

Notice of Meeting



THE CABINET

Tuesday, 14 February 2012 - 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 P T Waker, Councillor J R White and Councillor M M Worby

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Stella Manzie
Chief Executive

Contact Officer: Alan Dawson
Tel. 020 8227 2348
Minicom: 020 8227 5755
E-mail: alan.dawson@lbbd.gov.uk

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. **Members are reminded that the provisions of paragraphs 12.3 and 12.4 of Article 1, Part B in relation to Council Tax arrears and Council house rent arrears apply to agenda items 5 and 7 respectively.**
3. **Minutes - To confirm as correct the minutes of the meeting held on 17 January 2012 (Pages 1 - 9)**
4. **Budget Monitoring 2011/12 - April to December 2011 (Pages 11 - 40)**
5. **Budget Framework 2012/13 (Pages 41 - 88)**
6. **Fees and Charges 2012/13 (Pages 89 - 119)**
7. **Housing Revenue Account Estimates and Review of Rents and Other Charges 2012/13 (Pages 121 - 137)**
8. **Treasury Management Strategy Statement 2012/13 (Pages 139 - 178)**
9. **Statement of Priorities 2012/13 (Pages 179 - 190)**

10. **School Capital Programme - Basic Need Allocation 2012/13 (Pages 191 - 202)**
11. **Establishment of an Additional Resourced Provision at Ripple Primary School (Pages 203 - 210)**
12. **Framework Contract for the Provision of Short Break Activities for Disabled Children and their Families (Pages 211 - 220)**
13. **Barking Station Masterplan Supplementary Planning Document (Pages 221 - 231)**

The Masterplan document has been circulated to all Members of the Council under separate cover.

14. **Adoption of Supplementary Planning Documents - Biodiversity, Trees and Development and Residential Extensions and Alterations (Pages 233 - 239)**

The three SPDs have been circulated to all Members of the Council under separate cover.

15. **Community Infrastructure Levy (Pages 241 - 264)**
16. **Confirmation of Article 4 Direction for Houses in Multiple Occupation (Pages 265 - 271)**
17. **Single Equality Scheme 2012 - 2016 (Pages 273 - 290)**
18. **Any other public items which the Chair decides are urgent**
19. **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). ***There are no such items at the time of preparing this agenda.***

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

THE CABINET

Tuesday, 17 January 2012
(5:00 - 5:45 pm)

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

Also Present: Councillor N S S Gill, Councillor G Letchford, Councillor J E McDermott and Councillor J Ogunbose

Apologies: Councillor H J Collins

85. Declaration of Members' Interests

Councillor White declared a personal interest in relation to the report "Approval of Transfer of Further Services to Elevate Joint Venture" as he was a Council-appointed representatives to the Elevate East London LLP Board.

86. Minutes (14 December 2011)

The minutes of the Cabinet meeting on 14 December 2011 were confirmed as correct.

87. Budget Monitoring 2011/12 - April to November 2011

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

The General Fund continued to show an improved position with a projected year-end overspend of £1.2m (before the planned £1.5m contribution to balances) compared to £1.8m as reported at the last meeting. The Cabinet Member commented on the ongoing steps to reduce the overspend as well as directorates' achievement against the savings targets for the current year and the steps being taken to mitigate the projected shortfalls in Adult and Community Services (£200,000), Children's Services (£174,000) and Housing and Environment (£716,000). In respect of the latter, it was proposed to transfer £307,000 from the Contingency Budget to offset the savings shortfall in relation to the delays in implementing revised staff terms and conditions (£190,000) and introducing staff parking permits (£117,000), and to also transfer £1.406m from the Contingency Budget to meet the ongoing budget issues experienced in the Revenues and Benefits division which had been referred to at the Cabinet meeting on 22 November 2011 (Minute 65 refers).

The Housing Revenue Account (HRA) showed a decline on the previous month's position, with a projected overspend of £45,000, and the Cabinet Member also referred to the current position in respect of the Capital Programme and proposals to adjust some capital budgets to reflect the current status of projects.

Cabinet agreed:-

- (i) To note the projected outturn position for 2011/12 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.11 and Appendix A of the report;
- (ii) Note the progress against the 2011/12 savings targets as detailed in paragraph 2.12 and Appendix B of the report;
- (iii) Note the position for the HRA as detailed in paragraph 2.13 and Appendix C of the report;
- (iv) Note the projected outturn position for 2011/12 of the Council's capital budget as detailed in paragraph 2.14 and Appendix D of the report;
- (v) Approve transfers from the Contingency Budget of £307,000 to offset aspects of the savings shortfall in the Environment Division and £1.406m to address the ongoing budget issues experienced in the Revenues and Benefits service; and
- (vi) Approve the Capital Programme budget adjustments as set out in appendix E of the report.

88. Corporate Grants and Commissioning Programme 2012/13

The Cabinet Member for Crime, Justice and Communities presented a report on the Corporate Grants and Commissioning Programme for 2012/13 and the proposed review of the arrangements for 2013/14.

The Cabinet Member advised that as part of the Council's corporate savings exercise the budget for corporate grants and commissioning had reduced by £250,000 for 2012/13, with a similar reduction for 2013/14. The original approach to strengthening communities and maintaining an effective capacity building commissioning programme amongst the Borough's voluntary and community sector, as approved by the Cabinet last year (Minute 122, 15 March 2011 refers), had also assumed a considerable reduction in the contribution that the Council was obliged to make towards the London Councils Grants programme. The Cabinet Member advised that the anticipated reduction was not as large as had been projected which meant that the Council had to consider alternative options to ensure a balanced budget position. The Cabinet Member reported that the recommended approach would not affect the commissioning contracts during 2012/13 but would impact on the funding available through the Innovation and Pump Priming grants budgets. It was noted that a report would be submitted to Cabinet later in the year on the proposals for 2013/14 and possible longer term options in relation to the current London Councils grant programme arrangements.

Cabinet agreed:-

- (i) To note the adverse impact on the Council's intended Corporate Grants and Commissioning Programme of the required contribution to the London Councils grant programme, as shown in Appendix 2 to the report;
- (ii) A reduced budget of £26,690 for Innovation Fund grants and £7,700 for the Pump Priming Fund for 2012/13 in order to remain within budget;

- (iii) The allocation of grants from the Innovation Fund for 2012/13 as detailed in Appendix 1 to the report; and
- (iv) To note that a review of the Corporate Grants and Commissioning Programme for 2013/14 would be undertaken this year to address the current projected budget shortfall.

89. Housing Concierge and Estate Policing Proposal

The Cabinet Members for Housing and Crime, Justice and Communities presented a report on proposals to improve security and safety at a number of the Borough's housing estates through revised concierge and policing arrangements.

In respect of the new policing arrangements, the Cabinet Member for Crime, Justice and Communities advised that discussions with the Metropolitan Police had resulted in a proposal to appoint an additional 20 Police Officers to specifically tackle crime and anti-social behaviour on housing estates in the Borough. The costs would be shared equally by the Council and the Metropolitan Police, with management and tasking resting with the Metropolitan Police and objectives determined through the multi-agency VOLT (Victim, Offender, Location, Time) group. In response to an enquiry, it was confirmed that those officers would be a dedicated resource and only abstracted from the Borough to assist on major events, such as New Year's Eve celebrations in Central London and the Notting Hill Carnival, and major incidents / emergencies.

It was further noted that as part of the new joint arrangement, the Metropolitan Police would also provide an additional 20 Police Special Constables to support the work of the new, full-time Police Officers and the Council would consider further measures to deal with anti-social behaviour issues referred to in the report, including the possible funding from the Housing Revenue Account of up to two Family Intervention Officers on a trial basis.

With regard to the housing concierge arrangements, the Cabinet Member for Housing outlined the proposals for retendering the housing element of the corporate concierge and security contract to provide an improved service at a number of the high-rise flatted estates in the Borough. Initial consultation with affected residents had taken place, which indicated support for the proposals, and further formal consultation would take place on the detailed proposals.

Cabinet agreed:-

- (i) To note the outcome of the consultation on future concierge provision;
- (ii) The procurement arrangements for a contract for concierge and security services at residential housing blocks, as set out in the report; and
- (iii) That a contractual agreement be entered into with the Metropolitan Police Service in respect of the new estate policing proposals detailed in the report.

90. "Sporting Barking and Dagenham" - A Sport and Physical Activity Strategy for the Borough

The Cabinet received a report from the Cabinet Member for Culture, Leisure and Sport presenting the draft sport and physical activity strategy for the Borough entitled 'Sporting Barking and Dagenham'.

The Divisional Director of Culture and Sport explained that the primary purpose of the strategy was to get "more people, more active, more often" and he referred to the impact of the new Becontree Heath Leisure Centre which, in the last year, had encouraged 3,000 more adults to use the Borough's gyms and 1,000 more children to use its swimming pools. The Divisional Director outlined the main goals within the strategy and advised that the improvement action plan which formed part of the strategy would be reviewed annually to reflect changing needs and national and regional priorities.

In respect of the national position, the Divisional Director confirmed that Sport England had very recently published its new national sport strategy which indicated a significantly new approach to its priorities and funding support arrangements. With this in mind, the Divisional Director suggested that the Borough's Strategy should be reviewed in the light of the opportunities and implications that arose from the new national strategy prior to its finalisation and publication.

Cabinet agreed:-

- (i) The current draft strategy 'Sporting Barking and Dagenham' and its improvement action plan, as attached at Appendix 1 to the report; and
- (ii) To authorise the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Culture, Leisure and Sport, to finalise and publish the Borough strategy and improvement action plan once the opportunities and issues presented by the new national strategy for sport had been taken into account.

91. Review of Responsibilities for Naming and Renaming of Roads and Buildings

Further to Minute 62 (29 September 2009), the Cabinet Member for Regeneration presented a report on proposed revisions to the current procedure for the naming and renaming of roads and buildings as a means of providing a more responsive and efficient service.

Cabinet agreed:-

- (i) The following arrangements for the naming and renaming of roads and buildings:
 - a) Cabinet be responsible for:
 - approving amendments to the Approved List of Names, apart from those delegated under Minute 62, 2009/10)
 - approving all proposals to rename roads and buildings

- b) The Corporate Director of Finance and Resources be responsible for:
 - approving the use of names from the Approved List of Names
 - approving the use of names not on the Approved List of Names following consultation with the Leader of the Council, the Cabinet Member for Regeneration and relevant Ward Members

(ii) To note that the Council's Constitution would be amended accordingly.

92. Review of Legal Services and Future Proposals

Further to Minute 97 (25 January 2011), the Leader of the Council introduced a report on proposals to extend the current arrangements with Thurrock Council in respect of the shared Divisional Director of Legal and Democratic Services and Monitoring Officer post, together with arrangements to further enhance the joint working between the two boroughs' legal teams.

The Leader commented on the success of the new arrangements which had operated on a formal footing since 1 April 2011 and he welcomed the proposals for greater integration between the two teams under the second of a three phase approach to a shared service. It was noted that a report on the benefits of moving to a fully merged, shared service (phase three) would be the subject of a further report to Cabinet in early 2013.

Cabinet agreed:-

- (i) A 12 month extension of the secondment agreement between LBBDD and Thurrock regarding the sharing of the Divisional Director of Legal and Democratic Services and Monitoring Officer;
- (ii) That the current shared arrangements are progressed to phase two, as set out in the report, which would involve joined up legal teams between LBBDD and Thurrock; and
- (iii) That the Assembly be recommended to confirm the extension of the appointment of Tasnim Shawkat, Divisional Director Legal and Democratic Services, as this Council's Monitoring Officer.

93. Host Borough Employment and Skills Programme

The Cabinet Member for Regeneration presented a report on the availability of funding of approximately £950,000 over the three years 2011/12 - 2013/14 via the Olympic Host Borough Employment and Skills Programme to support further initiatives aimed at tackling worklessness in the Borough.

The Cabinet Member advised that the funding would primarily be aimed at the Borough's Job Shops but due to the sum involved and the restrictive eligibility criteria, discussions had already commenced regarding the possibility of work-related activities being undertaken in the Borough's Children's Centres. Further initiatives involving Jobcentre Plus, the Adult College of Barking and Dagenham and other potential partners were also being explored in order to maximise the opportunity to improve the job prospects and aspirations of the local community.

Cabinet **agreed** that a Deed of Variation be entered into with the London Borough

of Hackney, as the accountable body for the Host Borough Employment and Skills Programme, to allow for additional grant funding in the sum of £955,892.71 to be provided to the Council.

94. Adoption of Joint Waste Plan and Local Development Framework Proposals Map

The Cabinet Member for Regeneration presented a report on a Joint Waste Plan Development Plan Document (DPD) that had been produced by the Council and the neighbouring Councils of Havering, Newham and Redbridge, who made up the four boroughs within the auspices of the East London Waste Authority (ELWA).

The Cabinet Member explained that the main purpose of the Joint Waste Plan DPD was to establish a 10-year planning strategy for sustainable waste management which enabled the adequate provision of waste management facilities in appropriate locations across the ELWA area. The sites within the Joint Waste Plan DPD were included in the Proposals Map for the overall Local Development Framework, which was available at the meeting.

Cabinet agreed **to recommend the Assembly** to adopt the Joint Waste Plan Development Plan Document and revised Proposals Map, as part of the Barking and Dagenham Local Development Framework.

95. The Policies and Strategies of the Assurance and Risk Division

The Cabinet Member for Finance and Education introduced a report on a number of key policies in relation to fraud, corruption and other forms of financial crime as well as corporate policies for risk management and whistleblowing, all aimed at supporting the Council's zero tolerance to fraud. It was also proposed to update the Council's Risk Management Framework to make the role of the Cabinet in relation to risk management more explicit.

Cabinet **agreed**:-

- (i) To adopt the policies listed below, as attached at Appendices A - G to the report:
 - Fraud & Corruption Policy and Strategy
 - Fraud Prosecution Policy
 - Money Laundering Policy
 - Whistleblowing Policy
 - Policy and Code of Practice of The Regulation of Investigatory Powers Act 2000 (RIPA)
 - Bribery Act Policy
 - Risk Management Policy and Strategy
- (ii) An amendment to the Risk Management Framework in relation to the Cabinet's role in risk management as described in paragraph 1.8 of the report; and
- (iii) To note that the Leader had allocated the lead portfolio responsibility for risk management to the Cabinet Member for Finance and Education.

96. The Adult Social Care Local Account 2010/11

The Cabinet Member for Children and Adult Services introduced a report on the Adult Social Care Local Account for 2010/11, which represented the Council's assessment of its adult social care provision during the last financial year.

The annual 'Local Account' approach had replaced the assessment regime previously undertaken by the Care Quality Commission. The Cabinet Member advised that the structure and content of the report for 2011/12 would reflect the 'model' Local Account for all local authorities that was still being developed by the social care sector, in consultation with the Department of Health and the Local Government Association.

The Cabinet Member outlined the key aspects within the Local Account for 2010/11 against the seven principles contained within the Government's 'Vision for Adult Social Care' published in November 2010 of prevention, personalisation, partnership, plurality, protection, productivity and people.

Cabinet **agreed** the Local Account for 2010/11, as attached at Appendix B to the report, for publication.

97. Term Contract for Asbestos Analysis and Surveying in Council Properties

The Cabinet Member for Finance and Education presented a report on proposals to procure a new three-year term contract, with an option of a two-year extension subject to satisfactory performance, to undertake asbestos analysis and surveying in Council properties, to commence from 5 November 2012.

Cabinet **agreed**:-

- (i) The procurement of a Term Contract for Asbestos Analysis and Surveying in Council Properties on the terms detailed in the report;
- (ii) That Cabinet Members be kept informed of the progress of the procurement and the award of the contract; and
- (iii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to award the contract to the successful tenderer and effect the extension clause within the contract for up to two years, subject to satisfactory performance by the contractor during the initial term of the contract.

98. Term Contract for Asbestos Removal and Management in Council Properties

The Cabinet Member for Finance and Education presented a report on proposals to procure a new three-year term contract, with an option of a two-year extension subject to satisfactory performance, to undertake asbestos removal and management in Council properties, to commence from 20 May 2012.

Cabinet **agreed**:-

- (i) The procurement of a Term Contract for Asbestos Removal and

Management in Council Properties on the terms detailed in the report;

- (ii) That Cabinet Members be kept informed of the progress of the procurement and the award of the contract; and
- (iii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to award the contract to the successful tenderer and effect the extension clause within the contract for up to two years, subject to satisfactory performance by the contractor during the initial term of the contract.

99. Private Business

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 paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

100. Approval of Transfer of Further Services to Elevate Joint Venture

Further to Minute 75 (22 November 2011), the Cabinet Member for Customer Services and Human Resources presented a report setting out the Full Business Cases for the proposed transfer, with effect from 1 April 2012, of the following services to the Elevate East London partnership:

- HR Service Centre (transactions)
- Payroll Administration
- Property Services
- Facilities Management Contract Management at PFI Schools
- Technical Support and Help Desk Reception Team
- Revenues and Benefits Client Team

In line with the joint venture arrangements, Elevate East London had prepared Final Business Cases which detailed the services to transfer, the negotiated target cost and TUPE transfer arrangements for affected staff. In this latter respect, officers agreed to keep Cabinet Members informed of any issues that arose.

The Cabinet Member for Housing referred to matters that he had raised during consultation on the proposals regarding elements of the Property Services transfer, particularly in respect of the Council's current commercial property management contract. Officers outlined the rationale for progressing with the full transfer into Elevate East London and confirmed that Cabinet Members would be fully consulted and involved in the procurement of a new commercial property management contract. It was further suggested that provision be made in the transfer agreement for a review to be undertaken after 12 months of the new arrangements of those elements of the Property Services transfer related to the Housing service to assess whether any benefits could be achieved from the Housing service undertaking some of the work.

Cabinet **agreed**:-

- (i) The transfer of the services referred to above to Elevate East London on

the terms set out in the two Full Business Cases attached as Appendices 1 and 2 to the report, subject to the inclusion of an appropriate clause in the transfer agreement related to the 12-month review of the Housing elements of the Property Services function;

- (ii) To the TUPE transfer of up to 71 staff to Elevate East London in respect of the above services, made up of 35 posts in HR and Payroll Transactional Services and a further 36 posts in the Assets and Commercial Services Division; and
- (iii) The release of the £155,000 under-spend in the People Strategy budget to invest in the HR and Payroll modernisation programme.

(The Chair agreed that this item could be considered at the meeting as a matter of urgency under the provisions of Section 100B(4)(b) of the Local Government Act 1972.)

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CABINET

14 FEBRUARY 2012

Title: Budget Monitoring 2011/12 - April to December 2011	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Kathy Freeman, Group Manager. Corporate Finance	Contact Details: Tel: 020 8227 3497 E-mail: kathy.freeman@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
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 nine months to the end of December 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 December 2011, total Service expenditure for the full year is projected to be £182.7m against the approved budget of £183.4m; a projected under spend of £0.7m. Pressures arise in Children's Services (Complex Needs and Social Care) and Housing and Environment (reduced income and cost pressures in Environmental divisions). Further explanatory summaries are contained in section 2 of this report.</p> <p>The 2011/12 budget includes a planned contribution of £1.5m to further improve GF balances. The current projected under spend of £0.7m, and the planned contribution to balances of £1.5m, could result in the General Fund balance increasing by £2.2m to £13.0m.</p> <p>The Housing Revenue Account (HRA) is projected to contribute £0.6m more than budgeted to the HRA reserve. The projected contribution to the HRA reserve currently stands at £2.1m. 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 and the budget at the end of December stands at £167.3m. Capital budgets cannot contribute 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. This is the final month capital budget adjustments will be requested and once these and other changes since December are taken into account the final budget for 2011/12 will be £163.9m.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the projected outturn position for 2011/12 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.11 of the report;
- (ii) Note the progress against the 2011/12 savings targets in paragraph 2.12 of the report;
- (iii) Note the position for the HRA as detailed in paragraph 2.13 of the report;
- (iv) Note the projected outturn position for 2011/12 of the Council's capital budget as detailed in paragraph 2.14 of the report;
- (v) Approve the capital budget adjustments as set out in 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 Introduction and 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 has been confirmed following completion of the audit of the Council's Statement of Accounts.
- 1.2 This report provides a summary of the Council's General Fund and HRA revenue and capital positions. 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 under spend of £0.7m for the end of the financial year of which:

- £0.4m over spend arises from pressures in Children's Services. An over spend of £1.3m within the Complex Needs and Social Care budget and £0.6m within Management Costs is offset by a projected £1.5m under spend against the Targeted Support and the Commissioning budgets;
- £0.4m over spend arises from cost pressures in Environmental Services;
- (£0.3m) under spend in Finance and Resources due to vacant posts;
- (£0.3m) under spend in the Chief Executive's Directorate due to vacancies;
- (£0.9m) under spend in Central Expenses due to lower interest payments and a one off VAT claim.

The initial net forecast of a £2.2m under spend (£0.7m add £1.5m) would result in the Council's General Fund balance remaining above 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 net 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 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 £13.0m.

The HRA budget for 2011/12 includes a contribution to the HRA reserve of £1.5m. At the end of December, the HRA is forecasting an under spend of £0.6m.

	Balance at 1 April 2011	Projected Balance at 31 March 2012	Target Balance at 31 March 2012
	£'000	£'000	£'000
General Fund	10,841	13,007	10,000
Housing Revenue Account (including Rent Reserve)	4,448	6,566	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	Full year projection at December 2011	Over/(under) Budget Projection
	£'000	£'000	£'000
<u>Directorate Expenditure</u>			
Adult and Community Services	64,880	64,880	-
Children's Services	65,555	65,955	400
Housing and Environment	20,625	21,109	484
Finance and Resources	21,253	20,946	(307)
Chief Executive	931	608	(323)
Central Expenses	10,138	9,218	(920)
Total Service Expenditure	183,382	182,716	(666)
Planned Contribution to Balances			(1,500)
Total Projection at end of December 2011			(2,166)

If the projected under spend is delivered at year end this would result in a large contribution to the General Fund. The current projection would take the General Fund £3.0m over the minimum level recommended by the Corporate Director of Finance and Resources.

The Medium Term Financial Strategy (MTFS) shows significant pressures in 2013/14 and 2014/15.

At year end members may consider creating additional reserves to offset future MTFS pressures and smooth the profile of required savings.

2.4 Directorate Performance Summaries

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

2.5 Adult and Community Services

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	69,951	64,880	64,880
Projected over/(under)spend			-

The Adult and Community Service (ACS) budget position at month 9 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 over spends 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. 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 £4.6m 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 and are expecting to achieve its 2011/12 saving targets.

2.6 Children's Services

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	61,913	65,555	65,955
Projected over/(under)spend			400

Last month the Children's Service was reporting a pressure of £0.5m.

At month 9, the Directorate is reporting a year end pressure of £0.4m, a reduction of £0.1m on the previous month. This reduction is a result of management actions to hold back all non-essential spend in light of budgetary pressures and the reduction of expenditure in the current financial year to ensure approved savings are achieved. Managers continue to identify actions to further reduce the pressure of £0.4m by year end.

A number of management actions identified to reduce pressures in 2011/12 are non-recurrent and will not be available in 2012/13 as they form part of approved savings. The non-recurrent management actions, at month 9, total £2.8m of which £0.6m relates to maximising grant flexibilities and £2.2m relates to holding back on non-essential spend, vacancy management and bringing forward 2012/13 savings.

The service is committed to finding the £4.5m of savings built into the 2011/12 budget. There are risks around some of these savings and a £74k shortfall is currently projected:

- £35k Court Assessment Team (CHS/SAV/21) – There are pressures reported against this budget and these are being reviewed;
- £39k Woodland premises costs (CHS/SAV/32) – This property is still operational and the savings will not be achieved in 2011/12. The shortfall will be met elsewhere within the service;

2.7 Dedicated School Grant (DSG)

DSG is a ring-fenced grant that is allocated to Schools. As such there can be no under or over spend. The Council retains £17.9m of the DSG in 2011/12 (2010/11; £16.3m) to spend on central education services.

2.8 Housing and Environment

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	23,961	20,625	21,109
Projected over/(under)spend			484

At the end of December 2011 Housing and Environment is forecasting to over spend by £484k which is £232k less than the previous month's over spend position of £716k. This movement is attributable to an approved transfer from contingency of £307k to mitigate the impact of the late implementation of the corporate Terms & Conditions savings.

The main pressures within the Directorate are:

- Refuse income related to trade waste; Staff costs in refuse;
- Rising fuel & energy prices above budgeted inflation;
- Supplies and services in relation to car parks and parking administration;
- Reduction in school buy-backs impacting on refuse and grounds maintenance income;
- 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.

The overall savings target for Housing and Environment was £4.3m of which the latest forecast is that £3.3m will be delivered this year leaving a shortfall of £1.0m. This is due to:

- £52k Road Safety (CUS/SAV/9) – The service has to bear the costs of 2 FTEs for 2 months until the process is completed in January 2012;
- £686k Parking: Controlled Parking Zones (CPZ) (CUS/SAV/6) - Of the areas consulted only 12 roads have been agreed for CPZ implementation. New income streams will be generated to offset this shortfall;
- £244k Street Scene Parking – Lower than budgeted parking income.

The pressures are being managed by a strong action plan including limiting spend on non-essential items and by offset of the £750k Directorate contingency. There is a risk that the reported over spend may increase if proposed action plans slip.

The service is also bringing forward efficiency savings planned for 2012/13 e.g. double-shifting.

2.9 Finance and Resources

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	14,662	21,253	20,946
Projected over/(under)spend			(307)

The Finance and Resources Directorate is projecting a £307k under spend. The change from the previously reported over spend is due to a release from contingency to offset the £1.4m pressure within the Revenues & Benefits service that existed at the point of transfer.

There have also been under spends across the Directorate mainly from vacant posts.

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

2.10 Chief Executive

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	991	931	608
Projected over/(under)spend			(323)

The Chief Executive Directorate is currently reflecting a £323k under spend mainly due to part year vacancies held within the Directorate. This position is a reduction from last month's projection due to some changes in Human Resources.

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

2.11 Central Expenses

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	(19,482)	10,138	9,218
Projected over/(under)spend			(920)

As part of the Central Expenses 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 has now been implemented but will not generate the full year saving included in the budget. In 2011/12, as implementation occurred part way through the financial year, only part of the saving will be achieved. An impact assessment arising from the delay in implementing this project has been undertaken and shows a £630k shortfall. A budget transfer from contingency has taken place to offset this pressure.

Following a change to the Value Added Tax (VAT) liability of various Council services the Council successfully submitted a one off VAT claim for £420k. The claim related to VAT payments made over a number of years.

Due to the management of our cash balances a net under spend of £500k is projected against the budgets for interest payable and interest receivable.

2.12 In Year Savings Targets

The delivery of the 2011/12 budget is dependent on meeting a 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 2.5 to 2.11 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	4,620	-
Children's Services	4,500	4,426	74
Housing and Environment	4,264	3,282	982
Finance & Resources	1,046	1,046	-
Chief Executive	1,914	1,914	-
Central Expenses	4,000	3,370	630
Total	20,344	18,658	1,686

2.13 Housing Revenue Account (HRA)

There is an under spend projected on the HRA as at month 9 of £649k. The HRA budget includes a contribution to the HRA reserve of £1.5m and this surplus would result in a net contribution to reserves of £2.1m. The current budget pressures are:

- Severance costs of £238k have been offset by reduced staffing costs where there are vacant posts. The Council was unable to capitalise the severance costs in the HRA as the criteria set by government was not met;
- Rising insurance costs which may not all be recoverable until the next financial year when the costs can be passed on to the leaseholders;
- 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.

2.14 Capital Programme

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

Directorate Summary of Capital Expenditure	Original Budget £'000	Revised Budget £'000	Projected Outturn £'000	Projected Variance £'000
Adult & Community Services	10,322	13,315	13,155	(160)
Children's Services	56,993	77,237	77,321	84
Housing & Environment	37,472	53,059	52,194	(865)
Finance & Resources	16,868	23,679	23,456	(223)
Total	121,655	167,290	166,126	(1,164)

The budget at the end of December is £167.3m. This is the final month capital budget adjustments will be requested and once these and other changes since December are taken into account the final budget for 2011/12 will be £163.9m.

In addition to the above projected capital expenditure, the Council has also entered into a Private Finance Initiative (PFI) with Thames Partnership for Learning for the construction of a new building for Dagenham Park School. The projected capital expenditure on the project for 2011/12 is £13.8m.

However, as part of the PFI contract the construction costs and associated risks are met by Thames Partnership for Learning and in return the Council pays an agreed annual charge. The PFI is due for completion in April 2013 with a total projected spend of £23.8m.

At the end of December 2011 the overall status of LBBD's Capital Programme is 'Green'. All departments attained a status of 'Green'.

The under spend in Adults & Community Services arises from Goresbrook Leisure Centre (£160k). As the centre is due to be closed the level of works has been scaled down.

The under spend in Housing & Environment arises from:

- A £200k net under spend on DH works Framework contracts (£225k under), Kitchen & Bathroom Replacement Project (£325k over) and Council Housing - New Builds (300k under). These projects are within the HRA set of works and costs differed from estimates. The net under spend will be reinvested in the HRA;
- Council Housing & Thames (£344k under spend) – The remaining budget is required for retention payments and will be utilised in 2012/13. A reprofile request is contained in appendix E;
- SNAPS (£156k under spend) – The project has completed and the remaining budget is to be reallocated.

The under spend in Finance & Resources arises from:

- Automatic Meter Reading Equipment (£344k under spend) – Expenditure is occurring slower than estimated and the budget will be utilised in 2012/13;
- Energy Efficiency Programme (£130k over spend) – The projected overspend is to be addressed by repayment of grants to the Council (SALIX funds);
- Boroughwide Estate Renewal Gascoigne (£124k under spend) – The schedule of works is being reviewed to identify if the budget will be required in 2012/13.

Further explanations for variances are provided in the detailed Capital Programme at appendix D.

Budget adjustment requests are contained within appendix E.

2.15 Financial Control

At the end of December all key reconciliations have been prepared and reviewed and no major reconciling items unexplained.

3 Options Appraisal

The report provides a summary of the financial position at the relevant year end and as such no other option is applicable for appraisal or review.

4 Consultation

The report has been circulated to appropriate Divisional Directors for review and comment. Specific implications are noted in section 7.

Individual Directorate elements have been subject to scrutiny and discussion at their respective Directorate Management Team meetings.

5 Financial Implications

This report details the financial position of the Council.

6 Legal Issues

There are no legal implications for a budget monitoring report.

7 Other Implications

- **Risk Management** (Sharon Roots)
The risk to the Council is that if spending is not managed effectively the level of balances will fall below the recommended value of £10.0m as set by the Corporate Director of Finance and Resources.
- **Customer Impact** (Paul Hodson)
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 over spend 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.
- **Property / Asset management Issues** (Sue Lees)
Property and asset management issues are covered in the Capital section of the report, paragraph 2.14.
- **Human Resources** (Martin Rayson)
Budget plans for 2011/12 included a number of savings proposals which impacted on staff numbers employed by the Council. These were managed according to the Council's change management policies and procedures. Negotiation of the collective agreement with the Trade Unions in respect of changes to terms and conditions took longer than expected and the savings levels achievable in this year are lower than planned (which is shown in Appendix B).

8 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.

9 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 DECEMBER 2011/12

Directorate	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	45,872	45,872	-
Mental Health	4,172	3,837	3,799	3,799	-
Community Safety & Neighbourhood Services	3,736	4,360	4,630	4,630	-
Culture & Sport	12,671	10,449	10,297	10,297	-
Management	667	247	282	282	-
	69,951	64,789	64,880	64,880	-
<u>Children's Services</u>					
Education	12,455	6,111	8,411	8,411	-
Targeted Support	1,359	14,406	13,459	12,517	(942)
Complex Needs and Social Care	34,773	31,646	31,858	33,149	1,291
Commissioning and Safeguarding	6,031	4,877	4,920	4,397	(523)
Other Management Costs	7,295	8,104	6,907	7,481	574
	61,913	65,144	65,555	65,955	400
<u>Children's Services - DSG</u>					
Schools	(15,175)	(21,148)	(21,154)	(21,154)	-
Quality & Schools Improvement	9,040	5,343	5,349	5,349	-
Integrated Family Services	2,544	3,510	3,592	3,592	-
Safeguarding & Rights Services	214	4,763	4,763	4,763	-
Children's Policy & Trust Commissioning	1,163	1,442	1,360	1,360	-
Skills and Learning	770	-	-	-	-
Other Services	1,444	6,090	6,090	6,090	-
	-	-	-	-	-
<u>Housing & Environment</u>					
Environment & Enforcement	20,601	16,948	17,247	17,702	455
Housing General Fund	3,360	3,378	3,378	3,407	29
	23,961	20,326	20,625	21,109	484
<u>Finance & Resources</u>					
Directorate of F&R	(109)	414	334	191	(143)
Commercial Services (including JV contract)	4,482	2,598	3,052	3,090	38
Financial Services	(5)	-	130	55	(75)
Audit & Risk	(20)	-	-	(16)	(16)
Regeneration	4,571	5,229	5,229	5,098	(131)
Corporate Management	4,694	4,681	4,681	4,681	-
Barking & Dagenham Direct	4,242	6,532	7,827	7,847	20
ICT (now within JV contract)	(3,193)	-	-	-	-
	14,662	19,454	21,253	20,946	(307)

Appendix A

Directorate	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)	(151)	(61)
Legal & Democratic Services	795	441	381	221	(160)
Corporate Policy & Public Affairs	(957)	300	300	232	(68)
Human Resources	(32)	250	340	306	(34)
	991	991	931	608	(323)
<u>Other</u>					
Central Expenses	(27,608)	1,257	(1,153)	(2,073)	(920)
Contingency	-	2,834	2,704	2,704	-
Levies	8,126	8,587	8,587	8,587	-
	(19,482)	12,678	10,138	9,218	(920)
TOTAL	151,996	183,382	183,382	182,716	(666)

GENERAL FUND SAVINGS MONITORING STATEMENT DECEMBER 2011/12

Directorate	Detail	Target	Projected Outturn	Projected Shortfall
		£'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	4,620	-
<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

Directorate	Detail	Target	Projected Outturn	Projected Shortfall
		£'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	4,426	74
<u>Housing & Environment</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	1,119	-
CUS/SAV/4	Environmental & Trading Standards	150	150	-
CUS/SAV/5	Parks & open spaces	370	370	-
CUS/SAV/6	Street Scene - Parking CPZ	686	-	686
-	Street Scene - Parking Staff Permit	354	110	244
CUS/SAV/7	Street Scene - Call Outs	75	75	-
CUS/SAV/8	Street Scene - Depot	48	48	-
CUS/SAV/9	Street Scene - Road Safety	54	2	52
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	3,282	982

Appendix B

Directorate	Detail	Target	Projected Outturn	Projected Shortfall
		£'000	£'000	£'000
<u>Finance & Resources</u>				
FIN&RES/SAV/2	Asset & Capital Delivery Staffing Reductions inc Capital staff	825	825	-
FIN&RES/SAV/4	Rationalisation of complaints & FOI's	71	71	-
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)	-
		1,046	1,046	-
<u>Chief Executive</u>				
FIN&RES/SAV/1	Human Resources - Staffing Review	306	306	-
FIN&RES/SAV/3	Marketing and comms review	554	554	-
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	-
		1,914	1,914	-
<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	370	630
		4,000	3,370	630
TOTAL		20,344	18,658	1,686

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HOUSING REVENUE ACCOUNT MONITORING STATEMENT DECEMBER 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)	(77,518)	(893)
Non Dwelling Rent	(2,367)	(2,565)	(2,565)	(2,558)	7
Other Income	(12,128)	(11,603)	(12,067)	(12,618)	(551)
Capitalisation of Repairs	(2,518)	(2,500)	(1,000)	(1,000)	-
Repairs and Maintenance	22,874	23,153	21,492	21,662	170
Supervision and Management	31,533	28,926	29,464	30,240	776
Rent Rates and Other	990	920	1,007	910	(97)
Subsidy	18,048	18,931	18,931	18,931	-
Depreciation	13,481	14,697	14,697	14,697	-
Bad Debt Provision	658	953	953	886	(67)
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)	(105)	(27)
Contribution to HRA Reserve	(1,047)	(1,469)	(1,469)	(2,118)	(649)

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

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
<u>Adult & Community Services</u>					
Community Services, Heritage & Libraries					
Ripple Hall (St Georges/Vol Group Relocation)	100	375	375	-	
Valence Site Redevelopment	300	435	435	-	
Eastbury Manor House Redevelopment	-	18	18	-	
Fews Lodge (Extra Care Scheme)	-	84	84	-	
	400	912	912	-	
Leisure & Olympics					
Contingency	116	61	61	-	
Barking Park Restoration & Improvement	4,303	4,047	4,047	-	
Abbey Sports Centre (Wet Side Changing Areas)	-	9	9	-	
Becontree Heath Leisure Centre	4,617	5,120	5,120	-	
					Due to the budget saving being taken forward to close Goresbrook Leisure Centre, LOCOG have confirmed that they would reduce the amount of funding grant in line with a revised scheme of works due to there being no legacy.
Goresbrook Leisure Centre - Olympic Training Venue	139	207	47	(160)	
Mayesbrook Park Improvements (Phase 1)	747	1,004	1,004	-	
Mayesbrook Park Athletics Arena	-	1,650	1,650	-	
Abbey Leisure Centre 2012-14	-	250	250	-	
Barking Park Light Railway & Rowing Boat Equipment	-	55	55	-	
	9,922	12,403	12,243	(160)	
Total For Adult & Community Services	10,322	13,315	13,155	(160)	

Children's Services

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Primary Schools					
Eastbury	150	578	578	-	
Cambell Infant & Juniors	25	237	237	-	
Barking Riverside first Primary School	3,015	8,362	8,362	-	
Roding Primary School - Cannington Road Annex	250	323	323	-	
Beam Primary Expansion	100	404	404	-	
St Joseph's Primary - expansion	1,850	1,967	1,967	-	
St Peter's Primary - expansion	75	107	107	-	
Thames View Infants - London TG Agreement	420	507	507	-	
Cambell Junior - Expansion & Refurb	25	167	167	-	
Thames View Juniors - Expansion & Refurb	2,230	2,075	2,075	-	
Former UEL Site - New Primary School	8,500	10,135	10,135	-	
Westbury - New Primary School	1,750	2,574	2,574	-	
St Georges - New Primary School	2,260	3,140	3,140	-	
	20,650	30,576	30,576		
Other Schemes					
Renewal School Kitchens 2009/10	25	32	32	-	
SMF - School Modernisation Fund (Inc 2009-10 SMF Element)	997	3,275	3,275	-	
Youth Access Card	15	285	285	-	
Extended Schools	-	1	-	(1)	Small spend not initially budgeted for - to be covered by budget from another project.
School's Kitchen Extension/Refurbishment 10/11	490	534	534	-	
Cross-Government Co-Location Fund	50	43	44	1	Small budget to cover Extended schools spend.
Basic Needs Projects (Formerly Additional School Places)	1,501	1,535	1,535	-	
Schools Legionella Works	-	168	168	-	
Schools L8 Water Quality Remedial Works 2010/11	15	143	143	-	
Schools Reboiler & Repipe Fund	250	329	329	-	
Schools Asbestos Management & Removals 2010-11	-	8	8	-	
William Bellamy Childrens Centre	-	3	3	-	
John Perry Childrens	-	10	10	-	
Alibon Childrens Centre	-	18	18	-	
Youth Bus	-	(11)	-	11	Budget overspend from 2010/11 to be met by external funding grant. Sponsor & Departmental Finance working to resolve.

