	£0.50	50% decrease
Up to 2 hours	£1.00	33% decrease
Up to 4 hours	£2.00	50% decrease
Up to 6 hours	£4.00	43% decrease
Over 6 hours	£8.00	36% decrease
8pm to 8am	£2.50	New price option
Business / Resident Contract annual permit	£700.00 for 24hrs £450.00 for 6am to 8pm	New permit option

2.4 Expected Outcomes

- Greater use of the facility for short term visitor and shopper car parking, particularly serving the evening economy.
- Increased uptake of more flexible long term parking options for residents and business.
- A move to more environmentally sustainable modes of transport for the current free permit holders. This is expected to reduce congestion and reduce carbon emissions.

Heathway Multi-Storey Car Park

2.5 Existing Policy

The Heathway Multi Storey Car Park is open from 6.30am to 7.30pm Monday to Saturday. During this time access is provided through the adjoining Mall Shopping Centre. Outside these hours access is provided to the residents of Millard Terrace through the use of an electronic access token which raises and closes the security barrier on the entrance to the car park.

Parking for Blue Badge holders is provided on the same level as the main access to the Heathway Shopping Centre. There is a dedicated area for Millard Terrace Residents and the remainder of the car park is used as general parking.

Current Parking Charges at this site are:

Time Length	Price
Up to 1 hour	£0.50
Up to 2 hours	£1.00
Up to 4 hours	£1.70
Up to 6 hours	£3.00
Over 6 hours	£4.00

2.6 **Current Issues**

Use of the car park is low. This is in stark contrast to the level of demand for short term parking on the Heathway itself. This type of parking adds significantly to the congestion in and around this key shopping area.

Investment is needed to improve maintenance and signage to the car park. Lighting at this car park and other safety measures will also be reviewed in consultation with the Barking and Dagenham Community Safety Partnership and any improvements implemented.

Feedback from local shoppers and residents is that the current opening hours are restrictive and local businesses felt that the current parking charges discourage short term parking.

2.7 **Proposed Revised Policy**

The Heathway Multi-storey will open from 6 am to 9pm Monday to Sunday. Sunday Parking will be free.

The existing secure out of hours access scheme for Millard Terrace Residents will remain, and will be extended to provide long term local resident and business parking and will be made available to other local residents and businesses.

Parking for Blue Badge holders is provided on the same level as the main access to the Heathway Shopping Centre. As at present there will be a dedicated area for Millard Terrace Residents and the remainder of the car park will be used as general parking.

To promote use of the car park by visitors and shoppers, the short term car parking charges will be reduced.

Parking charges at this site are now proposed as:

Time Length	Price	Percent increase / decrease
Up to 1 hour	£0.30	40% decrease
Up to 2 hours	£0.75	25% decrease
Up to 4 hours	£1.50	12% decrease

Up to 6 hours	£3.00	0% increase / decrease
Over 6 hours	£5.00	20% increase
Business / Resident contract annual permit	£700.00 for 24hr £450.00 for 6am to 8pm	New permit option

2.8 Expected Outcomes

- Greater use of the facility for short term visitor and shopper car parking.
- Increased uptake of more flexible long term parking options for residents and business.
- A move to more environmentally sustainable modes of transport for the current free permit holders. This is expected to reduce congestion and reduce carbon emissions.

Civic Centre, John Smith House and Stour Road Car Parks

2.9 Current Policy

The Civic Centre, Stour Road and John Smith House Car Parks provide free private parking for staff, Elected Members and visitors. The rear of the Civic Centre is secured overnight, however no restrictions are placed on parking in the other areas around the building. At John Smith House, two dedicated Doctors Bays are provided.

Blue Badge Parking is provided at all sites.

2.10 Current Issues

All of the car parks are very well used by staff and during weekdays are often full to capacity for extended periods during office hours. Pressure on parking spaces has reduced following the closure of 90 Stour Road to Revenues and Benefits customers; however this capacity has been rapidly taken up by staff.

The roads around these buildings, in particular along Ripple Road and at the junction of Green Lane and Whalebone Road South are highly congested.

Visitors to John Smith House find it very difficult to park.

Staff and visitors unable to park at the Civic Centre regularly park along Rainham Road South and other residential roads.

2.11 Proposed Policy

The Civic Centre, Stour Road and John Smith House Car Parks will be adopted as public car parks and a new charging system introduced between 8am and 8pm Monday to Friday.

30 priority staff parking bays will be created at the front of the Civic Centre. This will support the recently adopted policy to make available standard staff parking permits for all members of Council staff in other areas of the car parks.

Provision will be made at the front of the Civic Centre, John Smith House and 2 Stour Road for Blue Badge Holders.

An additional dedicated Doctors Bay and an additional Ambulance Bay will be created at John Smith House.

Parking charges at these sites are now proposed as:

Time Length	Price
Up to 2 hrs	£0.20
Up to 3 hrs	£0.50
Over 3 hrs	£2.50

2.12 **Expected Outcomes**

- A move to more environmentally sustainable modes of transport for the current free permit holders. This is expected to reduce congestion and reduce carbon emissions.
- More parking capacity created for visitors especially to the doctors surgery at John Smith House and the Civic Centre.

Roycraft House

2.13 **Current Policy**

Roycraft House provides free private parking for senior staff at Roycraft house and 3 spaces are provided for use by the chamber of commerce. Access to the car park is through a barrier system. Visitors to Roycraft House are expected to park in pay and display bays along Linton Road or within London Road Multi-Storey Car Park.

Limited Blue Badge Parking is provided.

2.14 **Current Issues**

Roycraft House car park is a key central Barking car parking location that could be used for shopper and visitor parking.

Parking spaces in this car park are reserved for individual members of staff and access prevented to visitors and other potential users. During much of

the day many spaces remain empty as the allocated users are either absent from work or making visits across the borough.

2.15 Proposed Policy

Roycraft House is adopted as a public car park and a new charging system introduced between 8am and 8pm Monday to Saturday.

Increased Blue Badge Parking is provided close to the entrance of the building.

20 priority staff parking bays will be created, alongside bays allocated to Care Line vehicles and other users of the building.

Parking charges at this site are now proposed as:

Time Length	Price
Up to 1 hour	£0.50
Up to 2 hours	£1.00
Up to 4 hours	£2.00
Up to 6 hours	£4.00
Over 6 hours	£8.00
Overnight 8pm to 8am	£2.50

2.16 Expected Outcomes

- Additional parking capacity is created for visitors and shoppers to the town centre.
- The car park is more accessible and better utilised as the restricted parking system is being removed.
- A move to more environmentally sustainable modes of transport for the current free permit holders. This is expected to reduce congestion and reduce carbon emissions

Small Shopping Parades

2.17 Current Policy

Parking at all shopping parades is provided free of charge. The parking controls at each shopping parade are produced following detailed consultation with shop keepers and local residents. In general, time restrictions are provided at most sites.

2.18 Current Issues

Shop keepers in many of our smaller shopping parades rely on short term customer parking to support their business.

In some shopping areas a minority of motorists park for extended periods so they can work locally or commute into central London. This reduces the spaces available for customers of the shopping parade. This can also result in customers parking inappropriately in local residential roads.

2.19 Proposed Policy

Within three shopping parades it is intended to consult residents and shop keepers with the view to introducing pay and display charges. Adequate parking for blue badge holders will also be created. The three shopping parades are:

1. Broad Street, Dagenham
2. Faircross Parade, Barking
3. High Road, Chadwell Heath.

The charges proposed at these sites, if adopted, are:

Time Length	Price
Up to 1 hour	£0.20
Up to 2 hours	£0.50
Up to 3 hours	£1.50
Up to 6 hours	£5.00

2.20 Expected Outcomes

- This approach has been used successfully in neighbouring boroughs and has successfully created additional parking capacity for visitors and shoppers.
- The introduction of additional blue badge parking spaces will improve accessibility to the area for motorists with mobility issues.

Other Pay and Display Car Parks

2.21 No changes are proposed at other existing Pay and Display car parks.

3. Financial Issues

3.1 Once in place, these changes should mean that the savings targets for parking services should be achieved from 2012/13. Throughout 2011/12,

there will be difficulties as the changes will only affect part of the financial year however Parking Services are endeavouring to minimise the shortfall with a number of interim measures.

- 3.2 The level of income will only become known once the arrangements are in place and take up can be assessed.
- 3.3 There is a need to initiate a marketing strategy for the London Road and Mall Car Parks. These are facilities that are under used in terms of pay and display parking.
- 3.4 Reviews of security in the car parks may result in additional expenditure on maintenance and improvements.

4. Legal Issues

- 4.1 The legal issues and implications of the proposals set out in this report are set out in the comments of the Divisional Director for Legal & Democratic Services above.

5 Staffing Issues

- 5.1 Additionally, Cabinet agreed on the 23 August 2011 to introduce a parking permit scheme for staff. This scheme requires staff to purchase a permit to park in the following car parks:

- Roycraft House
- London Road
- The Heathway Multi-storey
- The Civic Centre
- Stour Road
- John Smith House.

Cabinet raised a number of questions about the scheme and impact on staff. Those questions and the responses appear below:

1. Has consultation with the Unions taken place?

Extensive consultation has taken place both with staff and the Unions and the proposals have been adapted to take into account their comments. The Unions remain collectively opposed to the introduction of staff parking charges.

2. Have we considered the burden of the new charge on staff who were already faced with higher costs of living as well as the local government pay freeze?

Benchmarking has taken place with other neighbouring London Boroughs and Barking and Dagenham's charge of £1.00 a day is lower than the

London average. For example, London Borough of Lewisham charge the equivalent of £2.00 a day, Enfield the equivalent of £1.60 a day and Havering the equivalent of £1.40 a day.

Staff also have the option to purchase a pre-paid book of 10 permits which can be used as and when required. For example, this can be used for part time workers or staff wishing to car share.

The price of the permits has also been fixed for two years so there will not be an increase in cost during this time, and a discount of £30 (equivalent to 6 weeks) has been applied to price of the annual permit to take into account annual leave and bank holidays.

Residents have to pay to park in the borough and in view of the commitment to support residents in tough times the scheme aims to treat both residents and staff equally.

3. How will the enforcement of the scheme be managed?

The staff parking scheme was introduced on the 1st September 2011. When any new parking control scheme is introduced, initially informal warning notices to vehicles parked without an appropriate permit are issued. From 30th September 2011 formal enforcement will take place.

4. Should staff that are designated as Essential Car Users, and therefore required to use a car by the Council to properly perform their duties, be required to purchase a staff parking permit?

It is not possible to grant Essential Car Users with a free permit. Discussions with the unions are still taking place to set new criteria for the Essential Car User Allowance. However, staff that are required to use their cars for work purposes and will need to park in Controlled Parking Zones will be provided with an operational permit free of charge.

5. Whether the charge to staff should be proportionate to salaries?

This option was rejected by the majority of respondents to the consultation. Nevertheless, the option has been provided for staff to purchase priority permits at £30 per month and the Chief Executive and other Chief Officers pay £40 per month.

5.2 As an alternative to the staff parking permit, there are other travel options that are available to staff. Annual season ticket loans are available to staff so they can purchase an annual season ticket for the rail network and London Transport train and bus services. The loan is non-taxable, interest free and does not include any administrative fees and it will be for the whole cost of the season ticket. The loan is recovered by 11 monthly deductions from staff salary.

- 5.3 The 'Cycle to Work Scheme' was introduced in 2010 and gives staff the opportunity to purchase a bike at a reduced rate through salary sacrifice. Staff can choose a bike and accessories up to the value of £1,000. Deductions are set up to be taken straight from gross salary thereby saving staff the income tax and national insurance normally paid on the amount.
- 5.4 It is not expected that staff will have difficulty in accessing car parking spaces even if car parks can now be used by the public. The staff parking permit is transferable between car parks and can be used at all the identified car parks in the borough.

6. Other Implications

6.1 Risk Management

The proposals in this report have the objective of producing a safe, sustainable and accessible public transport system. The proposals seek to improve access for visitors and shoppers to the Heathway and Barking Town centre. They are also designed to reduce congestion across the borough by promoting a switch away from car use for existing free permit holders.

The expected increase in use by shoppers and visitors may be slow to materialise. This financial risk will need careful monitoring and to this end officers are recommending that the charges at these car parks are kept under review as part of the 2012/13 budget setting process.

6.2 Contractual Issues

There are no specific contractual issues in relation to changes to fees and charges.

6.3 Customer Impact

The new car park charges will increase accessibility to our car parks for customers with mobility issues. Provision of blue badge parking spaces is proposed in all car parking areas under discussion.

The lowering of fees at London Road and The Heathway is expected to have a positive effect on vulnerable residents wishing to visit these shopping areas.

Extending the opening hours of the borough's car parks and providing a wider choice of car parking options for customer, visitors and residents will have a positive effect.

As part of the Traffic Management Order needed to adopt the car parks in the borough, extensive and statutory consultation has been undertaken as required by the Road Traffic Act. 9 objections were received in answer to the proposed change to the car parks and all objections have been answered and there have been no further appeals submitted. Therefore the Traffic

Management Order that supports the introduction of these payments has been sealed.

6.4 **Safeguarding Children** – Please see section 6.6

6.5 **Health Issues** – Please see section 6.6

6.6 **Crime and Disorder Issues**

Concern has been expressed that anti social activity may occur in the car parks. In particular perceptions of safety at the Heathway multi storey car park needs to be improved and a further assessment is needed at London Road as this is to be open for 24 hours a day.

Car Parks can be intimidating especially at night. The car park is monitored by CCTV cameras however there is an acknowledgement that to feel safe in a car park requires more than just CCTV coverage. At London Road a car park attendant will be on duty at all times and if required, will be able to escort members of staff and customers to their car.

A review of the lighting situation will be undertaken at all car parks and customer and staff feedback will be sought on how they feel the car park is managed and any issues they have. Further work will be undertaken in conjunction with the Crime and Disorder Partnership to identify and introduce any necessary security or design measures to reassure visitors to the car parks.

6.7 **Property / Asset Issues**

The proposals in this report represent an improved use of the Council's parking assets.

7. **Options appraisal**

A range of options have been under discussion over many months with regard to the changes necessary to the charging regime to address the needs to shoppers, residents and businesses and the results set out in this report represent the culmination of those discussions.

List of appendices:

Appendix A – Location of Car Parks that are to be adopted as public car parks.

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Appendix A Schedule 1: Existing Public Car Parks & Charges

Location	Current Enforcement Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
London Road	Mon – Sat 6am – 9pm	<ul style="list-style-type: none"> Up to 1 hour - £1 Up to 2 hours - £1.50 Up to 4 hours - £4 Up to 6 hours - £7 Over 6 hours - £12.50 <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p>	Mon – Sat 24hours (patrolled)	<ul style="list-style-type: none"> Up to 1 hour - 0.50p Up to 2 hours - £1 Up to 4 hours - £2.00 Up to 6 hours - £4 Over 6 hours - £8.00 Motorcycles free <p>Free parking on Sundays</p> <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p> <p>Business / Resident contract permit:</p> <p>£700.00 for 24hr £450.00 for 6am-8pm</p> <p>Standard bays available for staff (@£17.50 per month)</p> <p>All other bays are P&D as per above tariff</p> <p>£2.50</p>
		Business permit: £450.00 Resident permit: N/A Permit Bays: N/A		
		Overnight Parking: N/A	*flat night rate 8pm to 8am (Mon to Sun)	
*Tickets bought during the day period will expire at the end of that day period (8pm) unless the night charge of £2.50 has been paid.				
** RESTRICTIONS: Staff permit holders are not permitted to park on the bottom two floors. All Business / Resident contract permits will have designated spaces on the wings of each floor				

Location	Current Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
Heathway (The Mall)	Mon – Sat 6.30am – 7.30pm	<ul style="list-style-type: none"> Up to 1 hour - 0.50p Up to 2 hours - £1 Up to 4 hours - £1.70 Up to 6 hours - £3 Over 6 hours - £4 Motorcycles free <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p>	Mon – Sat 24 hours	<ul style="list-style-type: none"> Up to 1 hour - 0.30p Up to 2 hours – 0.75p Up to 4 hours - £1.50 Up to 6 hours - £3.00 Over 6 hours - £5.00 Motorcycles free <p>Free parking on Sundays</p> <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p>
		Business permit: N/A		Business / Resident contract permit:
		Resident permit: N/A		£700.00 for 24hr
		Overnight Parking: N/A	*flat night rate 8pm to 8am (Mon to Sun)	£450.00 for 6am-8pm £2.50
		Permit Bays: N/A		Standard bays available for staff (@£17.50 per month)
<p>All other bays are P&D as per above tariff</p>				
<p>*Tickets bought during the day period will expire at the end of that day period (8pm) unless the night charge of £2.50 has been paid.</p>				
<p>** RESTRICTIONS: Permit holders to park in designated spaces only</p>				

Location	Current Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
Axe Street	7am – 7pm	<ul style="list-style-type: none"> • Up to 1 hour - £1 • Up to 2 hours - £1.50 • Up to 4 hours - £4 • Up to 6 hours - £7 • Over 6 hours - £12.50 • Motorcycles free <p>Disabled badge holders free, only if parked in a bay maximum stay of 4 hours</p>	Mon – Sat (24 hrs)	<ul style="list-style-type: none"> • Up to 1 hour - £1 • Up to 2 hours - £1.50 • Up to 4 hours - £4 • Up to 6 hours - £7 • Over 6 hours - £12.50 • Motorcycles free <p>Free parking on Sundays</p> <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p>
		Permits bays: N/A		<ul style="list-style-type: none"> • Priority Bays for Members and Corporate Management Team • All other bays are P&D as per above tariff

Appendix A Schedule 2: New Public Car Parks

Location	Current Enforcement Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
Roycraft House	Fob access only	N/A Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours	Mon – Sat 24 hours (8am-8pm)	<ul style="list-style-type: none"> Up to 1 hour - 0.50p Up to 2 hours - £1 Up to 4 hours - £2.00 Up to 6 hours - £4.00 Over 6 hours - £8.00 Motorcycles free <p>Free parking on Sundays</p> <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p>
		Permit bays: N/A		<ul style="list-style-type: none"> 20 Priority bays available for staff (@£30 per month) 2 bays for Careline 2 bays for Contractors 2 bays for disabled parking All other bays are P&D as per above tariff
		Overnight Parking: N/A	*flat night rate 8pm to 8am (Mon to Sun)	£2.50
*Tickets bought during the day period will expire at the end of that day period (8pm) unless the night charge of £2.50 has been paid.				
** RESTRICTIONS: Only Staff with a priority permit are permitted to park in this Car Park – all other spaces are for P&D				