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
512a Heathway - Conversion to a Family Resource	-	-	73	-	73 11-12 budget to be added to cover professional fees & fit-out costs
512A Heathway (Phase 2) - Conversion to a Family Resource with additional teaching space	-	50	50	-	
Devolved Capital Formula	-	2,671	2,671	-	
Barking Abbey - Schools For The Future	-	-	-	-	
Robert Clack Comprehensive Expansion	-	3,058	3,058	-	
Monteagle Primary (Quadrangle Infill)	-	300	300	-	
Eastbury Primary (Expansion)	-	300	300	-	
Gascoigne Primary (Expansion)	-	50	50	-	
Parsloes Primary (Expansion)	-	300	300	-	
Godwin Primary (Expansion)	-	300	300	-	
William Bellamy Infants/Juniors (Expansion)	-	300	300	-	
Degenham Village Rectory Road Library (Expansion)	-	200	200	-	
Southwood Primary (Expansion)	-	300	300	-	
Sydney Russell - Schools For The Future	24,000	12,078	12,078	-	
Provision of New School Places (Basic Needs) Contingency	-	987	987	-	
Provision of New School Places (Basic Need Funding - 11/12)	-	10,550	10,550	-	
	27,343	37,817	37,901	84	
Skills, Learning & Enterprise					
Advanced Skills Centre	9,000	8,844	8,844	-	
	9,000	8,844	8,844	-	
Total For Children's Services	56,993	77,237	77,321	84	

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Housing Futures	3,363	-	-	-	
Millard Terrace	34	35	35	-	
Lifts replacement	1,810	1,020	1,060	40	Sponsor reprofiling funds to this code to cover overspend.
SAMS formerly remote concierge	-	65	65	-	
DH works Framework contracts	-	626	401	(225)	Project delivered under budget - remaining budget to be reprofiled to over arching code.
Major maintenance renewals	2,500	1,000	1,000	-	
Heating works (Thaxted, Maxey & Humphries Houses)	-	283	283	-	
In House Costs/Contract Preparation	1,000	800	800	-	
CHP Programme	1,000	63	63	-	
Electrical Switchgear Project	520	744	744	-	
Extensions and deconve	-	20	20	-	
Communal Lighting and Electrical Switchgear	1,500	1,050	1,050	-	
External Enveloping Work	3,000	373	373	-	
Sheltered Alarms Upgrade	-	38	38	-	
Colne & Mersea Blocks	4,269	5,509	5,509	-	
Capitalised Improvement Works	-	224	224	-	
Estate Improvement Project	-	800	800	-	
Oldmead & Bartlett Remedial Works	-	100	61	(39)	Project delivered under budget - remaining budget to be reprofiled to over arching code.
Door Entry Project 11/12	-	650	650	-	
External Enveloping & Fire Proofing Project	-	1,200	1,200	-	
Defective Overflow Works	-	45	45	-	
Central Heating Installation	-	1,850	1,850	-	
Kitchen & Bathroom Replacement Project	-	2,075	2,400	325	Project overspent - reprofile to increase budget to be submitted.
High Rise Surveys	-	550	550	-	
Capitalised Improvement Works (Estates)	-	500	500	-	
Estate Improvements	-	350	350	-	
Adaptations - Housing	-	200	200	-	
King William St Qtr	1,816	429	429	-	
New Council Housing Phase 3	12,621	3,801	3,801	-	
Council Housing - New Builds	463	596	296	(300)	Project delivered under budget - remaining budget to be reprofiled to over arching code.
Council Housing & Thames	-	12,332	11,988	(344)	Budget reprofile has been request in appendix E as retention payments to be made in 12-13.
Land Disposal	-	-	-	-	
Disabled Adaptations (HRA)	500	502	500	(2)	Unallocated budget - being worked up to spend within.
Central Heating Installation (Phase II)	-	2,000	2,000	-	
Kitchen, Bathroom, Central Heating & Rewire	-	5,500	5,500	-	
Electrical Rewiring	-	1,500	1,500	-	
Voids	-	1,000	1,000	-	
	34,356	47,830	47,285	(545)	

Housing & Environment

HRA

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Non-HRA Housing					
Private Sector Households	800	1,118	1,118	-	
Private Sector Households (105)	-	687	687	-	
Housing Modernisation Programme	-	57	57	-	
	800	1,862	1,862	-	
Environment & Enforcement					
Highways Maintenance(TFL)	380	-	-	-	
Land Quality Inspection Programme	80	130	130	-	
Street Light Replacing	1,000	1,216	1,216	-	
Flats recycling banks scheme	-	307	307	-	
					TfL always provide budget 25% above required - in case of overspend. The remained is to be returned as per the funding agreement.
Principal Rd Resurfacing - Longbridge Rd (TFL)	-	446	357	(89)	
Road Safety Improvement Schemes (TFL)	-	100	100	-	
SNAPS	-	174	18	(156)	Scheme completed - remaining budget to be reprofiled.
Becontree Neighbourhood Improvements	-	63	24	(39)	Scheme completed - remaining budget to be reprofiled.
Environmental Improvements	630	440	440	-	
Environmental Improvements - On Street Waste Receptacles	-	190	190	-	
Christmas Lighting (2011/12)	45	45	45	-	
	2,135	3,111	2,827	(284)	
PGSS					
Pondfield Park	-	60	57	(3)	Remaining budget is retention & contingency in 12-13
Abbey Green Park Development	33	48	27	(21)	Remaining budget is for works in 12-13
					Additional works that are being delivered and to be invoiced - the £12k is unpaid retention due to poor performance by contractor and (12) now being utilised for small works.
Valence Park Improvements	24	43	31	(12)	
BTC Public Art Project	-	11	11	-	
Barking Park Artwork	84	84	84	-	
Play Builder	-	10	10	-	
	141	256	220	(36)	
Total For Housing & Environment	37,472	53,059	52,194	(865)	

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Asset Strategy					
L8 Surveys and Risk Assessment Updates	35	-	-	-	
L8 Control of Legionella Remedial Works	-	277	277	-	
Asbestos (Public Buildings)	128	112	112	-	
Automatic Meter Reading Equipment	119	111	11	(100)	A Reprofile request into 12-13 is contained in appendix E.
Backlog Capital Improvements	375	667	667	-	
CMRP DDA For Buildings	-	27	27	-	
Implement Corporate Accommodation Strategy	2,073	1,502	1,501	(1)	Small level of works to be included within this years budget allocation.
New Dagenham Library & One Stop Shop	-	160	160	-	
Energy Efficiency Programme	-	57	187	130	Projected overspend to be addressed by repayment of grants to the Council (SALIX funds).
	2,730	2,913	2,942	29	
Regeneration					
Creekmouth	-	(15)	-	15	Overspend to be covered from another project.
Dagenham Heathway	-	83	-	(83)	Remaining budget to be reprofiled to improvements to Mall car park.
Legi Business Centres	3,647	4,852	4,852	-	
Industrial Area Improvement	-	84	84	-	
Barking Town Square (Phase 2)	494	536	536	-	
Retail Premise Improvement Grant	21	153	153	-	
Barking Town Centre - Low Carbon Emission (TFL & GLA)	85	133	117	(16)	The under spend will be utilised on another project.
BTC Public Realm - Tsq & Abbey	103	134	54	(80)	Remaining budget to be reprofiled to improvements to Mall car park.
Area Based Schemes (Shopping Parades)	-	183	183	-	
Robin Hood Shopping Parade Enhancement (TFL & S106)	-	324	324	-	
East End Thames View Demolition	57	54	54	-	
Axe Street Housing	263	28	31	3	Small over spend projected.
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	393	269	(124)	At present spend is anticipated to be below budget - possible reprofile/roll fwd.
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Leys)	-	225	257	32	At present spend is anticipated to be above budget - possible reprofile/roll fwd.
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Goresbrook Village)	-	762	762	-	
Boroughwide Estate Renewal - Leaseholders	-	4,766	4,766	-	
Boroughwide Estate Renewal - Resources & Master planning	-	170	170	-	
Boroughwide Estate Renewal - Demolition	-	100	100	-	

Resources

Asset Strategy

L8 Surveys and Risk Assessment Updates
 L8 Control of Legionella Remedial Works
 Asbestos (Public Buildings)
 Automatic Meter Reading Equipment
 Backlog Capital Improvements
 CMRP DDA For Buildings

Implement Corporate Accommodation Strategy
 New Dagenham Library & One Stop Shop

Energy Efficiency Programme

Regeneration

Creekmouth

Dagenham Heathway
 Legi Business Centres
 Industrial Area Improvement
 Barking Town Square (Phase 2)
 Retail Premise Improvement Grant
 Barking Town Centre - Low Carbon Emission (TFL & GLA)

BTC Public Realm - Tsq & Abbey
 Area Based Schemes (Shopping Parades)
 Robin Hood Shopping Parade Enhancement (TFL & S106)
 East End Thames View Demolition

Axe Street Housing
 Demolition of Kingsbridge Site
 Rainham Road Corridor (TFL)
 Green Lane Corridor (TFL)
 London Road/North Street Site Acquisitions

Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Gascoigne)
 Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Leys)
 Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Goresbrook Village)
 Boroughwide Estate Renewal - Leaseholders
 Boroughwide Estate Renewal - Resources & Master planning
 Boroughwide Estate Renewal - Demolition

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Barking Station Forecourt - Phase 1 Implementation (TFL & S106)	800	1,028	1,028	-	
Maysbrook Park Access Improvements (TFL)	-	366	366	-	
Merry Fiddlers Junction Improvements (TFL)	-	144	144	-	
Cycling on Greenways and Local Cycle Links (TFL)	-	144	144	-	
Station Access Improvements (TFL)	-	48	48	-	
Future Scheme Development - various locations (TFL)	-	29	25	(4)	Remaining budget will be utilised by end of financial year
Car Club Expansion (TFL)	-	14	14	-	
Biking Borough Initiative (TFL)	-	123	128	-	5 Scheme complete - sponsor to ascertain additional budget from TfL.
Minor Works - Various Locations - Local Transport Fund (TFL)	-	67	67	-	
Improvements to the rear of the Mall, Dagenham Heathway	-	40	40	-	
New Market Square (Barking)	-	24	24	-	
Degenham Job Shop	-	11	11	-	
	12,952	16,246	15,994	(252)	
Microsoft Enterprise Agreement	36	126	126	-	
Modernisation and Improvement Capital Fund (formerly One B & D ICT Main Scheme)	1,150	3,458	3,458	-	
Service Management Tool	-	75	75	-	
Information & Workplace Strategy (Formerly STRATEGIC INFORMATION FRAMEWORK)	-	207	207	-	
E-Services - On-line Portals	-	654	654	-	
	1,186	4,520	4,520	-	
Total For Resources	16,868	23,679	23,456	(223)	
GRAND TOTAL	121,655	167,290	166,126	(1,164)	

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REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £000's	Budget 2012/13 £000's	Total Budget £000's	External Funding £000's	MRA £000's	Section 106 £000's	Departmental Borrowing £000's	Corporate Borrowing £000's	Total Funding £000's
<u>Adult & Community Services - Current Programme</u>									
Goresbrook Leisure Centre - Olympic Training Venue	207	-	207	207	-	-	-	-	207
Sub Total	207	-	207	207	-	-	-	-	207
<u>Adult & Community Services- Proposed Programme</u>									
Goresbrook Leisure Centre - Olympic Training Venue	47	-	47	39	-	-	-	8	47
Sub Total	47	-	47	39	-	-	-	8	47
<u>Housing and Environment - Current Programme</u>									
Council Housing & Thames Colne & Mersea Blocks	12,332	-	12,332	7,399	-	-	4,933	-	12,332
Door Entry Project 11/12	5,674	-	5,674	1,800	-	-	2,509	1,365	5,674
External Enveloping & Fire proofing project	1,575	-	1,575	-	1,575	-	-	-	1,575
Central Heating Installation	2,528	-	2,528	-	2,528	-	-	-	2,528
High Rise Surveys	2,150	-	2,150	-	2,150	-	-	-	2,150
Environmental Improvements and Enhancements	1,000	-	1,000	-	1,000	-	-	440	1,000
Principal Rd Resurfacing - Longbridge Rd (TFL)	440	-	440	-	-	-	-	-	440
Road Safety Improvement Schemes (TFL)	446	-	446	446	-	-	-	-	446
Abbey Green Park Development	100	-	100	100	-	-	-	-	100
	48	-	48	-	-	48	-	-	48
Sub Total	26,294	-	26,294	9,745	7,253	48	7,442	1,805	26,294
<u>Housing and Environment - Proposed Programme</u>									
Council Housing & Thames Colne & Mersea Blocks	11,988	344	12,332	7,399	-	-	4,933	-	12,332
Door Entry Project 11/12	5,509	165	5,674	1,800	-	-	2,509	1,365	5,674
External Enveloping & Fire proofing project	630	945	1,575	-	1,575	-	-	-	1,575
Central Heating Installation	1,200	1,328	2,528	-	2,528	-	-	-	2,528
High Rise Surveys	1,850	300	2,150	-	2,150	-	-	-	2,150
Environmental Improvements and Enhancements	550	450	1,000	-	1,000	-	-	-	1,000
Principal Rd Resurfacing - Longbridge Rd (TFL)	353	87	440	-	-	-	-	440	440
Road Safety Improvement Schemes (TFL)	341	-	341	341	-	-	-	-	341
Abbey Green Park Development	96	-	96	96	-	-	-	-	96
	36	12	48	-	-	48	-	-	48
Sub Total	22,553	3,631	26,184	9,636	7,253	48	7,442	1,805	26,184

REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £000's	Budget 2012/13 £000's	Total Budget £000's	External Funding £000's	MRA £000's	Section 106 £000's	Departmental Borrowing £000's	Corporate Borrowing £000's	Total Funding £000's
Resources - Current Programme									
Legi Business Centres	4,432	420	4,852	4,852	-	-	-	-	4,852
Retail Premise Improvement Grant	21	-	21	21	-	-	-	-	21
Asbestos (Public Buildings)	112	-	112	-	-	-	-	112	112
Automatic/Meter Reading Equipment	111	-	111	-	-	-	-	111	111
New Dagenham Library & One Stop Shop	160	-	160	-	-	-	-	160	160
Energy Efficiency Programme	57	-	57	57	-	-	-	-	57
Modernisation & Improvement Capital Fund	4,394	-	4,394	-	-	-	-	4,394	4,394
Creekmouth	(15)	-	(15)	(15)	-	-	-	-	(15)
Industrial Area Improvement	84	-	84	-	-	-	-	84	84
Dagenham Heathway	83	-	83	83	-	-	-	-	83
BTC Public Realm - Tsq & Abbey	134	-	134	134	-	-	-	-	134
Demolition of Kingsbridge Site	25	-	25	25	-	-	-	-	25
Improvements to the rear of The Mall, Dagenham Heathway	40	-	40	-	-	-	-	40	40
New Market Square (Barking)	24	95	119	50	-	69	-	-	119
Backlog Capital Improvements	667	-	667	-	-	-	-	667	667
Implement Corporate Accommodation Strategy	1,502	835	2,337	-	-	-	-	2,337	2,337
Sub Total	11,830	1,350	13,180	5,206	-	69	-	7,905	13,180
Resources - Proposed Programme									
Legi Business Centres	4,852	-	4,852	4,852	-	-	-	-	4,852
Retail Premise Improvement Grant	153	-	153	153	-	-	-	-	153
Asbestos (Public Buildings)	81	31	112	-	-	-	-	112	112
Automatic/Meter Reading Equipment	11	100	111	-	-	-	-	111	111
New Dagenham Library & One Stop Shop	60	-	60	-	-	-	-	60	60
Energy Efficiency Programme	187	-	187	187	-	-	-	-	187
Modernisation & Improvement Capital Fund	1,494	2,900	4,394	-	-	-	-	4,394	4,394
Creekmouth	-	-	-	-	-	-	-	-	-
Industrial Area Improvement	79	-	79	-	-	10	-	69	79
Dagenham Heathway	-	-	-	-	-	-	-	-	-
BTC Public Realm - Tsq & Abbey	73	-	73	39	-	34	-	-	73
Demolition of Kingsbridge Site	7	-	7	-	-	7	-	-	7
Improvements to the rear of The Mall, Dagenham Heathway	223	-	223	-	-	83	-	140	223
New Market Square (Barking)	136	-	136	50	-	86	-	-	136
Backlog Capital Improvements	214	348	562	-	-	-	-	562	562
Implement Corporate Accommodation Strategy	1,607	835	2,442	-	-	-	-	2,442	2,442
Sub Total	9,177	4,214	13,392	5,281	-	220	-	7,890	13,392
Current Total - Schemes with requested change	38,331	1,350	39,681	15,158	7,253	117	7,442	9,710	39,681
Proposed Total - Schemes with requested change	31,777	7,845	39,623	14,956	7,253	289	7,442	9,703	39,623
Total of proposed changes	(6,553)	6,496	(58)	(203)	-	152	-	(7)	(58)

CABINET

14 FEBRUARY 2012

Title: Budget Framework 2012/13	
Report of the Cabinet Member for Finance and Education	
Open	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 724 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Tracie Evans, Corporate Director – Finance and Resources	
Summary:	
<p>This report sets out the:</p> <ul style="list-style-type: none"> • The Medium Term Financial Strategy and a two year summary level financial model for the Council; • The level of savings already approved over the three-year period; • The detailed, annual revised budgets, revenue outturn estimates for 2011/12 and 2012/13 proposed budgets; • The financial outlook for 2013/14 onwards; • The proposed level of Council Tax for 2012/13; • The capital investment programme; • The prudential indicators. <p>The General Fund net budget for 2011/12 is £183.381m and the proposed net budget for 2012/13 is £177.379m. The budget for 2012/13 incorporates a reduction of grant by the Government, decisions previously approved by Members in the Medium Term Financial Strategy, savings approved by Cabinet Members on December 14th 2011 and other financial adjustments.</p> <p>Difficult decisions have been made by Members to ensure a robust and balanced budget is set, protecting front line services as far as is possible and providing value for money to our residents. This has been achieved within the context of a zero increase in Council Tax paid by residents for a fourth consecutive year.</p> <p>The current 2011/12 to 2015/16 capital programme for the Council is £218.7m and the proposed programme is £459.9m for 2012/13 to 2015/16, including £166.9m proposed HRA schemes.</p> <p>The proposed Council Tax for 2012/13 is to remain at the current level (for a Band D property £1,016.40).</p>	

The Greater London Authority precept for a Band D property has been reduced by 1% from £309.82 last year to £306.72 for 2012/13. The GLA precept will be subject to final approval by the London Assembly on the 9th February 2012.

The Medium Term Financial Strategy and the Capital Programme has been developed focusing on key Council priorities.

Recommendation(s)

The Cabinet is asked to recommend the Assembly to agree:

- (i) The revised budget for 2011/12 of £183.381m (Appendix B);
- (ii) The 2012/13 proposed revenue budget of £177.379m (Appendix C);
- (iii) The current surplus arising from additional specific grant income is to be held, pending the announcement of the top-slice requirement and to be held as an additional contingency item to mitigate future risks (paragraph 3.15);
- (iv) The Statutory Budget Determination for 2012/13 (Appendix D);
- (v) The adjusted Medium Term Financial Strategy position for 2011/12 to 2014/15 allowing for other known pressures and risks at this time (Appendix E);
- (vi) A freeze on Council Tax levied by London Borough of Barking and Dagenham for 2012/13, with a 1% reduction in the Greater London Authority precept, subject to the final approval by the London Assembly on the 9th February 2012 (Appendix F);
- (vii) The Council's 5 year Capital Programme (Appendix G);
- (viii) The Prudential Indicators for the Authority as set out in section 8 of this report and in Treasury Management Strategy.

The Cabinet is recommended to note:

- (ix) The capital accounting arrangements and the prudential indicator capital guidelines as set out in sections 7 to 9 of this report.
- (x) The continuing need to identify relevant efficiency gains throughout the organisation.

Reason(s)

Under the Council's Constitution, it is necessary for the Cabinet to refer a proposed revenue budget and the Council Tax requirement to the Assembly for approval or amendment.

Local authorities are required by law to set a balanced budget for each financial year.

1. Introduction and Background

- 1.1 The purpose of this report is to seek agreement to the budget for 2011/12 of £183.381m and the revenue budget for 2012/13 of £177.379m. This reduction between the two financial years is mainly due to reductions in Government Grants of c£6m, although the Council has faced other demographic and inflationary pressures which meant that additional savings have had to be found. This report focuses on the Council's General Fund expenditure and Council Tax level however does mention the Council's other financial streams in order to provide a context.

- 1.2 The report sets out the Medium Term Financial Strategy for 2011/12 to 2014/15 and the Council Tax levels for 2012/13, which will be referred to Assembly for consideration on the 22 February 2012. This is a legal requirement.

2. The Council Statement of Priorities and links to other strategies

- 2.1 The Council Statement of Priorities for 2012/13 focuses on how the Council can achieve its priorities in the context of reduced resources identified within the Medium Term Financial Strategy. The Council Statement of Priorities is presented for approval elsewhere on this agenda.

- 2.2 The Medium Term Financial Strategy has been developed in the time of significant national funding cuts, focusing the Council's core objective of "Building a better life for all" by protecting front line services and providing a well run organisation. The Medium Term Financial Strategy underpins the Council's three main objectives:

- Raising average income in the borough
- Schools and post-16 education
- Housing and estate renewal

- 2.3 Other key strategies essential to the successful delivery of the Medium Term Financial Strategy are:

- Treasury Management Strategy – maximises the Council's investment income and cash flow, which underpins the delivery of the MTFS
- Property Assets Strategy – enables the Council to make efficient and effective use of the asset space and drive down the cost of accommodation
- Procurement Strategy – ensures that procurement and contract regulatory and legal requirements are adhered to, as well as achieving Value for Money. The Council's procurement and contract rules are set out in the Council's Constitution
- Risk Management Strategy – details the levels of risks and sensitivities of financial risk that exist and the controls required to sufficiently manage those risks down
- Capital Programme – prioritising capital bids and existing capital programmes in line with statutory demands and member's priorities, on a fully funded basis, supported with and by the Council's disposal plan

3. Medium Term Financial Strategy

3.1 National pressures & funding position

The Comprehensive Spending Review (CSR) 2011/12 to 2014/15 was announced in October 2010 covering a four-year period, whilst the Local Government Funding Settlement was announced for the first two years of the Spending Review period.

- 3.2 At the time of writing, the provisional funding settlement for 2012/13 has been issued, however no further information, other than provisional data released, is available regarding the remaining two years of the Spending Review period – 2013/14 and 2014/15. The estimated funding reductions in the Medium Term Financial Strategy assume that the overall funding reductions will broadly be 28% over the four-year period.
- 3.3 Recent indications from the Department of Communities and Local Government (DCLG) are that funding for 2015/16 will reduce by 5-8% and funding for 2016/17 by 7-9%. These indications from the Government suggest that whilst funding will remain broadly flat, there will be a larger reduction in revenue because of a redirection of revenue to capital in order to stimulate economic growth. The Council must therefore continue to identify revenue efficiencies as well as manage increasing demand for services, demographic pressures and inflationary increases on our contracts.
- 3.4 The table below illustrates the funding adjustments that overall reduce our base budget requirement from 2011/12 to 2014/15:

Table 1 – Budget requirement and adjustments in Government funding

Budget requirement and Government Funding	2011/12 £'m	2012/13 £'m	2013/14 £'m Estimated	2014/15 £'m Estimated
Formula Grant	107.8	99.0	93.0	88.0
Specific Grants	20.1	20.7	20.0	17.0
% Reduction in core funding	9%	6%	6%	7%
Council Tax Freeze Grant	1.3	2.7	1.3	1.3
New Homes Bonus	0.4	1.5	0.5	0.5
Academies Top-slice (estimated)		-0.6		
Total Government Grants	129.6	123.3	114.3	106.3
Council Tax	53.6	54.0	54.0	54.0
Collection Fund surplus	0.2			
Budget requirement	183.4	177.4	168.3	160.3

*Figures have been rounded in the above table

3.5 2012/13 Budget Position

Cabinet on the 14th December 2011 approved savings proposals and other adjustments for the 2012/13 draft budget. The position after Cabinet meant that the Council had a small surplus of £61k for 2012/13 and a budget gap of £4.291m for 2013/14. The surplus of £61k represents less than 0.05% of the Council's net budget requirement for 2012/13.

Table 2 – MTFS budget gap/(surplus) following December 14th 2011 Cabinet

Medium Term Financial Strategy Pressures and Adjustments	2012/13 £'000	2013/14 £'000
MTFS Pressures (February 2011 Assembly)	16,550	11,315
MTFS Savings (February 2011 Assembly)	10,187	11,000
MTFS Budget Gap – February Assembly 2011	6,363	315
Service pressures and central adjustments (net)	2,435	3,700
Approved MTFS Budget Gap – October 2011	8,798	4,015
Additional Savings – October 2011 (before Select Committees)	(9,883)	(1,127)
Net Budget gap – October 2011 (surplus)	(1,085)	2,888
Select Committee / Leaders QT savings withdrawn	60	0
Savings to proposed for withdrawal/deferred/amended	964	1,403
Revised Headroom (-) / Budget gap (+) following withdrawn proposals and savings to be deferred	(61)	4,291

- 3.6 In order to agree the 2012/13 Budget Requirement, additional information is now available following the December Cabinet report and summarised in Table 3 below.
- 3.7 The allocation for Specific Grants has increased compared to the indicative funding announcement by £697k. These grants are now pooled centrally as a source of funding in addition to the Formula Grant and are now longer ring-fenced for specific services. This approach is in line with the Government's policy of reducing the number of ring fenced and specific grants, allowing councils to direct funding as required to meet specific areas of need.
- 3.8 The Government has now issued provisional details of the Formula Grant and other specific grants but has not yet announced the national top slicing of funding for academies. The top slice for 2011/12 was £565k and pending confirmation; this figure has been assumed for 2012/13. In addition to the academies top-slice, the top-slice for private sewers, estimated to be approximately £60k is yet to be confirmed.
- 3.9 The surplus on the Collection Fund was £200k last year and it was estimated at the time of producing the Medium Term Financial Strategy that this surplus would remain for 2012/13. A further review has now been completed for the Collection Fund, and this surplus is now estimated to be £30k. This has resulted in a reduction of the surplus of £170k.
- 3.10 Following a review of recharges relating to the management of HRA properties during the 2012/13 budget setting process, a further £175k adjustment has been made to recharge budgets within Finance & Resources.
- 3.11 The Council has agreed to implement the London Living Wage from January 2012. The cost of this has been calculated as £35k and has been built into the table below.
- 3.12 A separate Council Tax setting report approved by Cabinet on the 14th December 2011 set the Council Tax base for 2012/13 of 53,086.90 taxable Bad D equivalent

properties, which represents an increase on the Council Tax base of 363.2 properties. This will generate additional income of £369k for the Council in 2012/13.

3.13 Following their initial submission, the savings (detailed on pro-formas) agreed by Cabinet have been reviewed and any necessary amendments have been highlighted. As a result, there is a requirement to adjust two of the savings pro-formas:

- CEX/SAV/01 – Restructure of senior management. The saving of the Legal Services Group Manager was double counted within the Legal & Democratic Services restructure proposals. In addition, the saving relating to the Divisional Director Mental Health post will still be deleted, but the saving will be used towards the North East London Foundation Trust (NELFT) section 75 agreement management fees.
- CEX/SAV/01 – Restructure of policy teams. The split of recharges between the general fund and the housing revenue account has been recalculated following the agreement of the specific savings to be made. The net effect is an increase in the saving to the general fund of £42k.

Table 3– Adjusted Budget Gap 2012/13

Medium Term Financial Strategy Pressures and Adjustments	2012/13 £'000
Approved MTFS Budget Surplus (December 2011 Cabinet)	(61)
Specific Grants (2012/13 announced, 2013/14 not yet announced)	(697)
Academies top sliced grant	565
Reduction in Collection Fund Surplus	170
Private sewers top slice to formula grant	60
Further review of internal recharges between Directorates	175
Council Tax base increase	(369)
London Living Wage	35
<i>Updated savings proposals</i>	
Senior Management/Legal & Democratic Services	71
Senior Management/Adult & Community Services	50
Policy review	(42)
Revised MTFS Budget (Surplus)/Deficit	(43)

3.14 These amendments have decreased the budget surplus from £61k to £43k for 2012/13. The levies for Lee Valley Regional Park Authority and the Environment Agency have not yet been announced and this may change this figure further:

Table 4 – Position regarding unconfirmed levies

Levy	2011/12 £'000	2012/13 £'000	Change %
East London Waste Authority (ELWA)	8,147,000	8,480,000	4.08%
London Pension Fund Authority (LPFA)	180,026	180,026	0%
Lee Valley Regional Park Authority	155,869	TBC	TBC
Environment Agency	103,743	TBC	TBC
Total Levies	8,586,638	TBC	TBC

- 3.15 Once these items have been confirmed or sufficiently robust estimates have been made and if a budget surplus still exists - Cabinet can consider whether to:
- Identify areas of investment for the surplus savings;
 - Hold the surplus as an additional contingency to mitigate against the unconfirmed levies or as a provision to increase balances;
 - Allocate to Directorates (Children's Services and Adult and Community Services) the increases in specific grants, though this will reduce the budget surplus of £43k to a potential budget deficit of £654k.
 - This surplus is currently on the Central Finance budget, pending the outcome of Members' decision.

- 3.16 The MTFs summary as agreed by Cabinet in December 2011 is provided in Appendix A of this report.

4. Revised budget for 2011/12 and proposed budget 2012/13

4.1 Revised budget for 2011/12

The revised budget for 2011/12 of £183.381m has been calculated on the original 2011/12 budgets approved by Assembly in February 2011 and amended for approvals by Cabinet throughout the year. Appendix B shows the departmental position for the revised 2011/12 budget. A report setting out the in year projected position is elsewhere on this Cabinet agenda.

- 4.2 At the end of December 2011, the Council is forecasting an under spend position of £2.2m for 2011/12. The current projected under spend of £0.7m, and the planned contribution to balances of £1.5m, could result in the General Fund balance increasing by £2.2m to £13.0m. Despite the overall projected underspend position, the Council is reporting pressures in the Directorates of Housing and Environment, and Children's Services.

- 4.3 These pressures have been modelled into the Medium Term Financial Strategy to ensure that a robust budget is set for 2012/13. The adjustments made to the Medium Term Financial Strategy are detailed in the report presented to Cabinet on the 14th December 2011 (paragraphs 4.5 and 4.6).

4.4 Proposed budget for 2012/13

The proposed budget for 2012/13 has been set taking the 2011/12 original budget approved by Assembly in February 2011, adjusted for items as set out in the MTFS approved by Cabinet on the 14th December 2011:

- Reductions in Government funding of c£6m;
- Statutory, economic and demographic pressures;
- Local budget pressures and central accounting adjustments to contingencies;
- Supporting the Council's capital investment strategy and;
- Saving options for 2012/13.

4.5 In order to set a robust budget the above adjustments have been incorporated. The CFO has advised that in order to ensure the Council's financial base is not eroded that Council Tax levels should increase however, a political decision has been made to keep the increase at 0% for a further year.

4.6 Proposed Directorate budgets are provided in Appendix C and the Statutory Budget Determination for 2012/13 is set out in Appendix D of this report.

4.7 In order to address the funding reductions as well as other service pressures outlined in the Medium Term Financial Strategy, Cabinet in December 2011 approved savings of £19.046m in respect of 2012/13. An analysis of savings by Directorate has been provided in Appendix B of the Budget Strategy Report (December 2011). An equalities impact assessment of savings options has also been completed based on separate assessments for each saving and can be found at Appendix E of the same report.

4.8 The proposed budget requirement for 2012/13 is £177.379m.

5 Future forecasted funding reductions/pressures and updated savings

5.1 As noted above, the report in December 2011 summarised a number of potential pressures facing the Council in the medium term. The paragraphs below briefly outline the current estimate of those pressures and the impact on the Medium Term Financial Strategy (MTFS) which will be updated accordingly.

5.2 An indicative settlement for 2013/14 and 2014/15 were given in the CSR in October 2010 and these have been used in the modelling for the MTFS so far. The December 2011 finance announcement for 2012/13 gave no detail for later years and this indicates that the settlement for years three and four of the CSR period may be reconsidered by the Government. It is difficult to second guess what this will mean at this stage and therefore no amendments have been made to the indicative figures currently built into the MTFS.

5.3 In his autumn budget speech in November, the Chancellor of the Exchequer announced a potential 1% pay rise for public sector workers from 2013/14. Whilst this will be subject to national negotiation, the likely impact for Barking & Dagenham is approximately £1m and it is prudent to incorporate this estimate into the MTFS. However, it is unlikely that this increase would apply to all staff.

5.4 Within the CSR, a 10% reduction in the grant paid to local authorities for Council Tax Benefit (CTB) was announced to be generated through savings the Coalition

Government believes can be made through the application of local criteria for the allocation of the benefit. The current CTB cost to the Council is approximately £20m resulting in a benefit funding cut of £2m.

- 5.5 From 2013/14, the Coalition Government is proposing to change the way it funds local authorities through the Resource Review sometimes called the localisation of business rates. The broad assumption is that this will have a neutral effect on funding through the top slice/top up tariff mechanism. There are risks and opportunities associated with the localisation of business rates, however, the impact cannot be fully assessed at this stage and has not been incorporated into the MTFs.
- 5.6 As part of the setting of both the 2011/12 and provisional 2012/13 budgets, the Council has taken advantage of the government's Council Tax freeze grants. Whilst the grant for 2011/12 is expected to be incorporated into the on-going grant funding of the Council, the monies for 2012/13 are only offered as one off funding and therefore will not be available again in 2013/14. This therefore becomes a pressure which will need to be budgeted for.
- 5.7 Library savings proposal
At its meeting on 14 December 2011, Cabinet agreed to the following:
- Closure of Wantz and Markyate libraries;
 - Implementation of the break clause to allow the relocation of services from the Muirhead Quay depot to Valence Library;
 - Creation of an integrated service in Thames View by bringing the library and children's centre service together;
 - Development of the services offered from Valence Library, Valence House and the adjacent park for children, young people and older people.

It is estimated that these proposals will achieve a full year saving of £425,300.

As further options are required to ensure that the Council's savings target can be achieved, officers have developed a further proposal for review by Members, which has two key elements:

- Closure of the Castle Green library; and
- Re-shaping the service currently delivered at the Marks Gate library.

It is estimated that the savings from these proposals will be £226,000 in 2013/14. It is considered that further savings to the General Fund (up to £178,000) in future years could result from the transfer of PFI costs associated with the library to Jo Richardson School, if and when the school take over the operation of this space.

- 5.8 The total impact of these known pressures and adjustments is shown in table 5 below. The MTFs adjusted for the changes in Table 5 below has been provided in Appendix E of this report.

Table 5 - Impact of future pressures the MTFS budget gap

Medium Term Financial Strategy Pressures and Adjustments	2013/14 £'000	2014/15 £'000
Approved MTFS Budget Gap – December 2011	4,291	14,311
Public sector pay award	1,000	1,000
Council Tax Benefit reform	2,000	
Council Tax Freeze Grant	1,315	0
Library savings proposal	(226)	
Revised MTFS Budget Gap	8,380	15,311

5.9 Other unknown factors at this stage include:

- The impact of the Welfare Reform legislation – The full impact of this reform will only be known over the next five years. One impact that is being discussed is the potential reduction of the Benefits Administration Grant. Barking and Dagenham Council currently receive £1.965m and the Government's intention is to reduce this funding following the implementation of localisation of Council Tax Benefit.
- National Funding Formula for the Dedicated Schools Grant – The introduction of the National Funding Formula could result in the funding being paid directly to schools. This change could impact on recharges to the Dedicated Schools Grant (est. £700-£800k) as well as other centrally retained costs.
- Local Government Resource Review - The impact of any loss of collection on the National Non Domestic Rates (NNDR) as well as the impact of existing businesses leaving the borough, would pass onto the Council if proposals under discussion are carried out. The positive impact is that if the Council is able to regenerate the local economy by encouraging business growth, this will create additional funding that can be used towards services.

5.10 Risks to the Settlement from 2013/14 onwards

As noted above, the current information on the settlement from central government from 2013/14 is very limited. The presentations and briefings from the Department for Communities and Local Government (CLG) and the Treasury indicate that the level of funding will reduce even further than initially anticipated and will continue reducing until around 2018/19.

5.11 Early indications from CLG are that 2015/16 grant will reduce by 5-8% and 2016/17 by 7-9%. Due to the uncertainty around the 2013/14 and 2014/15 settlement, apart from what was announced in the October 2010 CSR, the MTFS model currently assume a 6% reduction in grant for 2013/14 and a 7% reduction for 2014/15.

5.12 To provide Cabinet with an early illustration of the potential impact, the table below gives scenarios for different levels of reductions. Based on early indications, the funding reduction for 2015/16 could range between £5.4m to £8.1m and the reduction for 2016/17 could range between £6.7m to £8.1m. The potential funding reduction has been highlighted in Table 6 below. Broadly, a 1% reduction in grant equates to a funding cut of approximately £1.2m, taking the 2012/13 grant allocation as a starting point.

Table 6 – Indicative cuts to central funding from 2013/14 to 2018/19

% of Reduction	5.00%	6.00%	7.00%	8.00%	9.00%
	Annually	Annually	Annually	Annually	Annually
	£000's	£000's	£000's	£000's	£000's
2013/14	5,988	7,185	8,383	9,580	10,778
2014/15	5,688	6,754	7,796	8,814	9,808
2015/16	5,404	6,349	7,250	8,109	8,925
2016/17	5,134	5,968	6,743	7,460	8,122
2017/18	4,877	5,610	6,271	6,863	7,391
2018/19	4,633	5,273	5,832	6,314	6,726

6. Council Tax requirement

- 6.1 The proposed LBBB element of the Council Tax for 2012/13 is to remain at the current levels (£1,016.40 for a Band D property). This will be the fourth consecutive year the Council has set a budget without increasing Council Tax. The Council Tax base for 2012/13 is 53,086.9 and is an increase of 363.2 Band D equivalent properties compared to the 2011/12 base of 52,723.7.
- 6.2 The Mayor of London has proposed a 1% reduction in the Greater London Authority precept for 2012/13. The precept will be reduced from the 2011/12 amount of £309.82 to £306.72 (Band D property). This reduction is subject to final approval by the London Assembly on the 9th February 2012.
- 6.3 Councils who opt to freeze their Council Tax will receive a one off cash grant from the Government. Barking and Dagenham has received additional funding of £1.3m and this has been factored into the MTFS model.
- 6.4 The calculation of the proposed Council Tax for 2012/13 is shown in Appendix F.
- 6.5 The Council Tax must be set before 11th March of the preceding year.

7. Capital programme

- 7.1 The Council is required to review its capital spending plans each year and set a capital programme. A key consideration when setting the programme is the projected level of available capital resources and the affordability of the overall programme.
- 7.2 In line with Members' objective of minimising the Council's external borrowing requirements, bids must be prioritised into "statutory" (e.g. school places), "essential" and "Member priorities".
- 7.3 In order to meet the statutory demand for school places, the Council will continue to lobby for additional funds from central Government. Through successful lobbying to date by Members and officers, the Council has been awarded an additional £23.8m of Basic Needs funding in 2011/12 in respect of school places.

7.4 It is also proposed that future capital expenditure is funded on a “Pay as You Sell” basis, with Members agreeing the Council’s disposal programme, both in terms of which assets that can be sold as well as when to sell them. Although the disposals programme will generate some capital receipts, Members are advised that external borrowing will still be required to fund the existing capital programme and that previous decisions have been made by Members to borrow £152m. These are the culmination of capital decisions approved by Cabinet since 2008/09.

7.5 To ensure that the capital programme remains affordable, it is proposed to cap the overall capital programme, as well as limit the amount of overall borrowing by setting a gearing ratio for the Council.

7.6 Current capital programme

The current capital programme for the Council is £163.9m for 2011/12. The capital programme is supported by the Capital Delivery Team (Assets and Commercial Services) and is monitored by the Finance Capital Team. Full details of the current programme on a per scheme basis are provided in Appendix G of this report. The current programme is funded by £89m grants and contributions, £23m other sources (e.g. funds from S106 agreements and HRA Major Repairs Allowance and £52m planned future borrowing. Forecast borrowing requirement for 2011/12 is £55m due to capitalisation of redundancy costs of £3m in addition to the existing programme.

7.7 Proposed capital programme 2012 to 2015

The proposed capital programme is shown below and has been developed with the concept of prioritising projects into “statutory”, “essential” and “Member priorities”.

Table 7 – Proposed capital programme 2012 to 2015

Capital Expenditure	2010/11	2011/12	2012/13	2013/14	2014/15
£'000	Actual	Estimate	Estimate	Estimate	Estimate
General Fund	82,547	116,432	44,068	6,001	4,350
HRA *	23,643	47,466	60,700	52,400	53,800
Approved Capital Prog		163,898	104,768	58,401	58,150
HRA settlement		265,000			
General Fund proposed bids		3,000	40,071	23,370	7,892
Total	106,190	431,898	144,839	81,771	66,042
Financed by:					
Capital receipts	227	0	3,000	2,700	2,000
Capital grants and Cont.	51,608	97,382	57,875	32,370	17,392
Capital reserves	10,854	13,927			
HRA resources	7,333	698	36,700	37,400	38,300
Net financing need for the year	36,168	319,891	47,264	9,301	8,350
Current planned borrowing		316,890	44,264	6,001	4,350
Funding Gap		3,001	3,000	3,300	4,000

*HRA programme from 2012/13 is based on the draft HRA business plan

7.8 The full list of approved schemes is included at Appendix Gi. In addition to approved schemes, total further capital proposals amount to £267m, with a further £166.9m of bids proposed through the HRA business plan. Based on the current levels of proposed bids, there is a significant funding gap between proposed bids and existing resources. Therefore it is currently proposed to fund only essential Highways maintenance (£2m in 2012/13) and Required Asset Management Plan works (£1m per annum) and the capitalisation directive for redundancy costs (£3m per annum). New schemes which have funding from external sources will be approved as they become known. New sources of funding will need to be identified and secured to fund any further schemes.

7.9 Appendix G sets out the details of the capital programme:

Appendix Gi	Current capital programme
Appendix Gii(A)	Funding of current capital programme (2011/12)
Appendix Gii(B)	Funding of the 2012/13 capital programme
Appendix Giii(A)	Proposed list of prioritised bids and funding (£74m) Plus a further £166.9m in respect of the HRA business plan.
Appendix Giii(B)	Proposed bids – all (£193m)

7.10 **Capital appraisal and monitoring system**

The Council has in place a Capital Programme Monitoring system to ensure that capital projects are appraised and scored in terms of:

- Strategic fit and business justifications;
- Options analysis and achievability;
- Management and delivery structure;
- Risk analysis;
- Financial implications.

7.11 The Capital Programme Monitoring process is Office of Government Commerce (OGC) Gateway compliant and supports the effective delivery of the Council's capital programme. The OGC is the recognised industry standard for procurement purposes.

8. Prudential Indicators

8.1 On 1 April 2004 the Prudential Code introduced a new regulatory regime for capital finance. It freed authorities from government control allowing councils to borrow to finance capital investment so long as it could demonstrate that it was prudent, affordable and sustainable.

8.2 The Local Government Act 2003 requires councils in England and Wales to determine and keep under review the amount of money that they can afford to borrow for capital investment. The Prudential Code states the following factors should be taken into account when prioritising capital investment:

- Service objectives, i.e. strategic planning;
- Stewardship of assets, e.g. asset management planning;
- Value for Money, e.g. options appraisal;
- Prudence and sustainability, e.g. implications for external borrowing and whole life costs;
- Affordability, e.g. implications for Council Tax;
- Practicality, e.g. achievability of the plan.

- 8.3 Councils can finance capital expenditure in a number of ways, including borrowing, capital receipts, grants and contributions from revenue or via a Private Finance Initiative (PFI). The impact of the Council borrowing externally to finance capital expenditure since 2008/09 has impacted on increasing debt charges – in terms of interest payable costs and annual statutory charge for the repayment of debt, called the Minimum Revenue Provision. Consequently, capital bids requiring further borrowing will be thoroughly appraised on the principles of the Prudential Code, ensuring that limited resources are channelled effectively and the further debt charges are affordable.
- 8.4 The Prudential Framework is underpinned by a set of Prudential Indicators to measure whether capital investment is affordable, sustainable and prudent. Key Prudential Indicators relating to the capital programme include the Capital Financing Requirement.
- 9. Capital Financing Requirement (CFR)**
- 9.1 The Council's Capital Financing Requirement is currently forecast to increase to £466m by end of 2011/12. This is largely due to the £265m borrowing required to finance the HRA self-financing settlement and a further £55m borrowing to fund this year's capital programme. The CFR is forecast to increase to £530m by 2014/15 based on current net financing need to fund the existing programme and the new Dagenham Park School PFI scheme (Table 8).
- 9.2 The Council currently has £70m external loans against borrowing decisions of £152m. The balance is being financed internally by borrowing from general fund balances and other reserves. This is currently prudent as interest rates for depositing cash is less than for borrowing therefore it is better to use available cash than to borrow.

Table 8 – Capital Financing Requirement (CFR)

£'000	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Financing Requirement					
CFR – non housing	142,491	169,983	219,698	220,210	219,752
CFR - housing	9,563	31,262	45,762	45,762	45,762
HRA Settlement		265,000	265,000	265,000	265,000
Total CFR	152,054	466,245	530,460	530,972	530,514
Movement in CFR		314,191	64,215	512	-458
Movement in CFR represented by					
Net financing need for the year (above)	40,189	54,891	47,264	9,300	8,350
HRA Settlement		265,000			
Dagenham Park School PFI			23,750		
Less MRP and other financing movements	-4,021	-5,700	-6,799	-8,788	-8,808

Movement in CFR	36,168	314,191	64,215	512	-458
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- 9.3 In terms of the affordability of the capital programme, key Prudential Indicators include the impact on debt charges of increases in borrowing, as a percentage of revenue income (Council Tax, Formula Grant and non ring-fenced grant income).

Table 9 - Ratio of financing costs to revenue stream

%	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
General Fund	5.86%	7.25%	9.95%	11.79%	12.51%
HRA (inclusive of settlement)	1.29%	3.46%	9.26%	8.94%	8.63%

- 9.4 As can be seen in the table above, increases in borrowing to finance the capital programme result in increases in debt charges during a period where revenue income is falling, hence increasing the ratio of financing costs each year. The HRA ratio increases significantly in 2012/13 because of the interest payable impact (approximately £9.7m pa) on the £265m debt settlement. This is also reflected in the impact on housing rent levels below.
- 9.5 The affordability of changes in capital spending plans is further measured by the incremental impact on Council Tax and Housing Rents. This is shown in Table 10 below.

Table 10 - Impact of capital spending plans on Council Tax and rents

£	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
Council Tax - band D	0.00	0.02	0.04	0.01	0.01

£	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
Weekly housing rent levels	0.00	0.01	0.52	0.00	0.00

- 9.6 The full set of Prudential Indicators is included in the Council's annual Treasury Management Strategy statement.

10. Treasury Management Strategy

- 10.1 The Treasury Management strategy is presented as a separate report on this agenda. The Treasury Management Strategy 2012/13 covers the Treasury Management Annual Investment Strategy Statement, Treasury and Prudential Indicators, the Annual Investment, levels of external debt and borrowing limits, in compliance of section 15 (1)(a) of the Local Government Act 2003.

- 10.2 The Treasury Management Strategy sets out the Authorised Borrowing Limit of £528m for 2012/13, which will be the statutory limit determined by the Council, pursuant to section 3(1) of the Local Government Act 2003.
- 10.3 The CIPFA Code of Practice for Treasury Management in the Public Services places specific responsibilities on the Chief Finance Officer to ensure that revised prudential limits are reported to the decision making body and to ensure that appropriate monitoring and reporting arrangements are put in place to assess performance against all forward-looking indicators.
- 10.4 The Chief Finance Officer's view is that the 2012 to 2015 capital programme is prudent, sustainable and affordable

11. Finance Implications

- 11.1 This is a financial report which details the financial implications throughout the whole report.
- 11.2 The CFO has advised that an increase in Council Tax is required to protect the Council's financial base. However a political decision was made to keep the increase at zero.
- 11.3 The impact of not increasing Council Tax for a fourth consecutive year means that the Council's financial base has not increased in line with inflationary and demographic pressures. For each year the Council Tax is not increased, there is a year on year loss of income of approximately £500k per annum for each 1% that Council Tax is not increased by.

12. Legal Implications

- 12.1 A local authority is required under the Local Government Finance Act 1992 to produce a balanced budget. The current budget setting takes place in the context of significant reductions in public funding to local authorities. Where there are reductions or changes in service provision as a result of changes in the financial position a local authority is free to vary its policy and consequent service provision but members must have due regard to public law considerations when making a decision and ensure governance arrangements are robust. Relevant legal considerations will include:
- having due regard to any existing contractual obligations concerning existing service provision
 - having due regard to any legitimate expectations that persons already receiving services to be cut may have to either continue to receive a service or to be consulted directly before such service is withdrawn
 - having due regard to any rights which statute may have conferred on individuals and as a result of which the authority may be bound to continue its provision.
 - having due regard to the impact on different groups affected by any changes to service provision as informed by relevant equality impact assessments
 - having due regard to any consultation undertaken.

13. Other Implications

13.1 **Risk Management** - This report concerns financial risks carried by the Council. The report sets out how the Council will manage and minimise these financial risks.

13.2 **Contractual Issues** - There are no contractual risks directly linked to this report however the impact of the savings approved as part of this budget report may have an impact on individual contracts.

13.3 **Staffing Issues** - The savings proposals contained in this report clearly have implications for the staff who work in the relevant services. Full consultation will take place with those affected. The Council has sought volunteers for redundancy and will also look to redeploy people at risk of redundancy. The Council has advised the Trades Unions (and the relevant Government Department) of the likelihood of redundancies and we have a programme in place (Supporting Staff Through Tough Times) to assist any staff in difficulty.

At this stage negotiations on the pay award in 2012 for local government staff are on-going. There is no requirement on local government employers to apply the public sector pay policy of this Government.

13.4 **Customer Impact** - Customer impact has been considered in the Equalities Impact Assessment appended to the savings report considered by members on 14 December 2011.

13.5 **Health Issues** - At the time of writing this report, the Public Health Grant shadow settlement has not been announced. The Government has however issued draft statutory guidance that sets out the strategic duties that underpin the requirement of Joint Strategic Needs Assessments (JSNAs) and joint Health & Wellbeing strategies by the NHS and councils through health and wellbeing boards. The new mandated Health and Wellbeing Strategy will be developed by June 2012 incorporating a number of key principles:

- Be strategic and take account of the current and future health and social care needs of the entire population from pre-conception to end of life and take account of the needs of that population including people in the most vulnerable circumstances such as carers, disabled people and the homeless.
- Act as the vehicle for joint commissioning/integration, considering the total resource available to commissioners to improve their population's health and wellbeing, and to come to a joint understanding as to how those resources can best be invested. This can be identified by Health and wellbeing Boards working with partners and understanding the added value of pooling resources (including people) in order to achieve greater impact and value for money.
- Focus on improving outcomes at a local level – health and wellbeing Boards will use JSNAs and joint health and wellbeing strategies to set and measure outcomes for the local community; but will also align these local priorities with the National Outcomes Frameworks for the NHS, public health and adult social care.

Background Papers Used in the Preparation of the Report:

- Oracle reports
- December 2011 Cabinet report
- February 2011 Assembly report
- Government funding letters

List of Appendices:

- Appendix A - Medium Term Financial Strategy Summary 2011/12 to 2014/15
- Appendix B - The revised budget for 2011/12
- Appendix C - The proposed 2012/13 revenue budget
- Appendix D - The Statutory Budget Determination for 2012/13
- Appendix E - Adjusted Medium Term Financial Strategy Summary 2011/12 to 2014/15
- Appendix F - Calculation of the Council Tax requirement
- Appendix G - The Council's 5 year Capital Programme (Appendix G);
 - Appendix Gi Approved capital programme
 - Appendix Gii(A) Funding of current capital programme (2011/12)
 - Appendix Gii(B) Funding of the 2012/13 capital programme
 - Appendix Giii(A) Proposed list of prioritised and/or fully funded bids
 - Appendix Giii(B) Proposed bids – all other bids

Medium Term Financial Strategy 2011/12 – 2014/15

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	4 Year Total £'000
BUDGET INCREASES					
Corporate obligations/implications of economic climate:	2,652	2,650	1,630	2,000	8,932
Financial implications of member approved decisions:	3,128	2,650	-	-	5,778
Financial implications of Future Investment:	95	1,750	1,750	1,750	5,345
Investment required to ensure budget is robust:	6,551	5,850	5,450	3,800	21,651
Total Additional Costs (A)	12,426	12,900	8,830	7,550	41,706
CHANGES IN INCOME AND FUNDING					
Reduction in Grant Funding (FG, SG & ABG)	(21,667)	(7,778)	(6,685)	(8,000)	-44,130
New grants	2,787	378	500	500	4,165
Reduction in Collection Fund deficit	690	-	-	-	690
Council Tax & Collection fund	2,426	1,315	-	-	3,741
Total Change in Income (B)	(15,764)	(6,085)	(6,185)	(7,500)	-35,534
Budget Gap (A less B)	28,190	18,985	15,015	15,050	77,240
SAVINGS:					
Departmental Savings (C)	25,190	15,046	5,724	739	46,699
Corporate Savings and Efficiency (D)	3,000	4,000	5,000	-	12,000
Total Savings (C Plus D)	28,190	19,046	10,724	739	58,699
Budget Gap including savings	0	(61)	4,291	14,311	18,541

Analysis of 2012/13 Directorate Budgets, compared to 2010/11 and 2011/12

Appendix B

DIRECTORATE	2010/11 OUTTURN £'000	2011/12 ORIGINAL BUDGET £'000	2011/12 REVISED BUDGET £'000	2012/13 BASE BUDGET £'000
Adults & Community Services	69,951	64,789	64,880	62,745
Children's Services	61,913	65,144	65,562	68,293
Housing and Environment Services	28,203	25,338	20,625	21,253
Finance & Resources	10,227	15,433	22,273	20,753
Chief Executive's Directorate	1,185	0	(90)	0
Central Finance	0	1,257	(1,152)	(8,523)
Contingency	0	0	0	3,938
Levies & Precepts	7,935	11,420	11,290	8,920
Dedicated Schools Grant	(12,124)	0	(7)	0
TOTAL	167,290	183,381	183,381	177,379

2012/13 Details of directorate gross and net budgets, including recharges

Appendix C

DIRECTORATE	GROSS BUDGET £'000	SUPPORT COSTS £'000	RECHARGES INCOME £'000	INCOME £'000	NET BUDGET £'000
Adults & Community Services	71,063	9,695	(2,045)	(15,968)	62,745
Children's Services	75,253	10,487	(2,050)	(15,397)	68,293
Housing and Environment Services	43,380	11,820	(12,288)	(21,659)	21,253
Finance & Resources	224,233	14,415	(51,231)	(166,663)	20,753
Central Finance	(7,056)	0	(308)	(1,158)	(8,523)
Chief Executive's Directorate	525	127	(652)	0	0
Contingency	3,938	0	0	0	3,938
Levies & Precepts	8,920	0	0	0	8,920
Dedicated Schools Grant	216,766	688	(2,815)	(214,638)	0
TOTAL	637,022	47,232	(71,389)	(435,483)	177,379

NOTES:
 Departmental Budgets are Subject to Change
 DSG Budget figures are to be confirmed

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**CABINET 14 FEBRUARY 2012 – FOR REFERRAL TO ASSEMBLY MEETING 22
FEBRUARY 2012**

STATUTORY BUDGET DETERMINATIONS

**SETTING THE AMOUNT OF COUNCIL TAX FOR THE LONDON BOROUGH OF
BARKING AND DAGENHAM**

1. That it be noted that at its meeting on 14 December 2011 the Cabinet calculated the amount of 53,086.9 as its Council Tax Base for the year 2012/2013 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.

2. That the following amounts be now calculated by the Council for the year 2012/2013 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:-

(a)	£612,865,000	being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act
(b)	£435,483,000	being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act
(c)	£177,379,000	being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year
(d)	£123,421,630	being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant reduced by the amount of the sums which the Council estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 and further increased by the amount of any sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the directions under Section 98(4) of the Local Government Finance Act 1988 made on the 7th February 1994
(e)	£53,957,370	being the amount at 2(c) above less the amount at 2(d) above, all divided by the amount at 1 above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year
(f)	See below	Valuation Bands

Appendix D

A	B	C	D	E	F	G	H
£677.60	£790.53	£903.47	£1,016.40	£1,242.27	£1,468.13	£1,694.00	£2,032.80

being the amounts given by multiplying the amount at 2(e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band 'D' calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2012/2013 the Greater London Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:-
Precepting Authority: Greater London Authority

Valuation Bands

A	B	C	D	E	F	G	H
£204.48	£238.56	£272.64	£306.72	£374.88	£443.04	£511.20	£613.44

4. That, having calculated the aggregate in each case of the amounts at 2(f) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2011/2012 for each of the categories of dwellings shown below:-

Valuation Bands

A	B	C	D	E	F	G	H
£884.15	£1,031.50	£1,178.87	£1,326.22	£1,620.94	£1,915.65	£2,210.37	£2,652.44

Medium Term Financial Strategy 2011/12 – 2014/15

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	4 Year Total £'000
BUDGET INCREASES					
Corporate obligations/implications of economic climate:	2,652	2,650	5,945	3,000	14,247
Financial implications of member approved decisions:	3,128	2,650	-	-	5,778
Financial implications of Future Investment:	95	1,750	1,750	1,750	5,345
Investment required to ensure budget is robust:	6,551	6,060	5,450	3,800	21,861
Total Additional Costs (A)	12,426	13,110	13,145	8,550	47,231
CHANGES IN INCOME AND FUNDING					
Reduction in Grant Funding (FG, SG & ABG)	(21,667)	(7,706)	(6,685)	(8,000)	-44,058
New grants	2,787	378	500	500	4,165
Reduction in Collection Fund deficit	690	(170)	-	-	520
Council Tax & Collection fund	2,426	1,684	-	-	4,110
Total Change in Income (B)	(15,764)	(5,814)	(6,185)	(7,500)	-35,263
Budget Gap (A less B)	28,190	18,924	19,330	16,050	82,494
SAVINGS:					
Departmental Savings (C)	25,190	14,967	5,950	739	46,846
Corporate Savings and Efficiency (D)	3,000	4,000	5,000	-	12,000
Total Savings (C Plus D)	28,190	18,967	10,950	739	58,846
Budget Gap including savings	0	(43)	8,380	15,311	23,648

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Approved Capital Programme 2011/12 to 2015/16

Appendix Gi

ADULT & COMMUNITY SERVICES	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	TOTAL £'000
Contingency	17.5	85.0				102.5
Barking Park Restoration & Improvement	4,046.9	650.8				4,697.7
Becontree Heath Leisure Centre	5,119.6	252.0				5,371.6
Maysbrook Park Athletics Arena	1,650.0	365.3				2,015.3
Fews Lodge Extra Care Scheme	84.0	500.0				584.0
Abbey Leisure Centre	250.0	2,272.0	5,939.0	4,350.0	170.0	12,981.0
Other approved schemes	1,986.2					2,158.1
TOTAL ADULT & COMMUNITY SERVICES	13,154.2	4,125.1	5,939.0	4,350.0	170.0	27,910.2
CHILDREN'S SERVICES						
Thames View Infants - London TG Agreement	507.2	59.1				566.3
Manor Longbridge (Former UEL Site)	10,134.7	250.1				10,384.8
Basic Needs Projects (formerly Additional School Places)2011/12	1,534.9	120.0				1,654.9
Sydney Russell - Schools For The Future	12,077.9	10,406.3				22,484.2
Advanced Skills Centre	8,843.5	3,482.0	22.6			12,348.1
Other approved schemes	44,097.9	1,895.0				45,992.9
TOTAL CHILDREN'S SERVICES	77,196.1	16,212.5	22.6			93,431.2

Approved Capital Programme 2011/12 to 2015/16

Appendix Gi

HOUSING AND ENVIRONMENT	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	TOTAL £'000
Private Sector Households	1,117.8	643.0				1,760.8
Street Light Replacing		1,000.0				1,000.0
Staff Costs 12/14		38.5	38.5			77.0
HRA	47,465.5					47,465.5
Other approved schemes	4,202.7	99.4				4,302.1
TOTAL HOUSING AND ENVIRONMENT	52,786.0	1,780.9	38.5			54,605.4
FINANCE & RESOURCES						
Corporate Accommodation Strategy		1,559.10				1,559.1
London Road/North Street Site Acquisitions	1,002.70	549.9				1,552.6
Implement Corporate Accommodation Strategy	1,607.10	835				2,442.1
LEGI Business Centres	4,852.00					4,852.0
Borough wide Estate Renewal - Resources/Master planning (all)	170	1,059.30				1,229.3
Borough wide Estate Renewal - Demolition (all)	100	85				185.0
Borough wide Estate Renewal - Decants and Leaseholder Buyback	4,766.40	14,483.10				19,249.5
New Market Square (Barking)	136.3					136.3
Other approved schemes	8,127.60	3,379.1				11,506.7
TOTAL FINANCE & RESOURCES	20,762.10	21,950.50				42,712.60
TOTAL APPROVED SCHEMES ALL DIRECTORATES	163,898.4	44,069.0	6,000.1	4,350.0	170.0	218,659.4

ADULT & COMMUNITY SERVICES COMMUNITY SERVICES, HERITAGE & LIBRARIES	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Ripple Hall (St Georges/Vol Group Relocation)	375.3					375.3
Valence Site Redevelopment	434.6	164.6				270.0
Eastbury House	18.0					18.0
Fews Lodge Extra Care Scheme	84.0	84.0				
LEISURE & OLYMPICS						
Contingency	17.5					17.5
Staff Costs	43.0					43.0
Barking Park Restoration & Improvement	4046.9	1611.9				2435.1
Abbey Sports Centre (Wet Side Changing Areas)	8.8	8.8				
Becontree Heath Leisure Centre	5119.6					5119.6
Goresbrook Leisure Centre - Olympic Training Venue	47.0	39.0				8.0
Maysbrook Park Improvements (Phase 1)	1004.5	1001.5		3.0		
Maysbrook Park Athletics Arena	1650.0	1650.0				
Abbey Leisure Centre	250.0					250.0
Barking Park Light Railway & Rowing Boat Equipment	55.0					55.0
TOTAL ADULT & COMMUNITY SERVICES	13,154.2	4,559.8		3.0		8,591.5

CHILDREN'S SERVICES		Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
PRIMARY SCHOOLS							
Eastbury		577.7	577.7				
Cambell Infant & Juniors		237.5			237.5		
George Carey CE Primary School (formerly Barking Riverside Primary)		8362.3	5109.9		3252.4		
Roding Primary School - Cannington Road Annex		323.2	323.2				
Beam Primary Expansion		404.3	404.3				
St Joseph's Primary - expansion		1967.3	1967.3				
St Peter's Primary - expansion		106.5	106.5				
Thames View Infants - London TG Agreement		507.2	507.2				
Cambell Junior - Expansion & Refurb.		166.8	166.8				
Thames View Juniors - Expansion & Refurb.		2075.2	2075.2				
Manor Longbridge (Former UEL Site)		10134.7	6584.9		3549.9		
Westbury - New Primary School		2573.8	2573.8				
St Georges - New Primary School		3140.4	3140.4				
OTHER SCHEMES							
Renewal School Kitchens 2009/10		32.3					32.3
SMF - School Modernisation Fund		3275.1	3275.1				
Youth Access Card		284.7	284.7				
Extended Schools Phase 4		0.4	0.4				
School's Kitchen Extension/Refurbishment 10/11		534.5	534.5				
Cross-Government Co-Location Fund		44.0	44.0				

CHILDREN'S SERVICES OTHER SCHEMES CONTINUED	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Basic Needs Projects (formerly Additional School Places)2011/12	1534.9	1534.9				
Schools Legionella Works	168.5	80.0				88.5
Schools L8 Water Quality Remedial Works 2010/11	142.5					142.5
Schools Re-boiler & Re-pipe Fund	329.0					329.0
Schools Asbestos Management & Removals 2010-11	8.4					8.4
William Bellamy Children's Centre	3.5					3.5
Becontree Children's Centre						
John Perry Children's	9.6					9.6
Furze Children's Centre						
Alibon Children's Centre	18.0	18.0				
Gascoigne Community Centre	-0.2					-0.2
Youth Bus	-10.6	-10.6				
Gascoigne Primary	-0.2					-0.2
512a Heathway (phase 2)- Conversion to a Family Resource with additional teaching apace	196.9	196.9				
Devolved Capital Formula	2671.4	2671.4				
Sydney Russell - Schools For The Future	12077.9	12077.9				
Robert Clack Expansion	3058	3058				

CHILDREN'S SERVICES OTHER SCHEMES CONTINUED	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Provision of New School Places (Basic Needs)	10550	10550				
Provision of New School Places (Basic Needs) Contingency	796.9	796.9				
Monteagle Primary (Quadrangle Infill)	300	300				
Eastbury Primary (Expansion)	300	300				
Gascoigne Primary (Expansion)	50	50				
Parsloes Primary (Expansion)	300	300				
Godwin Primary (Expansion)	300	300				
William Bellamy Infants/Juniors (Expansion)	300	300				
Dagenham Village Rectory Road Library (Expansion)	200	200				
Southwood Primary (Expansion)	300	300				
Advanced Skills Centre	8843.5	3369.1				5474.4
TOTAL CHILDREN'S SERVICES	77,195.9	64,068.4	0.0	7,039.8	0.0	6,087.8

HOUSING & ENVIRONMENT		Grants & Contributions		Section		HRA & GRF	
HRA		Budget	Contributions	MRA	106	Leaseholder	Borrowing
		£'000	£'000	£'000	£'000	Reserve	£'000
Millard Terrace	35.0		35.0				
Lifts replacement	1020.0		1020.0				
SAMS formerly remote concierge	64.8		64.8				
DH works Framework contracts	626.0		626.0				
Major maintenance renewals	1000.0		984.4				15.6
Heating works (Thaxted, Maxey & Humphries Houses)							
	283.5		283.5				
Planning and Contingencies	800.0		800.0				
CHP Programme	63.3		63.3				
Electrical Switchgear Project	743.9		743.9				
Extensions and Deconve	19.6		19.6				
Communal Lighting and Electrical Switchgear	1050.0		1050.0				
External Enveloping Work	372.6		372.6				
Sheltered Alarms Upgrade	37.8		37.8				
Colne & Mersea Blocks	5509.4		1800.0				3709.4
Capitalised Improvement Works	224.0		224.0				
Estate Improvement Project	800.0		800.0				
Oldmead & Bartlett Remedial Works	100.0		100.0				
Door Entry Project 11/12	630.0		630.0				
External Enveloping & Fire proofing project	1200.0		1200.0				
Defective Overflow Works	45.0		45.0				
Central Heating Installation	1850.0		1850.0				
Kitchen & Bathroom Replacement Project	2075.0		1376.8				698.2
High Rise Surveys	550.0		550.0				