Location	Current Enforcement Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
Civic Centre	24/7	N/A Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours	Mon – Sat (8am-5pm)	<ul style="list-style-type: none"> • Up to 2 hours - £0.20 • Up to 3 hours - £0.50 • Over 3 hours - £2.50 <p>Free parking on Sundays</p> <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p>
		Permit bays: N/A		<ul style="list-style-type: none"> • 30 Priority bays available for staff (@£30 per month) • Standard bays available for staff (@£17.50 per month) • All other bays are P&D as per above tariff

Location	Current Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
Stour Road	24/7	N/A Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours	Mon – Sat (8am-6pm)	<ul style="list-style-type: none"> Up to 2 hours - £0.20 Up to 3 hours - £0.50 Over 3 hours - £2.50 Free parking on Sundays Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours
		Permit bays: N/A		<ul style="list-style-type: none"> Standard bays available for staff (@£17.50 per month) All other bays are P&D as per above tariff

Location	Current Enforcement Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
John Smith House	N/A	N/A	<p>Mon – Sat (8am-6pm)</p>	<ul style="list-style-type: none"> • Up to 2 hours - £0.20 • Up to 3 hours - £0.50 • Over 3 hours - £2.50 <p>Free parking on Sundays</p> <p>Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours</p> <ul style="list-style-type: none"> • Standard bays available for staff (@£17.50 per month) • All other bays are P&D as per above tariff • Doctors Bay • Ambulance Bay

Location	Current Enforcement Times	Current Tariff	Proposed Enforcement Times	Proposed Tariff
Secondary Shopping Parades at: Broad Street High Road Chadwell Heath Faircross Parade	N/A	N/A	Mon – Sat (8am-6pm)	<ul style="list-style-type: none"> • Up to 1 hours - £0.20 • Up to 2 hours - £0.50 • Up to 3 hours - £1.50 • Up to 6 hours - £5.00 Free parking on Sundays Disabled badge holders free, only if parked in a disabled bay maximum stay of 4 hours

CABINET

20 SEPTEMBER 2011

Title: Proposed Establishment of an Additionally Resourced Provision at Monteagle Primary School	
REPORT OF THE CABINET MEMBER FOR EDUCATION AND CHILDREN'S SERVICES	
Open report	For Decision
Wards Affected: Eastbury	Key Decision: Yes
Report Author: Mike Freeman, Group Manager - Schools Estate	Contact Details: Tel: 020 8227 3492 E-mail: mike.freeman@lbbd.gov.uk
Accountable Divisional Director: Jane Hargreaves, Head of Quality & School Improvement	
Accountable Director: Helen Jenner, Corporate Director of Children's Services	
<p>Summary:</p> <p>This report presents a proposal for Monteagle Primary School to establish an Additionally Resourced Provision (ARP) for pupils with statements of Special Educational Needs who have been diagnosed with Asperger's Syndrome. Children with Asperger's Syndrome are described as being on the autistic spectrum. The provision is to be open from the start of the Spring Term 2012.</p> <p>This proposal has been initiated for the following main reasons:</p> <ol style="list-style-type: none"> 1. The lack of suitable, local specialist places for pupils of primary school age with autism which has resulted in a number of young children travelling to Colchester. 2. The expectation that there is provision for pupils with special educational needs to be taught in local mainstream settings where this is possible. 3. The value for money provided by additionally resourced provisions, as opposed for instance to costly out-of-borough placements <p>Further benefits include;</p> <ol style="list-style-type: none"> 4. The provision of on-site specialists. 5. Improved access to specialist staff 	

Recommendation(s)

The Cabinet is recommended to agree the establishment of an additionally resourced provision at Monteagle Primary School for children with statements of Special Educational Needs who have a diagnosis of Asperger's Syndrome.

Reason(s)

This proposal will assist the council in providing specialist provision to children of primary school age who have complex needs related to Asperger's Syndrome. The law requires the council to make provision for children's special educational needs appropriately. The council does not currently have the capacity to meet the increased numbers of children who are autistic. The alternative would be to purchase expensive out-of-borough places at high cost.

1. Background

- 1.1 The expanding population in Barking & Dagenham and the growing numbers of children identified with learning difficulties and disabilities require an increase in specialist provision. Forecasts show a further 200 special school places will be needed by 2016 for children with profound and multiple special educational needs in line with high levels of population growth and oversubscribed current provision. Addressing the need for additional provision is a key Council priority.
- 1.2 The growing school population in Barking & Dagenham has therefore placed considerable strains on schools. Provision for pupils with significant learning needs is currently made through one large special school, Trinity School, and also at Additionally Resourced Provisions (ARPs) attached to schools. As a result of population growth, the Authority is struggling to place a number of children who have significant and challenging special educational learning needs.
- 1.3 Based on information available from the early years and health teams, it is clear that additional specialist mainstream provision will be required to enable children to access a mainstream place.

2. Proposal

- 2.1 It is proposed to establish a unit provision at Monteagle Primary and, as part of future developments, to establish further primary units to meet the needs of a range of children with complex SEN needs.
- 2.2 A draft SEN provision development plan has been completed and was circulated to the schools forum in the Summer Term 2011.
- 2.3 The Borough currently has no specialist Autistic Spectrum Disorder provision for Asperger's Syndrome in ARPs at any primary schools. There are two secondary ARPs which provide for Autism.
- 2.4 The Monteagle ARP will be staffed by an experienced specialist teacher and supported by three specially trained learning support assistants. The Council will provide specialist training in order to develop the ARP as a centre of excellence.

- 2.5 The aim is to ensure that sufficient specialist education places are available to be able to provide for all of the borough's children and young people within local settings. The building in which the SEN unit is to be run, located at Stamford Road (previously known as "The Acorns") is conveniently close to the school.
- 2.6 The cost of this provision will compare favourably with that of out-of-borough provision.
- 2.7 Consultation regarding the ARP at Monteagle Primary School has taken place and includes discussion at a Governing Body meeting held on 17 November 2010 and at the Schools Forum meeting held in the Summer Term 2011. Further, a letter was sent to parents, carers, guardians and pupils of Monteagle Primary School on 6 June 2011.
- 2.8 The school will manage the ARP under the supervision of the Headteacher, who has a reporting responsibility to Governors.
- 2.9 A Notice was published in The News on 23 July 2011. The notice period ended after six weeks from the date of publication on 2 September 2011. The notice has been on display at both the main public library in Barking and on the School notice-board.
- 2.10 The provision of the ARP addresses inclusion and the needs of children with special educational needs. The proposed new ARP will allow the Local Authority to meet the needs of some young people who at present would have to be placed out-borough. The development of this unit also responds to parental pressure for local special schools and ARP places where currently demand exceeds local capacity.
- 2.11 The present proposal will enable the council to fulfil its statutory obligations to this group of children with significant complex autism. It will be a cost-effective alternative to potential out-of-borough placements.

3. Financial Implications

Implications verified by: Tracie Evans, Corporate Director

- 3.1 The start up and running costs for this ARP are to be met from the Dedicated Schools Grant. The cost in 2011-12 to the DSG will total £187,500 (£100,000 start up plus £87,500 running costs for September 2011 to March 2012). Annual running costs thereafter will be £150,000.
- 3.2 Compared to the external SEN placements that cost between £30,000 to £40,000 per place with an additional £5,000 to £10,000 required for transport, the ARP will generate significant savings of £60,000 to £150,000 per annum. Therefore, the set up costs of £100,000 will be fully recovered within two years. These related to necessary adaptations to the building and this has allowed for a suitable working environment for both the staff and the pupils. New furnishings have been purchased including the appropriate type of workstations. Also included are costs in respect of preparing and decorating the converted classroom. The level of the unit cost of resource provided compares favourably with the cost of external provision which can be significantly more.

- 3.3 Funding has been agreed for the teaching staff at a ratio of one specialist teacher and three learning support assistants per six pupils. The unit will cater for six children ages 5 to 11 with complex and challenging autism. This is based on six pupils at a base cost of £25,000 per pupil.

4. Legal Implications

Implications verified by: Fiona Taylor, Group Manager, Legal Services

- 4.1 This report recommends the establishment of an additionally resourced provision at Monteagle Primary School for children with special educational needs that have an Asperger's Syndrome diagnosis. The additional provision is provided under Section 19 of the Education & Inspections Act 2006. The School Organisation (Prescribed alterations to maintained schools) (England) Regulations 2007 set out the alterations that can be made by governing bodies and local authorities which includes the addition of provision reserved for pupils with special educational needs. The authority has a duty to consider the provision of need required for children with special educational needs in its area and ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential.
- 4.2 The proposals have been published in accordance with the Education and Inspections Act 2006 and the required procedural and implementation arrangements are being followed.

5. Other Implications

- **Risk Management** - We need to make provision as a statutory obligation for additional pupil places in the borough and these proposals mitigate the risk of failing to provide suitable numbers of places for pupils' learning. The number of children with Asperger's Syndrome has increased, partly owing to the growing pupil population; hence the need for additional special needs places. The consequences of not providing more places in-borough is the increased cost of sending growing numbers of SEN children to other placements outside of the borough and this leads to less overall control over their education and reduced control of the associated financial costs.
- **Safeguarding Children** – The SEN unit will be staffed with an experienced specialist teacher supported by three specially trained learning support assistants. The local authority has a very experienced team of specialist inclusion advisors who would continue to support the development of the ARP as a centre of excellence.

A senior, specialist educational psychologist (for Autism) provides further assessment of children's needs. For children whose behaviour or levels of independence may be a concern, a risk assessment is undertaken. This will identify the specific interventions to be put in place and will be regularly evaluated.

- **Property/Asset Issues** - A former educational building that was known as the ACORNS has been allocated for this SEN provision.

6 Options Appraisal

- 6.1 Do Nothing – This would mean children with ASD and Asperger’s Syndrome would need to go to out-of-borough placements at a significantly higher cost than this proposal.
- 6.2 Create additional places at Trinity School. This is not possible as the school is already at full capacity or would mean displacing current pupils at the schools.
- 6.3 Create an additionally resourced provision at Monteagle Primary School. This is seen to be the best option as the school are keen to provide this SEN unit and therefore has the backing of the staff and the headteacher.

7. Background Papers Used in the Preparation of the Report:

Legislation which allows this – Education and Inspections Act 2006
DfE Guidance – “Making Changes to a Maintained Mainstream School (other than Expansion, Foundation, Discontinuance & Establishment Proposals)”
Council Policy House
Children & Young People Plan
Every Disabled Child Matters Charter
Inclusion Strategy
Notice published 23rd July 2011
Consultation Letter dated 6 June 2011

8. List of appendices:

None

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CABINET

20 SEPTEMBER 2011

Title: Fews Lodge Extra Care Scheme	
REPORT OF THE CABINET MEMBER FOR HEALTH AND ADULT SERVICES	
Open report	For Decision
Wards Affected: Chadwell Heath	Key Decision: Yes
Report Author: Bruce Morris	Contact Details: Tel: 020 8227 2749 E-mail: bruce.morris@lbbd.gov.uk
Accountable Divisional Director: Bruce Morris	
Accountable Director: Anne Bristow	
<p>Summary:</p> <p>Fews Lodge is part of the building that contains Kallar Lodge Residential Care Home. When Kallar Lodge was developed in 2008, the building was split into the thirty five bed care home with the remaining space being earmarked for development by Hanover Housing into an Extra Care Scheme. That project did not materialise and Fews Lodge was used for alternative housing provision. In May 2011 the site began to be used for temporary accommodation, managed by Customer Services.</p> <p>An additional Department of Health capital allocation in 2010 of £932,748 over a two year period now provides the opportunity to take the scheme forward¹.</p> <p>There is growing demand for Extra Care Housing for people with dementia, and currently a waiting list for existing provision. There is a forecast modest increase in numbers of older people with dementia and extra care housing provides a more cost effective solution and greater levels of independence than residential care. The shared building and staff team of the proposed development will result in a more efficient use of existing resources. The scheme also meets the aims and objectives of the local dementia strategy action plan.</p>	
<p>Recommendation(s)</p> <p>Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> i) the main building of Fews Lodge be converted into Extra Care Housing provision for people with dementia; and ii) that this is provided jointly under the management of Customer Services for landlord services (with rent being paid by tenants to the HRA) and Adult Social Care for care provision (funded through adult social care budgets), while the bungalows and houses on the site revert to general needs housing. 	

¹ Department of Health (DH) (2010) Local Authority Social Services Letter (LASSL), 2.

Reason(s)

This proposal will assist in meeting several of the objectives set out in the Council's Policy House including:

- providing high quality social care services for those that need them.
- enabling people with care needs to live the life they want, with real choices about their lives and care.
- improving estates and homes that people choose to live in, whether owned by the Council, other social landlords, privately rented or owned.

1. Introduction and Background

1.1 Older people population projections

The Joint Strategic Needs Assessment (JSNA) refresh 2010 provides some updated population projections. There is predicted to be a small rise in the number of older people in the borough between now and 2020.

London Borough of Barking and Dagenham Population Projections 65yrs+	
Year	Population 65yrs+
2010	20,835
2011	20,797
2012	21,019
2013	21,186
2014	21,274
2015	21,340
2016	21,447
2017	21,565
2018	21,711
2019	21,928
2020	22,134

1.2 The Office for National Statistics (ONS) produces borough level projections to help plan for the future. The 90 and over group peaks in 2032 when it represents 1% of the population. By 2033 there is projected to be some 2,000 over 90s; an increase of 122%. This age group has a greater need for adult social care services.

1.3 Dementia projections

Based on Projecting Older People Population Information (POPPI) 2010 estimates the number of people with dementia in the borough is projected to decline between now and 2020, but then increase to 1,630 by 2030.

London Borough of Barking and Dagenham Population Projections					
Dementia – all ages	2010	2015	2020	2025	2030
People aged 65-69 predicted to have dementia	59	70	62	71	82
People aged 70-74 predicted to have dementia	117	109	125	114	134
People aged 75-79 predicted to have dementia	226	207	195	230	212
People aged 80-84 predicted to have dementia	402	338	325	302	359
People aged 85 and over predicted to have dementia	766	785	780	819	844
Total population aged 65 and over predicted to have dementia	1,569	1,508	1,486	1,535	1,630

POPPI uses data based on the 2001 Census and trend data produced by the Office of National Statistics for populations aged 65 and over. National data has been applied to the local area and therefore the modelled estimates are not able to take into consideration distinctly local trends. Whilst a review of this data is underway, the POPPI data is still the standard source of information which is used for forecasting numbers of older people.

1.4 **Strokes**

Strokes can also lead to a greater chance of developing dementia. Cognitive decline related to stroke is usually called vascular dementia or vascular cognitive impairment to distinguish it from other types of dementia.

According to research carried out by Emedicine Health, people who have had a stroke have a 9 times greater risk of dementia than people who have not had a stroke. Approximately 1 in 4 people who have a stroke develop signs of dementia within 1 year.

Each year more than 130,000 people in England and Wales have a stroke. Most strokes occur in people over the age of 65.

2. **Proposal and Issues**

- 2.1 40% of older adults find themselves needing or wanting to move home at least once past the age of 65 years (including into residential and nursing care²) and a quarter of adults over the age of 60 indicate that some form of specialist housing would be their preferred future accommodation³. Demand for Extra Care Housing is already outstripping supply, demonstrated by a waiting list for existing provision for people with dementia⁴.

² Bebbington, A. Darton, R. Netten A 'Care Homes for Older People. Volume Two. Admissions Needs and Outcomes' (1995).

³ The Aspirations of Older People. MORI (2004).

⁴ Allardice, J. '20:20. A vision for housing and care' Jane Allardice Communication Limited (September 2005).

- 2.2 There are four priority areas for the Department of Health's policy development work during 2010/11 to support local delivery of the National Dementia Strategy⁵. The Few's Lodge development would assist with two of those:
- 2.3 *Living well with dementia in care homes* - Two thirds of people in care homes have dementia; dependency is increasing; over half are poorly occupied; behavioural disturbances are highly prevalent and are often treated with antipsychotic drugs.
- 2.4 The Few's Lodge development would support people in the early stages of dementia to continue to live as independently as possible with highly trained and specialised care provision being provided. It is envisaged that this will:
- extend the period of time that those people can live outside of permanent residential care,
 - improve the quality of life for those people and
 - delay the onset of the later stages of dementia.
- 2.5 Additionally, when it is evident that a move to residential care is required, the people in the extra care housing scheme will already be well known to the home. This will mean that an often highly traumatic move to residential care will be made significantly easier and their needs will be more effectively met at point of admission and throughout.
- 2.6 *Reduced use of antipsychotic medication* - There are an estimated 180,000 people nationally with dementia on antipsychotic drugs. In only about one third of these cases are the drugs having a beneficial effect and there are estimated 1800 excess deaths per year nationally as a result of their prescription⁶.
- 2.7 The proposed Extra Care Scheme will be linked to and managed through the staff team at Kallar Lodge. The experienced management team at Kallar Lodge are familiar with working with health colleagues to review medication and secure best outcomes for people with dementia. While the aim would be for people to remain self medicating for as long as possible in the Extra Care Scheme, the additional support and monitoring that would come from the care provision at the service would minimise the use of any medication, not just inappropriate medication, for as long as possible.

The proposed Model of Care is as follows:

- 2.8 Kallar Lodge can at present only focus on preventing deterioration once people move into the service. If we attach an additional service for people with lower levels of need, we can further focus on:
- Extending the period of time people live independently
 - Improving the quality of life for those people
 - Delaying the onset of later stages of dementia
 - Providing a seamless route of care for those people who do end up requires residential care
 - Providing opportunity for couples to stay together
- 2.9 The model of care in the scheme will include all the recognised core elements of good quality extra care provision of this type, those being:

⁵ 'Living Well with Dementia: A National Dementia Strategy' Department of Health (January 2011).

⁶ Alzheimer's Society Report (2009) quoted in 'Living Well with Dementia: A National Dementia Strategy' Department of Health (January 2011).