HOUSING & ENVIRONMENT HRA CONTINUED	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Capitalised Improvement works (Estates)	500.0		500.0			
Estate Improvements	350.0		350.0			
Adaptations - Housing	200.0		200.0			
King William St Qtr	428.6	257.1				171.4
Council Housing & Thames	11987.9	7399.1				4588.8
Council Housing - New Builds	596.3	357.8				238.5
New Council Housing Phase 3	3801.0	1328.3				2472.7
Disabled Adaptations (HRA)	501.9					501.9
Central Heating Installation Phase 2	2000.0					2000.0
Kitchen, Bathroom, Central Heating and Rewire	5500.0					5500.0
Electrical Rewiring	1500.0					1500.0
Voids	1000.0					1000.0
NON-HRA HOUSING						
Private Sector Households	1117.8	670.7				447.1
Private Sector Households (105)	687.1	44.1				643.0
Housing Modernisation Programme	56.6					56.6
ENVIRONMENT & ENFORCEMENT						
Highways Maintenance(TFL)						
Land Quality Inspection Programme	130.3	50.3				80.0
Street Light Replacing	1215.8					1215.8
Flats recycling banks scheme	306.8	276.2				30.6
Principal Road Resurfacing	340.8	340.8				
Road Safety Improvement Schemes (TFL)	96.0	96.0				
SNAPS	173.6					173.6

HOUSING & ENVIRONMENT ENVIRONMENT & ENFORCEMENT CONTINUED	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Parking Software Replacement	-0.3					-0.3
Becontree Neighbourhood Improvements	63.5	63.5				
Environmental Improvements and Enhancements	353.0					353.0
Environmental Improvements - On Street Waste Receptacles	190.0					190.0
Christmas Lighting	45.0					45.0
Pondfield Park	59.6	37.6		8.6		13.4
Green Flag & Small Scale Works	0.2					0.2
Abbey Green Park Development	35.8			35.8		
Valence Park Improvements	43.4					43.4
Maysbrook Watercourse & Park Study	0.0					
BTC Public Art Project	11.5				11.5	
Barking Park Artwork	84.0				84.0	
Play Builder	10.0				10.0	
Parking Strategy Imp	300.0					300.0
TOTAL HOUSING & ENVIRONMENT	52,786.1	12,721.5	13,926.7	149.9	698.2	25,289.7

FINANCE & RESOURCES ASSET STRATEGY	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
L8 Surveys and Risk Assessment Updates						
L8 Control of Legionella Remedial Works	276.9					276.9
Asbestos (Public Buildings)	81.0					81.0
Automatic Meter Reading Equipment	11.3					11.3
Backlog Capital Improvements	213.7					213.7
CMRP DDA for Buildings	27.4					27.4
Implement Corporate Accommodation Strategy	1607.1					1607.1
New Dagenham Library & One Stop Shop	60.0					60.0
Energy Efficiency Programme	187.0	187.0				
ICT						
Microsoft Enterprise Agreement	126.3					126.3
Modernisation & Improvement Capital Fund	1494.1					1494.1
IT for Members	0.1					0.1
REGENERATION						
LEGI Business Centres	4852.0	4852.0				
Industrial Area Improvement	79.0			10.0		69.0
Barking Town Square (Phase 2)	536.2	536.2				
Retail Premise Improvement Grant	153.2	153.2				
Barking Town Centre - Low Carbon Emission (TFL & GLA)	132.8	132.8				
BTC Public Realm – T'sq & Abbey	72.8	38.8		34.0		
Area Based Schemes (Shopping Parades)	183.1					183.1

FINANCE & RESOURCES REGENERATION CONTINUED		Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Robin Hood Shopping Parade Enhancement (TFL & S106)		324.0	159.0		45.0		120.0
East End Thames View Demolition		53.8			53.8		
Axe Street Housing		27.7			27.7		
Demolition of Kingsbridge Site		6.9			6.9		
Rainham Road Corridor (TFL)		96.0	47.5				48.5
Green Lane Corridor (TFL)		119.5	75.8				43.6
London Road/North Street Site Acquisitions		1002.7					1002.7
Borough-wide Estate Renewal - Gascoigne Decants		392.7					392.7
Borough-wide Estate Renewal - Leys Decants		225.2					225.2
Borough-wide Estate Renewal - Goresbrook Village Decants		762.3					762.3
Borough-wide Est Renewal - Leaseholders Buybacks (all)		4766.4					4766.4
Borough-wide Est Renewal - Resources/Master-planning (all)		170.0					170.0
Borough-wide Est Renewal - Demolition (all)		100.0					100.0
Barking Station Forecourt - Phase 2 Implementation (TFL & S106)		1028.0	480.0		548.0		
Maysbrook Park Access Improvements (TFL)		365.8	365.8				
Cycling on Greenways and Local Cycle Links (TFL)		144.0	144.0				

	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
FINANCE & RESOURCES REGENERATION CONTINUED						
Station Access Improvements (TFL)	48.0	48.0				
Merry Fiddlers Junction Improvements (TFL)	144	144				
Minor Works - Various Locations - Local Transport Fund (TFL)	67.2	67.2				
Future Scheme Development - various locations - Local Transport Fund - (TFL)	28.8	28.8				
Car Club Expansion (TFL)	14.4	14.4				
Biking Borough Initiative (TFL)	122.9	122.9				
Improvements to the rear of The Mall, Dagenham Heathway	223.0			83.0		140.0
New Market Square (Barking)	136.3	50.0		86.3		
Dagenham Job Shop	11.4	11.4				
Demolition Westbury Pub	45.0	45.0				
Resurface Sky Ride Event	242.0			242.0		
TOTAL FINANCE & RESOURCES	20,762.1	7,703.7	0.0	1,136.7	0.0	11,921.5
TOTAL FOR ALL DIRECTORATES	163,898.4	89,053.5	13,926.6	8,329.5	698.2	51,890.6

ADULT & COMMUNITY SERVICES COMMUNITY SERVICES, HERITAGE & LIBRARIES	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
LEISURE & OLYMPICS						
Contingency	85.0					85.0
Barking Park Restoration & Improvement	650.8	325.4				325.4
Becontree Heath Leisure Centre	252.0					252.0
		349.7				
Maysbrook Park Athletics Arena	365.3					15.6
Fews Lodge Extra Care Scheme	500.0	500.0				
80 Gascoigne Road	348.0	348.0				
Axe Street Leisure Centre	1,937.2					1,937.2
TOTAL ADULT & COMMUNITY SERVICES	4,138.3	1,523.1				2,615.2

CHILDREN'S SERVICES	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
SCHOOLS						
Thames View Infants - London TG Agreement	59.1	59.1				
Thames View Juniors - Expansion & Refurb	35.0	35.0				
Westbury - New Primary School	50.0	50.0				
Manor Longbridge (Former UEL Site)	250.1			250.1		
Cambell Infant & Juniors	30.0			30.0		
George Carey CE Primary School (formerly Barking Riverside Primary)	220.0			220.0		
St Joseph's Primary - expansion	45.0	45.0				
St Georges - New Primary School	65.0	65.0				
School's Kitchen Extension/Refurbishment 10/11	20.0	20.0				
St Peter's Primary - expansion	30.0	30.0				
New School Places Primary	17,000	17,000				
New School Places Secondary - Various Schools/ New Schools	14,000.0	14,000.0				
Basic Needs Projects	120.0	120.0				
Sydney Russell - Schools For The Future	10,406.3	10,406.3				
School Modernisation - externally funded	1,400.0	1,400.0				
OTHER SCHEMES						
Advanced Skills Centre	3,482.0					3,482.0
TOTAL CHILDREN'S SERVICES	47,212.5	43,230.4		500.1		3,482.0

Funding of current programme, prioritised and funded bids 2012/13

Appendix Gii(B)

HOUSING & ENVIRONMENT	Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF	
					Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
HRA						
Capital Works	50,800.0					
New Build	3,500.0					
Estate Renewal	6,400.0					
Funding of above works		9,500.0			36,700.0	14,500.0
NON-HRA HOUSING						
Private Sector Households	643.0	386.0				257.0
ENVIRONMENT & ENFORCEMENT						
Street Light Replacing	1,000.0					1,000.0
Staff Costs 12/14	38.5					38.5
Environmental Improvements and Enhancements	87.0					87.0
Abbey Green Park Development	12.4			12.4		
TfL Principal Road Resurfacing	450.0	450.0				
Highways - non-TfL	2,000.0					2,000.0
TOTAL HOUSING & ENVIRONMENT	64,930.9	10,336.0		12.4	36,700.0	17,882.5

FINANCE & RESOURCES ASSET STRATEGY		Budget £'000	Grants & Contributions £'000	MRA £'000	Section 106 £'000	HRA & GRF Revenue Cont Leaseholder Reserve £'000	Borrowing £'000
Corporate Accommodation Strategy	Implement Corporate Accommodation Strategy	1,559.1					1,559.1
London Road/North Street Site Acquisitions	Asbestos (Public Buildings)	835.0					835.0
Automatic Meter Reading Equipment	Backlog Capital Improvements	549.9					549.9
Modernisation & Improvement Capital Fund	Local Implementation Plan (LIP2)	31.5					31.5
		99.6					99.6
		348.0					348.0
		2,900.0					2,900.0
		2,273.0	2,273.0				
REGENERATION							
	Borough wide Est Renewal - Resources/Masterplanning (all)	1,059.3					1,059.3
	Borough wide Est Renewal - Demolition (all)	85.0					85.0
	Borough wide Estate Renewal - Decants and Leaseholder Buyback	14,483.0					14,483.0
TOTAL FINANCE & RESOURCES		24,223.4	2,273.0				21,950.4
Asset Management Plan Works (All Directorates)							
		1,000.0					1,000.0
Capitalisation of Redundancies (All Directorates)							
		3,000.0					3,000.0
TOTAL FOR ALL DIRECTORATES		144,839.9	57,362.5		512.5	36,700.0	50,264.9 *

* Borrowing requirement of £50,264.9m planned to be reduced to £47,264.9m by using £3m generated capital receipts

Proposed list of prioritised bids and funded bids

Appendix Giii(A)

Schemes already approved & fully funded bids and Highways & Assets Management	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total Exp £'000	Total Ext Funding £'000	Net Exp £'000
SCHOOLS external funding to be sought to meet funding gap							
New School Places Primary	-	17,000	7,395	-	24,395	(24,395)	-
New School Places Secondary - Various Schools/ New Schools	-	14,000	7,395	-	21,395	(21,395)	-
	-	31,000	14,790	-	45,790	(45,790)	-
ADULT & COMMUNITY SERVICES							
80 Gascoigne Road	-	348	-	-	348	(348)	-
TOTAL ADULT & COMMUNITY SERVICES	-	348	-	-	348	(348)	-
CHILDREN'S SERVICES							
HOUSING & ENVIRONMENT							
TFL Principal Road Resurfacing	-	450	450	-	900	(900)	-
Highways - non-TFL	-	2,000	2,000	2,000	6,000	-	6,000
TOTAL HOUSING & ENVIRONMENT	-	2,450	2,450	2,000	6,900	(900)	6,000
HRA Schemes funded as per HRA Business Plan		60,700	52,400	53,800	166,900	(166,900)	
FINANCE & RESOURCES							
Local Implementation Plan (LIP2)	-	2,273	2,130	1,892	6,295	(6,295)	-
TOTAL FINANCE & RESOURCES	-	2,273	2,130	1,892	6,295	(6,295)	-
Capitalisation of redundancy directive	3,000	3,000	3,000	3,000	12,000	0	12,000
ASSET MANAGEMENT PLANS (All Directorates)		1,000	1,000	1,000	3,000	-	3,000
TOTAL ALL DIRECTORATES EXCLUDING SCHOOLS	3,000	69,771	60,980	61,692	195,443	(174,443)	21,000
TOTAL CAPITAL REQUIREMENT INCLUDING SCHOOLS	3,000	100,771	75,770	61,692	241,233	(220,233)	21,000

Proposed Capital Bids 2011/12 to 2015/16 - All other bids

Appendix Giii(B)

All other bids put forward	2011/12	2012/13	2013/14	2014/15	Total	Net
	£'000	£'000	£'000	£'000	Total Exp £'000	Exp £'000
ADULT & COMMUNITY SERVICES						
Maintaining Leisure Centres - Goresbrook Leisure Centre	-	1,292	88	104	1,484	1,484
Millennium Centre	-	170	210	-	380	380
Parks Pavilions	-	672	220	1,892	2,784	2,784
Disabled Housing Adaptations (Council Tenancies) (HRA)	-	520	540	560	1,620	1,620
Abbey Sports Centre - essential M & E and structural survey works. Do nothing option - no betterment	-	400	1,464	-	1,864	1,864
Adult Care Services - AMP	-	300	-	-	300	300
Libraries - AMP	-	520	165	190	875	875
Maintaining Leisure Centres - Becontree heath Leisure Centre	-	98	98	98	294	294
Conservation of Barking Abbey Scheduled Ancient Monument	-	50	50	-	100	100
Eastbury Manor House completion of fabric renewal	-	-	96	96	192	192
Eastbury Manor House walled garden wall fabric repairs	-	25	44	44	113	113
Security and safety improvements - Parsloes Park	-	750	-	-	750	750
Parks signage	-	80	-	-	80	80
Creation of new green spaces (parks/community food growing spaces/allotments)	-	50	-	-	50	50
TOTAL ADULT & COMMUNITY SERVICES	-	4,927	2,975	2,984	10,886	10,886

Proposed Capital Bids 2011/12 to 2015/16 - All other bids

Appendix Giii(B)

All other bids put forward	2011/12	2012/13	2013/14	2014/15	Total	Total Ext	Net
	£'000	£'000	£'000	£'000	Exp £'000	Funding £'000	Exp £'000
CHILDREN'S SERVICES							
New School Places Primary	-	-	17,605	20,000	37,605	-	37,605
New School Places Secondary - Various Schools/ New Schools	-	-	46,238	28,722	74,960	-	74,960
School Modernisation	-	5,000	7,000	7,000	19,000	-	19,000
Boilers	-	500	500	500	1,500	-	1,500
Children's Services - Property Portfolio	-	400	100	250	750	-	750
Small Schemes	-	50	50	50	150	-	150
Solar Panels - Schools	-	500	500	-	1,000	-	1,000
Redevelopment of Upney Lane Walk-In Centre	-	1,765	750	235	2,750	-	2,750
Conversion of Wood Lane Sports Centre	-	1,400	-	-	1,400	-	1,400
TOTAL CHILDREN'S SERVICES	-	9,615	72,743	56,757	139,115	-	139,115
HOUSING & ENVIRONMENT							
DFG housing adaptations (privately owned)	-	950	950	950	2,850	(1,710)	1,140
Highways - non-TFL	-	1,500	1,530	400	3,430	-	3,430
Street Lighting	-	-	1,000	1,000	2,000	-	2,000
Ward Environmental Improvements & Cyclical Replacement of E&E Machinery	-	700	600	600	1,900	-	1,900
Wheeled bins for mixed dry recycling collection	-	1,406	-	-	1,406	-	1,406
Cemeteries and Chapels - AMP	-	100	-	-	100	-	100
Depots and other works buildings	-	50	50	50	150	-	150
Car Parks - AMP	-	150	-	80	230	-	230
Private Sector Households	-	500	500	500	1,500	-	1,500
Microsoft Enterprise Licences	-	600	600	600	1,800	-	1,800
ICT Development	500	3,508	4,240	3,710	11,958	-	11,958
TOTAL HOUSING & ENVIRONMENT	500	9,464	9,470	7,890	27,324	(1,710)	25,614

Proposed Capital Bids 2011/12 to 2015/16 - All other bids

Appendix Giii(B)

All other bids put forward	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total Exp £'000	Total Ext Funding £'000	Net Exp £'000
FINANCE & RESOURCES							
Building Related Compliance - L8 & Asbestos	200	200	200	200	800	-	800
Barking Enterprise Centre Phase 2	-	220	2,800	-	3,020	-	3,020
Barking Station Interchange	-	400	-	-	400	-	400
Administrative Offices - Asset Management Plan related backlog maintenance	-	1,250	400	500	2,150	-	2,150
Commercial Properties - Non-HRA	-	200	200	200	600	-	600
Strategic Acquisitions/Smaller Regeneration Schemes	-	-	350	3,850	4,200	-	4,200
Barking Riverside Strategic Links	-	100	500	500	1,100	-	1,100
Industrial Area Improvements	-	20	800	800	1,620	-	1,620
Carbon Reduction Schemes (Housing)	400	500	500	500	1,900	-	1,900
RE:FIT	1,000	1,000	1,000	-	3,000	-	3,000
TOTAL FINANCE & RESOURCES	1,600	3,890	6,750	6,550	18,790	-	18,790
Asset Management Plans bids requirement reduced by £1m per annum funding provided		(1,000)	(1,000)	(1,000)	(3,000)	-	(3,000)
TOTAL ALL DIRECTORATES	2,100	25,478	90,938	73,181	193,115	(1,710)	191,405

CABINET

14 FEBRUARY 2012

Title: Fees and Charges 2012/13	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 8874 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Tracie Evans, Director of Finance and Resources	
<p>Summary:</p> <p>Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils.</p> <p>This report concerns itself with recommending the appropriate level of fees and charges for the period from 1 April 2012 to the end of the 2012/13 financial year for those services where the Council has decided to set fees.</p> <p>In preparing the proposed fees and charges, Directorates have worked within the framework of the agreed Charging Policy. In order to protect residents and users, the Council has decided not to impose an across the board increase in fees and charges. Each service has been reviewed and the charges reflect those of competitive market rates for the service.</p> <p>A number of the savings proposals for 2012/13 require increases in fees and charges. As a result, the recommended increases in fees and charges for 2012/13 contained within this report will be reflected in the 2012/13 budget strategy and the 2012/13 departmental budgets.</p> <p>The proposed charges for 2012/13 are detailed in Appendix A to this report.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> (i) The proposed fees and charges for 2012/13 as set out in Appendix A of the report to be effective from 1 April 2012; (ii) The fees & charges no longer applicable moving forward into 2012/13 as outlined in Appendix B; 	

- (iii) To delegate authority to the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources and the Cabinet Member for Finance & Education, regarding the setting of fees and charges which are applied from September for schools and academic year based activities.
- (iv) To delegate authority to the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Culture, Leisure and Sport, to amend the Splash Park fees and charges mid-year as required to enable the continued provision of this service.

Reason(s)

The setting of appropriate fees and charges will enable the Council to generate income for the supplementary services we provide that are over and above those that are statutory.

The approval of reviewed fees and charges to ensure that the Council is competitive with other service providers and neighbouring councils.

1. Introduction and Background

- 1.1 Councils are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source. The types of services provided by the Council where fees and charges are currently levied often fall into a broad category of traditional income generating services.
- 1.2 The traditional income generating services contain both statutory and discretionary services. Where fees and charges apply to mandatory services, these are often set nationally, for example, planning fees. The majority of mandatory services are not funded directly from fees and charges but instead from the Council's main income sources, i.e. Government grant and Council Tax revenue. Examples of services funded in this way are Highway Maintenance, Children's Services, Cleansing and Domestic Refuse services.
- 1.3 The remaining traditional income services where the Council levy fees and charges are those of a discretionary nature. These cover a whole range of services such as Care services, Libraries, Licensing, Pest Control, Commercial Waste, Drainage, Markets, Leisure and Recreation facilities and Parking and the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges for 2012/13 for these types of services.
- 1.4 In addition to those traditional income services, the Council also has the power under the Local Government Act 2003 to charge for other discretionary services that it may already provide or may wish to provide in the future.
- 1.5 There is no definitive list as to which discretionary services are covered by the powers provided in the Act although the Government have provided limited examples of what could be included such as maintenance of older/disabled peoples' gardens, arboriculture work in private gardens, operating consumer protection approved lists, pre-application planning and development advice, highway services to private industrial estates, home energy advice, home security services and use of excess capacity in local authority services.

- 1.6 To date, in keeping with most other local authorities the Council has not taken any significant advantage of these powers but will continue to review the potential to do so.

2 Medium Term Financial Strategy 2012/13

- 2.1 The Council's Medium Term Financial Strategy for 2012/13 assumes an overall nil percentage increase for income generated from fees and charges via inflation.
- 2.2 Every year Corporate Directors need to assess those services which warrant higher or lower increases in fees and charges to reflect the achievement of their overall budgets, the economic climate and market conditions. In addition, a number of the savings proposals planned for 2012/13 require increases in fees and charges.

3 Charging Policy

- 3.1 The Council has an agreed Charging Policy which requires that all charges are reviewed annually as part of the budget setting process.
- 3.2 The Charging policy has three fundamental principles:
- Services should raise income wherever there is a power or duty to do so;
 - The income raised should cover the full costs of providing the service including all overheads;
 - Any departures from this policy must be justified in a transparent manner with reference to the Council's priorities and policies.
- 3.3 In preparing the proposed fees and charges for 2012/13 Directorates have worked within the framework of the MTFs and the Charging Policy.

4 Proposed Fees and Charges for 2012/13

- 4.1 Attached to this report at Appendix A are the proposed fees and charges for 2012/13 which will be effective from 1 April 2012.
- 4.2 The Appendix details the following information:
- Description of service provided;
 - Current 2011/12 charge;
 - Proposed 2012/13 charge;
 - Proposed increase in pounds;
 - Proposed increase in percentage terms;
 - Description/reason for change.
- 4.3 A number of the proposed fees and charges relate to budget proposals presented to Cabinet in December 2011. These include:
- Charging for internet use at libraries;
 - Review of Parking charges;
 - Making parks more commercially sustainable;
 - Expanding commercial opportunities at Heritage venues;
 - Leisure centre charges.
- 4.4 A summary of the services that Appendix A relates to is presented below along with relevant supporting information:

4.4.1 Adult & Community Services

The Department has taken account of a number of factors in establishing the level of increase in fees from April 2012, including current RPI inflation of 5.2% (December 2011), market conditions and current income levels. Further detail and explanations from specific service areas within the Department are provided below.

Adult Social Care

In regard to non residential care – i.e. homecare, transport and day care, the authority's new Fairer Contributions Policy was implemented in October 2011 after approval by Cabinet. Further details can be obtained from the report presented to Cabinet on 12 June 2011.

The charge for Kaller Lodge has increased by 6.87% in line with the actual economic cost of care being provided. While this is a relatively large increase there are only a small number of residents (4) who may be affected and arrangements have been put in to protect them in this transitional period.

80 Gascoigne Road costs have risen by significantly higher than inflation. This is a result of a new model of care as the facility will cater for much more complex clients from outside of the borough.

Heritage (Museums etc)

Heritage services have been asked to take a more commercial view and maximise the potential income generation from their properties. Following significant research, it was decided to extend weddings at Eastbury Manor House and to offer whole packages rather than just the ceremony. The prices for these packages were benchmarked against other local venues to ensure competitiveness.

There have been a number of changes in standard charges for the Heritage service this year including implementing a fee for schools visits per child rather than one group fee. Changing the charging rationale is more transparent for parents, and enables schools to bring larger groups. This reflects the increase of pupil numbers that the borough is experiencing.

There has also been a slight increase in the charges for room hire at Eastbury Manor House and Valance Museum. This has been changed to harmonise the charging rates across Adult and Community Services for room hire and to reflect benchmarking.

Libraries

Fines for the late return of books are proposed to be increased from 25p to 30p, a 20% increase. The increase has been benchmarked against neighbouring authorities and is considered reasonable. There have been a number of new fees related to the savings proposal for internet access as put forward for consideration by assembly in February 2012.

Barking Learning Centre (BLC)

After benchmarking comparable facilities and considering current income levels, it is proposed to increase the rate for room hire at the BLC. In light of the current

economic climate it is considered prudent to price the BLC to seek to maximise income from all available sources and this has been reflected in fees to hirers.

Community Halls

There has been a 6.64% increase for the larger venue category A halls and a 5.43% increase for the category B halls. These charge increases reflect the increased costs of running these facilities.

Events

There have been three new charges added for the hire of the town square due to the interest of many commercial organisations wanting to use the space for events. All the park use charges have been overhauled due to benchmarking with neighbouring boroughs and to make our charges reflect the market.

Leisure Activities

The Fees & Charges for leisure activities have been overhauled to make the charges more transparent for users. There has been an increase for corporate memberships as per the savings proposals to be considered by Assembly in February 2012. There has also been an increase in charges for non London Borough of Barking and Dagenham residents therefore benefiting local residents.

There has been a slight increase for the charges for the Jolly Jungle based at Becontree Heath Leisure Centre. This has been benchmarked to reflect the charges of other local providers. There also are proposed new charges for weekend parties and due to the popularity a premium is being charged.

There is a new wet play facility being opened in Barking Park called the Splash Park. The prices have been agreed with the portfolio holder. However, the responsible officers are requesting permission for delegated authority to vary prices in light of the experience and demand of running the facility for the first time.

There are a number of activities being held by Leisure services for the over 60's residents which are free of charge. These are being funded by the Adult Social Care budget as they encourage Health and Wellbeing among the local population.

4.4.2 Children's Services

Butler Court

An increase of 5% in fees for teachers' accommodation at Butler Court is proposed. This will bring the fees in line with that of similar provision whilst continuing to keep the costs comparing favourably with the rental market. It is proposed that the new fees for Butler Court will apply from September 2012 to coincide with the new academic year.

Nursery Fees

The three nurseries maintained by the authority are projected to over spend by £94k in 2011/12. One of the nurseries was contracted out in June 2011. In an attempt to reduce this deficit, yet also retain the client base, it is proposed to raise the weekly fees from 1 April 2012 as follows:

- By 2% per week for a full time place (from £210 to £215)
- By 9% per day for a morning session (from £23 to £25)

- By 10% per day for an afternoon session (£21 to £23)

4.4.3 Housing and Environment

Park Sports

Prices for parks sports, such as football, rugby, cricket and bowls have been put up in line with RPI inflation of 5.2% (December 2011) and so they are at least average when compared with our nearest neighbours.

Other charges have been negotiated directly with sports societies.

Allotments

Earlier this year the Council granted statutory status to the boroughs allotments. As part of that agreement new twenty one year leases are being negotiated with each society. The increase in the report illustrates the fee structure that will form part of those agreements.

Ranger Services

Charges for angling lakes have been increased in line with inflation (5.2%) or negotiated direct with the societies. One lake has been permanently taken out of angling use and another is currently not under licence agreement. Two other lakes have been brought back into chargeable use after a period without angling agreements. The rate here for Eastbrook Pond and Chase Waters are a significant increase but that have been agreed with the club operating at these sites, as a settlement for fees previously not paid. New charges have been created to reflect full-day and half-day education costs and to cover outreach work in schools.

Special Treatment

This is a revised charging structure reflecting the different risks associated with treatments and the levels of inspection required. For lower risk treatments this reflects a cost reduction, but will be a higher cost for treatments such as tattooing, body piercing. The fees included are consistent with those charged in other local authorities and represent full cost recovery.

Animal Micro chipping

The Council offers this service as part of its arrangements for promoting responsible pet ownership and to assist with the future return of lost animals. Costs of chipping have reduced and the existing costs have reflected in a very low take up. The fee set will continue to recover full cost whilst making the service more affordable to our target groups.

Trade Waste

The Council operates in a competitive environment and as part of a drive to improve our ability to compete effectively we are seeking to reduce the costs charged. It is anticipated that any reduction in income per customer will be exceeded by an overall increase in income from servicing a larger customer base more cost effectively. This is an area where we intend to undertake a more detailed review and the impact of charges here will form part of this review.

On and Off Street Parking

A new pricing structure is proposed for Parking services where the price of permits varies depending on how polluting the vehicle is. This is part of the Council's

strategy to tackle climate change. This will see the cost of permits within controlled parking zones decrease for low CO₂ emission vehicles and increase for higher CO₂ emission vehicles.

Controlled Parking Permit Charges

The proposal for a new carbon emissions-based fee structure classifies vehicles according to their vehicle tax bands and therefore their predicted carbon dioxide emissions per kilometre. It is proposed to use the standard Driver and Vehicle Licensing Authority (DVLA) vehicle CO₂ bands to categorise the charge which is applicable to a particular vehicle. Band A vehicles are very low emission and electric cars and band H are vehicles over 3,001 cc capacity. The existing cost of an annual CPZ permit is £25.30 with second and subsequent vehicles increasing from £33.70 to £67.30. The new structure will continue to provide a disincentive for second and subsequent vehicles and will increase the cost of permits for less carbon efficient vehicles, particularly where there is multiple car ownership in one property.

Where multiple permits are purchased the lowest combined amount will always be charged.

Example 1 - based on household with two cars (band B and band D)

	Current cost	Proposed new cost
First car – Emission band D	£25.30	£40.00
Second car – Emission band B	£33.70	£30.00
Total cost	£59.00	£70.00

Example 2 – based on household with three cars (banded B, C and D)

	Current cost	Proposed new cost
First car – Emission band D	£25.30	£40.00
Second car – Emission band C	£33.70	£40.00
Third car – Emission band B	£44.90	£80.00
Total cost	£103.90	£160.00

Example 4 – based on two cars (banded A and B)

	Current cost	Proposed new cost
First car – Emission band B	£25.30	£20.00
Second car – Emission band A	£33.70	£10.00
Total cost	£59.00	<u>£30.00</u>

Trader Permits

New charges have been introduced to reflect a growing concern that larger trade vehicles parking in residential areas take up a disproportionate amount of space, thereby reducing parking spaces.

The proposal introduces new charges that reflect a rate for commercial vehicles not registered to an owner in a residential address within the Borough and a higher

charge for vehicles registered to an address outside of a CPZ or a commercial address within it. The differential here is intended to mitigate the costs where a local resident is operating a small business whilst making companies that own vehicles and using cheap residential parking spaces pay significantly more. The expectation is that where a resident is working for a larger company they will be able to pass on costs to the company.

Under these proposals a permit for a trading company where no registered vehicle owner lives in the CPZ area will rise from £25.30 to £235.00. Where a trader is operating from their home in a CPZ this will be at £117.50.

Pest Control

There are no significant changes to our treatment charges for benefit and standard rate customers. The proposed charges introduce a new commercial charge which is set at a commercial rate and which will support our ability to continue with affordable pest control for those on means tested benefits.

Barking Market

The trader fees have been restructured to combine the pitch and licence fee which in previous years have been displayed separately which is why the percentage increases appear high. These fees are subject to consultation with traders and the market operator in order to comply with our legal obligations.

4.4.4 Resources

Registrars

Citizenship payments have been more clearly defined to reflect Child and Adult tariffs. Two tiered marriage fees have now been replaced by a single tier to ensure easier collection and administration.

The renewal of vows fees has been reviewed to be in line with our benchmarked neighbouring boroughs e.g. Saturday is higher in demand than midweek and in comparison to Havering which charges £475 and Newham which charges £456, we were only charging £137.87, hence we have increased our fee for this day to £252, and will review again next year.

Certificate charges have increased from £10.21 (inc VAT) to £10.80 to be in line with statutory charges following benchmarking with our neighbouring boroughs. The priority service for copy certificates has also increased from £10.21 to £15.60 e.g. for a 2 hour service, Havering charge an additional £25.00 on top of the £10.80 statutory fee and Newham charge an additional £6.00 for the same day service. Non priority full and short certificates have also been benchmarked and increased accordingly.

Blue Badges have previously been charged at the £2 statutory fee. The government has just changed this to a maximum of £10; hence we have increased the charges accordingly.

Street Naming & Numbering

Discounts for numbering larger plots have been removed. The reasons for this are that it still costs the Council the same irrespective of the number of plots. Although

this represents a large increase, it is not expected to have any effect on demand for the service or ability to pay. It will also go some way to achieving the extra £20k income target next year. The new charge of £50 for street naming and numbering new properties and change of approved address is more in line with charges from other Authorities, e.g. Redbridge: £50 per unit, Barnet £60 per unit, Newham £75 per unit and Croydon £164 per unit.

A new charge is also proposed here for the renaming of a road and is the same cost as naming a new road as it is essentially a duplication of the same service. It has been separated in order to clarify that it is a separate and potentially more expensive process to rename a road as there are additional ad-hoc costs for administration and consultation costs with current residents.

Pre-application charges for meetings including a follow up report have been increased by 5-6% to be in line with inflation. A new charge for meetings without a follow up report has been introduced at half the price (of the normal/current charges), to encourage more people to use this service.

Right to Buy

It is proposed to increase some of the associated charges in order to more accurately reflect the amount of work involved. Originally these fees covered numerous related services, but these have now been separated as new charges in order to distinguish between the complexities of each case.

5. Options Appraisal

- 5.1 Officers have considered a range of options as to changes to existing fees and charges and where appropriate used market knowledge and benchmarking to inform the proposals.

6. Consultation

- 6.1 The revised fees and charges have been set using benchmarking information and through discussions with other councils. Where the fees and charges form part of the budget savings process, the Council has conducted a public consultation exercise following the publication of its savings proposals on 25 October 2011. The public and stakeholders were given opportunities to respond to the consultation through Select Committee meetings, Leader Question Time events, a comments facility on the website, Facebook and Twitter.

7. Financial Implications

Implications completed by: Jonathan Bunt, Divisional Director of Finance

- 7.1 The proposed list of Fees and Charges constitute a vital proportion of the Councils source of funding and enables the Council to set a robust and balanced budget. Without reviewing our Fees and Charges to be in line with neighbouring Councils and other service providers, we will be a risk of losing potential income, which can be generated from supplementary services we provide.
- 7.2 The appendices detail projected income for 2011/12 and the target income for 2012/13. The income targets are calculated on current demand levels and do not

take into account the elasticity of the market and how price sensitive the charges are. In some instances, an increase in price may decrease the total income generated due to a decrease in the overall demand for the service. Where income targets are not achievable, Directorates will manage this by reducing the cost of providing the service.

- 7.3 Where there are new charges being applied, there may be a marginal cost increase for the new service that is being charged.

8. Legal Implications

Implications completed by: Fiona Taylor, Legal Group Manager

- 8.1 Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. The fees and charges set out in this report will enable the council to set a balanced budget.

9. Other Implications

- 9.1 **Risk Management** - In proposing these revised fees and charges officers have considered the impact of increases adversely affecting demand for the service and in turn on the achievement of both the community priorities and the Council's budget. The risk of these proposals will be monitored through the Council's various performance indicators, its service scorecards and the budget monitoring processes.
- 9.2 **Customer Impact** - Officers have amended fees and charges such to have a minimal impact on customers during these difficult times while, at the same time, enabling the Council to achieve a balanced budget. For specific groups the review of fees and charges has attempted to be sensitive to their position, for example, in parks the majority of charges have been frozen to help maintain bookings from recreational clubs, voluntary organisations and the education sector, who are all facing financial pressures within the current economic climate.

Background Papers Used in the Preparation of the Report:

- 2012/13 Medium Term Financial Strategy
- Local Government Act 2003
- Benchmarking Information

List of appendices:

Appendix A: Schedule of Proposed Fees and Charges

Appendix B: Schedule of Previous Fees & Charges that are no longer applicable.