- Small number of units, often flats. With the conversion of one of the current flats into a communal area the scheme will comprise eleven units.
- Attached to existing care home.
- Units available for couples of whom one has a very high care need, or specialist need, and the other who is their main carer.
- Ability to access care, support and facilities of existing home.
- On-site provision or access to 24 hour personal and practical care services. Provision of personal care needs to be flexible and tailored to individual needs, so that as these change people can remain in the same place.
- Access to one or more meals every day which can help to ensure that residents receive their minimal nutritional value per day. While there will be no formal arrangements made for regular meals for all residents, should someone be in need of additional support in this area for a period of time, the main home can easily make provision for this.
- Access to domestic and housing support services particularly services which 'work with' rather than 'doing for residents'.
- Access to a range of community health services. Some of these may be on site, some from nearby health facilities or agencies. In either instance their availability in sufficient volume to maintain people within the community is likely to be as critical as the care and support services

2.10 While packages of care would be individualised, the service will be staffed from approximately 7am to 11pm by care staff. The emergency night time cover will be provided by the waking night and sleep-in staff at Kallar Lodge.

2.11 Peak times of care provision are obviously the morning and evening hours. Throughout the rest of the day the care staff will be supporting residents who have additional care needs and will be facilitating a programme of activities, which is crucial to the achievement of positive outcomes for residents with dementia.

2.12 Because the scheme would be attached to the specialist care home, the residents will benefit from a service that works to and meets a large number of the National Institute for Health and Clinical Excellence (NIHCE) Quality Standards in that:

- People with dementia receive care from staff appropriately trained in dementia care.
- People newly diagnosed with dementia and/or their carers receive written and verbal information about their condition, treatment and the support options in their local area.
- People with dementia have an assessment and an ongoing personalised care plan, agreed across health and social care that identifies a named care coordinator and addresses their individual needs.
- People with dementia, while they have capacity, have the opportunity to discuss and make decisions, together with their carer/s, about the use of: advance statements, advance decisions to refuse treatment, Lasting Power of Attorney, Preferred Priorities of Care.
- Carers of people with dementia are offered an assessment of emotional, psychological and social needs and, if accepted, receive tailored interventions identified by a care plan to address those needs.
- People with dementia who develop non-cognitive symptoms that cause them significant distress, or who develop behaviour that challenges, are offered an assessment at an early opportunity to establish generating and aggravating factors.

Interventions to improve such behaviour or distress should be recorded in their care plan.

- Carers of people with dementia have access to a comprehensive range of respite/shortbreak services that meet the needs of both the carer and the person with dementia.

3. Options Appraisal

3.1 Doing nothing will result in:

- Fews Lodge continuing to be used for temporary accommodation.
- Kallar Lodge remaining as a limited dementia care home.
- We could identify alternative use for capital allocation or return the funds to the Department of Health.

3.2 The proposal:

- Fews Lodge was only intended as a temporary measure for temporary accommodation, pending the development of these proposals. Alternative empty properties in the Council's portfolio, previously used as old people homes, have been identified and these will need to be phased in alongside the development of Fews Lodge.
- Meet the increase in demand for Extra Care Housing for people with dementia demonstrated by a waiting list for existing provision. At the time of writing this report there were six people on the waiting list for Fred Tibble, the borough's only specialist dementia extra care scheme, four of these people have been on the waiting list for over a month.
- The shared building and staff teams of the proposed development will result in a more efficient use of existing resources whilst extra care housing provides a more cost effective solution than residential care.
- The proposal aims to enable older people to stay healthy and active for longer, stay safe, maintain links with their communities and remain independent.
- The scheme meets the aims and objectives of the local dementia strategy action plan.

4. Consultation

4.1 The proposals have been discussed at length with the Cabinet Member for Health and Adult Services and the Cabinet Member for Housing. Both fully support the proposals with the proviso that we phase the building work alongside the development of additional temporary accommodation to replace the units which will need to be vacated at Fews Lodge.

4.2 This report has been discussed in the Housing Board and it has been agreed to phase in the work with the development of additional temporary accommodation currently being identified using empty property currently in the Council's portfolio previously used as older peoples residential care homes.

4.3 The project plan has begun the Capital Programme Management Office process to assess the strategic fit of the proposed scheme to the objectives, strategies and policies of the council. The review will test that the whole life costs for the scheme including revenue implications are affordable, and the respective funding sources are evidenced.

5. Financial Implications

5.1 Capital costs for the development

Initial Refurbishment costs (£)	Building Costs (£)	Capital Allocation 2011/2012 (£)	Capital Allocation 2012/2013 (£)
150,000	584,000	464,665 ⁷	468,083 ⁸

5.1.1 The capital allocation referred to above is from a Departmental of Health grant paid over 2 years so the capital works will be at no cost to the Council. This funding is intended for innovative alternatives to residential care, particularly Extra Care Housing, that improve independence for older and disabled people including those with dementia. A decision needs to be made during 2011/12 to commit the funding to eligible schemes and the development would need to be completed during the grant period.

5.1.2 The building was partially refurbished earlier this year so it could be utilised for short term temporary accommodation use. This refurbishment work has reduced the amount of work needed for conversion to an extra care scheme and is appropriately funded from the capital allocation.

5.1.3. This leaves a potential balance of £198,748 remaining capital allocation in 2012/13. Savings proposals based on better utilisation of residential care provision for people with learning disabilities are dependent on refurbishment of existing provision. The balance will be used to fund building costs associated with this proposal.

5.2 Revenue costs for the service

Cost per place	Unit Cost (per week) (£)	Occupancy 13 beds(per week) (£)	Full Occupancy for 13 beds (per year) (£)
Residential Dementia	435*	5655	294,060
Fred Tibble	234	3,042	158,184
Fews Lodge	108	1,408	73,227 ⁹
Total saving	327	4574	237,848

*The benchmark cost of residential care for people with dementia is £549¹⁰ less income guarantee for residential care of £114.

5.2.1 Specialist residential care homes for people with dementia are not an exact comparison with extra care housing both in terms of the service offered and the way costs are calculated. Residential care provides 24 hour care and due to the model of care can manage some of the symptoms associated with dementia such as wandering in a more structured environment. Nevertheless dementia is generally a

⁷ LASSL(DH)(2010)2

⁸ LASSL(DH)(2010)2

⁹ This figures includes the personal care contract (24 hour care and individual personal care) and the Housing Support contract (support with housing tenancy and social activities).

¹⁰ For all residential placements the average cost of placement is £519.23. The data from Finance used for this report, looked at all placements for those over 65.¹⁰

progressive condition and many residents of extra care schemes can be safely cared for if they are settled at an early stage.

- 5.2.2 Fred Tibble Court was designed as an Extra Care scheme for dementia when this model was a relatively new concept. In practice all extra care schemes have different features and offer different levels of support and the figures have been included here as a reference point.
- 5.2.3 However Fred Tibble is currently full and there is a waiting list so any urgent placements currently mean placing in residential care. Assuming Fewes Lodge prevents 13 residential placements, this would provide an indicative gross saving of £294,060¹¹. Due to the savings in residential costs and the additional costs of staff this would be a net saving for the council of £237,848 per annum.
- 5.3.3 Staffing for the service will largely be incorporated within the staffing structure of Kallar Lodge. There will be a need for four additional part time staff on 25 hours at SC3/SP17 equalling £67,332 annually. An additional 10 hours of domestic support will be required at SC1/SP10, £5,895 annually. The total cost of the staffing would be £73,227. This works out as a cost of £108 per week for each client.

Implications verified by: Ruth Hodson, Group Manager, Finance

6. Legal Implications

- 6.1 This is in line with government strategy 'Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society' (Feb 2008) aimed at improving and increasing access to housing suitable for older people or older people with disabilities. The goal of the strategy is to encourage better planning at a local and national level in order to create homes and communities that enable people to live at home as long as possible in independence and safety. "In future, housing, health and care will be increasingly interdependent, that is why this strategy makes housing and ageing a cross-government priority. This strategy has been developed in close partnership across government, building on work such as our overarching ageing strategy 'Opportunity Age'. The strategy builds on Communities and Local Government's Green Paper, 'Homes for the Future', it shares themes with the Department of Health's White Paper, 'Our Health, Our Care, Our Say and Putting People First'. It sets out an approach for specialised housing creating more homes and more choice.

Implications verified by: Shahnaz Patel, Senior Lawyer

7. Other Implications

7.1 Risk Management

- 7.1.1 Risks are low because the service will be attached to Kallar Lodge, a care home for people with dementia. The service will be provided by their highly skilled and experienced staff team.

¹¹ Thirteen of the 74 samples year's residential placements.

- 7.1.2 There is only one other extra care scheme in the borough that works specifically with people with dementia and this is currently overwhelmed by the number of referrals they receive. Evidence from the Extra Care Panel shows that increasingly, referrals for extra care services come from people who have a diagnosis of dementia. It is not envisaged that there will be any problems maintaining occupancy at the service.
- 7.1.3 A cost appraisal and contingency plan have built in sums for defined and undefined risks associated with the development of Kallar Lodge.
- 7.1.4 There is no risk to the service from a collapse of a private company because the proposal is for the Council to provide the service as a satellite from Kallar Lodge.

7.2 Contractual Issues

- 7.2.1 The estimated value of the construction works that will be involved in implementing the proposed conversion, as costed by Playle & Partners LLP, construction and property consultants, is £584,000, inclusive of fees and contingencies. This amount is below the EU threshold for Works contract which is currently £3,927,260, therefore the EU public procurement regulations do not apply to this procurement. At present this amount is a budget cost, pending Cabinet approval, and therefore includes a number of estimates which will be confirmed once the scheme proceeds. Upon approval the scheme will be tendered at which point the overall price will be fully confirmed, but will in all cases be contained within the funding available.
- 7.2.2. Due to the value of the project it will be procured using a list of six contractors chosen from Construction Line (a pre-existing Framework of contractors which the Council regularly accesses to procure contractors for lower value schemes) and via an advertisement which will be placed on the London Borough of Barking and Dagenham website inviting expressions of interest from local contractors.

7.3 Staffing Issues

If the proposal is agreed up to four additional staff will be recruited following the Council's standard Human Resources procurement process.

7.4 Customer Impact

The development will provide opportunities for a number of groups of people with protected characteristics including disabled people.

7.5 Health Issues

The development will help enable older people to stay healthy and active for longer, stay safe, maintain links with their communities and remain highly respected and valued members of society. The scheme will improve end of life care for older people with dementia.

7.6 Property / Asset Issues

- 7.6.1 An initial feasibility survey and scheme has been completed and the scheme designed has been agreed. Assets and Commercial Services are confident that the tender process could be completed and work could then begin at the site within

three months of approval. The feasibility study assumes a 25 week period for the tender process to be completed and on site for the works.

7.6.2 Any building work assumes an unoccupied site from the outset. At present the Fews Lodge site is occupied as temporary accommodation by a number of people placed by Customer Services. These people have been placed on licence and so no period of notice is required.

7.6.3 As part of a longer term strategy alternative accommodation currently in the Council's portfolio is being converted for use as temporary accommodation. The work will not be able to start until the building is empty without incurring additional costs.

Background Papers Used in the Preparation of the Report:

- Bebbington, A. Darton, R. Netten A. (1995) 'Care Homes for Older People. Volume Two. Admissions Needs and Outcomes'.
- MORI (2004) 'The Aspirations of Older People'.
- Allardice, J. (2005) '20:20. A vision for housing and care' Jane Allardice Communication Limited.
- Department of Health (2011) 'Living Well with Dementia: A National Dementia Strategy'.
- Alzheimer's Society Report (2009) quoted in Department of Health (2011) 'Living Well with Dementia: A National Dementia Strategy'.
- Department of Health (2010) Local Authority Social Services Letter, 2.
- Playle & Partners LLP Cost Plan, 18 July 2011

List of appendices:

None

CABINET

20 SEPTEMBER 2011

Title: Tender for the Provision of Temporary Agency Staff Contract	
REPORT OF THE CABINET MEMBER FOR FINANCE, REVENUES AND BENEFITS	
Open report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Andy Carr, Group Manager - Commercial Services	Contact Details: Tel: 020 8227 3031 E-mail: andy.carr@lbbd.gov.uk
Accountable Divisional Director: Sue Lees, Divisional Director of Assets and Commercial Services	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>In readiness for the expiry of the current contract for the provision of temporary agency staff on 30 September 2011, the report presents proposals to tender in collaboration with up to eighteen other London Boroughs/ALMOs for a new contract using a national procurement framework called MSTAR.</p> <p>At the present time the Council has a contract with Matrix SCM to provide a “Neutral Vendor” agency staff service. A neutral vendor approach is where the Council contracts with a single managing agent who manage a host of 1st and 2nd tier agencies to provide the required candidates.</p> <p>An options appraisal was carried out by the Procurement team in consultation with Council Officers which is attached as appendix 1 of this report in which a Master Vendor solution has been recommended for the Council’s next contractual arrangement. This arrangement will be confirmed as part of the next steps in procurement, following consultation with all key stakeholders. A Master Vendor approach is where the Council contracts with one single agency who will aim to provide all required disciplines. The Master Vendor will endeavour to supply all staff directly and in the event of not having a suitable candidate available will work within their own network to satisfy the demand. The Council can - with the Master Vendor’s agreement - nominate one or more specialist agencies to work for the master vendor.</p> <p>MSTAR is a nationally accessible managed service framework which the Council has access to. The Council would take part in a mini competition as part of a collaboration being led by LB of Tower Hamlets using the MSTAR framework and will include up to eighteen other London Boroughs/ALMOs. Elevate will support this procurement and Tower Hamlets by running an eAuction as part of the process. The timeline for the collaborative procurement is set and the Council needs to converge its contract end time with that of the collaboration. It is therefore recommended that the existing contract with Matrix SCM be extended for 6 months to allow for the procurement and implementation. It will also ensure</p>	

that there continues to be an existing contract in place for the Council and its temporary agency staff.

The detailed specification for the Council's procurement will be developed in consultation with key stakeholders within the Council. The Public Accounts and Audit Select Committee will also be consulted as part of this process. An evaluation panel for the Council's part of the tender will be formed to include representation from all key stakeholder areas.

Recommendation(s)

The Cabinet is recommended to agree:

- (i) To the extension of the existing Matrix contract for a period of six months from 1 October 2011;
- (ii) That the Council participates in the MSTAR framework for the procurement of a contract for the provision of temporary agency staff;
- (iii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to award contracts for the provision of temporary agency staff using the MSTAR framework; and
- (iv) Whether it wishes to be further informed or consulted on the progress of the procurement and the award of the contract.

Reason(s)

The decision to retender the Council's temporary agency staff contract is due to the expiry of the existing contract. The decision will enable the Council to procure a new contract on the best terms available in the current market and should lead to a reduction in cost, better supplier performance and greater opportunities for local people and suppliers in order to deliver against the Council's priority objective of a 'well run organisation'.

1. Introduction and Background

- 1.1. At the present time the Council's has a contract with Matrix SCM to provide a "Neutral Vendor" agency staff service.
- 1.2. In essence the contractor acts as a portal between the Council and supplying staff agencies, whereby Matrix receive a request for an agency member of staff from the Council and forward this to their known and approved suppliers who submit CVs of the most suitable candidates in terms of knowledge and experience.
- 1.3. The contract was established in 2006 and has a duration of five years with an option to extend for a further period of up to two years. Its benefits were to be:
 - Single point of contact – the Neutral Vendor manages all contact between the Council and the supplying agencies.

- An aggregation of demand for agency staff with a focus on fewer suppliers resulting in competitive pricing of agency mark ups and consistency in pay rates.
 - Automated ordering, timesheet authorisation, and invoice payment processes.
 - No vested interest outside of managing the arrangement.
 - The enablement of a single consolidated electronic invoice (driving approximately 40,000 invoices out of the payment system in 2007).
 - Management of supplying agencies to ensure that they have adequate processes for monitoring CRB checks, Right to Work permits, payment of National Insurance, etc.
- 1.4 An options appraisal was carried out by the Procurement team in consultation with Council Officers (attached as appendix 1 to this report) where a Master Vendor solution has been recommended for the Council's next contractual arrangement.
- 1.5 A Master Vendor approach is where the Council contracts with one single agency who will aim to provide all required disciplines. The Master Vendor will endeavour to supply all staff directly and in the event of not having a suitable candidate available will work within their own network to satisfy the demand. The Council can with the Master Vendor's agreement nominate one or more specialist agencies to work with the Master Vendor.
- 1.6 The Master Vendor will remain responsible for all interaction between the Council and any third party agency. Other benefits include:
- Possibility to attract further national Recruitment companies to the Borough's High Streets.
 - Master Vendors typically recruit upwards of 75% Borough residents for the Council roles.
 - Master Vendors will also utilise local Agencies to meet the Council's varied requirements
- 1.7 It is anticipated that a saving of between £50,000 and £100,000 per annum based on the overall existing costs can be obtained in current market conditions. It is also anticipated through better Supplier Relationship Management by Elevate and the Client, the Council can significantly reduce the overall spend in this category.

2. Tender Process

- 2.1. The MSTAR Framework is national in scope and has been established for use by the wider public sector (excluding Central Government and Health). ESPO is a Central Purchasing Body as defined by the EU Combined Procurement Directive 2004/18/EC. The Framework is open to the entire wider public sector, including but not limited to, local government, educational establishments, the Police, Fire and Rescue Service and registered charities within the UK. The framework commenced in April 2011 and continues for three years with an option to renew for a further period of one year. The Council was made aware of this contract through the East London Solutions procurement group which is a collaborative

arrangement with East London Boroughs to explore and utilise where possible joint procurement opportunities.

- 2.2. A mini competition will be conducted by LB of Tower Hamlets in accordance with the MSTAR framework prior to an e-Auction to negotiate price. Elevate will support Tower Hamlets by running the e-Auction as part of the procurement process.
- 2.3. The timeline for the collaborative procurement is set and the Council needs to converge its contract end time with that of the collaboration. It is therefore recommended that the existing contract with Matrix SCM is extended for 6 months to allow for the procurement and implementation. It will also ensure that there continues to be an existing contract in place for the Council and its temporary agency staff.
- 2.4. The MStar framework is split into two lots:
 - 1A: Neutral Vendor
 - 1B: Master Vendor

The mini competition and e-Auction will be conducted for both lots with different boroughs taking part in one or more of the lots. As per the recommendation from the options appraisal LBBDD will take part in lot 1B only, a Master Vendor.

- 2.5. The estimated value of the contract for all named contracting authorities has been set at approximately £177.9m per annum of which £12m relates to the London Borough of Barking and Dagenham (2010/11 Actual Spend). This is an indicative spend for the purposes of procurement and does not reflect the Council's programme of reducing reliance on agency staff. Should the Council wish to enter into a contractual arrangement with the successful bidder this will be on the basis of a three year contract with an optional 12 month extension. It is confirmed that the relevant provisions of the "Contracts Guidance Notes", "Contracts Rules", "Contracts Codes of Practice" and the "Financial Rules" of the Council's Constitution and the EU Procurement Rules will be fully adhered to.
- 2.6 As an existing procurement framework, this provides a quick and financially effective procurement method, which will be able to generate competitive rates from combining spend from a number of organisations.
- 2.7 Temporary Agency Staff is classified as a Part B Service and must therefore be awarded in accordance with the provisions of EU Regulations.