2012/13 Fees & Charges - Appendix A

Net VATable
includes VAT

Item No	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
	Adults & Community services							
	Social Care							
1	NON RESIDENTIAL SERVICES (i.e. homecare charging). Please see main body of report for further information.	0.00	0.00	0.00	0%			For information Only
2	Residential - Kallar Lodge Elderly Residential Home (Charge to Other Local Authorities and full cost payers) per week	655.00	700.00	45.00	7%	200,000	200,000	The income calculation has been done on the assumption that all residents will pay the minimum contribution and we have full occupancy. This is a prudent approach but may exceed the income target if occupancy remains high and some clients are assessed to pay more than the minimum.
3	Residential - Respite Rate per week - standard charge determined by benefit rates.	78.80	79.55	0.75	1%	63,040	63,670	uplift linked to benefit rate changes
4	Residential - 60 Gascoigne Road High dependency residential home (Charge to Other Local Authorities & full cost payers) per week	0.00	1,500.00	1,500.00	New Charge	0	29,077	New structure of charges
	Heritage Services - Eastbury Manor House							
5	Eastbury Manor House - Commercial - Standard Room Hire	18.00	30.00	12.00	67%			Room hire income target has increased to reflect the average % price increase - the rooms were increased to reflect the standard cost across the service. The prices were benchmarked against other local boroughs. However, the economic situation is affecting the demand for room hire across the service and therefore, a prudent target assumes lower letting targets than last year.
6	Eastbury Manor House - Commercial - Hire of East Chamber	36.00	37.00	1.00	3%			
7	Eastbury Manor House - Commercial - Hire of whole house	54.00	56.00	2.00	4%			
8	Eastbury Manor House - LBBB Internal - Standard Room Hire	18.00	18.00	0.00	0%		18,000	
9	Eastbury Manor House - LBBB Internal - Hire of East Chamber	36.00	36.00	0.00	0%			
10	Eastbury Manor House - LBBB Internal - Hire of Whole House	54.00	54.00	0.00	0%			
11	Eastbury Manor House - Civil marriage and partnership ceremony Fridays	180.00	220.00	40.00	22%			
12	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays Oct- April	210.00	225.00	15.00	7%			
13	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays May- Sept	265.00	320.00	55.00	21%			
14	Eastbury Manor House - Civil marriage and partnership ceremony and reception Rose package 50 people Fridays	0.00	1,095.00	1,095.00	New Charge			
15	Eastbury Manor House - Civil marriage and partnership ceremony and reception Rose package 50 people Saturdays Oct - April	0.00	1,165.00	1,165.00	New Charge			
16	Eastbury Manor House - Civil marriage and partnership ceremony and reception Rose package 50 people Saturdays May - Sept	0.00	1,230.00	1,230.00	New Charge			
17	Eastbury Manor House - Civil marriage and partnership ceremony and reception Rose package 70 people Fridays	0.00	1,360.00	1,360.00	New Charge			
18	Eastbury Manor House - Civil marriage and partnership ceremony and reception Rose package 70 people Saturdays Oct - April	0.00	1,430.00	1,430.00	New Charge			
19	Eastbury Manor House - Civil marriage and partnership ceremony and reception Rose package 70 people Saturdays May - Sept	0.00	1,495.00	1,495.00	New Charge			
20	Eastbury Manor House - Civil marriage and partnership ceremony and reception Tudor package 50 people Fridays	0.00	3,680.00	3,680.00	New Charge			
21	Eastbury Manor House - Civil marriage and partnership ceremony and reception Tudor package 50 people Saturdays Oct - April	0.00	3,800.00	3,800.00	New Charge			
22	Eastbury Manor House - Civil marriage and partnership ceremony and reception Tudor package 50 people Saturdays May - Sept	0.00	3,920.00	3,920.00	New Charge			
23	Eastbury Manor House - Civil marriage and partnership ceremony and reception Tudor package 70 people Fridays	0.00	3,945.00	3,945.00	New Charge			
24	Eastbury Manor House - Civil marriage and partnership ceremony and reception Tudor package 70 people Saturdays Oct - April	0.00	4,065.00	4,065.00	New Charge			
25	Eastbury Manor House - Civil marriage and partnership ceremony and reception Tudor package 70 people Saturdays May - Sept	0.00	4,185.00	4,185.00	New Charge			
26	Eastbury Manor House - Civil marriage and partnership ceremony and reception Manor package 50 people Fridays	0.00	5,155.00	5,155.00	New Charge			New charge for 2012/13 this is part of savings put forward for Assembly in Feb. This is an achievable income target due to wedding generally being booked a number of months years in advance.
27	Eastbury Manor House - Civil marriage and partnership ceremony and reception Manor package 50 people Saturdays Oct - April	0.00	5,315.00	5,315.00	New Charge			
28	Eastbury Manor House - Civil marriage and partnership ceremony and reception Manor package 50 people Saturdays May - Sept	0.00	5,500.00	5,500.00	New Charge			
29	Eastbury Manor House - Civil marriage and partnership ceremony and reception Manor package 70 people Fridays	0.00	5,950.00	5,950.00	New Charge		680	
30	Eastbury Manor House - Civil marriage and partnership ceremony and reception Manor package 70 people Saturdays Oct - April	0.00	6,105.00	6,105.00	New Charge			
31	Eastbury Manor House - Civil marriage and partnership ceremony and reception Manor package 70 people Saturdays May - Sept	0.00	6,295.00	6,295.00	New Charge			
32	Eastbury Manor House - Civil marriage and partnership ceremony and reception Exclusive package 50 people Fridays	0.00	7,705.00	7,705.00	New Charge			
33	Eastbury Manor House - Civil marriage and partnership ceremony and reception Exclusive package 50 people Saturdays Oct - April	0.00	8,005.00	8,005.00	New Charge			
34	Eastbury Manor House - Civil marriage and partnership ceremony and reception Exclusive package 50 people Saturdays May - Sept	0.00	8,305.00	8,305.00	New Charge			
35	Eastbury Manor House - Civil marriage and partnership ceremony and reception Exclusive package 70 people Fridays	0.00	8,910.00	8,910.00	New Charge			
36	Eastbury Manor House - Civil marriage and partnership ceremony and reception Exclusive package 70 people Saturdays Oct - April	0.00	9,210.00	9,210.00	New Charge			
37	Eastbury Manor House - Civil marriage and partnership ceremony and reception Exclusive package 70 people Saturdays May - Sept	0.00	9,510.00	9,510.00	New Charge			
38	Eastbury Manor House - Admission charges Adult - Saturday	3.00	3.00	0.00	0%			
39	Eastbury Manor House - Admission charges Adult - Monday/Tuesday	3.00	3.00	0.00	0%			
40	Eastbury Manor House - Admission charges concessions	1.50	1.50	0.00	0%			Drive under tent this extra to encourage in income as Victoria House

41-92	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
41	Easbury Manor House - Admission charges Child aged 5-15	1.00	1.00	0.00	0%	6,027	6,027	no charge for the same to encourage usage as a member of the National Trust.
42	Easbury Manor House - Admission charges Child aged 0-4	0.00	0.00	0.00	0%			
43	Easbury Manor House - Admission charges Family (2 adults with up to 4 children)	6.00	6.00	0.00	0%			
44	Easbury Manor House - Admission charges special events - minimum	2.00	2.00	0.00	0%			
45	Easbury Manor House - Admission charges special events - maximum	20.00	20.00	0.00	0%			
Heritage Services - Valence House								
46	Valence House - Commercial - Education Room (half room) per hour	18.00	30.00	12.00	67%			Room hire income target has increased to reflect the average % price increase - the rooms were increased to reflect the standard cost across the service. The prices were benchmarked against other local boroughs. However, the economic situation is affecting the demand for room hire across the service and therefore, a prudent target assumes lower letting targets than last year.
47	Valence House - Commercial - Education Room (whole room) per hour	36.00	37.00	1.00	3%			
48	Valence House - Commercial - Function Room per hour	13.50	13.50	0.00	0%			
49	Valence House - Commercial - Education Room (half room)	18.00	18.00	0.00	0%	9,550	10,696	
50	Valence House - Commercial - Education Room (whole room)	36.00	36.00	0.00	0%			
51	Valence House - Commercial - Education Room	13.50	13.50	0.00	0%			
52	Heritage education & Outreach - non-LEBD School visit to heritage venue with facilitator (min charge 30 children) cost per child	4.28	5.50	1.22	29%	1,039	1,150	New structure of charges - we now charge per child and also a premium for out of borough residents.
53	Heritage education & Outreach - LEBD School visit to heritage venue (min charge 30 children) cost per child	4.28	4.50	0.22	5%			
54	Heritage education & Outreach - LEBD School outreach session (min 2 sessions delivered)	30.00	30.00	0.00	0%			This is demand led so targets can only be based on this year's activity
55	Valence House - Education loan box per week	15.00	15.00	0.00	0%	3,935	3,935	
56	Valence House - Education - community outreach/talk	30.00	30.00	0.00	0%			
57	Heritage education - rate per day for development of specific schemes (externally funded)	0.00	40.00	40.00	New Charge	0	0	New charge for 2012/13 - this is demand led no income target
58	Heritage education & Outreach - Workshops Children's half-day	3.00	3.00	0.00	0%			
59	Heritage education & Outreach - Workshops Adults full-day (minimum)	5.00	5.00	0.00	0%			
60	Heritage education & Outreach - Workshops Adults full-day (maximum)	10.00	10.00	0.00	0%			
61	Heritage education & Outreach - Workshops Talks (minimum)	2.50	2.50	0.00	0%			
62	Heritage education & Outreach - Workshops Talks (maximum)	5.00	5.00	0.00	0%			
63	Archives & Local Studies Reprographics - A4 bw	5.00	5.00	0.00	0%			
64	Archives & Local Studies Reprographics - A3 bw	12.20	12.20	0.00	0%			
65	Archives & Local Studies Reprographics - A4 colour	9.50	9.50	0.00	0%			
66	Archives & Local Studies Reprographics - A3 colour	21.50	21.50	0.00	0%			
67	Archives & Local Studies Reprographics - Digital scan for e-mail	3.80	3.80	0.00	0%			
68	Archives & Local Studies Reprographics - Cutting to CD	2.00	2.00	0.00	0%			
69	Archives & Local Studies Reprographics - Recorded post and packing	3.00	3.00	0.00	0%			
70	Archives & Local Studies Reprographics - Photocopies A4	0.20	0.20	0.00	0%			
71	Archives & Local Studies Reprographics - Photocopies A3	0.40	0.40	0.00	0%			
72	Archives & Local Studies Reprographics - Photocopies A4 - colour	0.50	0.50	0.00	0%			
73	Archives & Local Studies Reprographics - Photocopies A3 - colour	1.00	1.00	0.00	0%			
74	Archives & Local Studies Reprographics - Microfilm printout A4	0.45	0.50	0.05	11%			
75	Archives & Local Studies Reprographics - Minimum cost for non-visitor inc time charge	2.50	2.50	0.00	0%			
76	Archives & Local Studies Reproduction fees for publications- books/ periodicals one country one language b/w	60.00	60.00	0.00	0%			
77	Archives & Local Studies Reproduction fees for publications- books/ periodicals one language in colour	90.00	90.00	0.00	0%			
78	Archives & Local Studies Reproduction fees for publications- books/ periodicals world one language b/w	96.00	96.00	0.00	0%			
79	Archives & Local Studies Reproduction fees for publications- books/ periodicals world one language in colour	114.00	114.00	0.00	0%			
80	Archives & Local Studies Reproduction fees for publications- books/ periodicals world multi language b/w	120.00	120.00	0.00	0%			
81	Archives & Local Studies Reproduction fees for publications- books/ periodicals world multi language in colour	144.00	144.00	0.00	0%			
82	Archives & Local Studies Reproduction fees for publications- book jackets, CD video cases one country one language b/w	102.00	102.00	0.00	0%			
83	Archives & Local Studies Reproduction fees for publications- book jackets, CD video cases world one language b/w	144.00	144.00	0.00	0%			
84	Archives & Local Studies Reproduction fees for publications- book jackets, CD video cases world multi language colour	180.00	180.00	0.00	0%			
85	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission one country	90.00	90.00	0.00	0%			
86	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission one country with one repeat	126.00	126.00	0.00	0%			
87	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission world	120.00	120.00	0.00	0%			
88	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission world with one repeat	168.00	168.00	0.00	0%			
89	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - One programme, 5 year unlimited licence	360.00	360.00	0.00	0%			
90	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - Postcards, greeting cards, posters and other advertising material	180.00	180.00	0.00	0%			
91	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - CD rooms, Photo CD and commercial web pages	90.00	90.00	0.00	0%			
92	Archives & Local Studies Reproduction fees for stills for TV/films and exhibitions - Personal web pages	42.00	42.00	0.00	0%			
						1,325	1,325	Only one fee has been increased to match local benchmarking. The income target has not been increased as its demand led service so we can only predict income looking at this year's activity.

Library Service	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
93	Libraries - Adult Fines per day	0.25	0.30	0.05	20%			
94	Libraries - Maximum fine per item	6.00	7.00	1.00	17%			
95	Libraries- Hire of video/DVD children's/NF- per week	1.00	1.00	0.00	0%			
96	Libraries- Hire of video/DVD adults- per week	2.00	2.00	0.00	0%			
97	Libraries - Language courses - 3 weeks	1.15	1.50	0.35	30%			
98	Libraries - Language courses - fines per day	0.25	0.30	0.05	20%			
99	Libraries - Hire of CD singles	1.00	1.00	0.00	0%			
100	Libraries - Hire of CD box sets	1.55	1.60	0.05	3%			
101	Libraries - Hire of CD fines per day	0.25	0.30	0.05	20%			
102	Libraries - Reservations-non stock items	1.75	2.00	0.25	14%			
103	Libraries - Reservation - British Library item	4.00	5.00	1.00	25%			
104	Libraries - Photocopying/Printing A4 black and white	0.20	0.20	0.00	0%			
105	Libraries - Photocopying/Printing A3 black and white	0.50	0.50	0.00	0%			
106	Libraries - Photocopying/Printing A4 colour	0.40	0.40	0.00	0%			
107	Libraries - Photocopying/Printing A3 colour (where available)	1.00	1.00	0.00	0%			
108	Libraries micro printing - from microfiche or microfilm A4	0.45	1.00	0.55	11%			
109	Libraries - replacement membership card - Adult	2.00	2.50	0.50	25%			
110	Libraries - replacement membership card - Child	1.00	1.50	0.50	50%			
111	Libraries- Hire of books on tape fines per day	0.25	0.30	0.05	20%			
112	Fax per sheet (where available)	1.00	2.00	1.00	100%			
113	Internet Non-members / Guest passes 1 hour	0.50	1.00	0.50	100%			
114	Internet Non-members / Guest passes 30 minutes	0.00	0.00	0.00	0%			
115	Libraries- Adult Fines per day - over 60	0.00	0.00	0.00	0%			
116	Libraries- Overdue of video/DVD for Children/Factual -	0.00	2.00	2.00	New Charge			
117	Libraries- Overdue of video/DVD for Adults -	0.00	25.00	25.00	New Charge			
118	Libraries - Music & Film subscription - 4 months (CDs/DVDs)	7.50	7.50	0.00	0%			
119	Stationery - USB 2gb	0.00	0.00	0.00	0%			
120	Libraries - replacement membership card - Older People, over 60	4.00	4.00	0.00	0%			
121	Libraries - replacement Myfare - Adult membership card	0.00	1.00	1.00	New Charge			
122	Libraries - events - tickets to adult events ages 16+	0.00	1.50	1.50	New Charge			
123	Stationery - Headphones	0.00	1.00	1.00	New Charge			
124	A-additional hour PC usage for all subscription holders	0.00	0.00	0.00	0%			
125	Libraries- WiFi/PC usage subscription per annum - residents, free for under 19s and over 60s	0.00	12.00	12.00	New Charge			
126	Libraries- computer use subscription annual fee - non-residents	0.00	25.00	25.00	New Charge			
127	WiFi access subscription annual fee - residents	0.00	20.00	20.00	New Charge			
128	WiFi access subscription annual fee -non-residents	0.00	30.00	30.00	New Charge			
129	WiFi access daily charge	0.00	2.50	2.50	New Charge			
130	Libraries- Managed room hire per hour- minimum charge	5.00	10.00	5.00	100%			
131	Libraries- Managed room hire per hour- maximum charge	22.50	30.00	7.50	33%			
132	Dagenham Library - Small meeting room (2-10people)- hourly hire rate - Council/ Commercial/ Voluntary & Community sector	15.00	17.50	2.50	17%			
133	Dagenham Library - Small meeting room (2-10 people) - full day hire rate - Council/ Commercial/ Voluntary & Community sector	75.00	87.50	12.50	17%			
134	Dagenham Library - Large meeting room (16-28 people)- hourly hire rate - Council/ Commercial/ Voluntary & Community sector	45.00	52.50	7.50	17%			
135	Dagenham Library - Large meeting room (16-28 people) - full day hire rate - Council/ Commercial/ Voluntary & Community sector	30.00	35.00	5.00	17%			
136	Dagenham Library - Large meeting room (16-28 people) - half day hire rate - Council/ Commercial/ Voluntary & Community sector	150.00	175.00	25.00	17%			
137	Dagenham Library - Large meeting room (16-28 people) - full day hire rate - Council/ Commercial/ Voluntary & Community sector	90.00	105.00	15.00	17%			
138	Dagenham Library - Large meeting room (16-28 people) - half day hire rate - Council/ Commercial/ Voluntary & Community sector							
139	Barking Learning Centre							
140	Small meeting room (2-15 people)- hourly hire rate- Public Sector	0.00	36.00	36.00	New Charge			
141	Small meeting room (2-15 people)- full day hire rate- Public Sector	0.00	192.00	192.00	New Charge			
142	Small meeting room (2-15 people)- half day hire rate- Public Sector	0.00	96.00	96.00	New Charge			
143	Small meeting room (2-15 people)- hourly hire rate - Council hire	26.00	30.00	4.00	15%			
144	Small meeting room (2-15 people)- hourly hire rate- Voluntary and Community sector	26.00	30.00	4.00	15%			
145	Small meeting room (2-15 people) - full day hire rate - Voluntary and Community sector	130.00	144.00	14.00	11%			
146	Small meeting room (2-15 people) - half day hire rate - Voluntary and Community sector	78.00	72.00	(6.00)	-8%			
147	Small meeting room (2-15 people)- hourly hire rate- Commercial	31.20	42.00	10.80	35%			
148	Small meeting room (2-15 people) - full day hire rate - Commercial	156.00	240.00	84.00	54%			
149	Large meeting room (16-28 people)- half day hire rate- Commercial	78.00	120.00	42.00	54%			
150	Large meeting room (16-28 people)- hourly hire rate- Public Sector	0.00	48.00	48.00	New Charge			
151	Large meeting room (16-28 people) - full day hire rate - Public Sector	0.00	288.00	288.00	New Charge			
152	Large meeting room (16-28 people) - half day hire rate - Public Sector	0.00	144.00	144.00	New Charge			
153	Large meeting room (16-28 people)- hourly hire rate - Council hire	36.00	40.00	4.00	11%			
154	Large meeting room (16-28 people)- hourly hire rate - Voluntary and Community sector	36.00	40.00	4.00	11%			
155	Large meeting room (16-28 people) - full day hire rate - Voluntary and Community sector	200.00	240.00	40.00	20%			
156	Large meeting room (16-28 people) - half day hire rate - Voluntary and Community sector	100.00	120.00	20.00	20%			

The income target for 2012-13 looks at 2011-12 activity increased by the average %. The price increases were decided by reviewing the surrounding boroughs benchmarking.

This is a new charge based on the savings that were proposed and waiting to be accepted by Assembly in Feb 2012.

No income was raised in other libraries than Dagenham or BLC. However, this fee was increased to match Benchmarking.

Room hire income target has increased to reflect the average % price increase - the rooms were increased to reflect the standard cost across the service. The prices were benchmarked against other local boroughs. However, the economic situation is affecting the demand for room hire across the service and therefore, a prudent target assumes lower letting targets than last year activity and increasing by the increase.

Not VATable
includes VAT

Item No	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
156	Large meeting room (16-28 people)- hourly/hire rate- Commercial	43.20	60.00	16.80	39%			
157	Large meeting room (16-28 people) - full day hire rate - Commercial	240.00	384.00	144.00	60%			
158	Large meeting room (16-28 people)- half day hire rate - Commercial	120.00	192.00	72.00	60%	90,000	92,500	Rooms rates have been increased to match local benchmarking of other local authorities. However, all income raised has to be split between the partners in the BLC. Therefore, only 11% of the any additional income can be added to the libraries savings targets
159	Conference centre (28-120 people)-hourly hire rate- Public Sector	0.00	60.00	60.00	New Charge			
160	Conference centre (28-120 people)-full day hire rate- Public Sector	0.00	384.00	384.00	New Charge			
161	Conference centre (28-120 people)-half day hire rate- Public Sector	0.00	192.00	192.00	New Charge			
162	Conference centre (28-120 people)-hourly hire rate - Council hire	46.00	50.00	4.00	9%			
163	Conference centre (28-120 people)-hourly hire rate- Voluntary and Community sector	46.00	54.00	8.00	17%			
164	Conference centre (28-120 people)-full day hire rate- Voluntary and Community sector	300.00	336.00	36.00	12%			
165	Conference centre (28-120 people)-half day hire rate- Voluntary and Community sector	150.00	168.00	18.00	12%			
166	Conference centre (28-120 people)-hourly hire rate- Commercial	55.20	72.00	16.80	30%			
167	Conference centre (28-120 people)-full day hire rate- Commercial	360.00	480.00	120.00	33%			
168	Conference centre (28-120 people)-half day hire rate- Commercial	180.00	240.00	60.00	33%			
169	IT Room (22 people) - hourly hire rate - Council hire	36.00	40.00	4.00	11%			
170	IT Room (22 people) - hourly hire rate - Public Sector	0.00	48.00	48.00	New Charge			
171	IT Room (22 people)-full day hire rate - Public Sector	0.00	288.00	288.00	New Charge			
172	IT Room (22 people) - half day hire rate - Public Sector	0.00	144.00	144.00	New Charge			
173	IT Room (22 people) - hourly hire rate - Voluntary and Community sector	36.00	42.00	6.00	17%			
174	IT Room (22 people) - Full day hire rate - Voluntary and Community sector	0.00	240.00	240.00	New Charge			
175	IT Room (22 people) - Half day hire rate - Voluntary and Community sector	0.00	120.00	120.00	New Charge			
176	IT Room (22 people) - hourly hire rate - Commercial	43.20	60.00	16.80	39%			
177	IT Room (22 people) - Full day hire rate - Commercial	0.00	384.00	384.00	New Charge			
178	IT Room (22 people) - half day hire rate - Commercial hire	0.00	192.00	192.00	New Charge			
Community Halls								
179	Category A Hall - Saturday Let - First four hours	211.00	225.00	14.00	7%			
180	Category A Hall - Saturday Let - Each additional hour	42.20	45.00	2.80	7%	18,751	20,000	These prices have been increased to match benchmarking from other local authorities
181	Category A Hall - Saturday Let - Premium charge 2300hrs to midnight	63.30	67.50	4.20	7%			
182	Category B Hall - First four hours	196.50	165.00	8.50	5%			
183	Category B Hall - Each additional hour	31.30	33.00	1.70	5%	12,754	13,000	These prices have been increased to match benchmarking from other local authorities
184	Category B Hall - Premium charge 2300hrs to midnight	46.95	49.50	2.55	5%			
Events								
185	Park use - non commercial (Fun Days)	112.00	120.00	8.00	7%			
186	Park use - non commercial (small event - less than 200 people attending (fundraising sponsored events))	55.00	60.00	5.00	9%			
187	Park use - non-commercial fundraising event - walks and bike rides up to 50 people	15.50	15.50	0.00	0%			
188	Park use - non-commercial up to 2,500 people (no entry fee)	310.00	500.00	190.00	61%			
189	Park use - non-commercial up to 5,000 people (no entry fee)	560.00	850.00	300.00	55%			
190	Additional Fee per hour non commercial	57.00	90.00	33.00	58%			
191	Public liability cover for non commercial park use - up to £2 million (minimum or 10% if more than £18.50)	17.50	18.50	1.00	6%			
192	Park use commercial - category 1 Est. attendance up to 2,500 (8hours)	565.00	850.00	285.00	50%			
193	Park use commercial - category 2 Est. attendance over 5000(8hours)	735.00	1,500.00	765.00	104%			
194	Park use commercial - per additional hour	175.00	150.00	(25.00)	-14%			
195	Use of Premises Licence (Commercial) where applicable up to 5,000	520.00	520.00	0.00	0%			
196	Use of Premises Licence (Commercial) where applicable up to 10,000	1,650.00	1,650.00	0.00	0%			
197	Use of Premises Licence (Commercial) where applicable up to 15,000	3,300.00	3,300.00	0.00	0%			
198	Park use (Non-animal Circus) - Small - up to 500 seats per performance day	190.00	225.00	35.00	18%			
199	Park use (Non-animal Circus) - Large - over 500 seats per performance day	345.00	380.00	35.00	10%			
200	All Event Organisers incl. Fairs & Circuses - Non performance day £100 per day	61.50	100.00	38.50	63%			
201	Park use by Fairs - Small Fair per day	320.00	340.00	20.00	6%			
202	Park use by Fairs - Large Fair per day	415.00	435.00	20.00	5%			
203	Park use by Fairs - Event Fair - 2 days at Dagenham Town Show per day	4.00	750.00	750.00	11%			
204	Car Park at Dagenham Town Show	0.00	5.00	5.00	25%			
205	Town Square Hire Charge for Events per 6 hours	0.00	50.00	50.00	New Charge			
206	Town Square Hire Charge for Events per hour after flat rate	0.00	7.50	7.50	New Charge			
207	Town Square Hire Charge for Events concession for education and community use	0.00	0.00	0.00	0%			
Leisure Activities								
208	Leisure - Loyalty Card Holder - adult - pa	31.70	34.00	2.29	7%			
209	Leisure - Loyalty Card Holder - concession - pa	15.85	17.00	1.15	7%			
210	Leisure - Loyalty Card Holder - family - pa	79.70	91.80	12.10	15%			
211	Leisure - Replacement card	4.60	6.00	1.40	31%			
212	Leisure - fitness gym - Loyalty Card Holder - adult	4.40	5.40	1.00	23%			
213	Leisure - fitness gym - Pay and Play - adult	5.40	6.40	1.00	18%			
214	Leisure - fitness gym - Loyalty Card Holder - concession	2.70	3.00	0.30	11%			
215	Leisure - Junior Gym session - Resident	3.35	3.00	(0.35)	-10%			
216	Leisure - Junior Gym session - Non Resident	3.85	3.60	(0.25)	-7%			
217	Leisure - fitness gym - Loyalty Card Holder - adult induction	15.00	16.00	1.00	7%			
218	Leisure - fitness gym - Loyalty Card Holder - concession induction	7.50	8.50	1.00	13%			
219	Leisure - fitness gym - Pay and play - induction	13.00	17.00	4.00	31%			
220	Leisure - Junior Gym induction - Resident	3.70	4.80	1.10	30%			
221	Leisure - Junior Gym induction - Non Resident	4.20	10.20	6.00	143%			
222	Leisure - Personal Training 1 hour	27.00	27.00	0.00	0%			

Net VAT table includes VAT **

2012/13 Fees & Charges - Appendix A	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
223	Leisure - Health Checks	27.00	27.00	0.00	0%			
224	Leisure - badminton - Pay and Play - peak 1 hour	10.50	10.50	0.00	0%			
225	Leisure - badminton - Pay and Play - off peak 1 hour	8.70	8.70	0.00	0%			
226	Leisure - badminton - Loyalty Card Holder - adult peak 1 hour	9.50	9.50	0.00	0%			
227	Leisure - badminton - Loyalty Card Holder - adult off peak 1 hour	7.70	7.70	0.00	0%			
228	Leisure - badminton - Loyalty Card Holder - Concession 60 mins	4.35	4.35	0.00	0%			
229	Leisure - squash court - Pay and Play - peak	7.90	8.00	0.11	1%			
230	Leisure - squash court - Pay and Play - off peak	5.90	6.00	0.10	2%			
231	Leisure - squash court - Loyalty Card Holder - concession off peak	2.95	3.00	0.05	2%			
232	Leisure - squash court - Loyalty Card Holder - adult peak	6.90	7.00	0.10	1%			
233	Leisure - squash court - Loyalty Card Holder adult off peak	4.90	5.00	0.11	2%			
234	Leisure - table tennis Pay and Play - peak	3.70	3.70	0.00	0%			
235	Leisure - table tennis Pay and Play - off peak	3.20	3.20	0.00	0%			
236	Leisure - table tennis - Loyalty Card Holder - adult peak	2.70	2.70	0.00	0%			
237	Leisure - table tennis - Loyalty Card Holder - adult off peak	2.20	2.20	0.00	0%			
238	Leisure - table tennis - Loyalty Card Holder - concession	1.60	1.60	0.00	0%			
239	Leisure - Creche room hire Goresbrook - ph	52.60	52.60	0.00	0%			
240	Leisure - sports hall hire Goresbrook full peak - ph	84.00	84.00	0.00	0%			
241	Leisure - sports hall hire Goresbrook full off peak - ph	69.60	69.60	0.00	0%			
242	Leisure - sports hall hire Goresbrook half peak - ph	42.00	42.00	0.00	0%			
243	Leisure - sports hall hire Goresbrook off peak - ph	34.80	34.80	0.00	0%			
244	Leisure - sports hall hire Goresbrook quarter peak - ph	10.50	10.50	0.00	0%			
245	Leisure - sports hall hire Goresbrook quarter off peak - ph	8.70	8.70	0.00	0%			
246	Leisure - Dance Studio Goresbrook - ph	53.00	53.00	0.00	0%			
247	Leisure - Bar Goresbrook - ph	58.50	58.50	0.00	0%			
248	Leisure - sports hall hire Abbey and BHL full peak - ph	42.00	42.00	0.00	0%			
249	Leisure - sports hall hire Abbey and BHL full off peak - ph	34.80	34.80	0.00	0%			
250	Leisure - sports hall hire Abbey and BHL half peak - ph	21.00	21.00	0.00	0%			
251	Leisure - sports hall hire Abbey and BHL half off peak - ph	17.40	17.40	0.00	0%			
252	Leisure - sports hall hire Abbey and BHL quarter peak - ph	10.50	10.50	0.00	0%			
253	Leisure - sports hall hire Abbey and BHL quarter off peak - ph	8.70	8.70	0.00	0%			
254	Leisure - Dance Studio - Abbey - ph	27.60	27.60	0.00	0%			
255	Leisure - BHL Studio 1 - ph	13.80	13.80	3.30	31%			
256	Leisure - BHL Studio 2 - ph	13.80	13.80	3.30	31%			
257	Leisure - BHL Studio 3a - ph	13.80	13.80	3.30	31%			
258	Leisure - BHL Studio 3b - ph	13.80	13.80	3.30	31%			
259	Leisure - BHL Studio 3a & b - ph	27.60	27.60	6.60	31%			
260	Leisure - BHL Meeting Room - ph	13.80	13.80	6.60	97%			
261	Club/Block booking charge per booking - sports hall	11.00	11.00	1.00	10%			
262	Club/Block booking charge per booking - small room	20.00	22.00	2.00	10%			
263	Club/Block booking charge per booking - large room	22.50	25.00	2.50	11%			
264	Leisure - swimming Pay and Play	3.40	3.60	0.20	6%			
265	Leisure - swimming Loyalty Card Holder - Adult	2.40	2.60	0.20	9%			
266	Leisure - swimming Loyalty Card Holder - concession	2.25	2.35	0.10	5%			
267	Leisure - swimming Becontree Heath/Abbey family	10.75	12.89	2.14	20%			
268	Leisure - Parent & Baby Swimming per session	3.30	3.50	0.20	6%			
269	Leisure - swimming lessons Adult (block of 10 lessons)	42.50	55.00	12.50	29%			
270	Leisure - swimming lessons Concession (Block of 10 lessons)	36.50	41.00	4.50	12%			
271	One to One Swimming lessons - All sites	15.50	15.50	0.00	0%			
272	Education School Swimming per child	1.90	1.90	0.00	0%			
273	All Aerobics/workout sessions - Loyalty Card Holder - Adult	4.50	4.50	0.10	2%			
274	All Aerobics/workout sessions - Pay and Play - Adult	5.50	5.60	0.10	2%			
275	All Aerobics/workout sessions - Loyalty Card Holder - Concession	3.20	3.30	0.10	3%			
276	Elderberries - include 50+ sessions	3.20	3.30	0.10	3%			
277	Admission Fee - Adult spectator	1.00	1.00	0.00	0%			
278	Admission Fee - Concession spectator	0.50	0.50	0.00	0%			
	Memberships							
279	Joining Fee - Resident	20.00	30.00	10.00	50%			
280	Joining Fee Non Resident - New	0.00	36.00	36.00	New Charge			
281	Joining fee - Junior resident - New	0.00	10.00	10.00	New Charge			
282	Joining fee - Junior non resident - New	0.00	18.00	18.00	New Charge			
283	Freeze Membership per month - New	0.00	5.00	5.00	New Charge			
	Active Fitness							
284	Active Fitness - Adult - (12 month contract)	37.00	39.00	2.00	5%			
285	Active Fitness - Couple - (12 month contract)	64.00	68.00	4.00	6%			
286	Active Fitness - Concession (Student/Older People) - 12 month contract	24.00	29.25	5.25	22%			
287	Corporate membership 10 or more employees 15% discount (12 month only) - New	0.00	33.15	33.15	New Charge			
288	Corporate membership 50 or more employees 20% discount (12 month only) - New	0.00	31.20	31.20	New Charge			
289	Corporate membership 100 or more employees 25% discount (12 month only) - New	0.00	29.25	29.25	New Charge			
290	Active Gym only (12 month contract)	28.00	31.00	3.00	11%			
291	Active Gym only Corporate membership 100 or more employees 25% discount (12 month only) - New	0.00	23.25	23.25	New Charge			

The income target is reduced due to the closure of Goresbrook leisure centre. The additional £310,000 income due to the price increases to go through the Assembly in February 2012. When Barking Leisure Centre opens in 2014 we would expect income to rise again.

3,108,000

3,643,332

2012/13 Fees & Charges - Appendix A	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
282	Active Fitness - Adult - (2 month contract) - New	0.00	42.90	42.90	New Charge			
293	Active Fitness - Couple - (2 month contract) - New	0.00	75.80	75.80	New Charge			
294	Active Fitness - Concession (Student/Older People) - 2 month contract - New	0.00	32.15	32.15	New Charge			
295	Active Gym only (2 month contract) - New	0.00	34.10	34.10	New Charge			
296	Active Fitness - Junior Membership	16.50	19.00	2.50	15%			
Active Aqua								
297	Active Aqua - Adults - (12 month contract)	27.00	29.00	2.00	7%			
298	Active Aqua - Couple - (12 month contract)	44.00	48.00	4.00	9%			
299	Active Aqua - Concession (Students/Older People) - 12 month contract	24.00	26.00	2.00	8%			
300	Active Aqua - Adults (2 month contract) - New	0.00	31.90	31.90	New Charge			
301	Active Aqua - Couple (2 month contract) - New	0.00	53.80	53.80	New Charge			
302	Active Aqua - Concession (Students/Older People) - 2 month contract - New	0.00	29.90	29.90	New Charge			
Holiday Activities								
303	Half Day	6.00	5.50	(0.50)	-8%			
304	Full Day	13.00	11.00	(2.00)	-15%			
305	Week	60.00	55.00	(5.00)	-8%			
Courses								
306	NPLQ	230.00	240.00	10.00	4%			
307	NPLQ Renewal	80.00	85.00	5.00	6%			
308	First Aid at Work	230.00	240.00	10.00	4%			
309	First Aid at Work - Renewal	80.00	85.00	5.00	6%			
Health Suite - Goresbrook								
310	Health Suite - STD card holder Peak	7.70	7.70	0.00	0%			
311	Health Suite - STD card holder Off Peak	6.70	6.70	0.00	0%			
312	Health Suite - STD non card holder peak	8.70	8.70	0.00	0%			
313	Health Suite - STD non card holder off peak	7.70	7.70	0.00	0%			
314	Therapy Room per hour	7.00	7.00	0.00	0%			
Events Room Hire - Goresbrook								
315	Function/Weddings/Parties and Presentations Charge per hour 1-200 people	150.00	150.00	0.00	0%			
316	Function/Weddings/Parties and Presentations Charge per hour 201-400 people	300.00	300.00	0.00	0%			
317	Function/Weddings/Parties and Presentations Charge per hour 401+ people	450.00	450.00	0.00	0%			
Jolly Jungle								
318	Jolly Jungle - Under 1's	1.50	1.50	0.00	0%			
319	Jolly Jungle - Under 3's	3.50	4.00	0.50	14%			
320	Jolly Jungle - Over 3's	5.00	5.00	0.50	11%	127,273	130,000	Increase in price to match local benchmarking. This assumes that demand is not adversely effected by economic downturn.
321	Jolly Jungle Toddler Party - Weekdays	7.25	7.25	0.00	0%			
322	Jolly Jungle Kids Party - Weekdays	8.95	8.95	(0.00)	0%			
323	Jolly Jungle VIP Party - Weekdays - minimum 20	9.95	9.95	0.00	0%			
324	Jolly Jungle Toddler Party - Weekends - New	0.00	9.25	9.25	New Charge			New charge for 2012/13
325	Jolly Jungle Kids Party - Weekends - New	0.00	10.95	10.95	New Charge			New charge for 2012/13
326	Jolly Jungle VIP Party - Weekends - New - minimum 20 children	0.00	11.95	11.95	New Charge	0	0	New charge for 2012/13
327	Jolly Jungle Membership - 2 month contract - New	0.00	12.00	12.00	New Charge			New charge for 2012/13
Barking Water Splash								
328	Barking Water Splash - Under 1's	0.00	1.00	1.00	New Charge			
329	Barking Water Splash - Over 1's Resident	0.00	3.00	3.00	New Charge			
330	Barking Water Splash - Over 1's Non Resident	0.00	3.50	3.50	New Charge			
331	Barking Water Splash - Additional child - Resident	0.00	2.00	2.00	New Charge			
332	Barking Water Splash - Additional child - Non Resident	0.00	2.50	2.50	New Charge			
Childrens Services								
Childcare Services								
333	Early Years - Day Nurseries and Children's Centres - full time weekly rate	210.00	215.00	5.00	2%			
334	Early Years - Day Nurseries and Children's Centres - daily rate - morning session	23.00	25.00	2.00	9%			
335	Early Years - Day Nurseries and Children's Centres - daily rate - afternoon session	21.00	23.00	2.00	10%	779,435	961,400	
336	Catering Services - Primary Meal	2.00	2.00	0.00	0%			
337	Catering Services - Secondary Meal	2.20	2.20	0.00	0%			
338	Butler Court Teachers teacher room - standard room	76.75	82.69	5.94	5%			
339	Butler Court Teachers teacher room - medium room	90.30	94.82	4.52	5%			
340	Butler Court Teachers teacher room - large room	101.85	106.94	5.09	5%			
341	Butler Court Teachers teacher room double room	119.07	124.40	5.33	5%			
342	Butler Court Teachers teacher room double room large	144.90	152.15	7.25	5%	270,000	280,000	
343	Butler Court guest room single occupancy	48.00	51.45	3.45	5%			
344	Butler Court guest room double occupancy	59.85	62.84	2.99	5%			
345	Butler Court student rooms	48.00	51.45	3.45	5%			

	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
Housing and Environment								
Park Sports								
346	Parks - Cricket adults - Maysbrook Park & St Chad's Park	70.00	74.00	4.00	6%			
347	Parks - Cricket juniors - Maysbrook Park & St Chad's Park	33.70	35.50	1.80	5%			
348	Banking Park - Cricket Net	7.00	7.40	0.40	6%			
349	Parks - Cricket - Adults 40 games plus pavilion - Maysbrook Park & St Chad's Park	2,640.00	2,960.00	320.00	12%			
350	Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Adults Additional Matches	47.20	50.00	2.80	6%			
351	Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Adults - Season Booking	1,848.00	2,072.00	224.00	12%			
352	Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Juniors	23.00	25.00	2.00	9%			
353	Parks - Football pitch - adults	65.00	68.50	3.50	5%			
354	Parks - Football pitch - Juniors	30.20	30.20	1.60	6%			
355	Parks - Football pitch - Mini Soccer	14.30	15.10	0.80	6%			
356	Parks - Football clubs pitch adults season prepaid by 01/10/11 - 30 Games (15% discount for full payment before 01/10/11)	1,657.50	1,747.00	89.50	5%			
357	Parks - Football clubs pitch adults season (30 games) paid by 6 instalments - first on signature of contract and 5 equal payments Sept. Oct. Nov. Dec & Jan. - 30 games	1,950.00	2,055.00	105.00	5%			
358	Parks - Football clubs pitch adults season prepaid by 1/10/11 - Alternate weeks - 15 Games (15% discount for full payment before 01/10/11)	828.75	873.50	44.75	5%			
359	Parks - Football clubs pitch adults season (15 games) paid by 6 instalments - first on signature of contract and 5 equal payments Sept. Oct. Nov. Dec & Jan. - 15 games	975.00	1,027.50	52.50	5%			
360	Parks - Football clubs pitch juniors season prepaid weekly by 01/10/11 - 30 Games (15% discount for full payment before 01/10/11)	714.00	765.00	51.00	7%			
361	Parks - Football clubs pitch juniors season paid by 6 instalments - first on signature of contract and 5 equal payments Sept. Oct. Nov. Dec & Jan. - 30 games	840.00	900.00	60.00	7%			
362	Parks - Football clubs pitch juniors season prepaid by 1/10/12 - Alternate weeks - 15 Games (15% discount for full payment before 01/10/12)	357.00	382.50	25.50	7%			
363	Parks - Football pitch juniors season (15 games) paid by 6 instalments - first on signature of contract and 5 equal payments Sept. Oct. Nov. Dec & Jan. - 15 games	420.00	450.00	30.00	7%			
364	Parks - football training permit - up to 50 participants	32.00	34.00	2.00	6%			
365	Parks - football training permit - up to 200 participants	64.00	68.00	4.00	6%			
366	Parks - football clubs with delegated management of facilities - juniors per pitch per game (30 % discount)	46.50	47.95	1.45	5%			
367	Parks - football clubs with delegated management of facilities - juniors per pitch per game (30 % discount)	20.00	21.10	1.10	5%			
368	Parks - football clubs with delegated management of facilities - mini soccer per game (30 % discount)	10.00	10.55	0.55	6%			
369	Parks - football clubs with delegated management of facilities - adults 30 weeks	1,365.00	1,439.00	74.00	5%			
370	Parks - football clubs with delegated management of facilities - juniors 30 weeks	588.00	630.00	42.00	7%			
371	Parks - football clubs with delegated management of facilities - adults 15 weeks	682.50	719.50	37.00	5%			
372	Parks - football clubs with delegated management of facilities - juniors 15 weeks	294.00	315.00	21.00	7%			
373	Parks - Rugby per game	66.00	68.50	2.50	5%			
374	Parks - Rugby 30 week season at £55 - included previously with football pitches	1,950.00	2,055.00	105.00	5%			
375	Parks - Rugby pitch adults season prepaid by 01/10/12 - 30 Games (15% discount for full payment before 01/10/12) at £55	1,657.50	1,747.00	89.50	5%			
376	Parks - Hurling per season	325.00	342.50	17.50	5%			
377	Parks - Bowling Greens - club rental price per green	4,445.60	4,445.60	227.75	5%			
378	Parks - Bowling Greens - Pavilion (20% Discount for Parishes Park)	1,081.50	1,140.00	58.50	5%			
379	Aero Club - Licence Agreement with Dagenham Model Aero Club	196.00	207.00	11.00	6%			
380	Banking Park Lodge Café	8,500.00	0.00	(8,500.00)	-100%			(Subject to lease negotiations/future usage) (peppercorn rent)
381	Banking Park Model Railway	1.00	1.00	0.00	0%			
382	Parks - Rugby 30 week season - junior	840.00	900.00	60.00	7%			
383	Banking Park - Hourly tennis charges (adults) Seasonal (April - September), weekends and schools holidays, via external operator.	714.00	765.00	51.00	7%			
384	Banking Park - Hourly tennis charges (children) Seasonal (April - September), weekends and schools holidays, via external operator.	0.00	6.00	6.00	New Charge			
385	Banking Park - Education charges: School groups (half day)	0.00	3.60	3.60	100%			
386	Banking Park - Education charges: School groups (full day)	0.00	90.00	90.00	New Charge			
387	Banking Park - Education charges: School groups (full day)	0.00	144.00	144.00	New Charge			
388	Banking Park - Education: Community groups (per person per 2 hours session)	0.00	2.40	2.40	New Charge			
389	Banking Park - Education: Other (per person per hour)	0.00	36.00	36.00	New Charge			
390	Banking Park - Visitor Centre: Room hire: Commercial: Main hall (First hour and a half)	0.00	21.60	21.60	New Charge			
391	Banking Park - Visitor Centre: Room hire: Commercial: Main hall (Hourly rate after first hour and a half)	0.00	14.40	14.40	New Charge			
392	Banking Park - Visitor Centre: Room hire: Commercial: Seminar room (First hour and a half)	0.00	14.40	14.40	New Charge			
393	Banking Park - Visitor Centre: Room hire: Commercial: Seminar room (Hourly rate after first hour and a half)	0.00	9.60	9.60	New Charge			
394	Banking Park - Visitor Centre: Room hire: Non-commercial: Main hall (First hour and a half)	0.00	14.40	14.40	New Charge			
395	Banking Park - Visitor Centre: Room hire: Non-commercial: Main hall (Hourly rate after first hour and a half)	0.00	9.60	9.60	New Charge			
396	Banking Park - Visitor Centre: Room hire: Non-commercial: Seminar room (First hour and a half)	0.00	10.80	10.80	New Charge			
397	Banking Park - Visitor Centre: Room hire: Non-commercial: Seminar room (Hourly rate after first hour and a half)	0.00	7.20	7.20	New Charge			
398	Banking Park - Visitor Centre: Kids' parties (Self-led, per person per hour) (£40 minimum charge)	0.00	4.80	4.80	New Charge			
399	Banking Park - Visitor Centre: Kids' parties (Ranger-led, £5 per person per hour) (£50 minimum charge)	0.00	6.00	6.00	New Charge			
400	Banking Park - Concession: Boating (Lease and Service Contract) (half-hourly rate)	0.00	7.20	7.20	New Charge			
401	Banking Park - Concession: Boating (Lease and Service Contract) (hourly rate)	0.00	8.40	8.40	New Charge			
402	Banking Park - Concession: Café (Commercial business lease)	0.00	0.00	0.00	0%			New Charge - Still Being Negotiated
Allotments								

Code	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
403	Cost per acre of usable allotment land leased to Allotment Associations	110.25	121.28	11.03	10%	2,500	2,750	
Ranger Services								
404	Environmental Education - 30 Students Maximum (School Visits to Eastbrookend Country Park, The Chase & use of Millennium Centre)	75.00	75.00	0.00	0%			
405	Environmental Education - 30 Students Maximum full day visit (School Visits to Eastbrookend Country Park, The Chase & use of Millennium Centre)	0.00	150.00	150.00	New Charge	3,000	3,360	New charge for 2012/13
406	Millennium Centre - Internal Organisations - Hire of Classroom	8.75	10.00	1.25	14%			
407	Millennium Centre - External Organisations - Hire of Classroom	13.25	15.00	1.75	13%			
408	Millennium Centre - Out of Hours Hire - subject to staff availability	32.50	35.00	2.50	8%			
409	Angling License - Valence Moat (Beckleinn)	275.75	291.00	15.22	6%			
410	Outreach sessions in Parks and Open Spaces	40.00	42.00	2.00	5%			
411	Outreach sessions in Schools (3 hours) (minimum charge)	0.00	200.00	200.00	New Charge			New charge for 2012/13
412	Out of Borough Schools - for standard 2 hour visit	75.00	75.00	0.00	0%			
413	Bardag Lake - Bardag Angling Society	4,212.44	4,440.00	227.56	5%			
414	Lake - Tom Thumb - Lake currently being redeveloped.	577.50	1,000.00	422.50	73%			
415	Lake - Eastbrook Pond & Chase Waters	2,217.08	8,000.00	5,782.92	261%			
416	Lake - The Members Pool	997.69	1,052.00	54.31	5%			
Environmental Services								
Refuse - No Vat for 12-13 except for cesspool emptying								
417	Trade Refuse Collection - Refuse Sacks	4.89	4.40	(0.49)	-10%	84,228	90,834	Reduction in price is expected to boost demand and increase income
418	Trade Refuse Collection - Euro or Palatin Bin Per Collection	24.56	22.10	(2.46)	-10%	323,414	349,224	
419	Trade Refuse Collection - Euro or Palatin Bin Per Collection where there are more than six units on site	17.19	15.47	(1.72)	-10%	164,193	177,317	
420	Trade Refuse Collection - Euro or Palatin Bin Annual rental	132.49	119.24	(13.25)	-10%	63,083	68,383	
421	9 Cubic yard Demountable container - Charge per Collection	239.77	209.77	(23.31)	-10%	53,025	57,267	
422	9 Cubic yard Demountable container - Annual rental	807.86	727.07	(80.79)	-10%	8,752	9,452	
423	Miscellaneous Services - Cesspool Emptying	216.17	216.17	(0.00)	0%	0	0	
Licences								
424	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity up to 150	242.00	255.55	13.55	6%			
425	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 151-300	410.00	435.00	25.00	6%			
426	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 301-600	776.00	820.00	44.00	6%			
427	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 601-1,000	1,411.00	1,490.00	79.00	6%			
428	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 1,001-2,500	2,682.00	2,830.00	148.00	6%			
429	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 2,501-4,000	4,257.00	4,500.00	243.00	6%			
430	Licences - Special treatment premises- Processing charge	0.00	75.00	75.00	New Charge			New structure of charges
431	Licences - Special treatment premises- Category 1 Laser treatment	0.00	490.00	490.00	New Charge			New structure of charges
432	Licences - Special treatment premises- Category 2 electrical, tattooing, body piercing etc.	0.00	350.00	350.00	New Charge			New structure of charges
433	Licences - Special treatment premises- Category 3 massage, manicure, pedicure, tanning etc	0.00	245.00	245.00	New Charge			New structure of charges
434	Licences - Special treatment premises- Category 4 ear lobe and nostril piercing	0.00	105.00	105.00	New Charge			New structure of charges
435	Licences - Special treatment premises- Additional treatments in same category	0.00	35.00	35.00	New Charge			New structure of charges
436	Licences - Special treatment premises- Processing charge - Renewal	0.00	75.00	75.00	New Charge			New structure of charges
437	Licences - Special treatment premises- Category 1 Laser treatment - Renewal	0.00	490.00	490.00	New Charge			New structure of charges
438	Licences - Special treatment premises- Category 2 electrical, tattooing, body piercing etc. - Renewal	0.00	350.00	350.00	New Charge			New structure of charges
439	Licences - Special treatment premises- Category 3 massage, manicure, pedicure, tanning etc. - Renewal	0.00	245.00	245.00	New Charge			New structure of charges
440	Licences - Special treatment premises- Category 4 ear lobe and nostril piercing - Renewal	0.00	105.00	105.00	New Charge			New structure of charges
441	Licences - Special treatment premises- Additional treatments in same category - Renewal	0.00	35.00	35.00	New Charge			New structure of charges
442	Licences - Special treatment premises- Processing charge - Transfer	0.00	75.00	75.00	New Charge			New structure of charges
443	Licences - Special treatment premises- Category 1 Laser treatment - Transfer	0.00	490.00	490.00	New Charge			New structure of charges
444	Licences - Special treatment premises- Category 2 electrical, tattooing, body piercing etc. - Transfer	0.00	350.00	350.00	New Charge			New structure of charges
445	Licences - Special treatment premises- Category 3 massage, manicure, pedicure, tanning etc. - Transfer	0.00	245.00	245.00	New Charge			New structure of charges
446	Licences - Special treatment premises- Category 4 ear lobe and nostril piercing - Transfer	0.00	105.00	105.00	New Charge			New structure of charges
447	Licences - Special treatment premises- Additional treatments in same category - Transfer	0.00	35.00	35.00	New Charge			New structure of charges
448	Licences - Special treatment premises- health and safety at work change of practitioner	0.00	110.00	110.00	New Charge			New structure of charges
449	Licences - Animals (a) Dog Breeders	200.00	210.00	10.00	5%			
450	Licences - Animals (b) Riding Establishments	547.00	580.00	33.00	6%			
451	Licences - Animals (c) Animal Boarding	382.00	400.00	18.00	5%			
452	Licences - Animals (d) Pet Shops	300.00	320.00	20.00	7%			
453	Licences - Animals (e) Dangerous Wild Animals	400.00	400.00	18.00	5%			
454	Licences - Performing animals	200.00	210.00	10.00	5%			
455	Licences - Sex shop Licence	22,523.00	23,650.00	1,127.00	5%			
456	Licences - Sex Shop - Variation	750.00	750.00	0.00	0%			
457	Licences - Safety at sports ground Act- fees charged on officer time spent processing application	174.00	175.00	1.00	1%			
458	Licences - Poisons Act - entry	120.00	120.00	6.00	5%			
459	Licences - Poisons Act - Retention or alteration	64.00	65.00	1.00	2%			
460	Licences - Auction Rooms Registration	496.00	525.00	29.00	6%			
461	Licences - Occasional Sales- up to 50 stalls/vehicles/pitches	110.00	110.00	8.00	8%			
462	Licences - Occasional Sales- 51-150 stalls/vehicles/pitches	166.00	175.00	9.00	5%			
463	Licences - Occasional Sales- over 150 stalls/vehicles/pitches	281.00	300.00	19.00	7%			

Not VATable
includes VAT

464-531	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
464	Licences - Motor Salvage Operators	170.00	170.00	0.00	0%			
465	Licences - Motor Salvage Operators certified copy of single register entry	39.00	39.00	0.00	0%			TBC - Charge set by Central Government
466	Licences - Game Dealers	39.00	40.00	1.00	3%			TBC - Charge set by Central Government
467	Other income - Pollution - Seizure of Equipment by Noise Patrol - Fee for reclamation of property (NON-BUSINESS)	186.00	195.00	10.00	5%			
468	Trapping Animals - Reclamation of Animal (NON-BUSINESS)	70.00	75.00	5.00	7%			
469	Trapping Animals - Kennelling Fees (NON-BUSINESS)	24.00	25.00	1.00	4%			
470	Micro chip implants - implant and registration with national pet register per animal (VATABLE)	48.00	10.00	(38.00)	-79%			
471	Registration - Lotteries	100.00	105.00	5.00	5%			
472	Registration - Lotteries renewal	100.00	105.00	5.00	5%			
473	New Regional Casino premises licence							
474	Application for a provisional statement	15,000.00	15,000.00	0.00	0%			
475	Application for a new premises licence	15,000.00	15,000.00	0.00	0%			
476	Application to vary a new premises licence	7,500.00	7,500.00	0.00	0%			
477	Application to transfer a premises licence	6,500.00	6,500.00	0.00	0%			
478	Application for a new premises licence with Provisional Statement	8,000.00	8,000.00	0.00	0%			
479	Annual fee	15,000.00	15,000.00	0.00	0%			
480	Reinstatement of a licence	6,500.00	6,500.00	0.00	0%			
481	Copy of licence	16.50	16.50	0.00	0%			
482	Notification of change of details	38.50	35.00	(3.50)	-9%			
483	New Large Casino premises licence							
484	Application for a provisional statement	10,000.00	10,000.00	0.00	0%			
485	Application for a new premises licence	10,000.00	10,000.00	0.00	0%			
486	Application to vary a new premises licence	5,000.00	5,000.00	0.00	0%			
487	Application to transfer a premises licence	2,150.00	2,150.00	0.00	0%			
488	Application for a new premises licence with Provisional Statement	5,000.00	5,000.00	0.00	0%			
489	Annual fee	10,000.00	10,000.00	0.00	0%			
490	Reinstatement of a licence	2,150.00	2,150.00	0.00	0%			
491	Copy of licence	16.50	16.50	0.00	0%			
492	Notification of change of details	38.50	38.50	0.00	0%			
493	New Small Casino premises licence							
494	Application for a provisional statement	8,000.00	8,000.00	0.00	0%			
495	Application for a new premises licence	8,000.00	8,000.00	0.00	0%			
496	Application to vary a new premises licence	4,000.00	4,000.00	0.00	0%			
497	Application to transfer a premises licence	1,800.00	1,800.00	0.00	0%			
498	Application for a new premises licence with Provisional Statement	3,000.00	3,000.00	0.00	0%			
499	Annual fee	5,000.00	5,000.00	0.00	0%			
500	Reinstatement of a licence	1,800.00	1,800.00	0.00	0%			
501	Copy of licence	16.50	16.50	0.00	0%			
502	Notification of change of details	38.50	38.50	0.00	0%			
503	Converted Casino premises licence							
504	Fast track conversion application	300.00	300.00	0.00	0%			
505	Non-Fast track conversion application	2,000.00	2,000.00	0.00	0%			
506	Application to vary a new premises licence	2,000.00	2,000.00	0.00	0%			
507	Application to transfer a premises licence	1,350.00	1,350.00	0.00	0%			
508	Annual fee	3,000.00	3,000.00	0.00	0%			
509	Reinstatement of a licence	1,350.00	1,350.00	0.00	0%			
510	Copy of licence	16.50	16.50	0.00	0%			
511	Notification of change of details	38.50	38.50	0.00	0%			
512	Bingo premises licence							
513	Fast track conversion application	300.00	300.00	0.00	0%			
514	Non-Fast track conversion application	1,750.00	1,750.00	0.00	0%			
515	Application to vary a new premises licence	1,200.00	1,200.00	0.00	0%			
516	Application to transfer a premises licence	1,200.00	1,200.00	0.00	0%			
517	Annual fee	1,000.00	1,000.00	0.00	0%			
518	Reinstatement of a licence	1,200.00	1,200.00	0.00	0%			
519	Copy of licence	16.50	16.50	0.00	0%			
520	Notification of change of details	38.50	38.50	0.00	0%			
521	Betting premises (other) licence							
522	Fast track conversion application	300.00	300.00	0.00	0%			
523	Non-Fast track conversion application	1,485.00	1,485.00	0.00	0%			
524	Application for a provisional statement	3,000.00	3,000.00	0.00	0%			
525	Application for a new premises licence	3,000.00	3,000.00	0.00	0%			
526	Application to vary a new premises licence	1,500.00	1,500.00	0.00	0%			
527	Application to transfer a premises licence	1,200.00	1,200.00	0.00	0%			
528	Annual fee	600.00	600.00	0.00	0%			
529	Reinstatement of a licence	1,200.00	1,200.00	0.00	0%			
530	Copy of licence	16.50	16.50	0.00	0%			
531	Notification of change of details	38.50	38.50	0.00	0%			
532	Betting premises (track) licence							
533	Fast track conversion application	300.00	300.00	0.00	0%			
534	Non-Fast track conversion application	1,250.00	1,250.00	0.00	0%			

Net VATable includes VAT **

Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
			£	%			
552 Application for a provisional statement	2,500.00	2,500.00	0.00	0%			
553 Application for a new premises licence	2,500.00	2,500.00	0.00	0%			
534 Application to vary a new premises licence	1,250.00	1,250.00	0.00	0%			
535 Application to transfer a premises licence	950.00	950.00	0.00	0%			
536 Application for a new premises licence with Provisional Statement	950.00	950.00	0.00	0%			
537 Annual fee	1,000.00	1,000.00	0.00	0%			
538 Reinstatement of a licence	950.00	950.00	0.00	0%			
539 Copy of licence	16.50	16.50	0.00	0%			
540 Notification of change of details	38.50	38.50	0.00	0%			
541 Adult Gaming Centre premises licence	0.00	0.00	0.00	0%			
542 Fast track conversion application	300.00	300.00	0.00	0%			
543 Non-Fast track conversion application	1,000.00	1,000.00	0.00	0%			
544 Application for a provisional statement	2,000.00	2,000.00	0.00	0%			
545 Application for a new premises licence	2,000.00	2,000.00	0.00	0%			
546 Application to vary a new premises licence	1,000.00	1,000.00	0.00	0%			
547 Application to transfer a premises licence	1,020.00	1,020.00	0.00	0%			
548 Application for a new premises licence with Provisional Statement	1,200.00	1,200.00	0.00	0%			
549 Annual fee	1,000.00	1,000.00	0.00	0%			
550 Reinstatement of a licence	1,200.00	1,200.00	0.00	0%			
551 Copy of licence	16.50	16.50	0.00	0%			
552 Notification of change of details	38.50	38.50	0.00	0%			
553 Family entertainment centre premises licence	0.00	0.00	0.00	0%			
554 Fast track conversion application	300.00	300.00	0.00	0%			
555 Non-Fast track conversion application	1,000.00	1,000.00	0.00	0%			
556 Application for a provisional statement	2,000.00	2,000.00	0.00	0%			
557 Application for a new premises licence	2,000.00	2,000.00	0.00	0%			
558 Application to vary a new premises licence	1,000.00	1,000.00	0.00	0%			
559 Application to transfer a premises licence	950.00	950.00	0.00	0%			
560 Application for a new premises licence with Provisional Statement	950.00	950.00	0.00	0%			
561 Annual fee	750.00	750.00	0.00	0%			
562 Reinstatement of a licence	950.00	950.00	0.00	0%			
563 Copy of licence	16.50	16.50	0.00	0%			
564 Notification of change of details	38.50	38.50	0.00	0%			
565 Building Control	0.00	0.00	0.00	0%			
566 Hourly rate for fees and charges		94.44	94.44	New Charge	220,000	270,000	New Charge for 2011-12 (subject to Government Legislation) - Will be reviewed in January 2012
567 Graffiti & Deep Cleaning							This service has minimal demand from the public and is primarily utilised by Housing Services which is internal.
568 Graffiti & Deep Cleaning - First removal of graffiti - In Default (per sqm)	38.36	38.36	(0.00)	0%			
569 Graffiti & Deep Cleaning - Subsequent removal of graffiti - In Default (per sqm)	38.36	38.36	(0.00)	0%			
570 Graffiti & Deep Cleaning - First removal of graffiti - Subsidies (per sqm)	18.91	18.91	(0.00)	0%			
571 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Subsidies (per sqm)	18.91	18.91	(0.00)	0%			
572 Graffiti & Deep Cleaning - First removal of graffiti - Parks (per sqm)	6.30	6.30	(0.00)	0%			
573 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Parks (per sqm)	6.30	6.30	(0.00)	0%			
574 Graffiti & Deep Cleaning - First removal of graffiti - Charter (per sqm)	12.61	12.61	(0.00)	0%			
575 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Charter (per sqm)	12.61	12.61	(0.00)	0%			
576 Graffiti & Deep Cleaning - First removal of graffiti - With Charter	6.30	6.30	(0.00)	0%			
577 Graffiti & Deep Cleaning - Subsequent removal of graffiti - With Charter	6.30	6.30	(0.00)	0%			
578 Graffiti & Deep Cleaning - First removal of graffiti - Without Charter (per sqm)	18.91	18.91	(0.00)	0%			
579 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Without Charter (per sqm)	18.91	18.91	(0.00)	0%			
580 Graffiti & Deep Cleaning - Graffiti removal kit - Without Charter	10.09	10.09	0.00	0%			
581 Graffiti & Deep Cleaning - Graffiti removal kit - Without Charter	12.61	12.61	0.00	0%			
582 Pest Control					0	0	New Charge - Still Being Negotiated
583 Pest Control - low risk insects - Benefit rate	60.00	60.00	0.00	New Charge			
584 Pest Control - low risk insects - Standard rate	120.00	120.00	0.00	New Charge			
585 Pest Control - low risk insects - Commercial rate	175.00	175.00	0.00	New Charge			
586 Pest Control - Squirrels per trap per week - Benefit rate	75.00	75.00	0.00	New Charge			
587 Pest Control - Squirrels per trap per week - Standard rate	150.00	150.00	0.00	New Charge			
588 Pest Control - Squirrels per trap per week - Commercial rate	230.00	230.00	0.00	New Charge			
589 Pest control - Pigeons per hour plus materials - Benefit rate	45.00	45.00	0.00	New Charge			
590 Pest control - Pigeons per hour plus materials - Standard rate	90.00	90.00	0.00	New Charge			
591 Pest control - Pigeons per hour plus materials - Commercial rate	125.00	125.00	0.00	New Charge			
592 Pest control - Mice - Benefit rate	45.00	45.00	0.00	New Charge			
593 Pest control - Mice - Standard rate	90.00	90.00	0.00	New Charge			
594 Pest control - Mice - Commercial rate	125.00	125.00	0.00	New Charge			
595 Pest Control - wasps - Benefit rate	45.00	45.00	0.00	New Charge			
596 Pest Control - wasps - Standard rate	90.00	90.00	0.00	New Charge			
597 Pest Control - wasps - Commercial rate	125.00	125.00	0.00	New Charge			
598 Pest Control - Fleas - Benefit rate	55.00	55.00	0.00	New Charge	47,319	50,168	
599 Pest Control - Fleas - Standard rate							
600 Pest Control - Fleas - Commercial rate							

Not VATable
includes VAT

557-608	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
557	Pest Control - Fleas - Standard rate	0.00	110.00	110.00	New Charge			New structure of charges
558	Pest Control - Fleas - Commercial rate	0.00	165.00	165.00	New Charge			New structure of charges
559	Pest control - Rats - Commercial rate	0.00	125.00	125.00	New Charge			New structure of charges
600	Pest control - Bedbugs - Benefit rate	0.00	50.00	50.00	New Charge			New structure of charges
601	Pest control - Bedbugs - Standard rate	0.00	110.00	110.00	New Charge			New structure of charges
602	Pest control - Cockroaches - Benefit rate	0.00	60.00	60.00	New Charge			New structure of charges
603	Pest control - Cockroaches - Standard rate	0.00	120.00	120.00	New Charge			New structure of charges
604	Pest control - Cockroaches - Commercial rate	0.00	165.00	165.00	New Charge			New structure of charges
605	Pest control - Pharoaon ants - Benefit rate	0.00	60.00	60.00	New Charge			New structure of charges
606	Pest control - Pharoaon ants - Standard rate	0.00	120.00	120.00	New Charge			New structure of charges
607	Pest control - Pharoaon ants - Commercial rate	0.00	175.00	175.00	New Charge			New structure of charges
608								
On-Street Parking Services								
609	Operational Permit	67.30	150.00	82.70	123%			Subject to consultation with Cabinet Portfolio Member
610	Resident permits (Price band A) (Electric car) - 1st vehicle	0.00	0.00	0.00	0%			New Charge - Still Being Negotiated
611	Resident permits (Price band A) (Electric car) - 2nd vehicle	0.00	10.00	10.00	New Charge			New charge for 2012/13
612	Resident permits (Price band A) (Electric car) - 3rd and subsequent	0.00	40.00	40.00	New Charge			New charge for 2012/13
613	Resident permits (Price band B) (1100 cc or less) - 1st vehicle	0.00	20.00	20.00	New Charge			New charge for 2012/13
614	Resident permits (Price band B) (1100 cc or less) - 2nd vehicle	0.00	30.00	30.00	New Charge			New charge for 2012/13
615	Resident permits (Price band B) (1100 cc or less) - 3rd and subsequent	0.00	80.00	80.00	New Charge			New charge for 2012/13
616	Resident permits (Price band C) (1101-1300 cc) - 1st vehicle	0.00	30.00	30.00	New Charge			New charge for 2012/13
617	Resident permits (Price band C) (1101-1300 cc) - 2nd vehicle	0.00	40.00	40.00	New Charge			New charge for 2012/13
618	Resident permits (Price band C) (1101-1300 cc) - 3rd and subsequent	0.00	90.00	90.00	New Charge			New charge for 2012/13
619	Resident permits (Price band D) (1301 to 1600 cc) - 1st vehicle	0.00	40.00	40.00	New Charge			New charge for 2012/13
620	Resident permits (Price band D) (1301 to 1600 cc) - 2nd vehicle	0.00	60.00	60.00	New Charge			New charge for 2012/13
621	Resident permits (Price band D) (1301 to 1600 cc) - 3rd and subsequent	0.00	110.00	110.00	New Charge			New charge for 2012/13
622	Resident permits (Price band E) (1601 to 1800 cc) - 1st vehicle	0.00	40.00	40.00	New Charge			New charge for 2012/13
623	Resident permits (Price band E) (1601 to 1800 cc) - 2nd vehicle	0.00	60.00	60.00	New Charge			New charge for 2012/13
624	Resident permits (Price band E) (1601 to 1800 cc) - 3rd and subsequent	0.00	110.00	110.00	New Charge			New charge for 2012/13
625	Resident permits (Price band F) (1801 to 2000 cc) - 1st vehicle	0.00	60.00	60.00	New Charge			New charge for 2012/13
626	Resident permits (Price band F) (1801 to 2000 cc) - 2nd vehicle	0.00	70.00	70.00	New Charge			New charge for 2012/13
627	Resident permits (Price band F) (1801 to 2000 cc) - 3rd and subsequent	0.00	120.00	120.00	New Charge			New charge for 2012/13
628	Resident permits (Price band F) (1801 to 2000 cc) - 4th and subsequent	0.00	150.00	150.00	New Charge		0	New charge for 2012/13
629	Resident permits (Price band G) (2001 to 3000 cc) - 1st vehicle	0.00	70.00	70.00	New Charge		0	New charge for 2012/13
630	Resident permits (Price band G) (2001 to 3000 cc) - 2nd vehicle	0.00	80.00	80.00	New Charge			New charge for 2012/13
631	Resident permits (Price band G) (2001 to 3000 cc) - 3rd and subsequent	0.00	130.00	130.00	New Charge			New charge for 2012/13
632	Resident permits (Price band G) (2001 to 3000 cc) - 4th and subsequent	0.00	140.00	140.00	New Charge			New charge for 2012/13
633	Resident permits (Price band H) (3001+ cc) - 1st vehicle	0.00	150.00	150.00	New Charge			New charge for 2012/13
634	Resident permits (Price band H) (3001+ cc) - 2nd vehicle	0.00	190.00	190.00	New Charge			New charge for 2012/13
635	Resident permits (Price band H) (3001+ cc) - 3rd and subsequent vehicle	22.40	105.00	127.40	6%			Amended Charge
636	Weekly Suspension of parking space and yellow line dispensation (per place 6 metre length on street) - Daily	0.00	1.25	1.25	New Charge			New charge for 2012/13
637	Business/Trade permit for companies which carry out works in the borough - on street, car parks	0.00	450.00	450.00	New Charge			New charge for 2012/13
638	Business/Trade permit for companies which carry out works in the borough - on street only	0.00	235.00	235.00	New Charge			New charge for 2012/13
639	Business/Trade permit for companies which carry out works in the borough (daily - scratch cards)	0.00	12.50	12.50	New Charge			New charge for 2012/13
640	Trade permit for companies registered at LBBD domestic property - on street and car parks	0.00	225.00	225.00	New Charge			New charge for 2012/13
641	Trade permit for companies registered at LBBD domestic property - on street only	0.00	112.50	112.50	New Charge			New charge for 2012/13
642	Trade permit for companies registered at LBBD domestic property (daily - scratch cards)	0.00	17.50	17.50	New Charge			Included under Off Street in error in 11-12
643	Doctor's Parking Permit	63.80	250.00	186.20	292%			New charge for 2012/13
644	Essential worker permit (salaried care home workers, essential health workers)	0.00	10.50	10.50	New Charge			New charge for 2012/13
645	Voluntary sector volunteers (non salaried) - operational permits - 2 hours	0.00	10.50	10.50	New Charge			New charge for 2012/13
646	Essential worker annual permit (salaried care home workers, essential health workers)	0.00	150.00	150.00	New Charge			No Charge - FREE
647	30 Day Temporary Cover (Residents Permits)	12.20	12.20	0.00	0%			New charge for 2012/13
648								
On-street Pay & Display - Wakering Rd, Park Av, Longbridge Rd, George St, Linton Rd, Abbey Rd, St Paul's - published with VAT in 11-12 in error								
649	Up to 30 minutes	1.00	0.20	(0.80)	-80%			The average unit cost has been reduced and income will follow suit.
650	Up to 1 hour	1.70	0.50	(1.20)	-71%			
651	Up to 2 hours	2.80	0.80	(2.00)	-71%			
652	Up to 3 hours	4.00	2.50	(1.50)	-37%			
653	Up to 4 hours	5.00	3.50	(1.50)	-30%			
On-street Pay & Display - Secondary Shopping parades e.g., Broad Street, High Road Chadwell Heath, Faircross Parade - new charge (Mon to Sat) (Sundays Free)								
654	Up to 1 hour	0.20	0.20	0.00	0%		17,066	
655	Up to 2 hours	0.50	0.50	0.00	0%			
656	Up to 3 hours	1.50	1.50	0.00	0%			
657	Up to 6 hours	5.00	5.00	0.00	0%			
Off Street Parking Services								
658	Associate permit (police, PCT, job centre plus) - annual	0.00	252.00	252.00	New Charge			New charge for 2012/13
659	Associate permit (police, PCT, job centre plus) - 6 months	0.00	138.00	138.00	New Charge			New charge for 2012/13
660	Associate permit (police, PCT, job centre plus) - 4 months	0.00	96.00	96.00	New Charge			New charge for 2012/13
661	Season tickets (Residents and businesses) (Annual) (6 am - 8 pm) - car parks	0.00	450.00	450.00	New Charge			New charge for 2012/13
662	Season tickets (Residents and businesses) (6 months) (6 am - 8 pm) - car parks	0.00	245.00	245.00	New Charge			New charge for 2012/13
							23,378	
							17,066	
							152,156	
							155,199	