3. Specification Development

- 3.1 Officers will develop the detailed requirements for this procurement to ensure that:
 - The new contract is robust, and provides a solid framework for the delivery of temporary agency staff, with suitable clauses to ensure strong performance management.
 - The contract allows for the provision of suitable quality temporary agency staff to meet the varied specialist requirements across all Council services.
 - The contract is capable of supporting the Council in meeting the requirements of the new EU Temporary Agency Worker Directive.

- 3.2 A stakeholder group will be formed including representation of all Council departments. This group will develop and sign off the specification.
- 3.3 The Public Accounts and Audit Select Committee will be consulted as part of the process of developing the specification.

4. Tender Evaluation

- 4.1 The evaluation panel for the Council's part of the tender will consist of officers from Assets & Commercial Services, Procurement, HR, Elevate East London and Departmental representatives. Importantly, Council Member representation will be sought.
- 4.2 Contracts will be awarded on the basis of the best value for money offer to the contracting authority.

Quality will be weighted against price using the following criteria:

Pricing	50%
Quality	50% (to be distributed between criteria below)

- Quality of Staff
- Management of Agencies
- Ordering of Temporary Agency Workers & System Requirements
- Service Delivery & Provision of Temporary Agency Workers
- Managed Service Provider Personnel & Contract Management
- Invoicing & Payment Requirements
- Regeneration & Sustainability
- Management Information
- Implementation

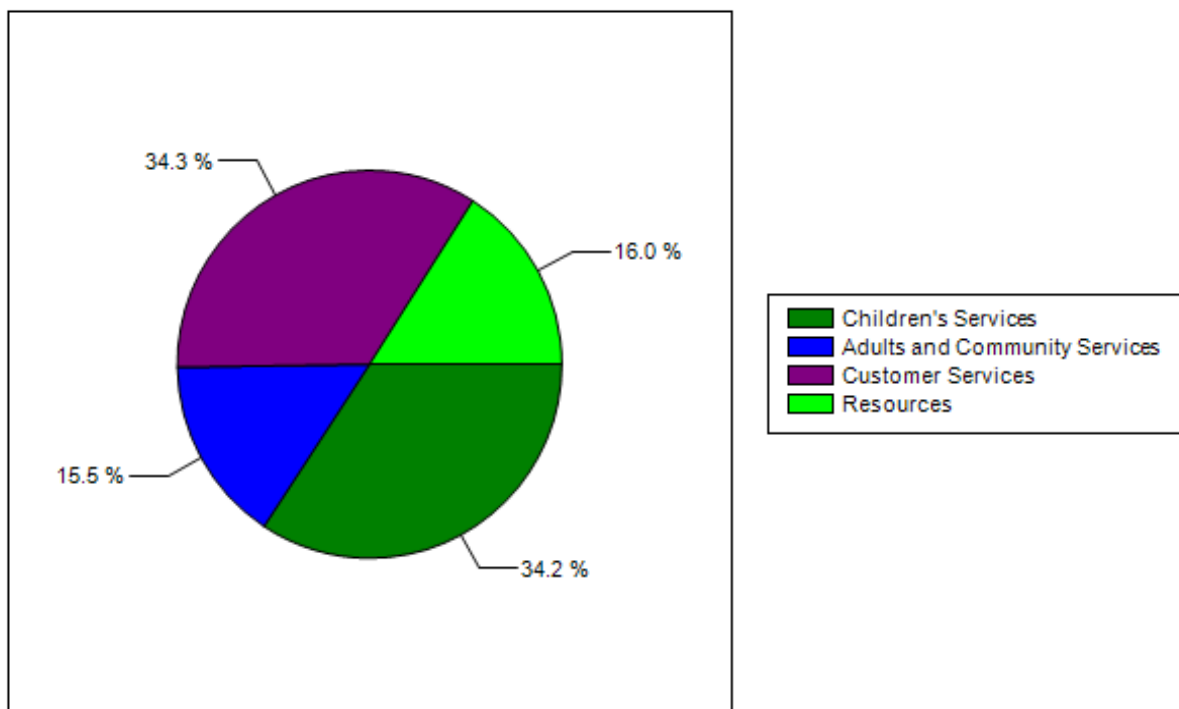
5. Financial Issues

Implications verified by: Tracie Evans, Corporate Director

- 5.1 The Council spent around £12m under the existing Agency contract in 2010/11. At this stage it is difficult to assess what the total potential value of savings may be under the proposed new arrangements until the outcome of the tendering process is complete, but provisional estimates suggest that a saving of between £50,000 and £100,000 per annum will be achieved on the management fee element of the contract. The level of savings will also be dependent upon the Council's future use of the contract, however based on the current size of the contract and the changing economic and employment situation, it is envisaged that significant cost reductions may be available. These savings will be reported as part of the regular reporting to Cabinet of procurement savings.
- 5.2 Through efficient procurement / supplier management and diligent clienting it is anticipated that the Council will reduce its overall cost of temporary agency staff.
- 5.3 Savings will be realised across the Council and in particular in the high usage areas. The table and graph overleaf shows the indicative spend by Directorate in June 2011 under the current arrangements:

Spend by Directorate in Month

	05-Jun-11	12-Jun-11	19-Jun-11	26-Jun-11
Children's Services	£38,983	£43,896	£45,389	£42,715
Adults and Community Services	£16,596	£18,219	£21,794	£20,784
Customer Services	£40,352	£45,047	£44,309	£41,408
Resources	£18,107	£21,438	£19,252	£20,943
Total	£114,038	£128,601	£130,744	£125,850



6. Legal Issues

Implications verified by: Eldred Taylor-Camara, Group Manager, Legal Services

- 6.1 The Council currently has a contract for the supply of temporary staff with Matrix SCM. The contract comes to an end on 30th September 2011, unless extended. The contract contains an option for the Council to extend the contract for a further period of up to two years from the expiry date. The Council will therefore be entitled to extend the contract for any period up to two years from 1st October 2011.
- 6.2 The report confirms that the MSTAR framework has been established by the Eastern Shires Purchasing Organisation for the benefit of most public bodies including local authorities. The Council is therefore eligible to sign up to or otherwise participate in the framework arrangements.
- 6.3 The report also states that under the terms of the MSTAR framework, participating authorities can procure services either by way of direct call off or by conducting a mini competition amongst providers on the framework. It is proposed that LB of Tower Hamlets, as lead borough on behalf of the named authorities, conduct a mini

procurement competition to achieve the benefits outlined in the report and appendix.

- 6.4 Provided the procurement is conducted in accordance with the MSTAR framework rules and the applicable EU procurement rules and principles, the Council will be entitled to procure the services via the framework.
- 6.5 In making its decisions, Cabinet needs to be satisfied that procurement via this route will deliver the savings and efficiencies identified in the report.

7. Other Implications

- 7.1 It is a condition of the MSTAR arrangement that the Managed Service Provider will support Customers in addressing the requirements of the Temporary Agency Worker Directive and will provide a cost effective, legal method of managing this transition. The Temporary Agency Worker Directive is European Legislation which provides temporary staff with the same rates of pay and conditions excluding pension and training as compared to permanent staff when they have been engaged for 12 weeks or longer. The Managed Service Providers have proposed economic and innovative solutions to managing resources using the legislation to the Customer’s advantage. Any agreement in terms of benchmarking pay rates and monitoring conditions in the local market will take into account the provisions of the Temporary Agency Worker Directive and any other such relevant legislation which comes into effect which will be managed under the contract.
- 7.2 The Council takes rigorous measures in its employment practices to safeguard children and the most vulnerable members of our community. In contracting for the supplier of temporary agency staff the Council will ensure that robust processes are in place for checking documentation in terms of safeguarding.

7.3 Risk Management

The following risks and mitigations have been identified at this stage:

Risk Description	Impact Assessment	Impact (H/M/L)	Probability (H/M/L)	Mitigation and control
No decision taken on contract renewal	Inability to proceed, existing contract expires no formal arrangements to engaged temporary staff	H	L	Report to Cabinet seeking necessary permissions. MSTAR framework would mitigate the need to go out to OJEU tender
Cost savings being the sole focus	Could lead the Council into being led by savings when performance and quality service is key	H	H	Evaluation criteria focus on feedback from client/end users; HR input as to best practice today; other

	for next contract			Local Councils and the types of contract entered upon
Not building up a dedicated internal resource team to manage the contract that is put in place i.e. the capability and capacity not developed	lack of direction and focus for the supplier leading to a lack of value for money for the Council.	H	H	Clienting the contract is a responsibility of the Commercial Services team. Arrangements for contract monitoring will be established to ensure that user departments are actively engaged in managing the contract.
Not monitoring, reporting and managing the contract i.e. a loss of focus	Although there could be a team in place this soon starts to focus on business as usual and does not actively manage the supplier beyond the initial roll out phase i.e. no tracking of price discounts, volume or usage rebates, improvements in technology, best practice in the market etc.	H	H	Performance in the form of SLAs and KPIs need to be monitored, reported on to the steering group on a regular basis. Supplier meetings to occur monthly and review past month's performance, issues, upcoming developments. Working together closely with the supplier will give the Council the service that it needs. Cost savings benefits will accrue if this done

8. Background Papers Used in the Preparation of the Report:

- Temporary Agency Staff Options Paper (included at Appendix A).

9. List of appendices:

- Appendix A - Temporary Agency Staff Options Paper.

REVIEW AND RENEWAL OF AGENCY STAFF CONTRACT

June 2011



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1. Executive Summary

The recommendation from this paper based on the benefits and qualitative scoring, is that the Council considers implementing a master vendor arrangement procured through the MStar framework.

The proposed Master Vendor option is anticipated to deliver savings of approximately £50,000 - £100,000 per annum (excluding demand savings) compared to the current agency staff arrangement. The Master Vendor option has scored highest when evaluated on benefits and perceived quality by HR and the nominated contract client.

2. Current Position

At the present time the Council's has a contract with Matrix SCM to provide a "Neutral Vendor" agency staff service. Here the contractor acts as a portal between the Council and supplying staff agencies whereby they receive a request for an agency member of staff from the Council and forward this to their known and approved suppliers who submit CVs of the most suitable candidates, in terms of knowledge and experience.

Prior to this Contract the Council employed 160 agencies where they received different agency mark ups, were employing non-vetted agency staff and were paying unnecessary introduction fees.

3. Options for Future

The current contract arrangement with Matrix SCM expires on 30th September 2011 with the option and recommendation to extend the contract for 6 months until end of financial year. This will facilitate a thorough procurement exercise via the MSTAR framework and ensure the Public Contract Regulations are being adhered to.

3.1. Option one - Do Nothing

One option is to let the current contract lapse and to do nothing formally to replace it. The benefits of such an arrangement will be that end users will be able to utilise any agency they care to for the provision of temporary staff. The downsides of doing this would be that the Council would contravene EU Public Procurement Rules on the need for openness, transparency and competition, and would also end up in a situation with potentially high volumes of paperwork and administration for a large number of agencies, with difficulty in clienting effectively. These downsides are such that this option has been discounted.

3.2. Option two – Further Extend Matrix Contract

Option Two is to extend the current contract with Matrix for a further 18 months from April 2012 in which there is provision in the existing contract to do so if the Council wished.

The estimated annual management fee to the Council is £160k.

3.3. Option three - Neutral Vendor

A neutral vendor approach is where the Council contracts with a single managing agent who manage a host of 1st and 2nd agencies to provide the required candidates.

The benefits for the council would be:

- a single point of contact for all agency staff bookings;
- the opportunity to reduce the level of mark up over pay;
- the ability to receive management information on use, cost and quality across the council;
- to manage risk more effectively;

The estimated annual management fee to the Council is £44k.

3.4. Option four - Master Vendor

A Master Vendor approach is where the Council contracts with one single agency who will aim to provide all required disciplines. In exceptional circumstances with the Master Vendor's agreement the Council could nominate a specialist agency to work for the master vendor.

The benefits for the council are:

- Service consistency and standardisation
- Increased control for the client through one point of contact
- Consistent and visible management information
- Encourages local and central relationships
- Consolidation of billing and invoicing

The estimated annual management fee to the Council is £30k.

3.5. Option five - Internally Managed Agency

The Council could propose to operate its own internal agency service similar to a Neutral Vendor approach. The internal Agency Team would receive a request for an agency member of staff from a Service Manager. The agency team would then source from an agreed "framework" of agencies. The Internal Agency Team will need to manage all contact between the supplying agencies and the Council. This would include the agreement of pay rates and auditing agency processes regarding Right to Work, CRB, etc.

3.5.1. Cost of Providing Internal Agency Service

There would be a cost to establishing an internal team. Discussions with Council HR Officers have indicated an Internal Agency Service would cost approximately £90,000 for staff costs and ongoing IT costs and approximately £50,000 for other related set-up costs for example accommodation, IT and software.

The estimated annual management fee to the Council is £140k in year one and approximately £90k on a recurring basis.

4. Procurement Options

The table below highlights the relative timescale, positives and negatives of each Procurement option:

Option	Procurement Route	Enablement Date	Positives	Negatives
1 - Do Nothing	DISCOUNTED			
2 - Extend current Matrix Contract	Contract extension	Oct-11	> Quick	> None
3 - Neutral Vendor	New Procurement	Mar-12	> Gives the Council full control > Ability to address local supply issues	> Could leave the Council out of contract with Matrix > Risk of timescales slipping as full OJEU process required with a large supply base > High Cost
	Utilise MSTAR framework	Oct-11	> Low cost > Quick process as framework already in place > Potential to leverage London wide volumes	> Less flexible as pricing and specification are being set through collaboration

4 - Master Vendor	New Procurement	Mar-12	<ul style="list-style-type: none"> > Gives the Council full control > Ability to address local supply issues 	<ul style="list-style-type: none"> > Could leave the Council out of contract with Matrix > Risk of timescales slipping as full OJEU process required with a large supply base > High Cost
	Utilise MSTAR framework	Oct-11	<ul style="list-style-type: none"> > Low cost > Quick process as framework already in place > Potential to leverage London wide volumes 	<ul style="list-style-type: none"> > Less flexible as pricing and specification are being set through collaboration
5 - Internal Service	New Procurement (contract with suitable agencies)	Mar-12	<ul style="list-style-type: none"> > Ability to design service to council requirements > High control of demand and local supply 	<ul style="list-style-type: none"> > High cost > Limited internal expertise > High risk in managing myriad agencies > High risk of delay > Could leave the Council out of contract with Matrix

4.1. MSTAR framework

The Eastern Shires Procurement Organisation on behalf of the Local Government Professional Services Group (LGPSG), with input direct from local authorities, the Department for Education (previously DCSF), the Regional Improvement and Efficiency partnerships (RIEPs) and OGC have procured a number of national accessible managed service framework agreements, known as MSTAR.

These frameworks provide for a range of service provision including both neutral and master vendor. Should the Council decide to utilise either of these approaches to satisfy its agency staff needs, subject to further investigation, these frameworks are likely to prove to be the most expedient and cost effective options.

5. Costs – Implementation (set up costs)

Cost	Optimistic	Realistic	Pessimistic
Option 1/2/3/4 Procurement costs	£0	£0	£0
Option 3 /4 Legal costs	£2.5K	£5K	£10K
Option 5 ICT & setup costs*	£25K	£50K	£75K

*Based on an initial, one-off IT set up cost

5.1. Costs - Ongoing

Cost (per annum)	Optimistic	Realistic	Pessimistic
Option 5. Salary for Internal resource or supplier contract management team	£64K	£80K	£100K
Option 5. IT Support costs	£7.5K	£10K	£15K

6. Options, Risk & Appraisal

6.1. Summary

The table below highlights the various options available to the Council regarding the Temporary Labour Contract. The options have also been scored and weighted against the following criteria:

- Maximise Employment of Locals
- Ability to retain specialist staff
- Attracts better quality applicants
- Provides efficient CV turnaround
- Risk mitigation to Council (CRB's checking etc)
- Pre screening to vet competency
- IT Systems
- Detailed Management information

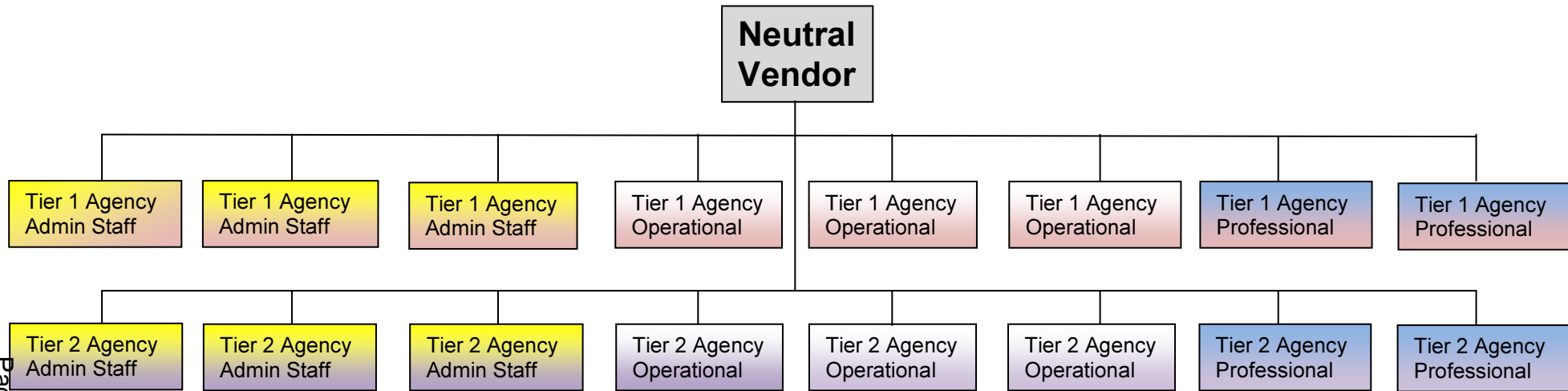
The scoring has been combined with the appropriate cash-benefit based on a 40% cash-benefit / 60% quality evaluation. These scores have been incorporated in the table below and clearly show the master vendor option as most favourable for the Council.

	Business Fit	Complexity (H/M/L)	Risk (H/M/L)	Ability to influence Salary / Price / Demand (H/M/L)	Enablement date	Est. costs of implementation	Overall benefit & solution score (max 52)
1	Let Matrix contract expire – Do nothing:	L	H	L	Expires end of Sept 2011	£0	0
2	Extend Matrix contract past April 2012	M	M	L	Oct 2011	£0	28
3	Neutral Vendor:	L	M	M	Oct 2011 or Mar 2012	£5K	36
4	Master Vendor: s	L	L	M	Oct 2011 or Mar 2012	£5K	45
5	Internal Agency Service	H	M	H	Mar 2012	£50K yr 1	33

7. Options- Benefits

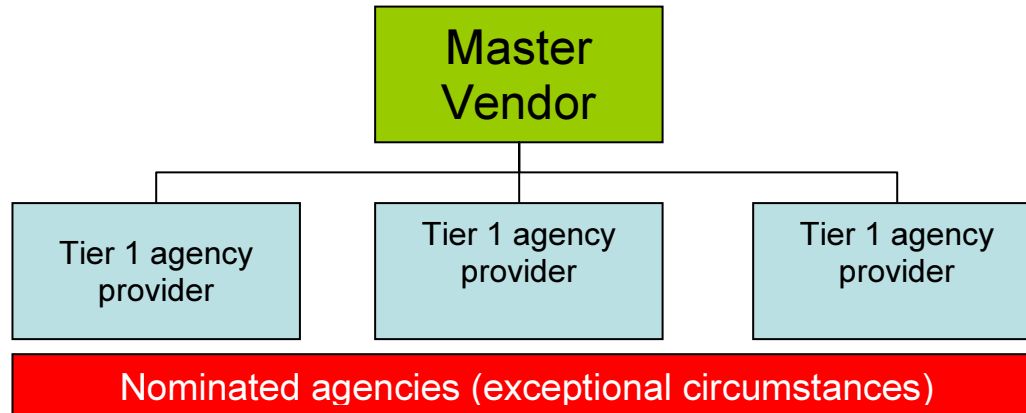
Option	Benefits
Option 1 – Let Matrix Contract Expire	<ul style="list-style-type: none"> • More choice • Potentially better quality candidates
Option 2 – Extend Matrix Contract	<ul style="list-style-type: none"> • Should be easier to manage • Time to develop Council-wide HR strategy, review processes, technology requirements, internal capability and capacity awareness
Option 3 – MSTAR Framework Neutral Vendor	<ul style="list-style-type: none"> • Refresh specifications/requirements • Effectively monitor, manage, and report on supplier performance • Manage the contract and build strong working relationship
Option 4 – MSTAR Framework Master Vendor	<ul style="list-style-type: none"> • Refresh specifications/requirements • Effectively monitor, manage, and report on supplier performance • Manage the contract and build strong working relationship
Option 5 – Internal Agency Services	<ul style="list-style-type: none"> • Internal resources - single point of contact for clients/end users i.e. reassurance • Knowledgeable about internal clients/end user requirements and needs • Greater determination and effort to provide an improved service

8. Models of Delivery

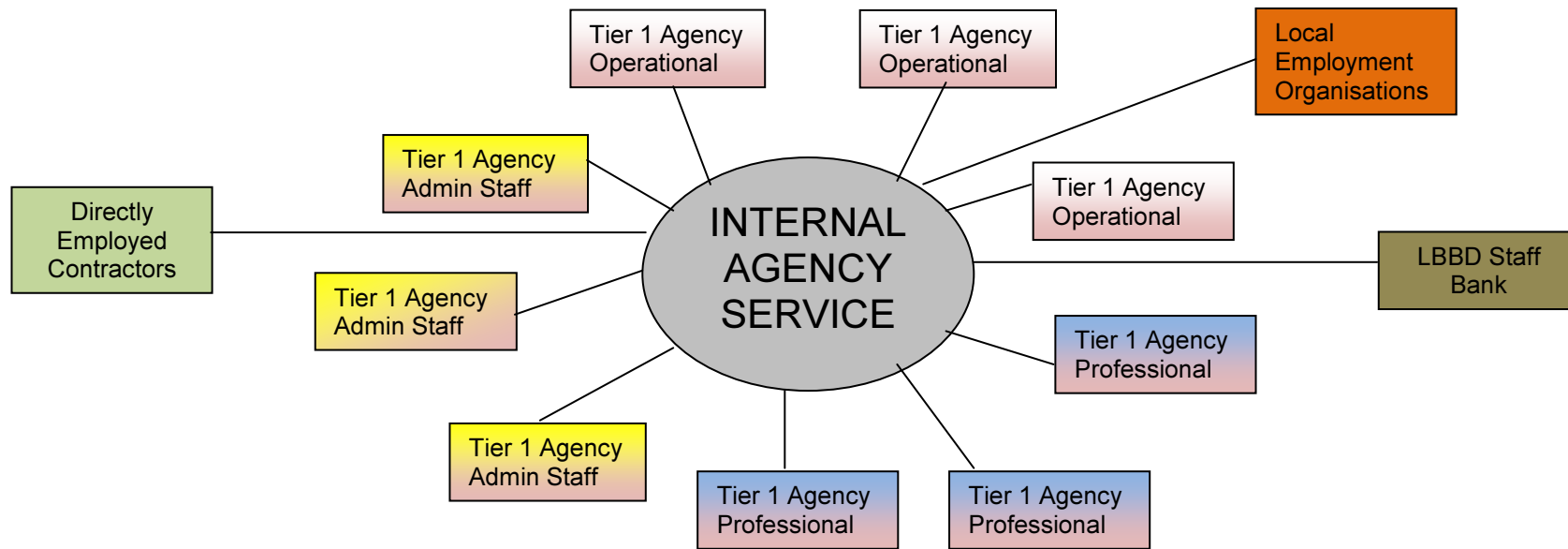


Neutral Vendor receives a request for an agency member of staff from LBBB and forwards this to specialist Tier 1 agencies in the first instance. Tier 1 agencies are those that offer the best suitable candidate in terms of knowledge, experience, etc coupled with competitive hourly rate.

In the event of no offer from Tier 1 agencies, the assignment is passed down to Tier 2 to satisfy demand. Tier 2 agencies should be able to provide quality staff but at a higher hourly rate



Master Vendor receives a request and will endeavour to supply directly. Only in the event of them not having a suitable candidate will they work within their own network to satisfy demand. The Master Vendor will remain responsible for all interaction between the Council and any third party agency and will manage timesheets, invoices, etc. In exceptional circumstances with the Master Vendors agreement the Council could nominate a specialist agency to work for the master vendor



Similar to Neutral Vendor model. Internal Agency team received a request for agency member of staff from Service Manager and sources requirement from agreed framework of supplying agencies.

9. Qualitative Options Scoring (Internal Indicative Scoring only)

Adriam Molloy											
Business Fit	Maximise Employment of Locals(1=Low/5=High)	Ability to retain specialist staff (1=Low/5=High)	Attracts better quality applicants(1=Low/5=High)	Provides efficient CV turnaround (1=Low/5=High)	Risk mitigation to Council (CRB's checking etc) (1=Low/5=High)	Pre screening to vet competency (1=Low/5=High)	IT Systems (1=Low/5=High)	Detailed Management information (1=Low/5=High)	Weighted benefits scoring = 40%	Weighted qualitative scoring = 60%	Total
Let Matrix contract expire – Do nothing	0		0	0	0	0	0	0	0	0	0
Extend Matrix contract 12 months	2	3	2	2	3	2	3	4	1.6	12.6	14.2
Neutral Vendor	2	2	3	2	4	3	5	4	2	15	17
Master Vendor	5	4	5	4	4	5	4	5	0.8	21.6	22.4
Internal Agency Service	4	5	3	4	2	4	2	2	0.4	15.6	16
Andy Carr											
Business Fit	Maximise Employment of Locals(1=Low/5=High)	Ability to retain specialist staff (1=Low/5=High)	Attracts better quality applicants(1=Low/5=High)	Provides efficient CV turnaround (1=Low/5=High)	Risk mitigation to Council (CRB's checking etc) (1=Low/5=High)	Pre screening to vet competency (1=Low/5=High)	IT Systems (1=Low/5=High)	Detailed Management information (1=Low/5=High)	Weighted benefits scoring = 40%	Weighted qualitative scoring = 60%	Total
Let Matrix contract expire – Do nothing	0		0	0	0	0	0	0	0	0	0
Extend Matrix contract 12 months	2	4	2	2	3	2	3	3	1.6	12.6	14.2
Neutral Vendor	3	3	3	3	4	3	5	4	2	16.8	18.8
Master Vendor	5	2	5	5	5	5	5	5	0.8	22.2	23
Internal Agency Service	4	5	4	4	2	4	2	2	0.4	16.2	16.6

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CABINET

20 SEPTEMBER 2011

Title: Human Resources Policies and Procedures – Disciplinary Procedure	
Report of the Cabinet Member for Customer Services and Human Resources	
Open report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Neil James, HR Manager (Workforce Strategy and Policy)	Contact Details: Tel: 020 8227 2495 E-mail: neil.james@lbbd.gov.uk
Accountable Divisional Director: Martin Rayson, Divisional Director, Human Resources and Organisational Development	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>The Human Resources Service is carrying out a review of key employment policies and procedures to bring them in line with the latest employment legislation and best practice.</p> <p>The Disciplinary Procedure and Rules have been updated to comply with recent case law. The Procedure was subject to extensive consultation with managers and trade unions and their comments and feedback taken into account in the final document attached at Appendix A.</p> <p>The Procedure was considered by the Employee Joint Consultative Committee at its meeting on 6 June 2011 and recommended to Cabinet for approval.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree the Disciplinary Procedure as set out at Appendix A.</p>	
<p>Reason(s)</p> <p>Effective people policies contribute to the Council’s policy objective of being a “well-run organisation”.</p>	

1. Introduction and Proposal

- 1.1 The Human Resources Service is carrying out a review of key employment policies and procedures, in consultation with managers and trade unions.
- 1.2 The Disciplinary Procedure closely follows the ACAS guidance and Code of Practice, and has been updated to comply with recent case law to allow in

exceptional cases, for legal representation at formal hearings and appeals; this will only apply where:

- the potential outcome may determine the outcome in other proceedings e.g. where there is no further stage in the process that results in the employee being barred from future employment; or
- it is agreed as a reasonable adjustment for a disabled employee

1.3 The Disciplinary Procedure sets out both the manager's and employee's personal responsibility for their own behaviour and for ensuring that they comply with the arrangements; this includes the manager's responsibility to:

- ensure employees are made aware of the standards expected
- notify the employee of any concerns about unsatisfactory conduct and/or behaviour;
- try and resolve minor issues informally with the employee through informal discussion and advice; and

1.4 The Disciplinary Rules, which are included as an appendix to the Procedure, have been reviewed to ensure that they fully comply with the Equality Act, and data and information security requirements etc, including the use of social networking sites.

1.5 There are no changes to the actual procedural arrangements or adverse impact for any groups of employees; the arrangements are objective, fair and easier to follow. The application of these will be monitored closely to ensure that these are applied fairly and consistently across the Council and in departments.

2. Financial Implications

Implications verified by: Tracie Evans, Corporate Director

2.1 The emphasis on managers setting standards and trying to resolve minor issues informally where possible, should lead to a reduction in the amount of time spent on formal disciplinary matters and potentially, in the number that escalate to become Employment Tribunal (ET) cases. Currently any costs associated with ET's are funded from existing budgets and therefore any reduction in these cases will result in less being spent on such activities.

2.2 At this stage it is difficult to assess what the full financial benefits of these new arrangements would be until the Procedure has been fully implemented and been in operation for a period of time. Officers will therefore monitor the new arrangements and report back accordingly on the quantitative benefits that have arisen. Disciplinary matters are resource intensive and a "simple" case could take 25 hours to investigate and resolve; there were 86 disciplinary cases in 2009/10 so any reduction in these should produce significant savings over time.

3. Legal Implications

Implications verified by: Doreen Reeves, Group Manager, Legal Services

3.1 By virtue of S 98 of the Employment Act 1996, employers are required to show the reason for a dismissal and that they have acted reasonably in treating that reason

as a sufficient reason for dismissal. The Disciplinary Procedure sets out the standard to be followed in accordance with legislation, case law and the ACAS Revised Code of Practice 2009 which will be taken into account by the tribunal when determining whether a dismissal is fair or unfair.

- 3.2 Any decision to dismiss has to be in accordance with the Council's Scheme of Delegation or sub-delegated authority.

4. Other Implications

- 4.1 **Risk Management** – The Disciplinary Procedures follow ACAS guidance, employment legislation and “best practice” and as such should help reduce the number of tribunal claims by encouraging workplace resolution of issues in a more efficient way.
- 4.2 **Staffing Issues** – The trade unions (and staff support networks) have been consulted on the proposals and their comments and feedback taken into account in the final documents; they will be consulted on the arrangements for communicating and implementing these if agreed.
- 4.3 **Customer Impact** - The Policy has been subject to an Equality Impact Assessment and no issues have been identified. The emphasis in the policy is on the disciplinary procedures being applied fairly and equitably.

Background Papers Used in the Preparation of the Report:

None

List of appendices:

Appendix A – Disciplinary Procedure

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Disciplinary Procedure

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1. Introduction

Council Policy

The Council is committed to providing a working environment where individuals are treated with fairness, dignity and respect; the Procedure is designed to ensure that there are fair and objective arrangements for dealing with disciplinary issues in the workplace.

The Procedure applies to all employees employed directly by the Council and follows the guidance contained within the ACAS statutory Code of Practice for Disciplinary and Grievance Procedures, and ACAS guidance on Bullying and Harassment at Work (effective from 6 April 2009).

The Procedure should not be viewed primarily as a means of punishing individuals but as a way of helping and encouraging employees to improve unsatisfactory conduct and/or behaviour. It is intended to ensure allegations of misconduct are dealt with promptly, fairly and consistently in accordance with the Council's policies, employment legislation and "Best Practice".

2. General

Advice and Support

Human Resources will support and advise managers considering allegations of misconduct and monitor all formal disciplinary cases to ensure that they are dealt with in accordance with the Procedure, employment and equalities legislation, and "best practice".

Employees are entitled to be accompanied by a trade union representative or a fellow work colleague at any meetings under the "Formal Process". (See "Representation").

Confidentiality

In the interests of natural justice and to avoid prejudicing the outcome of any disciplinary investigation, the proceedings must be kept strictly confidential. All those involved in the process including witnesses etc will be required to maintain confidentiality at all times and must not discuss or disclose details of allegations, witness statements or the outcome of meetings etc.

Fairness and Objectivity

It is important to ensure that the disciplinary process is conducted in a fair and unbiased manner. The persons carrying out an investigation (the Investigating Officer) and conducting the Disciplinary Hearing (the Hearing Officer) must, in order to remain impartial, have had no prior involvement in the case being investigated i.e. as a witness to the alleged misconduct.

Advice must be sought from Human Resources where there any concerns as to "impartiality".

Gross Misconduct/Misconduct

Gross misconduct is conduct of such a serious nature that the Authority cannot allow the employee to continue in their job. Employees found guilty of gross misconduct will usually be dismissed.

Misconduct is conduct of a lesser degree than gross misconduct. Employees found guilty of misconduct will usually be issued with a written warning.

Examples of what may be considered as gross misconduct/misconduct are detailed in the Disciplinary Rules (Appendix 1).

Representation

Employees may only be accompanied / represented at meetings during the formal process (at 5.2-5.4), and by a work colleague **or** a trade union official.

In exceptional cases, as determined in consultation with Human Resources, the employee may be accompanied / represented by a legal representative at formal hearings and appeals; this will only apply where:

- i) the potential outcome may determine the outcome in other proceedings e.g. where there is no further stage in the process that results in the employee being barred from future employment; or
- ii) agreed as a reasonable adjustment for a disabled employee

It is the employee's responsibility to arrange their representation and to inform their representative of the arrangements (time and dates) of meetings.

Records

The ACAS Code of Practice recommends that records should be kept of disciplinary hearings, detailing the following:

- the nature of any breach of the disciplinary rules or unsatisfactory performance;
- the employee's defence or mitigation;
- action taken and the reasons for it;
- whether an appeal was lodged and its outcome; and
- any subsequent developments

Records should be confidential and kept in accordance with the requirements of the procedure and the Data Protection Act 1998. The employee should receive copies of any meeting records although in certain circumstances e.g. the protection of a witness, some information may be withheld.

Monitoring

The application of the Procedure will be monitored closely and reviewed annually in consultation with management and the trade unions.

3. Special Cases

Criminal Offences

Criminal offences or charges are not automatic reasons for dismissal. The line manager, with Human Resources, should consider all the facts and whether the charge/offence is relevant to the person's employment and sufficiently serious to warrant investigation and action under the Procedure.

Special Cases (Child Protection / Vulnerable Adults / Fraud)

Managers must seek advice from Human Resources where there are allegations of misconduct relating to fraud, child protection issues or concerning vulnerable adults before taking any action under the Procedure.

Trade Union Officials

Managers must seek advice from Human Resources where there are allegations of misconduct against a trade union shop steward, branch official, Health and Safety or Learning Representative. The Branch/Regional Official must be contacted before starting a formal investigation under the Procedure.

Work colleagues not directly employed by the Council

Managers must seek advice from Human Resources on dealing with any allegations of misconduct concerning agency workers or work colleagues not directly employed by the Council.

4. Roles and Responsibilities

Employees Responsibility

Employees are required to comply with the Employee's Code of Conduct and the Council's policies and procedures, as well as any other arrangements that apply in their service area/department.

Employees must comply with arrangements detailed in this Procedure which are designed to ensure that disciplinary issues are dealt with fairly and objectively. Employees are required to:

- Fully co-operate with the process
- Maintain confidentiality
- Attend meetings at the time and place designated
- Give as much notice as possible when they or their representative cannot attend formal meetings and be reasonable when suggesting alternatives, (which must be within 5 working days of the original date)
- Follow the terms of any suspension

Note: In some cases, managers may decide to suspend employees during an investigation; this does not imply guilt and employees will be paid as normal.

Managers Responsibility

Managers must ensure that employees are made aware of the standards expected, as detailed in the Employee's Code of Conduct and the Council's policies and procedures, as well as any other arrangements that apply.