Not VATable
includes VAT **

663-710	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
663	Season tickets (Residents and businesses) (3 months) (6 am - 8 pm) - car parks	0.00	135.00	135.00	New Charge			New charge for 2012/13
664	Season tickets (24/7) (Residents and businesses) (Annual) - car parks	0.00	700.00	700.00	New Charge			New charge for 2012/13
665	Season tickets (24/7) (Residents and businesses) (6 months) - car parks	0.00	370.00	370.00	New Charge			New charge for 2012/13
666	Season tickets (24/7) (Residents and businesses) (3 months) - car parks - new charge	0.00	205.00	205.00	New Charge			New charge for 2012/13
667	Off-Street Pay & Display Broadway Theatre Service Road, London Rd & North Street Shoppers Car Park, Linton Rd Shoppers Car Park - new structure	1.00	1.00	0.00	0.00			Income is expected to reduce as 1 car park has been closed.
668	Up to 1 hour	1.50	1.50	0.00	0.00			
669	Up to 2 hours	4.00	4.00	0.00	0.00			
670	Up to 4 hours	7.00	7.00	0.00	0.00			
671	Up to 6 hours	12.50	12.50	0.00	0.00			
672	Overnight parking (7 pm to 7 am)	2.50	2.50	0.00	0.00			
673	Off-Street Pay & Display Heathway Multi Storey Car Park	0.30	0.30	0.00	0.00			
674	Up to 1 hour	0.75	0.75	0.00	0.00			
675	Up to 2 hours	1.50	1.50	0.00	0.00			
676	Up to 4 hours	3.00	3.00	0.00	0.00			
677	Up to 6 hours	5.00	5.00	0.00	0.00			
678	Overnight parking (8 pm to 8 am)	2.50	2.50	0.00	0.00			
679	Off-Street Pay & Display London Road Multi Storey Car Park - new charges	0.50	0.50	0.00	0.00			
680	Up to 1 hour	1.00	1.00	0.00	0.00			
681	Up to 2 hours	2.00	2.00	0.00	0.00			
682	Up to 4 hours	4.00	4.00	0.00	0.00			
683	Up to 6 hours	8.00	8.00	0.00	0.00			
684	Overnight parking (8 pm to 8 am)	2.50	2.50	0.00	0.00			
685	Off-Street Pay & Display Roycraft House Car Park - new charges: Charges for 11-12 added as approved post-January 2011 and implemented part way through 11-12	0.50	0.50	0.00	0.00			
686	Up to 1 hour	1.00	1.00	0.00	0.00			
687	Up to 2 hours	2.00	2.00	0.00	0.00			
688	Up to 4 hours	4.00	4.00	0.00	0.00			
689	Up to 6 hours	8.00	8.00	0.00	0.00			
690	Overnight parking (8 pm to 8 am)	2.50	2.50	0.00	0.00			
691	Off-Street Pay & Display Civic Centre Car Park - new charges: Charges for 11-12 added as approved post-January 2011 and implemented part way through 11-12	0.20	0.20	0.00	0.00			
692	Up to 2 hours	0.50	0.50	0.00	0.00			
693	Up to 3 hours	2.50	2.50	0.00	0.00			
694	Overnight parking (7 pm to 7 am)	2.50	2.50	0.00	0.00			
695	Off-Street Pay & Display Stour Road Car Park - new charges (Mon - Sat): Charges for 11-12 added as approved post-January 2011 and implemented part way through 11-12	0.20	0.20	0.00	0.00			
696	Up to 2 hours	0.50	0.50	0.00	0.00			
697	Up to 3 hours	2.50	2.50	0.00	0.00			
698	Overnight parking (7 pm to 7 am)	2.50	2.50	0.00	0.00			
699	Off-Street Pay & Display John Smith House Car Park - new charges (Mon - Sat): Charges for 11-12 added as approved post-January 2011 and implemented part way through 11-12	0.20	0.20	0.00	0.00			
700	Up to 2 hours	0.50	0.50	0.00	0.00			
701	Up to 3 hours	2.50	2.50	0.00	0.00			
702	Overnight parking (7 pm to 7 am)	2.50	2.50	0.00	0.00			
703	Off-Street Pay & Display - Becontree Heath Leisure Centre and Althorne Way - new charges (Mon - Sat) (Sundays Free)	0.10	0.10	0.00	0.10			New charge for 2012/13
704	Up to 2 hours	0.00	1.00	1.00	New Charge			New charge for 2012/13
705	Up to 4 hours	0.00	2.50	2.50	New Charge			New charge for 2012/13
706	Up to 6 hours	0.00	8.00	8.00	New Charge			New charge for 2012/13
707	Overnight parking (7 pm to 7 am)	0.00	2.50	2.50	New Charge			New charge for 2012/13
708	Administration fee - charge/refund of permits	0.00	10.00	10.00	New Charge			New charge for 2012/13
709	Administration fee - charge/refund of permits - On Street	0.00	12.00	12.00	New Charge			New charge for 2012/13
710	Highways Skip Permits	30.00	35.00	5.00	17%	14,580	17,010	
						266,849	202,849	

Net VAT table
includes VAT

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	Description of Service	Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£	%			
711	Skip Company Annual Registration Admin Fee	0.00	100.00	100.00	New Charge			New charge for 2012/13
712	Administration fee for processing skips without a permit	0.00	100.00	100.00	New Charge			New charge for 2012/13
713	Materials (on Highway) licence	0.00	35.00	35.00	New Charge		30,000	New charge for 2012/13
714	Crane licence	0.00	250.00	250.00	New Charge			New charge for 2012/13
715	Scaffolding licence	0.00	150.00	150.00	New Charge			New charge for 2012/13
716	Hoarding licence	0.00	150.00	150.00	New Charge			New charge for 2012/13
717	Section 50 NRSWA licence	0.00	300.00	300.00	New Charge			New charge for 2012/13
718	Footway Crossing Application fee	0.00	50.00	50.00	New Charge	0	35,350	New charge for 2012/13
719	Footway Crossing Administration Fee	86.66	100.00	14.34	New Charge	11,674	13,733	New charge for 2012/13
	Cemeteries							
720	Grave fees - A Grade Mounded (50 years)	2,531.32	2,531.32	0.00	0%			
721	Grave fees - Mounded (50 years)	2,152.67	2,152.67	0.00	0%			
722	Grave fees - Lawn (50 years)	1,025.08	1,025.08	0.00	0%			
723	Grave fees - Children's Corner (50 years) depth for one only	365.05	365.05	0.00	0%			
724	Grave fees - Ashes only grave in Garden of Rest (25 years)	223.84	223.84	0.00	0%			
725	Grave fees - Ashes only above ground vault (25 years)	1,012.53	1,012.53	0.00	0%			
726	Interment fees - Private Grave - Non-private Grave (excluding still-born)	679.90	679.90	0.00	0%			
727	Interment fees - Additional Charge per Casket	133.89	133.89	0.00	0%			
728	Interment fees - Additional Charge per body over depth of two	116.11	116.11	0.00	0%			
729	Interment fees - Child in Non-private Grave (Aged between 3 weeks and 12 years)	118.20	118.20	0.00	0%			
730	Interment fees - Child up to the age of 12 years old in Children's Corner (depth for 1 only)	123.43	123.43	0.00	0%			
731	Interment fees - Still Born Babies & Children up to 3 weeks old	118.20	118.20	0.00	0%			
732	Cremated remains fees - Interment of cremated remains in Children's Corner	123.43	123.43	0.00	0%			
733	Cremated remains fees - Interment of cremated remains in Private Grave - Interment of cremated remains in Ashes Grave in Garden of Rest - Cremated remains in Garden of Rest and two line inscription in Book of Remembrance (ONL.Y)	168.41	168.41	0.00	0%			
734	Cremated remains fees - Each additional line in the Book of Remembrance	37.66	37.66	0.00	0%			
735	Cremated remains fees - Second Interment of cremated remains in "above ground vault"	71.13	71.13	0.00	0%	350,000		
736	Memorial fees - Right to place memorial on lawn & non-lawn type grave - Right to place single or double memorial vase on any grave - Right to place memorial book or plaque on non-lawn type of grave - Right to add kerbs - landing	133.89	133.89	0.00	0%			
737	Memorial fees - Provision of soil in kerb sets	61.71	61.71	0.00	0%			
738	Memorial fees - Adding inscription, levelling/straightening memorials, cleaning/restoration works	49.16	49.16	0.00	0%			
739	Use of Cemetery Chapel	80.54	80.54	0.00	0%			
740	Registration of declaration regarding Non-production of Registrar's Certificate	31.38	31.38	0.00	0%			
741	Transfer of Exclusive Right of Burial	31.38	31.38	0.00	0%			
742	Family Trace (per named entry)	25.10	25.10	0.00	0%			
743	Photocopies per A4 sheet	2.09	2.09	0.00	0%			
744	Grounds Annual Maintenance - non-lawn type grave	121.34	121.34	0.00	0%			
745	Grounds Annual Maintenance - lawn type grave	77.40	77.40	0.00	0%			
746	Memorial Benches (Standard 6ft Harwood Bench)	626.55	626.55	0.00	0%			
747	Provision of Concrete Base onto which a bench can be placed	280.33	280.33	0.00	0%			
748	Provision of Commemorative Plaque - Standard	60.67	60.67	0.00	0%			
749	Provision of Commemorative Plaque - Large	72.17	72.17	0.00	0%			
750	Provision of Memorial Tree - (8/10 Standard Size)	143.30	143.30	0.00	0%			
751	Provision of Memorial Tree Plaque	109.83	109.83	0.00	0%			
752	Scattering of ashes and plaque in Garden of Rest	139.12	139.12	0.00	0%			
	General Housing							
753	Eastbrookend - Travellers caravan site Weekly Licence Charge - Single Pitch	107.50	102.31	(5.19)	-5%			Prices are linked to local housing allowance formula
754	Eastbrookend - Travellers caravan site Weekly Licence Charge - Double Pitch	212.39	206.16	(6.23)	-3%	56,314	40,600	
	Right To Buy (RTB)							
755	Repayment of Discount	80.00	160.00	80.00	100%			
756	Deeds of Covenant(Rectification/Variation)Enforcement	425.00	850.00	425.00	100%			
757	Licences	425.00	850.00	425.00	100%			
758	Licences for Garden Land	200.00	400.00	200.00	100%			
759	Sale of Garden Land	425.00	850.00	425.00	100%			
760	Duplicate DS1/Replacement form 53	30.00	60.00	30.00	100%			
761	Deed of Release	550.00	1,100.00	550.00	100%			
762	Copy Transfer	55.00	110.00	55.00	100%			
763	Notice of Assignment	75.00	150.00	75.00	100%			
764	Notice of Mortgage	75.00	150.00	75.00	100%			
765	Notice of Sub-let	75.00	150.00	75.00	100%			
766	Postponements	65.00	130.00	65.00	100%			
767	Retrieval of file	15.00	30.00	15.00	100%			
768	Duplicate Transfer/Lease (Unsealed)	35.00	70.00	35.00	100%			
769	Duplicate Papers (Flats)	35.00	70.00	35.00	100%			
770	Duplicate Papers (House)	25.00	50.00	25.00	100%			
771	General Photocopy (Per sheet)	1.50	3.00	1.50	100%			
772	Copy of S.125 (Landlord's Offer Notice)	15.00	30.00	15.00	100%			
773	Certificate Of Compliance	0.00	75.00	75.00	New Charge			New charge for 2012/13
774	Buy Back of Council Lease	0.00	450.00	450.00	New Charge			New charge for 2012/13
775	Deed of Release - Front Garden Parking	0.00	450.00	450.00	New Charge			New charge for 2012/13

* Net VAT Table
 ** includes VAT

	Description of Service		Current 2011/12 Charge	Proposed Charge from 1 April 2012	Proposed Increase / (Decrease)		Projection 2011/12	Income Target Expected 12-13	Comments
				£		%			
776	**	Retrospective Consent (charged by Housing including VAT)	180.00	360.00	180.00	100%	14,375	14,375	
777	**	Lease holders Enquiries (including VAT)	180.00	360.00	180.00	100%			
778	*	Street Trading Services							
779	*	Street Trading Charges - 2 metres+ - 1 to 2 metres -	270.64	300.00	29.36	11%			11-12 charges included VAT. No longer VATable
780	*	Small area (<1 metre)	240.00	240.00	15.32	7%			11-12 charges included VAT. No longer VATable
781	*	Mobile Catering Vans -	170.56	300.00	19.44	11%			11-12 charges included VAT. No longer VATable
	*	Backlog Market Fees and Charges, Saturdays.							
782	*	London Road/Ripple Road/East Street	0.00	5.00	5.00	New Charge	928,957	1,124,038	New structure of charges
783	*	Old East Street -	3.19	4.30	1.11	35%			New composite pitch & licence fee
784	*	Market Square Zone B	2.42	3.50	1.08	44%			New composite pitch & licence fee
785	*	London Road/Ripple Road/East Street	0.00	3.70	3.70	New Charge			New structure of charges
786	*	Old East Street.	1.98	3.00	1.02	52%			New composite pitch & licence fee
787	*	Market Square Zone B	1.87	2.90	1.03	55%			New composite pitch & licence fee
Resources									
788	*	Nationality Checking Service Flat Charge per Document	45.00	0.00	0.00	0%			New structure of charges
789	*	Individual Citizenship Payments (Per Adult)	60.00	0.00	0.00	0%			New charge for 2012/13
790	*	Individual Citizenship Payments (Per Child)	20.00	20.00	20.00	New Charge			
791	*	Marrages/Civil Partnerships at Arden House (Mon - Thurs)	90.00	0.00	0.00	0%			
792	*	Marrages/Civil Partnerships at Arden House (Mon - Thurs)	110.00	0.00	0.00	0%			
793	*	Marrages/Civil Partnerships at Arden House (Friday)	200.00	10.00	10.00	5%			
794	*	Marrages/Civil Partnerships at Arden House (Saturday)	370.00	0.00	0.00	0%			
795	*	Marrages/Civil Partnerships at Approved Premises (Sundays & Bank Holidays)	370.00	0.00	0.00	0%			
796	**	Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Mon-Fri)	102.13	120.00	17.87	17%			
797	**	Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Saturday)	137.87	250.00	114.13	83%			
799	**	Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Sunday & Bank Holidays)	326.81	384.00	57.19	18%			
800	*	Application to be an Approved Premises: Non refundable application fee for 3 year approval excluding the cost of advertisement which is the responsibility of the applicant	650.00	650.00	0.00	0%			
801	*	Application for an Approved Premises: Non refundable application for renewal excluding the cost of advertisement which is the responsibility of the applicant	650.00	650.00	0.00	0%	138,500	150,965	
802	**	Approved Premises - Fee for review by the Review Officer or Assembly following refusal	287.00	287.00	0.00	0%			
803	**	Web Casting for Civil Marriages	10.21	10.80	0.59	6%			
804	**	Non-Statutory services - commemorative certificate	10.21	10.80	0.59	6%			
805	**	Citizenship - Framed Certificate	10.21	10.80	0.59	6%			
806	**	Priority service for copy certificates issued same day	10.21	15.60	5.39	53%			
807	**	Marriage Rehearsals	25.54	0.00	0.00	0%			New structure of charges
808	**	Appointments for Marriage Notices outside of normal office hours	10.00	10.00	0.00	0%			
809	**	Birth/Death/Marriage General Search (historical search by public in indexes)	18.38	18.38	0.00	0%			
810	**	Marriage - historical searches (if copy not provided)	7.15	7.15	0.00	0%			
811	**	Copy full & short certificates (open)	3.58	4.80	1.22	34%			
812	**	Copy full certificates (closed)	7.15	7.15	0.00	0%			
813	**	Copy short certificates (closed)	5.62	5.62	0.00	0%			
814	**	Registrar Attendance at place of worship (includes stat certificate)	51.58	51.58	0.00	0%			
815	*	Blue Badges	2.00	10.00	8.00	400%	3,000	12,000	New structure of charges
Planning Services									
816	*	Charges to consultant per hour	85.00	85.00	0.00	0%	1,000	1,000	
Street Naming and Numbering									
817	*	Street naming and Numbering Service - New property (1)	41.50	50.00	8.50	20%			New structure of charges
818	*	Street naming and Numbering Service - change of approved address	41.50	50.00	8.50	20%			New structure of charges
819	*	Street naming and Numbering Service - New Road Name	220.00	400.00	180.00	82%	10,000	20,000	New structure of charges
820	*	Street naming and Numbering Service - New property name	200.00	250.00	50.00	25%			New structure of charges
821	*	Street naming and Numbering Service - Renaming a Street (in addition administration charges for consulting with existing residents will be levied)	0.00	400.00	400.00	New Charge			New charge for 2012/13
Pre-Application Charges									
(i) Meetings Including a Follow-up report									
822	**	Category A - Major Scale Developments	1,860.00	1,956.00	96.00	5%			New structure of charges
823	**	Category B - Large Scale Developments	930.00	978.00	48.00	5%			
824	**	Category C - Medium Scale Developments	492.00	516.00	24.00	5%			
825	**	Category D - Small Scale Developments	186.00	198.00	12.00	6%			
(ii) Meetings without a follow-up report									
826	**	Category A - Major Scale Developments	0.00	978.00	978.00	New Charge	15,000	16,000	New charge for 2012/13
827	**	Category B - Large Scale Developments	0.00	489.00	489.00	New Charge			New charge for 2012/13
828	**	Category C - Medium Scale Developments	0.00	258.00	258.00	New Charge			New charge for 2012/13
829	**	Category D - Small Scale Developments	0.00	99.00	99.00	New Charge			New charge for 2012/13
Local Land Charges									
Post & DX									
830	*	Full Search	150.00	150.00	0.00	0%			

2012/13 Fees & Charges - Appendix B

* Not VATable
** includes VAT

	Description of Service		Current 2011/12 Charge	Reason for Deletion of Charge
Adults & Community Services				
Social Care				
1	Home Care Services - Up to 2 hours per week of service or £0-£22 personal Budget	*	19.60	Charge withdrawn for 2012-2013
2	Home Care Services - Between 2 and 10 hours of service or £22-£120 personal budget per week	*	22.50	Charge withdrawn for 2012-2013
3	Home Care Services - Over 10 hours of service or £120+ personal budget per week	*	25.10	Charge withdrawn for 2012-2013
4	Home Care Services - Full cost payers (i.e.clients with in excess of £23,000 savings) - Charge per hour	*	12.25	Charge withdrawn for 2012-2013
5	Day Centres - Mental Health Resource Centre (Charge to Other Local Authorities) Per Day	*	37.75	Charge withdrawn for 2012-2013
6	Day Centres - Learning Disability Day Centres (Charge to Other Local Authorities) Per Day	*	65.80	Charge withdrawn for 2012-2013
7	Day centres - Heathlands Day Centres (Charge to Other Local Authorities) * Up to 3 sessions Per Day	*	141.10	Charge withdrawn for 2012-2013
8	Supporting People - Housing related Support Schemes for Vulnerable People - (Minimal number, charges included above lines 1 - 10)	*	£2 to £48	Charge withdrawn for 2012-2013
9	Meals on Wheels - Welfare Meal Charge (Current meal cost = £4.95 to Council)	*	4.95	Charge withdrawn for 2012-2013
10	Residential - 80 Gascoigne Road Residential Home (Charge to Other Local Authorities & full cost payers) per week	*	933.00	Replaced by new structure of charges
11	Residential - Externally purchased (Benchmark price i.e. maximum normally payable)	*	463.00	Charge withdrawn for 2012-2013
12	Nursing Care - Externally purchased (Benchmark price i.e. maximum normally payable)	*	585.00	Charge withdrawn for 2012-2013
Events				
13	Park use - non-commercial up to 500 people (no entry fee)	*	110.00	Charge withdrawn for 2012-2013
14	Park use - non-commercial over 5,000 people (no entry fee)	*	Price on Application	Charge withdrawn for 2012-2013
15	Park use commercial - category 3	*	910.00	Charge withdrawn for 2012-2013
16	Park use commercial - category 4	*	1,100.00	Charge withdrawn for 2012-2013
17	Use of Premises Licence (Commercial) where applicable up to 19,999	*	5,500.00	Charge withdrawn for 2012-2013
18	Park use (Non-animal Circus) - Large - up to 1000 seats per performance day	*	365.00	Charge withdrawn for 2012-2013
19	Park use (Non-animal Circus) - Extra Large - up to 2000 seats per performance day	*	550.00	Charge withdrawn for 2012-2013
20	Park use by Fairs - Non Operational Days	*	61.50	Charge withdrawn for 2012-2013
Libraries				
21	Libraries - Hire of video/DVD adults blockbuster titles - per week	*	3.00	Charge withdrawn for 2012-2013
22	Libraries- Hire of video/DVD change	*	0.65	Charge withdrawn for 2012-2013
23	Libraries - AV annual subscription	*	45.00	Charge withdrawn for 2012-2013
24	Libraries - AV 6 month subscription	*	30.00	Charge withdrawn for 2012-2013
25	Libraries - AV 3 month subscription	*	20.00	Charge withdrawn for 2012-2013
26	Libraries - Printing A4 black and white	**	0.20	Charge withdrawn for 2012-2013
27	Libraries - Printing A4 colour	**	0.50	Charge withdrawn for 2012-2013
28	Libraries - Printing A3 black and white (where available)	**	1.00	Replaced by new structure of charges
29	Libraries - Printing A3 colour (where available)	**	1.50	Replaced by new structure of charges
30	Laminating A3 1hr service	**	1.50	Charge withdrawn for 2012-2013
31	Laminating A4 1hr service	**	1.00	Charge withdrawn for 2012-2013
32	Fax per sheet (where available) incoming	**	1.00	Charge withdrawn for 2012-2013
33	Small meeting room (2-15 people) - full day hire rate - Council hires	*	130.00	Charge withdrawn for 2012-2013
34	Small meeting room (2-15 people) - half day hire rate - Council hires	*	78.00	Charge withdrawn for 2012-2013
35	Large meeting room (16-28 people) - full day hire rate - Council hire	*	200.00	Charge withdrawn for 2012-2013
36	Large meeting room (16-28 people) - half day rate - Council hire	*	100.00	Charge withdrawn for 2012-2013
37	Conference centre (28-120 people)-full day hire rate- Council hire	*	300.00	Charge withdrawn for 2012-2013
38	Conference centre (28-120 people)-half day hire rate- Council hire	*	150.00	Charge withdrawn for 2012-2013
39	Small meeting room projector per day- Council hire.	**	15.50	Replaced by new structure of charges
40	Small meeting room projector per day- Voluntary and community sector.	**	15.50	Replaced by new structure of charges
41	Small meeting room projector per day- Commercial.	**	37.20	Replaced by new structure of charges

2012/13 Fees & Charges - Appendix B

* Not VATable
** includes VAT

	Description of Service		Current 2011/12 Charge	Reason for Deletion of Charge
42	Small meeting room PC/laptop per day- Council hire.	*	21.00	Replaced by new structure of charges
43	Small meeting room PC/laptop per day- Voluntary and Community sector.	*	21.00	Replaced by new structure of charges
44	Small meeting room PC/laptop per day- Commercial.	**	50.40	Replaced by new structure of charges
45	Use of china/ glass for refreshments per person per session- Council hire.	**	1.00	Replaced by new structure of charges
46	Use of china/ glass for refreshments per person per session- Commercial/ Voluntary and community sector	**	1.20	Replaced by new structure of charges
	Heritage			
47	Eastbury Manor House - Commercial - Catering tea/coffee	**	1.20	Replaced by new structure of charges
48	Eastbury Manor House - Commercial - Catering tea/coffee/biscuits	**	1.50	Replaced by new structure of charges
49	Eastbury Manor House - Sale of bottled water	**	1.20	Replaced by new structure of charges
50	Eastbury Manor House - Commercial - Catering menu A	**	6.00	Replaced by new structure of charges
51	Eastbury Manor House - Commercial - Catering menu B	**	8.40	Replaced by new structure of charges
52	Eastbury Manor House - Commercial - Catering menu C,D,E	**	9.60	Replaced by new structure of charges
53	Eastbury Manor House - Commercial - Catering menu F	**	16.44	Replaced by new structure of charges
54	Eastbury Manor House - LBBB Internal - Catering Teas & Coffees	*	1.00	Replaced by new structure of charges
55	Eastbury Manor House - LBBB Internal - Catering Teas/ Coffees/biscuits	*	1.25	Replaced by new structure of charges
56	Eastbury Manor House - Education LBBB Half day school hire with facilitators up to 35 children	*	110.00	Replaced by new structure of charges
57	Eastbury Manor House - Education LBBB Half day school hire with facilitators up to 70 children	*	150.00	Replaced by new structure of charges
58	Eastbury Manor House - Education LBBB school hire with facilitators up to 35 children	*	180.00	Replaced by new structure of charges
59	Eastbury Manor House - Education LBBB school hire with facilitators up to 75 children	*	240.00	Replaced by new structure of charges
60	Eastbury Manor House - Non LBBB half day school hire with facilitators up to 35 children	*	150.00	Replaced by new structure of charges
61	Eastbury Manor House - Non LBBB half day school hire with facilitators up to 70children	*	190.00	Replaced by new structure of charges
62	Eastbury Manor House - Education Non LBBB whole day school hire with facilitators up to 35 children	*	240.00	Replaced by new structure of charges
63	Eastbury Manor House - Education Non LBBB school hire with facilitators up to 70 children	*	300.00	Replaced by new structure of charges
64	Eastbury Manor House - Public tea room - sale of tea	**	0.80	Replaced by new structure of charges
65	Eastbury Manor House - Public tea room - sale of coffee	**	1.10	Replaced by new structure of charges
66	Eastbury Manor House - Civil marriage and partnership ceremony Fridays - additional hour for drinks reception only	**	216.00	Replaced by new structure of charges
67	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays Oct- Apr - additional hour for drinks reception only	**	252.00	Replaced by new structure of charges
68	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays May- Sept - additional hour for drinks reception only	**	252.00	Replaced by new structure of charges
69	Valence House - Commercial - Equipment hire (Audio/Visual)	**	20.46	Replaced by new structure of charges
70	Valence House - Commercial - Equipment hire (flip-chart)	**	13.62	Replaced by new structure of charges
71	Valence House - Commercial - Catering tea/coffee	**	0.82	Replaced by new structure of charges
72	Valence House - Commercial - Bottled water	**	1.13	Replaced by new structure of charges
73	Valence House - LBBB Internal - Hire of Equipment	*	11.35	Replaced by new structure of charges
74	Valence House - LBBB Internal - Hire of Power Point	*	17.10	Replaced by new structure of charges
75	Valence House - LBBB Internal - Catering tea/coffee	*	1.00	Replaced by new structure of charges
76	Valence House - LBBB Internal - plate of biscuits	*	1.75	Replaced by new structure of charges
77	Valence House - Education LBBB School hire half day with facilitators up to 35 children	*	110.00	Replaced by new structure of charges
78	Valence House - Education LBBB School hire half day with facilitators up to 70 children	*	150.00	Replaced by new structure of charges
79	Valence House - Education LBBB School hire full day with facilitators up to 35 children	*	180.00	Replaced by new structure of charges
80	Valence House - Education LBBB School hire full day with facilitators up to 70 children	*	240.00	Replaced by new structure of charges
81	Valence House - Education Non LBBB School hire half day with facilitators up to 35 children	*	150.00	Replaced by new structure of charges
82	Valence House - Education Non LBBB School hire half day with facilitators up to 70 children	*	190.00	Replaced by new structure of charges
83	Valence House - Education Non LBBB School hire full day with facilitators up to 35 children	*	240.00	Replaced by new structure of charges
84	Valence House - Education Non LBBB School hire full day with facilitators up to 70 children	*	300.00	Replaced by new structure of charges
85	Valence House - Education Heritage Officer session /talk per hour(min charge 2 hours)	*	27.00	Replaced by new structure of charges
86	Valence House - Public tea room - Sale of tea	**	0.80	Replaced by new structure of charges

2012/13 Fees & Charges - Appendix B

* Not VATable
** includes VAT

	Description of Service		Current 2011/12 Charge	Reason for Deletion of Charge
87	Valence House - Public tea room - Sale of coffee	**	1.10	Replaced by new structure of charges
Community Halls				
88	Category A Hall - Sunday Let - First four hours	*	267.50	Charge withdrawn for 2012-2013
89	Category A Hall - Sunday Let - Each additional hour	*	53.50	Charge withdrawn for 2012-2013
Leisure				
90	Leisure - creche per child per hour Charge Withdrawn for 2011-12	**	3.00	Replaced by new structure of charges
91	Leisure - five a side pitch outdoor synthetic STD non card holder peak	**	41.90	Replaced by new structure of charges
92	Leisure - five a side pitch outdoor synthetic STD non card holder off peak	**	36.80	Replaced by new structure of charges
93	Leisure - five a side pitch outdoor synthetic concession card holder peak	**	21.45	Replaced by new structure of charges
94	Leisure - five a side pitch outdoor synthetic concession card holder off peak	**	15.85	Replaced by new structure of charges
95	Leisure - five a side pitch outdoor tarmac STD non card holder peak	**	20.40	Replaced by new structure of charges
96	Leisure - five a side pitch outdoor tarmac STD non card holder off peak	**	14.80	Replaced by new structure of charges
97	Leisure - five a side pitch outdoor tarmac concession card holder peak	**	10.75	Replaced by new structure of charges
98	Leisure - five a side pitch outdoor tarmac concession off peak	**	8.20	Replaced by new structure of charges
99	Leisure - Dance Studio - WLSC	**	27.60	Replaced by new structure of charges
100	Leisure - rifle range per hour (Authorised Clubs) - WLSC	**	18.90	Replaced by new structure of charges
101	Leisure - swimming Goresbrook STD non card holder	**	3.40	Replaced by new structure of charges
102	Leisure - swimming Goresbrook STD card holder	**	2.40	Replaced by new structure of charges
103	Leisure - swimming Goresbrook concession	**	2.25	Replaced by new structure of charges
104	Leisure - swimming Goresbrook family	**	10.75	Replaced by new structure of charges
105	Leisure swimming Becontree Heath/Abbey family (single parent)	**	10.50	Replaced by new structure of charges
106	Leisure swimming Goresbrook family (single parent)	**	12.50	Replaced by new structure of charges
107	Parent & Baby - DSP	**	3.30	Replaced by new structure of charges
108	Leisure - swimming lessons Adult (block of 10 lessons)	*	55.00	Replaced by new structure of charges
109	Leisure - swimming lessons Junior (block of 10 lessons)	*	41.50	Replaced by new structure of charges
110	Leisure - swimming pool hire - Galas - Dagenham 3 hours	**	290.00	Replaced by new structure of charges
111	Leisure - swimming pool hire - Galas - Dagenham hourly over run charge	**	115.00	Replaced by new structure of charges
112	Leisure - swimming pool hire - clubs per hour Abbey main pool	*	46.50	Replaced by new structure of charges
113	Leisure - swimming pool hire - clubs per hour Dagenham main pool	*	51.50	Replaced by new structure of charges
114	Leisure - swimming pool hire - clubs per hour Dagenham learner pool	*	32.75	Replaced by new structure of charges
115	Leisure - swimming pool hire - clubs per hour Dagenham diving pool	*	39.00	Replaced by new structure of charges
116	Staff Aerobics	*	4.50	Replaced by new structure of charges
117	Active Aqua - Staff	**	24.00	Replaced by new structure of charges
118	Club/Block booking charge per booking 1-20 people - STD	*	20.00	Replaced by new structure of charges
119	Club/Block booking charge per booking 21-40 people - STD	*	40.00	Replaced by new structure of charges
120	Club/Block booking charge per booking 41+ people - STD	*	45.00	Replaced by new structure of charges
Housing and Environment				
Park Sports				
121	Parks - Pavilion Hire, The Leys - occasional letting 4hrs - Mon to Sat	*	160.00	Charge no longer Applicable
122	Parks - Pavilion Hire, The Leys - occasional letting 4hrs - Sun	*	215.00	Charge no longer Applicable
123	Parks - Pavilion Hire, The Leys - occasional letting - Additional hourly charge for above 4hrs use	*	32.00	Charge no longer Applicable
124	Parks - Athletics - Licence Agreement with Mavesbrook and Havering AA (HMA) for use 3 times a week	*	5950.00	Will be part of lease/licence in future
125	Parks - Athletics - hourly charge for HMA use of arena	**	17.50	Will be part of lease/licence in future
126	Parks - Athletics - hourly charge for use of arena by schools and other groups	**	35.00	Will be part of lease/licence in future
127	Mavesbrook Football Ground per game	**	102.00	This will be via a licence agreement
128	Mavesbrook Football Ground - training session with floodlights	**	37.20	This will be via a licence agreement
129	Lake - Hooks Hall Pond -	*	1274.82	Lake now closed