Managers must comply with arrangements detailed in this Procedure which are designed to ensure that disciplinary issues are dealt with fairly and objectively. Managers are required to:

- Notify the employee of any concerns about unsatisfactory conduct and/or behaviour
- Maintain confidentiality
- Try and resolve minor issues informally with the employee through informal discussion and advice
- In all other cases, establish the facts promptly before recollections fade and deciding on whether a formal investigation is required
- Consult Human Resources before proceeding to the formal stages of the Procedure
- Ensure regular contact is maintained with employees on suspension to keep them advised of the progress of the investigation

Disciplinary Investigations

Disciplinary issues will usually be investigated by the employee's immediate supervisor/manager, or if they are already involved in the case another manager will take the role of Investigating Officer.

Advice must be sought from Human Resources where there any concerns as to "impartiality" of the nominated Investigation Officer. Any disagreement will be referred to the Head of Human Resources whose decision is final.

Disciplinary Hearings

Hearings will be conducted either by a Director, Head of Service or Group Manager with the authority to chair a disciplinary hearing and to issue any disciplinary sanctions e.g. issue warnings.

In the case of JNC officers, a Member Panel consisting of the Leader and Deputy Leader of the Council (as Chair and Deputy Chair respectively), the relevant port-folio holder, plus at least two other councillors:

- i) will make decisions in respect of the dismissal and consider disciplinary action in respect of all JNC Officers with the exception of the Chief Executive (Head of Paid Service), Monitoring Officer and Chief Financial Officer (Section 151 Officer), whose cases will additionally require the involvement of an independent person, and
- ii) in the case of dismissal, be subject to recommendations to the Assembly.

Human Resources

Procedural advice must always be sought from Human Resources. A Human Resources Adviser will attend all formal Disciplinary Hearings and Appeals (at 5.3-5.4), to ensure a thorough and fair process for all concerned in line with the Council procedures and “Best Practice”.

Human Resources will be available to give appropriate support and advice during the process; this will include:-

- talking through the process to be followed
- where to go for further help and support

Head of Human Resources

The Head of Human Resources and his/her named representative, has the overriding authority to ensure that all disciplinary cases are dealt with appropriately and in accordance with this Procedure, employment legislation and “Best Practice”.

5. Disciplinary Process

It is essential that any allegations of misconduct are investigated and the facts established promptly before recollections fade. Investigations do not need to be time consuming, but speed should not be at the expense of thoroughness.

In accordance with the principals of natural justice, employees will be advised at each stage, by the Investigating Officer, of the precise nature of the complaint and specific allegation(s) against them and given the opportunity to respond before any decision is made. The individual will also have the right of appeal against any disciplinary action taken after a Hearing.

No disciplinary action will be taken until the matter has been investigated and employees will not be dismissed for a first breach of discipline except in the case of gross misconduct.

5.1 Informal

Most minor issues can be resolved informally by the line manager through informal advice and discussion, consultation and training etc, as appropriate. Where the allegations are of such a serious nature that they cannot be dealt with informally, the matter will be investigated through the Formal Process at 5.2 to 5-3.

Where there is suspected gross misconduct; or working relationships have broken down, including bullying and harassment; or risks to individuals or to Council property etc, managers should consider, in consultation with Human Resources, whether to suspend the employees pending investigation of the allegation(s).

5.2 Formal Investigation

Managers must consult Human Resources before proceeding to the formal stages of the Procedure.

Investigation

The Investigating Officer should establish the facts as quickly as possible, and decide whether there is an issue to be dealt with informally or a case to be dealt with using the formal procedure. This includes getting the employee's version of events and obtaining witness statements. (Witness statements must be signed and dated by the witness).

It is important to remember that disciplinary investigations are stressful for all concerned i.e. the employee; witnesses; the Investigating Officer and colleagues. Therefore, consideration should be given as to what priority and support is allocated to enable the manager to carry out a full investigation as speedily as possible.

It is not possible to set rigid timescales for the completion of investigations but the Investigating Officer must seek advice as soon as possible from their Manager and Human Resources if this is likely to take longer than 4 weeks. The employee should be kept regularly (weekly) advised of the progress of the investigation.

Employees may be accompanied at any meeting under the Formal Process either by a trade union representative or work colleague. If a chosen representative is unable to attend a meeting, the Investigating Officer will reschedule the meeting to a mutually convenient time, not more than 5 working days after the originally notified date, in accordance with the ACAS Code of Practice. (This deadline may be extended by agreement provided the meeting is held within 20 working days of the originally notified date). The statutory right to be accompanied applies specifically to hearings which could result in:

- i). The administration of a formal warning to a worker by their employer.
- ii). The taking of some other action in respect of a worker by their employer.
- iii). The confirmation of a warning issued or some other action taken.

The Investigating Officer should obtain all the relevant facts and information as quickly as possible, by collecting written evidence and interviewing witnesses as appropriate. Witnesses should be interviewed and/or asked to provide written statements. A record should be taken of interviews and the notes of meetings and witness statements signed and dated by the witness. Witnesses must be reminded of the need to maintain confidentiality and that they may be required to attend future Hearings etc.

The Investigating Officer must notify the employee as soon as practicable that an investigation is being carried out and the reason for this. As soon as the Investigating Officer has clarified the allegation(s) they should arrange an investigative meeting. The employee must be formally notified in writing of the arrangements for the meeting and the specific allegations and provided with a copy of the Disciplinary Procedure.

The purpose of the meeting is to give the employee the opportunity to respond to the allegation(s) and to raise any concerns etc, as part of the fact finding process.

Following the meeting it may be necessary to seek further information or to interview/re-interview witnesses to check facts etc. Where new information is obtained during the investigation, the investigative meeting should be reconvened in order to give the employee the opportunity to respond.

Once the investigation is completed, the Investigating Officer will need to decide whether or not there is a case to answer at a hearing. Their decision should take into consideration the following: -

- Has the employee admitted to any of the allegations?
- Has the employee broken any rules and procedures?
- Are the rules known to employees and have they been applied consistently?
- Is it reasonable to expect the individual to know their conduct was wrong?
- If there has been a breach of discipline does it require formal action or can it be dealt with informally by counselling, training and development etc?

The employee will be notified in writing of the outcome of the investigation and the recommendation(s).

5.3 Disciplinary Hearing

The arrangements for the Hearing are detailed at Appendix 3.

A Disciplinary Hearing will be conducted by a Director, Head of Service or Group Manager (Hearing Officer) with the authority to chair a disciplinary hearing and to issue sanctions. A Human Resources Adviser will provide procedural advice to the Hearing Officer.

The Hearing Officer conducting the meeting will arrange for a note taker to be present. (If the employee disagrees with the notes of the meeting, they can ask for their version to be attached to the minutes).

The management case should normally be presented by the Investigating Officer who will arrange for the employee to be formally advised in writing of the date and arrangements for the hearing including:

- the specific allegations against them;
- whether it may result in a dismissal;
- their right to be represented;
- their right to present evidence and call witnesses;
- copies of the evidence and the names of the witnesses to be presented.

The employee or their representative is responsible for arranging:-

- i) Their witnesses and notifying them of the time and date of the Hearing.
- ii) Provision of their evidence/documentation to be presented at the Hearing.

Details of the information to be presented and the names of witnesses to be called should be made available to the Hearing Officer, Investigating Officer and employee, a minimum of 5 working days before the day of the Hearing.

If the employee's chosen representative is unable to attend, the Hearing will be rescheduled to a mutually convenient time no more than 5 working days after the date originally proposed. (This deadline may be extended by agreement provided the meeting is held within 20 working days of the originally notified date).

The employee will be notified in writing that if they fail to attend the re-arranged Hearing without good reason, or to arrange representation, the case may be heard in their absence.

Outcome

When considering an outcome the Hearing Officer should consider the following:

- Has there been as much investigation as is reasonable in the circumstances?
- Have the requirements of the Disciplinary procedure been properly complied with up to this point including advance notice to the individual of the matters to be considered?
- Have I paid sufficient regard to any explanation put forward by or on behalf of the employee?
- Do I genuinely believe that the employee has committed the alleged misconduct?
- Have I reasonable grounds to sustain that belief on the balance of probabilities (is it more likely than less likely the individual committed the alleged misconduct)?

If the answer to all of the above points is yes;

- Is the misconduct serious enough to warrant the disciplinary decision I am contemplating?
- Whether the Disciplinary Rules indicate what the likely penalty will be as a result of this particular misconduct?
- Have I had regard to any mitigating circumstances put forward by, or on behalf of, the employee and a response by management?
- Is the decision reasonable in all the circumstances (taking into account the individual's service history and the action taken in similar cases)?

After full consideration of the evidence presented, the Hearing Officer may decide from the following outcomes:

i) Adjournment

To adjourn pending further investigation of issues raised at the Hearing, before reconvening to decide on the outcome or to continue the Hearing.

ii) No Action

Where there is no case to answer or the matter does not warrant a warning, the employee should be informed that the matter is being dropped and that no further action will be taken.

The outcome and any recommendations must be confirmed to the employee in writing and the records and documentation from the investigation will be destroyed.

Line Managers will need to consider how they will re-introduce the person back into the workplace, especially where they have been suspended pending the outcome of the disciplinary proceedings.

iii) Counselling/Advice/Referral to Occupational Health

Where the inappropriate behaviour, or misconduct, can be dealt with through additional training, support, advice or counselling (from the line manager and/or the Council's Occupational Health service or there are concerns as to the individual's health.

The Hearing Officer must inform the employee of the outcome in writing and the arrangements for any identified support etc. The employee must also be informed that if they fail to respond to the support and/or there is no improvement in their behaviour etc over the following 6 months, the matter will be referred back for a decision on any deferred disciplinary action.

Note: Managers must ensure that any support agreed is provided, as it will be unfair to refer the case back to the Hearing Officer for a decision if they themselves have not complied with the outcome.

iv) Written warning

The Hearing Officer should ensure that the employee is clear about both the reasons for the warning, and the consequences of failure to heed it.

- i. **1st Written Warning** – For a period of 6 months. First written warnings are normally given for a minor offence.
- ii. **2nd Written Warning** – For a period of 12 months. Second written warnings are usually given for a more serious offence or an accumulation of minor offences.
- iii. **Final Written Warning** - For a period of 12 months. Final warnings are usually given for further instances of misconduct or a first instance of gross misconduct, depending on the seriousness of the case.

In exceptional cases, where agreed with the Head of Human Resources, a final written warning may be extended to 18 months i.e. where the misconduct is so serious - verging on gross misconduct - that it cannot realistically be disregarded for future disciplinary purposes.

v) Dismissal

If the misconduct is of such a serious nature that the Authority cannot allow the employee to continue their job, they may be dismissed without notice. Dismissal following cumulative warnings or by reason of capability, will be with pay in lieu of notice.

Note: Action will be taken to recover any monies misappropriated / lost in fraud cases or through breaches of Standing Orders and Financial Regulations and / or any other policies and procedures.

vi) Disciplinary Transfer / Demotion

In exceptional cases, as agreed by the Head of Human Resources e.g. where allegations of bullying and / or harassment are upheld or the employee no longer holds qualifications that are a requirement of the post, a transfer or demotion may be considered as an alternative to dismissal. This sanction will not be considered in all disciplinary cases and only where there is a suitable post immediately available.

In all cases, the Hearing Officer will notify the employee in writing of the outcome of the Hearing, including any recommendations, within 5 working days, along with the right to appeal as appropriate.

5.4 Appeal

Employees have the right to appeal against any disciplinary action and if they wish to do so, they should write to Human Resources within 10 working days of receiving the letter confirming the outcome of the Hearing, stating the grounds for the appeal.

Appeals against First and Second Written Warnings will be heard by a Director or Head of Service.

Appeals against Final Written Warnings and Dismissal will be heard by the Personnel Board.

The Officer/Panel hearing the appeal may vary or confirm the decision made at a Disciplinary Hearing but cannot increase the sanction.

Note:

- i) A Director or Head of Service with the responsibility to chair an Appeal Hearing will hear appeals against disciplinary sanctions against officers up to and including LSMR posts. Appeals against final warnings and dismissal will be heard by Members at a Personnel Board.
- ii) A Member Panel consisting of at least two Cabinet Members, one of whom shall be appointed as Chair, plus two other councillors, subject to none having participated in any previously appointed Panel relating to the case in question, to:
 - (i) consider appeals in respect of dismissal and disciplinary action from JNC Officers;
 - (ii) consider, with the involvement of a separate independent person, appeals in respect of disciplinary action against the Chief Executive (Head of Paid Service), Monitoring Officer and Chief Financial Officer (Section 151 Officer); and
 - (iii) in the case of dismissal, this will be subject to recommendations to the Assembly.

This is the final stage; there is no further right of appeal.

Human Resources will automatically update the Procedure to comply with any changes to legislation and / or ACAS guidance and notify employees of the amendments.

Appendix 1:

Disciplinary Rules

Disciplinary rules set standards of conduct at work and it is important that employees know what standards of conduct are expected of them so as not to undermine supervisory control and / or impair the effective exercise of the Council's duties and responsibilities.

It is unlikely that any set of disciplinary rules can cover all circumstances that may arise, and the examples detailed are not intended to be either exhaustive or exclusive. Moreover, the rules required may vary according to particular circumstances. In drawing up the rules, the aim has been to specify as clearly and concisely as possible, those necessary for the:

- efficient and safe performance of work;
- legitimate expenditure and use of Council resources; and
- for the maintenance of satisfactory employment relations between employees and the Council.

The rules, which apply to everyone employed by the Council, give guidance on how various types of behaviour are to be treated so that each individual is aware of the consequences of unsatisfactory conduct and/or performance. Breaches of disciplinary rules will lead to appropriate disciplinary action, taking into account:

- the seriousness and nature of the offence;
- the employee's previous record;
- mitigating circumstances
- in some instances - the nature of the job

Definitions

Gross misconduct is conduct of such a serious nature that the Authority cannot allow the employee to continue in their job. Employees found guilty of gross misconduct will usually be dismissed without notice.

Misconduct is conduct of a lesser degree than gross misconduct and if found will result in the employee being issued a warning. Recurring or repeated acts of misconduct may be considered as gross misconduct.

1. Gross misconduct

The following are examples of offences that would normally be considered as a fundamental breach of contract and gross misconduct. However they may also be considered as misconduct according to the seriousness of the offence and the nature of the employee's job:

- 1.1 Any act which could be subject to criminal proceedings and/or the failure to notify the Council of any such action.

- 1.2. Stealing from the Council, it's Members, its staff or the public.
- 1.3. Deliberate damage to, or deliberate neglect of Council property.
- 1.4. Deliberate contravention of Standing Orders/Financial Regulations or neglect of duty (deliberate or otherwise) in failure to follow procurement rules etc that results in a financial loss to the Council.
- 1.5. Fabrication of any document, for financial gain.
- 1.6. Deliberate fabrication of qualifications or information which is a stated requirement of employment and/or which could result in financial gain.
- 1.7. Acceptance of gifts or gratuities.
- 1.8. Attempted use of an official position for private advantage, including the employment of people to whom you are related to or have a close personal relationship outside work; dishonest or improper use of information obtained in the Council's employment.
- 1.9. Doing unauthorised private work (whether paid or not) during hours when contracted to work for the Council or during periods of sick leave.
- 1.10. Sexual misconduct at any time with any person for whom you have a responsibility and is in your care in your capacity as an employee of the Council.
- 1.11. Accessing and/or downloading pornographic or offensive material from the web, intranet and/or any other sources etc
- 1.12. Posting defamatory, offensive, incorrect or improper comments or disclosing confidential information about the Council, its clients, or fellow employees through any media including social networking sites
- 1.13. Fighting or physical assault at work either with fellow employees or other persons; including maltreatment of persons in the care of the Authority; threatening behaviour; intimidation or assault. This does not include reasonable self-defence in cases of assault on an employee.
- 1.14. Serious breaches of safety regulations, endangering yourself or other people, including deliberate damage to, neglect or misappropriation of safety equipment.

- 1.15. Deliberate acts of harassment that involve physical/mental intimidation and/or assault bullying, discrimination on any grounds including age, disability, gender, faith/religion, marital status or civil partnership, maternity/pregnancy, race, sexual orientation, socio-economic status and caring responsibilities.
- 1.16. Criminal offences committed inside/outside of work will be considered according to the particular circumstances of the case, but dismissal will result where: -
- Employment by the Council in any way enabled or assisted in the commission of the offence.
 - Council property was used to aid the commission of the offence.
 - Continued employment would put at risk those served or employed by the Council.
- 1.17. Offences which would affect the member of staff's ability to undertake contractual duties or obligations under the Council's Code of Conduct.
- 1.18 Making a false, malicious or vexatious complaint or accusation.

2. Misconduct

The following are examples of offences that would normally be considered as misconduct. They may also be considered as gross misconduct according to the seriousness of the offence and the nature of the member of staff's job.

2.1 General Misconduct

- Failure to obey reasonable instructions.
- Offensive or abusive behaviour.
- Being under the influence of alcohol or drugs (other than those that have been medically prescribed) so that performance of work duties is detrimentally affected and/or, which could endanger anyone's safety.

Note: Managers should refer to the drug and alcohol dependency policies and take advice from Human Resources before taking any action under this Procedure.

- Sleeping on duty unless expressly permitted as a requirement of the job role.

2.2 Absence from Duty and Timekeeping

- Unauthorised absence from work.
- Failure to report absence from work and the reason for such absence.

- Failure to provide an absence certificate as required under sick leave procedures.
- Failure to complete flexible hours records or time recording sheets each day and/or period as required.
- Bad timekeeping.

2.3 Neglect of Duty

- Failure to discharge obligations in accordance with a legal statute or contract of employment without sufficient cause.
- Negligent, careless or wilfully inadequate standards of work.
- Failure to account properly for or to make a prompt and true return of any money or property which comes into the possession of a member of staff during the course of duty.
- Failure to follow financial procedures when submitting and approving claims for expenditure, including the provision and checking of receipts
- Negligent, careless or wilfully downloading from an unsecured website or electronic communication resulting in any loss to the Council

2.4 Misuse/Fabrication of Information

- Making a knowingly false, misleading or inaccurate oral or written statement in respect of official business or for personal gain.
- Failure to disclose a conviction for a criminal offence (unless under the terms of the Rehabilitation of Offenders Act 1974 the conviction is 'spent').
- Communicating to persons outside the Authority proceedings of any Committee meeting or the contents of any document unless required by law or authorised to do so.
- Failure to comply with the obligation placed upon you under the terms of the Data Protection Act 1998.
- Providing employment or business references unless authorised to do so

2.5 Misuse of Council Materials/Equipment/Resources

- Unjustifiable waste of Council materials/equipment/resources.
- Failure to report any loss or damage to any property of the Council, within your area of responsibility.
- Unauthorised use of any Council documentation, facilities or equipment including work telephones, electronic portable devices, photocopying or scanning, stationery or supplies, web access etc for private purposes.
- Use of waste Council material without express authority, including waste food.

- Use of Council labour, materials, equipment or resources for private purposes.

2.6 Discrimination

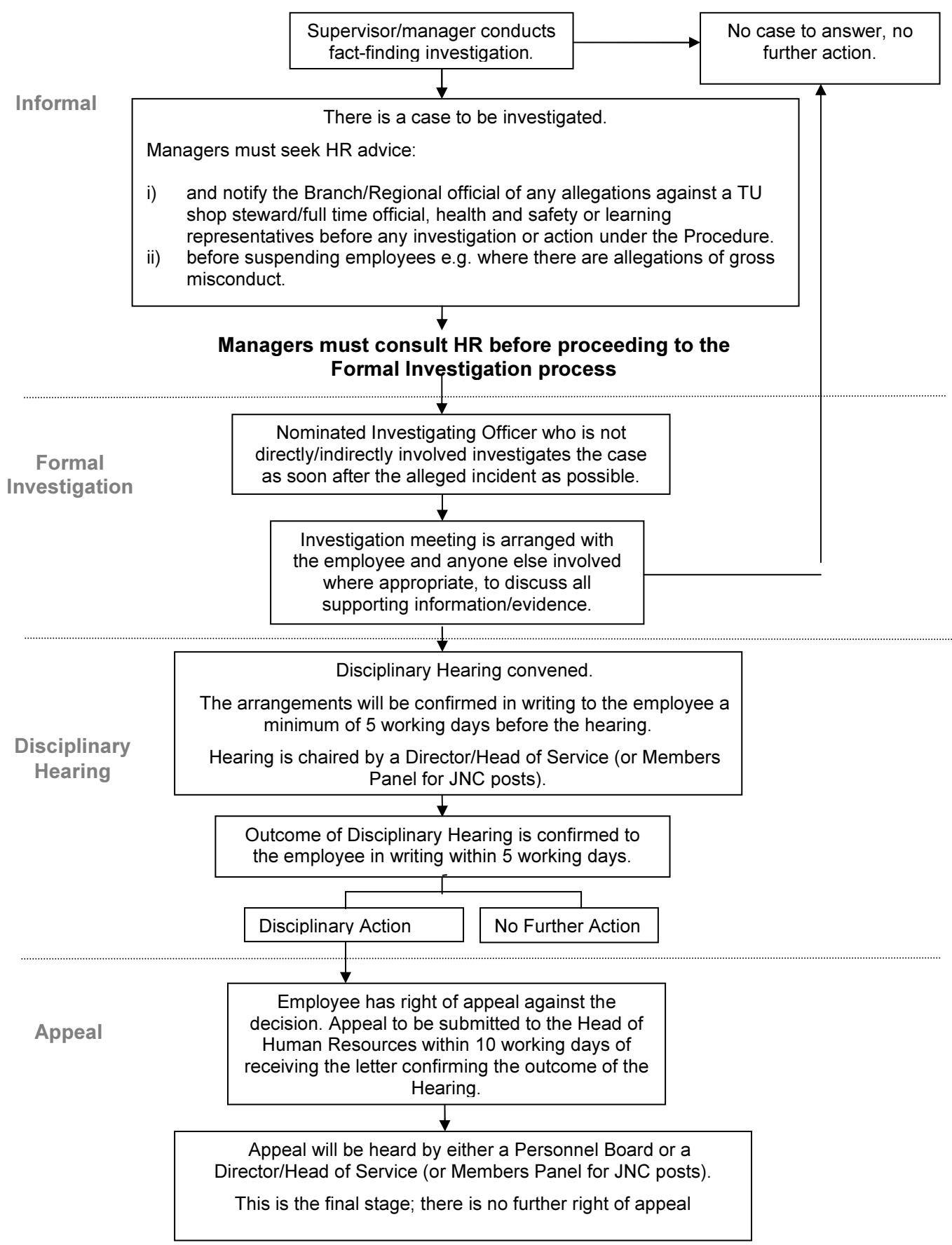
Discrimination against an employee or a member of the public on any grounds including gender, sex, colour, race, creed, nationality, religion, disability or ethnic origins, age, sexual orientation, marital status or civil partnership,

Discrimination against an employee or a member of the public on any grounds including gender, sex, colour, race, creed, nationality, religion, disability or ethnic origins, age, sexual orientation, marital status or civil partnership, maternity/pregnancy, caring responsibilities and trade union membership or activities.

2.7 Health and Safety

- Failure to comply with the obligation placed upon the member of staff under the terms of the Health and Safety at Work Act 1974 and any subsequent amendments.
- Failure to wear appropriate protective clothing or use necessary safety equipment provided by the Council for particular duties.
- Failure to comply with accident reporting procedures.
- Failure to comply with departmental hygiene requirements.
- Dangerous or reckless behaviour involving risk of injury to the member of staff or to other persons or other conduct at work likely to diminish safety standards e.g. using mobile phones whilst driving.
- Neglecting to carry out any instructions of a medical officer appointed by the authority or, while absent from duty on account of sickness, committing any act, undertaking any private work, or adopting any conduct calculated or liable to postpone return to duty.
- Smoking in areas designated as no smoking.
- Failure to comply with health and safety guidance or requirements when working from home

Appendix 2: Disciplinary Procedure - Flowchart



Appendix 3: Hearing Procedure

1. Introduction

- The person hearing the case (the “Hearing Officer”) will; clarify the roles of those present; check both sides have copies of the documentation and details of the witnesses to be presented; and outline the process to be followed.
- The Hearing Officer will not normally allow any further documentation or witnesses to be presented at the Hearing unless both sides agree.
- The manager presenting the case, the employee and their representative will be present throughout the Hearing except for any adjournment and when the Hearing Officer is considering their decision.
- Witnesses will only be present when they are called to give their evidence and to be questioned by the Hearing Officer, the management and staff sides.
- The Hearing Officer and HR Adviser can ask questions of the manager, the employee and/or their representative and witnesses at any time.
- The Hearing Officer will give the employee the opportunity to say whether they admit to any of the allegations before management presents their case.

Where the employee admits to the allegation(s), the Hearing Officer may consider claims of mitigation instead of having the whole case presented. The Hearing Officer will still allow management the opportunity to ask the employee or their representative questions. The employee and/or their representative will then have the opportunity to clarify any points raised during the questioning.

In such cases the Hearing would then go directly to Stage 4: Summaries

2. Management case

- Management will present their case and call witnesses and refer to documents as appropriate
- After the presentation, the employee and/or their representative can ask the management questions
- Management will then have the opportunity to clarify any points raised during questioning.

3. Employee case

- The employee and/or their representative will present their case and call witnesses and refer to documents as appropriate.
- After the presentation, management can ask the employee and/or their representative questions.
- The employee and/or their representative will then have the opportunity to clarify any points raised during the questioning.

4. Summaries

- Both sides, starting with management, will have the opportunity to **summarise** their case if they wish. This is not a rehearing of the whole case and neither side will be allowed to ask any further questions.
- Both sides will then withdraw whilst the Hearing Officer considers their decision. If it is necessary to recall the employee, manager or a witness to clarify points of uncertainty as to the evidence presented, this must be done in the presence of both parties who will be called back together.

5. Outcome

- The Hearing Officer will recall both sides together to notify them of the outcome. If further time is needed to consider the matter, both sides will be recalled and given an indication as to when a decision is to be made and allowed to leave.
- The Hearing Officer will confirm the decision and any recommendation(s) in writing within 5 working days and arrange for the notes of the meeting to be issued to both parties and the Human Resources Adviser as soon as possible afterwards.

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CABINET

20 SEPTEMBER 2011

Title: Debt Management Performance and Write-Offs - 1 April to 30 June 2011 (Quarter 1)	
Report of the Cabinet Member for Finance, Revenues and Benefits	
Open report	For Information
Wards Affected: None	Key Decision: No
Report Author: Annette Cardy, Group Manager, Revenues & Benefits (Client Unit)	Contact Details: Tel: 020 8227 2693 E-mail: Annette.cardy@lbbd.gov.uk
Accountable Divisional Director: Sue Lees, Divisional Director of Assets and Commercial Services	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
Summary: This report focuses on the performance of the Council's partner, Elevate East London, in carrying out the debt management function on behalf of the Council for the first quarter of 2011/12. It also summarises the delegated decisions that have been made to write-off debt for the first quarter of 2011/12, and details the top debts that have been written off.	
Recommendation(s) The Cabinet is asked to: (i) note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits Service operated by Elevate East London (ii) note the debt write-offs for quarter 1 of 2011/12 and that a number of these debts will be publicised in accordance with the policy agreed by Minute 69 (6 November 2007).	
Reason(s) As a matter of good financial practice and to accord with the Council's Financial Rules. To assist in the Policy House priority of a well run organisation delivering its statutory duties in the most practical and cost-effective way.	

1. Background

- 1.1 The Council's Revenues, Benefits, General Income and Rents Service is operated by Elevate East London LLP (Elevate). The Service is responsible for the management of the Council's debt falling due by way of statutory levies and chargeable services.

1.2 This report sets out the progress and performance for the first quarter of 2011/12 and covers the overall performance of each element of the service, improvements planned for the service, service progress so far, and debts that have been agreed for write off in accordance with the Council's Financial Rules.

2 Performance and Continuous Service Improvement

2.1 For each of the teams of the Revenues Service an Operational Improvement Plan has been put in place and this also includes a Continuous Service Improvement Plan (CSIP). The CSIP is an action plan that highlights the operational improvement activity being addressed during the financial year.

2.2 Set out below is the performance for the first quarter and highlights of the CSIP improvements being worked on by Elevate for each of the functions of the Revenues Service.

Table 1: Collection Rate Performance - 2011/12 (Quarter 1)

Revenue	KPI Profiled Target	Actual	Variance	Amount Collected	Yearly Amount Due
Council Tax	29.00%	28.90%	-0.1%	£14.9m	£51.8m
NNDR	32.50%	23.70%	-8.8%*	£13m	£55m
Rents	95.20%	96.69%	+1.49%	£93m projected	£96.27m projected
Leaseholder	62.68%	55.27%	-7.41%	£579,499 of £1,048,416	£2,878,608**
General Income	31 days***	18 days	+13 days	£11,179,818	£2,583,044

*Poor performance due to debts not paid by LBBB while a finance review was undertaken. This was completed in August and all debts paid. August performance predicted to be 0.5% above target

** Quarters 2 and 3 not yet invoiced and measured – performance is measure of debt invoiced at Qtr 1

*** (Measure is the average in calendar days of debt outstanding where the debt remains unpaid after 21 days and yearly amount is debt outstanding at end of Qtr 1, more debt will be invoiced during the year – more meaningful measures are being investigated).

Council Tax performance quarter 1 and service improvements

2.3 Council Tax collection rates at the end of the first quarter were 0.1% below last year's performance and the contractual target set for Elevate. The percentage

collection was 28.9%, equating to £14.9M collected of the £51.8M Council Tax due. Elevate are urgently exploring reasons why performance has not met targets as expected with the improvements made to date, which are illustrated below. Findings will be reported at the next monthly LLP Board.

- 2.4 A full review of the team's procedures, resources and levels of liaison with other essential teams has been completed and plans have been created by Elevate to ensure that actions are targeted towards increasing collection.
- 2.5 Work has been undertaken with Elevate's B&D Direct to ensure that procedures are consistent and in line with the plans to increase collection. A project has been completed which has examined the reasons for customer contact as well as the way in which queries are resolved. As a result new procedures have been drafted to extend B&D Direct's ability to resolve queries at the first point of contact.
- 2.6 A new payment arrangement procedure has been introduced with specific criteria that must be met to ensure payments are made by direct debit. In addition customers will not be able to make these arrangements unless employment details are given so that attachments of earnings can be set up where the arrangement is broken subsequently. This procedure has increased direct debit take up by 1% since the beginning of the year.
- 2.7 Summons surgeries are now held on a monthly basis at the Barking Learning Centre (BLC) and Dagenham Library and customers are seen by council tax officers so that issues are resolved before the hearings.
- 2.8 Customers are now also seen at the BLC on court days to ensure that their queries are resolved, which is a change from the previous practice of trying to make payment arrangements without computer access and sending customers away from the court without having dealt with their issue. It should be noted that these arrangements are under review pending to the closure of Barking¹ Magistrate's Court in September 2011.
- 2.9 Additional plans include improved monitoring of bailiff performance, improved selection of cases for enforcement action, and targeted bankruptcy and committal action. In addition liaison with B&D Direct is being improved by regular operational meetings and additional refresher training for customer services officers.

NNDR performance quarter 1 and service improvements

- 2.10 NNDR collection for the first quarter is 23.7%, equating to £13m of the £55m debt collected. This is 8.8% below last year and the contractual target set for Elevate. However this is due to non-payment of debt owed by the Council while the Council carries out a review of its NNDR liability and finance coding structure. This has been completed at the beginning of August and the outstanding debt paid. This is predicted to bring NNDR collection to 0.5% above target in August.
- 2.11 A review of the current procedures and policies has been undertaken and resources increased to deal with staff shortages due to maternity. Telephone performance has increased significantly and now call answering is averaging 90% of those offered.

¹ Following the closure LBBD cases will be heard at Romford Magistrate's Court.

- 2.12 Plans are in place to improve case selection for enforcement action as well as automating key processes to improve capacity within the team.

Rents collection performance and service improvements

- 2.13 At the end of Quarter 1, projected rent collection for the whole year stands at 96.69%, which is above the profiled KPI target of 95.2% with June seeing £93m of the £96.2m quarter 1 rent due collected.
- 2.14 The Council implemented a new IT system for rent collection in November 2009. Elevate has been working to stabilise the IT system and the functionality has been improved and is more stable now. The improved stability of the system has allowed the Rents Team to train staff to be proactive by running system reports that identify arrears cases that have not been included for automatic review by the system. Therefore, the Team have made great strides in ensuring that those in arrears are contacted in accordance with the agreed procedures.

Rents Quarter 1 and service improvements

- 2.15 One Stop Shop staff at Barking Learning Centre and Dagenham Library have received extensive training on Rents since April and the number of tenants attending for advice has risen to over 135 per week on average across both sites.
- 2.16 Elevate encourage payment by Direct Debit (DD). Tenants paying by DD at the end of June increased to 4,482 an increase of 56 from the end of May; a progression which if continued will ensure that we exceed our annual target of increasing DD payers by 5%.
- 2.17 The team continue to look at options to ensure smarter working; foremost being more joined up working with Housing to ensure HB take up is maximised at tenancy sign up and abandoned tenancies are identified. In our day to day operations we have moved to serving Notices, predominantly by post, so that staff have time to take action on more cases that are highlighted for arrears action.
- 2.18 Since Elevate took on the management of rent collection it has removed a bottleneck and subsequent backlog of arrears cases needing to be referred to court. Elevate are continuing to maintain a higher level of throughput as well as management of the increased workload due to the high volume of arrears cases subject to a Possession Order for breach of payment agreements.
- 2.19 There is no backlog of cases waiting to be referred to the County Court. However such is the volume of cases under Possession Orders, over 300, that the workload increases as tenants in breach of Orders apply for hearings which the Court team must attend. This is demanding of officer time and affects the throughput of cases being referred for new Possession hearings. It is difficult to predict when the volume of cases under Court Orders will reduce to more manageable volumes. Three main factors have been identified as:
- the number of tenants paying off very high levels of debt at low instalment values,

- the relatively low numbers the Court agree to evict. There were 11 evictions in May and 14 in June,
- the number of new arrears cases being referred to court - on average some 20 cases per week are being referred to Court for Possession Orders.

2.20 The computer system “prompts for action” are being reviewed to ensure that they are working at the optimum level for the arrears recovery plan. Furthermore, arrears letters are undergoing review and efforts to achieve easier contact with tenants in arrears by obtaining mobile numbers are ongoing.

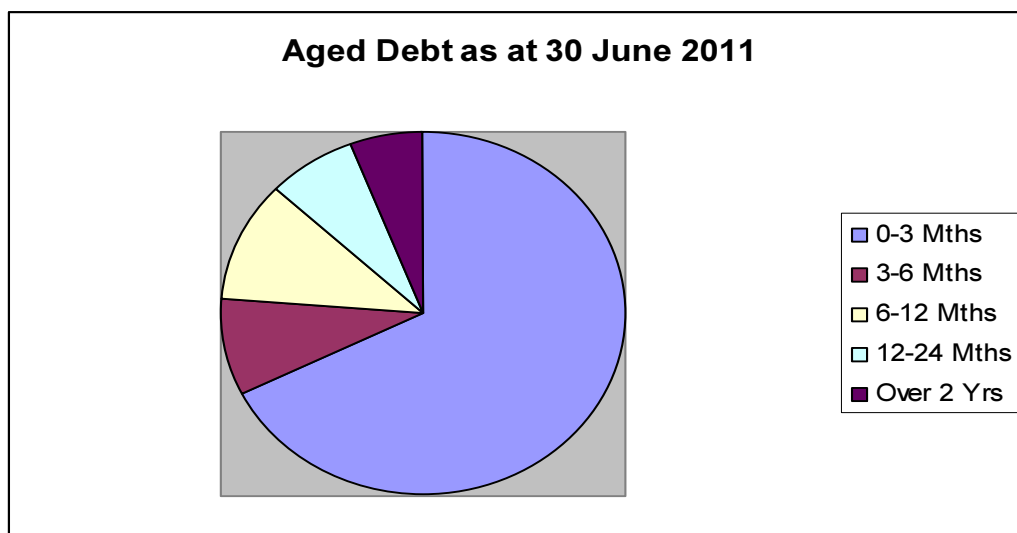
General Income

2.21 General Income is used to describe the ancillary sources of income available to the Council, and which support the cost of local service provision. Examples of income streams from which the Council derives income include; recharges for social care; rechargeable works for housing; nursery fees, trade refuse, truancy penalty notices, hire of halls and football pitches. A single computer system is used for the billing of these debts and collection performance across all these debts is reported together.

2.22 The collection of Leasehold Service Charges and Penalty Charge Notices are monitored through separate computer systems and the performance of these is reported separately.

2.23 The key measure used for the performance of the collection of General Income is the average age in calendar days of debts outstanding where the debt remains unpaid after 21 days. As at the end of June 2011 this stood at 18 days compared to 31 days at the same point last year.

2.24 The current aged profile of the debt² is as follows:



2.25 For the first quarter £11,179,818 was collected with £5,452,239 having been collected in June. At the end of June the debt stood at £2,583,044.

² Aged debt reflects invoices that remain unpaid after the 21 days. 21 days being the Council's payment terms.

- 2.26 Elevate make sure that the debt is pursued while a reasonable prospect remains of collecting the debt. For example the above chart shows a tranche of debt that is over two years old. With these (around 300 cases) most commonly Elevate are in discussion with the issuing department to decide on the next steps or the debt has legal action pending. All debts are monitored on a regular basis to ensure that appropriate action is being taken.

General Income: Leaseholders

- 2.27 Performance for the collection of monies due for the first quarter was 55% with £579,499 collected so far this year. It is to be noted that leasehold collection has been greatly hampered by a lack of functionality of the new leasehold module of the computer system implemented by the Council in April 2010. It was only possible to issue letters in relation to last year's arrears at the beginning of July 2011, and for reminders regarding the current year to be issued in mid-July. This basic functionality was previously not available. However, while the system is now able to deal with current year's debt it is the case that the system lacks the functionality to deal with arrears cases. Elevate are reviewing the issue in order to establish the most efficient and cost effective solution to allow for effective arrears collection in the future.

General Income: Leaseholders - improvements

- 2.28 The IT issues highlighted above have meant that the efforts of Elevate's Revenues Service and its IT teams has been focused on working to improve the functionality of the IT system.

Penalty Charge Notices

- 2.29 The Council refer unpaid Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements to Elevate for enforcement. The vast majority of these relate to parking infringements.
- 2.30 In May 2010 the Council introduced a new computer system for dealing with PCNs. However, it is the case that because of teething problems with this system the Council has been unable to refer any PCNs issued since May 2010 to Elevate. The issue was resolved in May 2011 and it will be possible for the Council to refer appropriate PCNs to Elevate from the end of the summer 2011.
- 2.31 While PCNs from May 2010 have not been referred, Elevate have been asked to focus on outstanding PCNs from the previous computer system relating to the period before May 2010. To this end Elevate is working closely with the Council to maximise recovery and clear remaining cases so that the old computer system can be shut down in the autumn of 2011.

3 Write-offs

- 3.1 In May 2010 the Service received an Internal Audit report concerning write-offs. The outcome of this audit was that the write-off of debt was given a "Substantial Assurance" rating, meaning that Audit are satisfied with the processes in place for dealing with the write-off of debt. These processes remain in place within Elevate.

- 3.2 Where a debt is written off it is the case that measures have been taken to collect all debts and levies due; it is the case that some debts will remain unpaid, even after concerted efforts have been made to collect them.
- 3.3 Debts are categorised and recommendations made to write-off amounts deemed to be irrecoverable. The write-off of debt allows the service to focus on debts that are more likely to be recovered. At the same time the Council makes provision within its accounts for debts that are likely to be written-off.
- 3.4 The write-offs presented in this report fall into two broad categories. Firstly, debts Elevate is unable to collect on the Council's behalf because for example the customer is deceased and there is no estate, the customer has gone away and cannot be traced, or the age of the debt precludes recovery. Secondly, there are cases where it is uneconomic to collect.
- 3.5 Approximately 75% of write-offs relate to debts deemed uneconomic to collect with the remainder being where Elevate is unable to collect. Elevate is currently working on data collection relating to write-offs so that future reports will be able to provide more detail on the reasons for write-offs.
- 3.6 The value of debts written off for the first quarter of 2011/12, i.e. April to June 2011 total: £120,804.31. (*Appendix A*)
- 3.7 In 2010/11 almost £2.4M was written off. However it is very important that the amounts written off are seen in relation to the overall value of debt that Elevate seek to collect for the Council on an annual basis, which is in excess of £300M each year, meaning that less than 1% of debt is written off. (*Appendix B*)
- 3.8 There have been no write-offs for Council Tax and NNDR in the first quarter of 2011/12. While appropriate cases have been identified none have been put forward for approval by the Council. This is because the costs relating to collection, (e.g. summons costs) must be accounted for separately from Council Tax and NNDR and there is no mechanism in place for this. The Council is working to resolve this so that debt write-off for Council Tax and NNDR can resume in Quarter 2.

4. Publication of individual details of debts written off (*Appendix C*)

- 4.1 A number of Authorities publicise the details (names, addresses etc.), of residents who have had debts written off. In the majority of cases, these debts have been written off where the debtor has absconded.
- 4.2 The Council agreed in November 2007 (Minute 69, 6 November 2007) that a list showing the details of debtors, who have had debts written off, would be attached to this report. A list has been attached at *Appendix C*. The list has been limited to the top ten debts only.
- 4.3 As was previously outlined within the 6th November 2007 Cabinet report, It was recommended that the following types of debt write offs are excluded from this publicised list:
- a) Debts that have been written off following a corporate complaint being upheld

- b) Debts that have been written off due to the debtor falling within one of the vulnerable groups (e.g. elderly, disabled, infirm etc.)
- c) Where the original debt was raised in error
- d) Where debts have been written off, but no legal action has been taken to prove that the debt was legally and properly due
- e) Where the debt has been written off following bankruptcy or insolvency action (the majority of these cases will be individually publicised)

4.4 The exclusion of the category of debts listed above will eliminate the possibility of any unnecessary and potentially costly legal challenges from debtors, who take issue with their details being publicised. It is intended that where the details or whereabouts of debtors become known following publication, those debtors will be pursued as far as is possible, to secure full payment of the debt.

4.5 The list provided at appendix C does not include debts or debtors that fall within categories a-e above, so the list as it stands can be publicised.

5. Financial Implications

Implications verified by: Jonathan Bunt, Divisional Director of Finance

5.1 All debts written off will have been provided for within the Council's Bad Debt Provision and as such there should be no specific financial implications. However, there is the possibility that unforeseen and unplanned additional write offs occur, which lead to the value of debts written off in any year, exceeding the agreed bad debt provision.

5.2 Where this is likely to happen, this quarterly report will act as an early warning system and will enable additional control measures to be agreed and taken, to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.

5.3 Improvements in the pursuit and collection of debt enables the Council to make a lower provision and improves the level of balances and reserves though debts are only pursued to the point that it is economically sensible to do so.

5.4 Within the Elevate contract is provision for a sharing of any monies collected over and above the levels specified in the contract. Those levels reflect consistent performance by the Council for a number of years and are the level budgeted therefore, any improvement, represents a financial gain for Barking & Dagenham.

6. Legal Implications

Implications verified by: Eldred Taylor-Camara, Group Manager, Legal Services

6.1 The pursuit of debts owe to the Council is a fiduciary duty. The Council seeks to recover money owed to it by the courts once all options are exhausted. Not all debt will be recovered and a pragmatic approach has to be taken with debts as being on occasions, uneconomical to recover in terms of the cost of process and the means of the debtor to pay. As observed in the body of this report, in the case of rent arrears, a possession and subsequent eviction orders are a discretionary remedy and the courts will on many occasions suspend the possession order on condition

the tenant makes a contribution to their arrears. The Councils decision to utilise Introductory Tenancies will over time begin to have an impact as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy.

- 6.2 The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

7. Other Implications

7.1 Risk Management

- 7.2 No specific implications save that of this report acting as an early warning system to any problems in the area of write off's.

Background Papers Used in the Preparation of the Report:

- Operational Improvement Plans for Revenues service areas.

List of appendices:

- Appendix A – Debt Write Off Table for Quarter 1 2011/12
- Appendix B – Debt Write Off Table for 2010/11
- Appendix C – Top Debts Written Off

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Appendix A

Table 2: Debts Written Off during 2011/12 Quarter 1

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	PSL Homeless	Home Care	Residential Care	Council Tax	NNDR	TOTAL
April-2011	Under £2k	£2,240.59	£1,344.88							£3,585.47
	Over £2k	£2,315.73								£2,318.73
	Total	£4,556.32	£1,344.88	£0	£0	£0	£0	£0	£0	£5,901.20
May -11	Under £2k	£10,832.78	£6,112.82	£843.54	£811.52					£18,600.66
	Over £2k	£5,606.89			£15,396.73					£21,003.62
	Total	£16,439.67	£6,112.82	£0	£843.54	£16,208.25	£0	£0	£0	£39,604.28
June-11	Under £2k	£14,126.59	£5,125.90							£54,100.50
	Over £2k	£7,899.14	£13,299.19							£21,198.33
	Total	£22,025.73	£18,425.09	£34,848.01	£0	£0	£0	£0	£0	£75,298.83
Quarter 1 Totals	£43,021.72	£25,882.79	£34,848.01	£843.54	£16,208.25	£0	£0	£0	£0	£120,804.31

Appendix B

Table 3: Debts written off during 2010/11

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	PSL Homeless	Home Care	Residential Care	Council Tax	NNDR	TOTAL
2010-11 Totals	£117,197	£370,313	£694,217	£126,498	£46,260	£0	£0	£328,858	£698,506	£2,381,842

Table 4: Top debts written off in Quarter 1 2011/12

NAME	AMOUNT	DEPARTMENT	REASON
JODIE BUSHE	£3,580.77	REC - COMMERCIAL -GI	THE LEASE TO THE SHOP WAS FORFEITED DUE TO NON PAYMENT OF RENT ACCOUNT. HAS BEEN RETURNED FROM NEWLYNS BAILIFFS AS UNABLE TO COLLECT.
MR MICHAEL MAHER	£2,031.32	Revenues and Benefits	UNABLE TO TRACE DEBTOR. EVICTION ORDER SERVED AND NOT RESPONDED TO. PROPERTY FOUND EMPTY. DEBT RETURNED FROM BALIFF ON 2 OCCASIONS AS UNABLE TO TRACE. DEBT WILL BE REINSTATED IF DEBTOR FOUND.

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CABINET

20 SEPTEMBER 2011

Title: Tendering of Contract for Insurance, Claims Handling and Operational Risk Management Services	
Report of the Cabinet Member For Finance, Revenues And Benefits	
Open Report (with a private and confidential appendix)	For Decision
Wards Affected: None	Key Decision: No
Report Author: Sandy Hamberger, Divisional Director Assurance & Risk	Contact Details: Tel: 020 8227 2115 E-mail: sandy.hamberger@lbbd.gov.uk
Accountable Divisional Director: Sandy Hamberger	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>In readiness for the expiry of the current contract for the provision of Insurance Services on 31 March 2012, officers will tender the contract using the “Negotiated Procedure” in accordance with European Procurement Directives.</p> <p>There is a limited market for the provision of Insurance Services for Local Authorities and an independent Insurance Broker has been engaged to ensure the widest possible selection of insurance companies are available to quote. Insurers expressing an interest in this contract will be short listed following a comprehensive evaluation. The Insurer to be appointed will have to prove they offer the best value for money solution for the Council.</p> <p>It is anticipated that a saving of between 10% and 15% on Insurance Premiums can be obtained in current Insurance market conditions. The current total annual premium is £1,011,000 therefore savings of between £100k and £150k are expected.</p> <p>There have been several options explored regarding potential joint working, length of contract and deductibles. Following a detailed analysis of the options, it is recommended that the Council continue to procure insurances as a stand-alone authority (Option 1).</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> (i) The procurement of a stand-alone contract (Option 1) for managing the Council’s insurance programme as set out in the report; (ii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to award the contract following the procurement process and to enact the extension options provided for within the contract in the event that it is deemed to be in the best interest of the Council. 	

Reason(s)

The decision to tender the Council's insurance programme due to the expiry of the existing contract in March 2012 will enable the Council to obtain insurance on the best terms available in the current market and should lead to a reduction in insurance premiums payable; assisting the Council in being a well run organisation.

1. Background

- 1.1 The existing contract for the Council's insurance programme is with Zurich Municipal (ZM) and expires on 31 March 2012. ZM were appointed as the Council's insurers after a tender process in line with the European procurement directives in 2007. The market for Local Authority insurance in 2007 was limited; however there are now a number of new insurers that are willing to quote on Local Authority insurance programmes.
- 1.2 The current contract was for 3 years with an option for a further 2 years. This option was exercised as it was felt to be in the best interests of the Council at that time, given the state of the insurance market rates, to ensure value for money. However we now have to tender as the Council is coming to the end of the extension option. An insurance broker, at a cost of £4,500, has been engaged to ensure the widest possible selection of insurance companies from the limited Insurance Market are available to quote as it is a specialist area, as some Insurers will only deal with an Insurance Broker intermediary.
- 1.3 The current levels of self Insurance (deductibles) carried by the council for the main types of insurance is:
 - £150,000 in respect of Liability Claims
 - £100,000 in respect of Property Claims

These deductibles are applied for each and every claim.

The Council maintains an Insurance Fund to ensure that the financial liability for claims below the deductible will not impact on budgets. This is actuarially audited every 3 years.

- 1.4 Three options were explored (see Options Analysis at Appendix A- this document is in the private and confidential section of the agenda as it contains commercially sensitive information of a third party)
 - Option 1 was to continue to procure insurances as a standalone authority. This would see LBBB realising £100k-£150k savings in 2012/13, which would not be achieved under options Two and Three.
 - Option 2 was to join in the ILC (Insurance London Consortium). This was explored but due to the way that the Consortium purchases their contract and the on costs involved it was determined that the predicted savings were significantly lower than if the Council pursued its own tender option.
 - Option 3 was a Shared Service and One Policy arrangement with LB Havering. After a careful and full exploration of the costs, benefits and savings, both cashable and non cashable, it was decided that this was not the most

advantageous option at the present time. The evidence shows that the benefits and levels of savings in a joint service were not significant enough to warrant the resources required to implement a joint service. Additionally in the short term (two years) this option would significantly reduce the resilience of the section.

The requirement to synchronise the policy inception dates between the two boroughs would require LBBB to delay their tendering for an additional year. The impact of this would be that LBBB would lose an estimated £100,000-£150,000 savings that could be accrued in that year.

2. Tender Process

- 2.1 In light of the fact that Insurance provision is a service contract and contractually complex it lends itself to a negotiated procedure. Although negotiated procurements are seen as more risky when handled poorly; it is considered the standard route for the provision of Insurance services (e.g. Cardiff CC, Manchester Fire Service & West Sussex CC amongst others). If the general principles are followed, with a limited specialised market, the risk of utilising a negotiated procedure is very low.
- 2.2 The contract, which will be reviewable annually, is estimated to be valued at approximately £3million over a 3 year term. The actual period of the contract could be anything from 3 to 7 years and include options to extend, and therefore the savings will increase accordingly. Other options which will be explored, that may have a bearing on the potential savings, will be levels of the deductibles within the policies.
- 2.3 It is confirmed that the relevant provisions of the “Contracts Guidance Notes”, “Contracts Rules”, “Contracts Codes of Practice” and the “Financial Rules” of the Council’s Constitution and the EU Procurement Rules will be fully adhered to.
- 2.4 Insurance services is a Part A Service and must be awarded in accordance with the provisions of EU Regulations and are subject to the full regime (Directive 92/50/EEC for Service Contracts).

3. Tender Evaluation

- 3.1 The evaluation panel will consist of representatives from Insurance, Risk Management, Finance, Procurement and the appointed Insurance Broker
- 3.2 Contracts will be awarded on the basis of the best value for money offer to the authority.

Quality of product will be weighted against price using the following criteria:

Pricing	55%
Flexible Claims Handling Arrangements	15%
Local Government Sector Experience	10%
Underwriting Approach	10%
Operational Risk Management Experience & Resources	5%
General Service Standards & Requirements	5%

- 3.3 All interested insurers will have to demonstrate, when submitting their

quotations, their ability to meet the criteria outlined above.

4. Financial Implications

Implications verified by: Mark Taylor, Group Manager, Corporate Finance

- 4.1 The Council's insurance premiums currently amount to £1,011,000 annually. The existing contract with Zurich ends on 31 March 2012 and a formal tender process is required under European Procurement Directives. Estimated savings of between £100k and £150k per year over three years have been targeted by the Insurance Team but best value will be maximised.

5. Legal Implications

Implications verified by: Eldred Taylor-Camara, Group Manager, Legal Services

- 5.1 The procurement of public contracts for goods, services and works is governed in the UK by the Public Contracts Regulations 2006 (as amended) which implements EU Directives in the UK. The Regulations set out the procedures and rules under which such procurements must be conducted. Under the Regulations, insurance services are classified as Part A services and as such need to be procured in accordance with the full EU procurement regime.
- 5.2 There are four procedures set out for the procurement of services. In most cases it is expected that contracting authorities such as the Council, will use either the open or restricted procedures for the procurement of most services. Where the procurement is particularly complex, the competitive dialogue procedure may be used, and only in very exceptional circumstances specified in the Regulations, may the negotiated procedure be used
- 5.3 The Council is proposing to use the negotiated procedure to procure these services. The negotiated procedure is a procedure that is usually reserved for the procurement of only the most complex procurements.
- 5.4 However, under Regulation 13 (c) a contracting authority may use the negotiated procedure with the prior publication of a contract notice when the nature of the services to be provided, in particular in the case of services specified in category 6 of Part A of Schedule 3, is such that specifications cannot be established with sufficient precision to permit the award of the contract using the open procedure or the restricted procedure.
- 5.5 Insurance services fall within the Financial Services category covered by category 6 in Part A. As such, provided the Council satisfies all the other requirements of the Regulations and can otherwise establish that the circumstances of the procurement of these services complies with the Regulation i.e. that specifications cannot be established with sufficient precision to permit the award of the contract using the open procedure or the restricted procedure, the negotiated procedure may be used.
- 5.6 In approving the procurement, Members must be satisfied that reasons for using this procedure are made out.
- 5.7 It is expected that Corporate Procurement and the Legal Practice will be consulted throughout the procurement of these services.

6. Other Implications

6.1 Risk Management

The principal reason for having Insurance is to ensure budgetary certainty. The knowledge that you are covered for the amount over the excess in the Policy allows resources to be used elsewhere. If the Council did not buy insurance and was completely self funded then if, for example, a School valued at £12 million was burnt down it would have to be rebuilt and paid for out of current resources whereas with insurance in place, the Council is only liable for the first £150,000. This is exemplified by the Campbell Infant School fire claim that is being settled by Insurers at £2.5m which would have had to have been found if the Council wasn't insured.

Background Papers Used in the Preparation of the Report:

- "Retendering of Council's Insurance Contract" Report to Cabinet, 6 February 2007 (Minute 137)

List of appendices:

- Appendix A - Other Options analysis (this is contained within the private and confidential section of this agenda)

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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