2012/13 Fees & Charges - Appendix B

Not VATable *
includes VAT **

	Description of Service	Current 2011/12 Charge	Reason for Deletion of Charge
	Environmental Services		
130	Clinical Waste Collections - Annual charge for weekly collections	443.63	Discontinued Charge
131	Clinical Waste Collections - Charge per sack	8.86	Discontinued Charge
132	Clinical Waste Collections - box	8.86	Discontinued Charge
	Fleet		
133	Miscellaneous Services - Motor cycle MOT	30.31	Service & Income transferred to Translinc for 2011-12
134	Miscellaneous Services - Motor Cycle with sidecar MOT	38.68	Service & Income transferred to Translinc for 2011-12
135	Miscellaneous Services - Class IV MOT Test	56.20	Service & Income transferred to Translinc for 2011-12
136	Miscellaneous Services - Class V MOT Test (13 to 16 seats)	61.00	Service & Income transferred to Translinc for 2011-12
137	Miscellaneous Services - Class V MOT Test (Over 16 seats)	82.71	Service & Income transferred to Translinc for 2011-12
138	Miscellaneous services - Class VII MOT Test	60.05	Service & Income transferred to Translinc for 2011-12
	Licences		
139	Licences - Special treatment premises- health and safety at work (a1) Issue	382.00	Replaced by new structure of charges
140	Licences - Special treatment premises- health and safety at work (b1) Renewal	382.00	Replaced by new structure of charges
141	Licences - Special treatment premises- health and safety at work (c1) Variation	382.00	Replaced by new structure of charges
142	Licences - Special treatment premises- health and safety at work (d1) Transfer	382.00	Replaced by new structure of charges
	Pest Control		
143	Pest Control - Council Tenants Low risk insects	112.35	Replaced by new Structure of Charges
144	Pest Control - Council Tenants Squirrels per trap per week	143.80	Replaced by new Structure of Charges
145	Pest Control - Council Tenants Pigeons per hour or part plus materials	80.89	Replaced by new Structure of Charges
146	Pest Control - Owner occupiers mice	80.89	Replaced by new Structure of Charges
147	Pest Control - Owner occupiers wasps	80.89	Replaced by new Structure of Charges
148	Pest Control - Owner occupiers fleas	104.48	Replaced by new Structure of Charges
149	Pest Control - Owner occupiers rats free in 2006/07	39.32	Replaced by new Structure of Charges
150	Pest Control - Owner occupiers bedbugs	104.48	Replaced by new Structure of Charges
151	Pest Control - Owner occupiers cockroaches	112.35	Replaced by new Structure of Charges
152	Pest Control - Owner occupiers pharaoh ants	112.35	Replaced by new Structure of Charges
153	Pest Control - Owner occupiers low risk insects	112.35	Replaced by new Structure of Charges
154	Pest Control - Owner occupiers squirrels per trap per week	143.80	Replaced by new Structure of Charges
155	Pest Control - Owner occupiers pigeons per hour or part hour plus materials	80.89	Replaced by new Structure of Charges
156	Pest Control - Owner occupiers on benefits mice	48.31	Replaced by new Structure of Charges
157	Pest Control - Owner occupiers on benefit wasps	48.31	Replaced by new Structure of Charges
158	Pest Control - Owner occupiers on benefit fleas	64.03	Replaced by new Structure of Charges
159	Pest Control - Owner occupiers on benefits rats free in 2006/07	64.03	Replaced by new Structure of Charges
160	Pest Control - Owner occupiers on benefits bedbugs	71.90	Replaced by new Structure of Charges
161	Pest Control - Owner occupiers on benefits cockroaches	64.03	Replaced by new Structure of Charges
162	Pest Control - Owner occupiers on benefits pharaoh ants	71.90	Replaced by new Structure of Charges
163	Pest Control - Owner occupiers on benefits low risk insects fleas ants etc	64.03	Replaced by new Structure of Charges
164	Pest Control - Owner occupiers on benefits squirrels per trap per week	88.74	Replaced by new Structure of Charges
165	Pest Control - Owner occupiers on benefits pigeons per hour or part plus materials	48.31	Replaced by new Structure of Charges
166	Pest Control - Commercial including LBBD and private landlords mice	120.20	Replaced by new Structure of Charges
167	Pest Control - Commercial including LBBD and private landlords wasps	120.20	Replaced by new Structure of Charges
168	Pest Control - Commercial including LBBD and private landlords fleas	156.16	Replaced by new Structure of Charges
169	Pest Control - Commercial including LBBD and private landlords rats	120.20	Replaced by new Structure of Charges
170	Pest Control - Commercial including LBBD and private landlords bedbugs	156.16	Replaced by new Structure of Charges
171	Pest Control - Commercial including LBBD and private landlords cockroaches	156.16	Replaced by new Structure of Charges

2012/13 Fees & Charges - Appendix B

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	Description of Service	Current 2011/12 Charge	Reason for Deletion of Charge
172	Pest Control - Commercial including LBBD and private landlords pharaoh ants	167.39	Replaced by new Structure of Charges
173	Pest Control - Commercial including LBBD and private landlords low risk insects flies ants etc	167.39	Replaced by new Structure of Charges
174	Pest Control - Commercial including LBBD and private landlords squirrels per week or part	215.69	Replaced by new Structure of Charges
175	Pest Control - Commercial including LBBD and private landlords pigeons per hour or part plus materials	120.20	Replaced by new Structure of Charges
176	Pest control - Rats - Benefit rate	35.00	Only Commercial Rate applicable for Rat disposal.
177	Pest control - Rats - Standard rate	35.00	Only Commercial Rate applicable for Rat disposal.
	On Street Parking		
178	Annual Residents Parking Permit (for first vehicle)	25.30	Changing to CO2 emissions Charges
179	Annual Residents Parking Permit (for second vehicle)	33.70	Changing to CO2 emissions Charges
180	Annual Residents Parking Permit (for third vehicle)	44.90	Changing to CO2 emissions Charges
181	Annual Residents Parking Permit (for fourth and subsequent vehicle)	67.30	Changing to CO2 emissions Charges
182	Visitor Parking Permit (10 lines) - all areas	5.00	Being replaced by scratch cards
183	Visitor Parking Permit (20 lines) - all areas	9.50	Being replaced by scratch cards
184	Annual Heathway Business Parking Permit (On Street)	132.40	Replaced by business/trade permits
185	Business Permit - Annual - Dagenham East, Upney, Heathway, Becontree and Chadwell Heath areas -	132.40	Being replaced by business/trade permits
186	Business Permit - Annual - Barking Town Centre	392.70	Being replaced by business/trade permits
187	Shared Business Bays -	392.50	Replaced by Business permits
	Off Street Parking		
188	Doctor's Parking Permit -	63.80	this is non VATable and has been included under On Street for 2012/13
189	30 Day Temporary Cover (Residents Permits) -	12.20	this is non VATable and has been included under On Street
190	Annual Pre-Paid Parking Permit (local worker only) - London Rd & Linton Rd	448.80	Being replaced by season tickets
191	Quarterly Pre-Paid Parking Permit (local worker only) - London Rd & Linton Rd	127.50	Being replaced by season tickets
192	Annual Pre-Paid Parking Permit (local worker only) - Heathway	357.00	Being replaced by season tickets
193	Quarterly Pre-Paid Parking Permit (local worker only) - Heathway	102.00	Being replaced by season tickets
194	Metropolitan Police (Annual) London Road Multi-Storey Car Park	440.00	Being replaced by associate permit
195	Essential Health Worker Parking Permit -	36.70	Being replaced by Essential service permit
	Off-Street Pav & Display Axe St including Broadway Theatre Service Road, London Rd & North Street		
	Shoppers Car Park, London Road Multi Storey, Linton Rd Shoppers Car Park		
196	Up to 1 hour	1.00	Replaced by new Structure of Charges
197	Up to 2 hours	4.90	Replaced by new Structure of Charges
198	Up to 4 hours -	4.20	Replaced by new Structure of Charges
199	Up to 6 hours -	7.30	Replaced by new Structure of Charges
200	Over 6 hours -	13.00	Replaced by new Structure of Charges
	Private Sector Leasing		
201	Private Sector Leasing, Administration Fee	100.00	No Longer Required delete
	Barking Market		
202	Street trading licence - Barking market per linear foot -	0.88	Specific charge does not apply any more
203	London Road -	3.89	Replaced by a unified charge
204	Ripple Rd.	3.35	Replaced by a unified charge
205	East Street	3.91	Replaced by a unified charge
206	Station Parade	3.55	Trading area replaced by East London transit
207	Market Square Zone A	3.79	Trading area included with East Street
208	Market Square Zone C	1.70	Trading area replaced by Skills Centre
209	London Road -	2.64	Replaced by a unified charge
210	Ripple Road - midweek	2.40	Replaced by a unified charge
211	East Street	2.64	Replaced by a unified charge

2012/13 Fees & Charges - Appendix B

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	Description of Service		Current 2011/12 Charge	Reason for Deletion of Charge
212	Station Parade	**	2.40	Specific charge does not apply any more
213	Market Square Zone A	**	2.64	Trading area included with East Street
214	Market Square Zone C	**	1.20	Trading area replaced by Skills Centre
RESOURCES				
Registrars				
215	Individual Citizenship Payments (FAMILY)	*	80.00	Replaced by new Structure of Charges
216	Marriages/Civil Partnerships at Arden House (Sat from 1.45pm)	*	210.00	Line to be deleted as on one charge expected on Saturdays
Street Naming & Numbering				
217	Street naming and Numbering Service Conversion of existing property to up to 4 units	*	100.00	No Longer Required delete
218	Street naming and Numbering Service - New plots (2-25) each	*	32.00	No Longer Required delete
219	Street naming and Numbering Service - new plots 26 to 99 each	*	27.00	No Longer Required delete
220	Street naming and Numbering Service - new plots 100 or more each	*	21.50	No Longer Required delete
National Land Information Service				
221	Personal Search (Currently Regulated)	*	22.00	No Longer Required delete

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CABINET

14 FEBRUARY 2012

Title: Housing Revenue Account Estimates and Review of Rents and Other Charges 2012/13	
Report of the Cabinet Members for Housing and Finance and Education	
Open	For Decision: Yes
Wards Affected: All	Key Decision: Yes
Report Author: Ken Jones, Divisional Director of Housing Strategy	Contact Details: Tel: 020 227 5703 E-mail: ken.jones@lbbd.gov.uk
Accountable Divisional Director: Ken Jones, Divisional Director of Housing Strategy	
Accountable Directors: Darren Henaghan, Corporate Director of Housing and Health and Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>This report concerns The Local Government and Housing Act 1989. Section 74 Part V1 specifies the major items that must be included in the HRA. Section 66(4) of the Act specifies that the HRA must be produced in accordance with approved Accounting Code of Practice.</p> <p>The Council has a statutory responsibility through the Local Government and Housing Act 1989 to manage the HRA as a ring fenced landlord account providing housing services to the Council's tenants and leaseholders. This report makes recommendations on the setting of rents, tenants' service charges and other charges for 2012/13, along with planned reductions in expenditure, to set a balanced revenue budget and maintain prudent reserves.</p> <p>Fundamental changes to council housing finance come into effect from 1 April 2012 upon the introduction of HRA self-financing. Future subsidy payments to CLG will be replaced by additional borrowing costs associated with the debt acquired as a result of the self-financing settlement currently estimated to be approx £265m. This removes the dependency of councils to await an annual determination figures from CLG and enables LBBDD to set budgets based on its long term business plan and stock investment priorities.</p> <p>An HRA Business Plan will be brought to Cabinet in March 2012 which will set out the investment needs and proposed resourcing for the Council's housing service in terms of new build homes, estate renewal and major investment programmes to improve living conditions for the Council's tenants and leaseholders.</p>	
Recommendation(s)	
The Cabinet is recommended to agree:	
(i) The HRA estimates for 2012/2013, as set out in Appendix 1 and in doing so:	

- a. An overall average Council dwelling rent increase of 6.8%, equivalent to £5.37 per week, which comprises the following
 - New build Council homes - rents set at 50% of the appropriate Local Housing Allowance level
 - Other houses - 7.1% average increase
 - Other flats - 6.3% average increase
- b. A decrease to tenant service charges (excluding concierges) of 10.7% (£1.91 per week)
- c. An increase in Concierges charge of 9.6% (£1.02 per week)
- d. No increase to communal heating and hot water charges
- e. That rents for commercial properties will increase in line with lease agreements

(ii) The above changes taking effect from 2 April 2012.

Reason(s)

The Council must prepare proposals in January and February each year relating to income from rent and other charges, and expenditure in relation to management and maintenance of its housing stock. A decision is required with regard to rents and service charges in February in order that statutory notice can be given to tenants prior to 2 April 2012 implementation.

1. Introduction and Background

1.1 This report sets out the 2012/13 HRA budget, together with proposed increases in rent and other charges, reviews the forecast position and options for maintaining sufficient reserves to safeguard against contingencies and generate the resources to ensure that the Council can deliver its Housing investment priorities.

2. Proposal and Issues

2.1 The Council has a statutory responsibility through the Local Government and Housing Act 1989 to manage the HRA as a ring-fenced landlord account providing housing services to the Council's tenants and leaseholders. This report makes recommendations on the setting of rents and other charges for 2012/13 in accordance with the Council's statutory responsibility.

2.2 The Local Government and Housing Act 1989 Section 74 Part V1 specifies the major items that must be included in the HRA. Section 66(4) of the Act specifies that the HRA must be produced in accordance with approved Accounting Code of Practice

2.3 The Localism Act 2011 has introduced a new system of financial arrangements for council housing, replacing the former national HRA and subsidy system with local self-financing of council housing. In return for re-allocating the national aggregate council housing debt, councils can retain all of their locally generated income from council housing but will have no further recourse to Central Government in the managing of its housing finances.

2.4 The Cabinet can determine to increase rents higher or lower than national guidelines but any rent increase below that assumed in the business plan would put

at risk the council's ability to fund the future housing capital programme. Increases above national rent policy however are restricted due to Housing Benefit rent limits.

3. HRA Overview

- 3.1 LBBB is currently the biggest contributor to the National Housing Subsidy System and until the constraints of the current subsidy system are removed, the Council's ability to move forward on key tenant aspirations has proved difficult. The CLG has now completed its review and consultation on the Housing Subsidy System with HRA Reform set to be introduced on 1 April 2012. It allows Councils to buy themselves out of the current subsidy system and it is expected that the allocation of debt to LBBB will be in the region of £265m.
- 3.2 The settlement methodology is based on estimated future income streams and expenditure of authorities. Once the debt settlement figure is finalised (end of January 2012) this will also constitute an overall borrowing cap for the Council. Although local authorities will be permitted to breach the cap during the course of a financial year they will be required to reduce any borrowing to the cap limit by the end of that financial year.
- 3.3 There are two important aspects of Right-to-buy sales which affect the debt settlement. The Council's average RTB sales are still considerably higher than the London average which unfortunately is the figure which CLG have assumed as part of the debt settlement. The importance of the RTB figure used is that the settlement removes the forecast number of RTB properties from the settlement calculation on the basis that there will be no further income streams or costs associated with these properties. As the Council's actual number of RTBs are higher than the London average the Council will have debt associated with these additional RTB sales. However, the settlement also assumes the capital receipts will be used to offset that debt and therefore ring-fenced within the HRA.
- 3.4 The recent announcement by central government regarding proposals to stimulate RTB sales is currently subject to consultation but CLG have indicated that Councils will not be prejudiced in this respect in relation to the debt settlement.
- 3.5 Members should note that significant efforts have been focused on improving the overall management of the HRA to ensure the account remains financially viable. This has included:
 - i. Completing the phased approach of de-pooling tenant service charges, this will generate £6.3m income in 2012/13. Completing this exercise was essential in preventing further exposure to the CLG's rent rebate subsidy limitation that was budgeted to cost £4.611m in 2008/09. The de-pooling resulted in this being reduced to nil by 2010/11. Further work to review the methodology for allocating service charges is also currently underway.
 - ii. Tenancy services work continues to drive out efficiency savings including a reduction in the Repairs & Maintenance budget of £2.1m (Revenue) from 2012/13. The contract with Enterprise is set to expire in March 2013 and LBBB is currently in the process of putting in place new arrangements for the future delivery of repairs and maintenance.

- iii. A review of the water and sewerage contract with Essex Water Board (EWB) was undertaken to assess the processes in place for managing this contractual arrangement. Changes included renegotiating the administration charge, renegotiating the management of voids, in particular voids from decants subject to a demolition order, and also identified flaws in the management process whereby the HRA failed to maximise the financial benefits of empty properties. This work has resulted in the administration charge increasing from 4.5% to 11.5% worth £624,000 a year and recovered £1m in payments previously made to EWB.
- iv. The Council is committed to Regeneration of estates within the borough where cost to achieve the government decent homes standard is thought not to provide value for money, and/or communities are failing in the current set up. A programme for an initial £46m was agreed by Cabinet for which revenue implications have been built into the HRA business plan and the budget for 2012/13.

4. Consultation

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

Councillor Philip Waker	Lead Member for Housing
Darren Henaghan	Corporate Director of Housing & Environment
Tracie Evans	Corporate Director of Financial & Resources
Ken Jones	Divisional Director of Housing Strategy
Paul Field	Senior Lawyer Planning & Housing
Maureen McEleney	Divisional Director of Housing & Neighbourhood Services

5. Financial Implications

Implications completed by Jo Moore, Group Finance Manager, Housing & Environment

5.1 Rental Income

- 5.1.1 Under the existing subsidy system the Government, through the rent restructuring policy, determines annual increases in rent levels. The purpose of this policy is to charge tenants fair and affordable rents below private sector market rents. The rent restructuring policy originally required tenant rents to converge to formula rent by 2011/12. In each of the last three years the Government has amended the rental convergence timeframe. In the Determination for 2012/13 the Government specifically uses four years as the rent convergence factor.
- 5.1.2 The Government policy on calculating formula rents also includes a driver for inflation and for 2012/13 this would be 5.6%. With this inflationary factor embedded in the rent formula the proposed annual rent increase would have been an average of £6.37 per week or 7.98%. However, in light of such high rent increases in current economic conditions for 2012/13 the proposal is an increase of £5.38 per week or 6.8%. It is also proposed to implement a rents policy which differentiates between

property types. This would mean whilst the overall rental income increase is proposed to be 6.8% for 2012/13 the composition is as follows:-

- new build Council homes – rents set at 50% of the appropriate Local Housing Allowance (LHA) levels
- other houses – rent increase 7.1%
- other flats – rent increase 6.3%

5.1.3 In future years it is proposed that, for houses and flats that have been refurbished, rents will be set at 50% of LHA. The justification for this approach is that new homes and fully refurbished homes will enjoy significantly reduced heating and energy bills and will be more desirable. It is also the case that houses are generally more sought after than flats. The impact of the policy is that the rents for less attractive flats, which have yet to benefit from the major investment programme, will increase at a lower rate than that for houses and refurbished flats.

5.1.4 London Borough comparisons of proposed rent increases 2012/13

Borough	
Brent	7.15%
Enfield	6.95%
Lambeth	7.2%
Southwark	7.96%
Havering	7.45%
Newham	7.8%
Tower Hamlets	7.5%
Camden	8.1%
Ealing	6.8% - 7.5%
Greenwich	7.2%

The above increases are derived from the Government formula and are the levels being proposed for consideration by those Councils to impose from April 2012. As can be seen, the rent increase proposed for Barking & Dagenham tenants is the lowest.

5.1 5 Appendix 3 summarises the year-on-year changes in rental income, tenant service charges and the impact on rent rebate subsidy limitation.

5.2 Tenant Service Charges

5.2.1 Tenant service charges have been de-pooled for five services. These charges are in respect of caretaking, concierge, grounds maintenance, security charges and TV aerials. It is proposed to offer a reduction in the charge for these services of 3.1% or £0.89 per week, to be funded by efficiency savings achieved within the HRA. Further work on the distribution of service charges is also being carried out and will be brought to Cabinet over the coming months.

5.3 Rent Rebate Subsidy Limitation (RRSL)

5.3.1 The RRSL relates to Housing Benefit and represents the charge to the HRA where the average rent charged to tenants is determined as exceeding the

Government's limit rent for the Council. In 2008/09, the rent setting process set aside a budget of £4.611m for this charge. In 2012/13, this charge has been managed down to nil as a result of the ongoing work to charge tenants service charges based on services they receive rather than pooling costs under a single rental charge.

- 5.3.2 The rent increase proposed in this report is lower than the limit rent increase and therefore there is no implication in respect of RRSL.
- 5.3.3 If, the Council were required to follow rent convergence at some point in the future there would still be no impact because limit rent also follows rent convergence.
- 5.3.4 Should the current review of the distribution of service charges "re-pool" some charges back into core rents such that the revised rent was increased above limit rent then there would a cost to the HRA.

5.4 Housing Subsidy Determination

- 5.4.1 The introduction of Self-financing means that the annual Subsidy payments made by LBBDD to the CLG (£19m in 2011/12) will be replaced by the one-off debt settlement (of £265m) effective from 1st April 2012.

5.5 Other Income

- 5.5.1 There are some other sources of income to the HRA other than rental income. The main sources of income include:
 - (a) Commercial property - rents are based on the contractual agreement in place at the start of the commercial let. The contract determines the annual increase in the rental charge. Where a contract comes up for renewal or is a new contract then these charges are determined based on market conditions. It is anticipated that the current economic situation will have minimal or no significant impact on this income.
 - (b) Garage rents - a review is currently being undertaken of garage rents and proposals for better usage of garage sites. A report will be brought to Cabinet on this issue. Any disposals arising from the approval of the report have not been taken into account in the budget setting for 2012/13.
 - (c) The heating & hot water charge is paid by over 3,300 tenants and formed part of the ongoing HRA technical review. Section 5.8 of this report provides further analysis on this area.
 - (d) The HRA charges and collects water rates to tenants on behalf of the Essex Water Board (ESB). The ESB in return pay the HRA a fee for the management and collection of water rates. The ESB also determine the annual increase in charges and these increases are applied to tenants by the Council. The ESB's proposed increase in 2012/13 has still to be agreed and so the Council have not been notified of the proposed increase to date.

5.6 Recharges

- 5.6.1 Recharges to the HRA are for services provided to HRA tenants and leaseholders by internal Council services. These range from central service functions (such as Payroll, Finance and IT) to front line delivery services such as refuse collection, grounds maintenance and building cleaning. Recharges of £13.757m were made to the HRA in 2011/12 and in 2012/13 this will decrease to £12.431m. This represents a net decrease of £1.3m or 9.6%.
- 5.6.2 In 2011/12 a review of HRA recharges from the General Fund was undertaken which included looking at the basis of apportionment. The review identified that a reduction in recharges from the General Fund in the region of £2.5m was appropriate. Taking account of up-to-date data for activity for 2012/13 this figure is revised to £2.3m.
- 5.6.3 However, there have been a number of new charges for 2012/13 equating to approximately £1m which are in respect of charges that were previously paid directly or have been justified as chargeable to the HRA.
- 5.6.4 The net benefit to the HRA is £1.3m (as in 5.6.1 above) and this has been partly used to reduce the tenant services charges – see 5.2.1 above.

5.7 Direct Costs

- 5.7.1 The HRA provides a repairs and maintenance service to tenants as part of its duty as a social landlord. The HRA has set aside a budget of £20.043m to meet its landlord duty in 2012/13 (£17.9m for the Enterprise contract). The service will continue to be provided by Enterprise Ltd in accordance with the ten-year repairs contract between both parties. In recent years the HRA has set aside £2.5m for the capitalisation of revenue repairs but this will be reduced to £1.0m in 2012/13.
- 5.7.2 HRA supervision and management costs will increase by £0.218m from £28.9m to £29.1 (0.8%). The increase in supervision and management costs can be separated into the following categories:
- a) Inflation on salaries set at 0% in line with the Corporate policy;
 - b) £500k cost of introducing MET police service within housing estates;
 - c) Energy costs are projected to reduce in 2012/13 following formal announcement by energy providers suggesting a reduction in rates.
- 5.7.3 The borrowing costs attached to the debt settlement represent a significant cost to the HRA. The exact cost will only be known once Treasury Management activity is undertaken in March 2012. This is because the Public Works and Loans Board (PWLB) are going to offer preferential rates (purely for settlement debt) on 26-28 March 2012.
- 5.7.4 The HRA treasury management function will form a key component of the business plan and HRA budgets. The two main aspects of this will be to ensure

interest payments servicing the final debt allocation are minimised whilst cash flow management allows stock investment to progress as required.

5.8 Heating and Hot Water Charges

- 5.8.1 In 2009/10 heating and hot water charges remained at 2008/09 prices based on the assumption that gas and electric prices would reduce during the year. In fact prices did not materially change and so a shortfall in heating and hot water had been incurred in 2009/10.
- 5.8.2 The increased price rises continued in 2010/11 and 2011/12 and therefore, although recharges were increased, they were not sufficient to fully recover all of the costs incurred.
- 5.8.3 The market indicates for 2012/13 that there will be a reduction in energy costs. It is not proposed to increase tenants' heating and hot water charges for 2012/13 as it is anticipated that the Council will be able to fully recover all of its costs at current levels.

5.9 Housing Investment Programme

- 5.9.1 Previously, the Housing Investment programme was funded mainly from capital receipts and the Major Repairs Allowance (MRA) which it has been widely acknowledged to be insufficient to meet the required investment in the Council's stock.
- 5.9.2 In 2010/11 LBBB commissioned Savills to carry out a detailed stock condition survey which highlighted the need to invest £1.2bn (over 30 years) in the Council's existing housing stock. This has formed the basis of a 30-year business plan to utilise HRA revenue to support this investment need.
- 5.9.3 The Government invited all authorities that have not yet achieved Decent Homes for all their stock to make bids for further resources. The Council on 11th January 2010 submitted a bid for the period of the current Government Spending Review period based on an updated stock condition survey. An allocation of £42m was made to LBBB (£9.5m in 2012/13) over 4 years – although the last two years are estimates only.
- 5.9.4 The HRA income and expenditure projections underpin, over the 30-year cycle, the Council's housing investment strategy which will be contained in the HRA Business Plan. The basic elements of this are:
- a) Estate renewal pump priming (£38m needed over 5 years)
 - b) New build Council homes (£32m Council investment + £18.3m HCA grant improving);
 - c) Investment in existing stock (£2bn over the full 30 years);

5.10 Medium Term Financial Strategy (MTFS)

- 5.10.1 The HRA MTFS aims to secure the medium and long term financial viability of the HRA. This includes robust financial management in the short term to ensure a balanced HRA budget can be set each year and the medium to long term strategy aimed at ensuring a prudent HRA working balance is maintained to support the delivery of quality services to residents in line with all stakeholders' expectations and appropriate capital investment.
- 5.10.2 The HRA MTFS is relevant only until April 2012 with the removal of the current Housing Subsidy system through primary legislation. The HRA 30-year business plan will now replace the MTFS and will be taken to Cabinet in March 2012.

6. Legal Implications

The Local Government & Housing Act 1989 places on the Council as a Housing Authority a duty to manage a ring fenced HRA that is to say it is neither a burden on the General Fund or a net contributor. In addition there is a requirement to that the HRA maintains prudent revenue balances. The Localism Act 2011 changes the way that funding of social housing is administered in that no longer will rent be pooled into a central government pot instead Councils will keep the rent collected and use it locally to maintain their social housing stock. The previous funding regime formula worked against the Council and the changes are likely to be beneficial to housing in the borough going forward.

7. Other Implications

The Cabinet can determine to increase rents higher or lower than national guidelines but any rent increase below that assumed in the business plan would put at risk the council's ability to fund the future housing capital programme. Increases above national rent policy however are restricted due to Housing Benefit rent limits.

7.1 Risk Management

Failure to approve recommendations in this report would mean that the Council would not have sufficient resources to meet it proposed capital investment strategy: build over 300 new Council homes; continue the estate renewal programme and carry out refurbishments /improvements to the existing housing stock.

Within the budget setting process there is a degree of estimation and the adoption of assumptions which may or may not prove accurate. Any key assumptions are stated where necessary within this report. It should be noted that the borrowing rate used for the debt settlement is only indicative and will depend on Treasury management activities undertaken in March 2012.

There is a risk, albeit remote, that there could be a mandatory directive that forces the Council to follow rent convergence. If this were the case, future years' increases would be significantly higher than inflation due to the "catch up" that would be required over and above inflation.

However, there is the need to consider the impact on tenants who are not in receipt of housing benefit (around 35% of HRA tenants). Those receiving housing benefit would be unaffected by an increase to 7.98% as this would be within the housing benefit limits for 2012/13.

The repair and maintenance of the Council's stock is a significant cost to the HRA and the current contract with Enterprise is due to come to an end at the end of 2012/13. Although the design and procurement of the new contract(s) is currently underway there are risks around the termination of the existing contract and commencement of the new.

The debt settlement figure has incorporated the decanting costs of the properties contained within the Estate renewals programme. However, a condition of the housing orders which enable the decanting is that for them to be effective the Council must decant these properties within five years. If there should be slippage in the programme costs would escalate.

7.2 Customer Impact

This report details officers recommendations on the annual rents & charges increase to tenants and leaseholders within the Borough.

Background Papers Used in the Preparation of the Report:

- Local Government Act 2003;
- Housing Revenue Account Manual;
- Department for Communities and Local government (CLG) 2010/11 and 2011/12 Subsidy Determinations;
- Office of the Deputy Prime Minister (ODPM) Consultation Papers on Resource Accounting and Rent Convergence;
- ODPM Consultation paper on the three year review of Rent Restructuring;
- Service Plan for Housing Services;
- Executive Report 2010-11 Housing Revenue Account (HRA) Estimates and Review of Rents and other Charges

List of appendices:

- | | |
|---|------------------------------|
| 1 | HRA Estimate 2012/13 |
| 2 | HRA Working Balances |
| 3 | Rental Income Analysis |
| 4 | Average Rent Analysis |
| 5 | Major Repairs Reserve |
| 6 | Rental Income Debtor Account |
| 7 | Budget Assumptions |
| 8 | Budget Movement |

	2011-12 £000	2012-13 £000	Change £000	% Increase
INCOME				
Rents of dwelling	(76,625)	(83,017)	(6,392)	8.3%
Non Dwelling rents	(2,565)	(2,574)	(9)	0.4%
Charges for services and facilities	(11,604)	(11,598)	6	-0.1%
Capitalisation of Revenue Repairs	(2,500)	(1,000)	1,500	-60.0%
	(93,294)	(98,189)	(4,895)	5.2%
EXPENDITURE				
Repairs and maintenance	23,154	20,043	(3,111)	-13.4%
Supervision and management	28,926	29,144	218	0.8%
Rent, rates, taxes and other charges	920	920	0	0.0%
HRA Subsidy payable	18,931	0	(18,931)	-100.0%
Depreciation of fixed assets	14,697	14,875	178	1.2%
Increase in provision for bad debts	953	992	39	4.1%
Interest Charges	3,431	9,684	6,253	182.3%
TOTAL EXPENDITURE	91,012	75,658	(15,354)	-16.9%
NET INCOME - HRA SERVICES	(2,282)	(22,531)	(20,249)	887.3%
Corporate and Democratic Core	811	811	0	0.0%
Revenue Contribution towards Capital	0	14,013	14,013	0.0%
Debt Repayment	0	7,800	7,800	0.0%
Pensions	80	0	(80)	-100.0%
NET COST OF HRA SERVICES	(1,391)	93	1,484	-106.7%
Interest and investment income	(78)	(93)	(15)	19.2%
DEFICIT / (SURPLUS) FOR THE YEAR	(1,469)	0	1,469	-100.0%

HRA WORKING BALANCE 2012-13	APPENDIX 2
	2012-13
	£000
Working Balance 1st April 2011	4,448
Projected Surplus /(Deficit) 2011/12	2,118
Working Balance 1st April 2012	6,566
Projected Surplus /(Deficit) 2012/13	0
Working Balance 31st March 2013	<u>6,566</u>

RENTAL INCOME ANALYSIS		APPENDIX 3 & 4		
	2011-12	2012-13	Change	%
	£000	£000	£000	Increase
INCOME				
Rents of dwelling	(76,625)	(83,017)	(6,392)	8.3%
Tenants Service Charges	(6,937)	(6,325)	612	-8.8%
TOTAL INCOME	(83,562)	(89,342)	(5,780)	-0.5%
AVERAGE RENT ANALYSIS				
	2011-12	2012-13	Change	%
	£000	£000	£000	Increase
Average Rent	79.44	84.81	5.37	6.8%
Tenants Service Charges (includes concierges)	28.64	27.75 -	0.89	-3.1%
AVERAGE RENT	108.08	112.56	4.48	3.7%
Average Stock(number of properties)	19,005	18,740 -	265.00	-1.4%

MAJOR REPAIRS RESERVE		APPENDIX 5	
	2011-12	2012-13	
	£000	£000	
Opening Balance - 1st April	-2,853	0	
Major Repairs Allowance	-14,697	-14,875	
Capital Spend on Housing	17,550	14,875	
Closing Balance - 31st March	0	0	

RENTAL INCOME DEBTOR ACCOUNT
APPENDIX 6

	Current Debtors £000	Former Tenant Debtors £000	Total Debtors £000
Debtor Balance - 1st April 2011	3,078	1,906	4,984
Projected Change in 2011-12	577	- 43	534
Debtor Balance - 31st March 2012	3,655	1,863	5,518
Projected Increase in 2012-13	2,000	- 800	1,200
Debtor Balance - 31st March 2013	5,655	1,063	6,718
Annual Increase in Arrears	54.72%	-42.94%	21.75%
Proportion of Annual Rent Debit	-6.81%	-1.28%	-8.09%

Rent

Average Rent Increase	6.80%
Average Rent Increase Houses	7.10%
Average Rent Increase Flats	6.30%
Average Rent Increase New Build	50% of LHA
Voids (1.5% of Gross Rent)	1.50%
Garage Increase	7.98%

Stock Assumptions

Decants In year	250
Right to Buy Sales in year	50

Tenants Service Charges

	2012-13 Charge	2012-13 Charge	Change	Increase
Amenity Greens (subsidy £632k)	8.59	6.48	-2.11	-24.56%
Caretaking (subsidy £168k)	6.65	6.65	0.00	0.00%
Landlord Lighting	1.14	1.28	0.14	12.28%
Safer Neighbourhood	1.05	1.01	-0.04	-3.81%
TV Aerials	0.47	0.58	0.11	23.40%
Concierge	10.73	11.75	1.02	9.60%

Supervision & Management

Inflation - staffing	0.00%
Inflation - energy	0.00%
Inflation- other	0.00%

Interest

Debt Interest	3.50%
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RECONCILIATION OF MOVEMENTS
APPENDIX 8

		£'000
2011/12	Budgeted Surplus	1,469
	MRA	14,700
		16,169
<u>List of Material Changes</u>		
Rent	Rent Increase 7.98%	7,023
	New Builds	600
	TA income	750
	Rent Capped @ 6.8%	-
	Decants	1,000
Service Charges	25% Discount	-
	Increase	800
	Other Income	-
		292
Leasehold Income		500
Repairs	Reduced Target Price	2,100
	R&M Procurement	-
		800
General Management	Recharges	2,400
	New Charges to HRA	-
	Met Police	-
	Insurance	-
	M&M	-
		350
		300
Subsidy		18,900
Increased MRA		200
Debt Charges		-
		6,300
Total Changes		20,519
Total Resources for 2012/13		36,688

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CABINET

14 FEBRUARY 2012

Title: Treasury Management Strategy Statement 2012/13	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 724 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Tracie Evans, Corporate Director – Finance and Resources	
<p>Summary:</p> <p>This report deals with the Treasury Management Annual Investment Strategy Statement, Treasury and Prudential Indicators, Annual Investment Strategy and borrowing limits, in compliance under section 15 (1) (a) of the Local Government Act 2003.</p> <p>The production and approval of a Treasury Management Annual Strategy Statement and Annual Investment Strategy are requirements of the Council under Section 15(1) of the Local Government Act 2003. It is also a requirement of the Act to set an authorised borrowing limit for the forthcoming financial year.</p> <p>The Local Government Act 2003 also requires the Council to have regard to the Prudential Code, and to set prudential indicators which take into account the Council's capital investment plans for the next 3 years.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is asked to recommended the Assembly to:</p> <p>(i) approve the Treasury Management Strategy Statement for 2012/13 (Appendix 1), in doing so, the following:</p> <ol style="list-style-type: none"> a. The current treasury position for 2011/12 and prospects for interest rates (Appendix 1 section 3 and 4); b. The revised Authorised borrowing limit (General Fund and HRA) of £465m for 2011/12, which includes £265m for the HRA self-financing debt settlement and £55m estimated borrowing to finance the 2011/12 capital programme; c. The Borrowing Strategy, Debt Rescheduling Strategy and Policy on borrowing in advance of need for 2012/13 (Appendix 1 section 6), including the Housing Reform and effects on treasury management of Housing Revenue Account 	

- reform;
- d. The Minimum Revenue Policy Statement for 2012/13 which sets out the Council's policy on repayment of debt (Appendix 1 section 10);
 - e. The Authorised borrowing limit (General Fund and HRA) of £528m for 2012/13, which will be the statutory limit determined by the Council, pursuant to section 3(1) of the Local Government Act 2003 (Appendix 1A);
 - f. The Treasury Management Indicators and Prudential Indicators for 2012/13 (Appendix 1A); and
 - g. The Annual Investment Strategy and creditworthiness policy for 2012/13 (Appendix 1B), which outlines the investments that the Council may use for the prudent management of its investment balances.

Reason(s)

It is necessary for the Assembly to approve this report due to the requirements of the Local Government Act 2003.

1. Introduction and Background

- 1.1 This report gives a brief explanation of the key elements of the Council's Treasury Management Strategy 2012/13, which is set out in detail in Appendix 1 to this report. The Council is statutorily required to approve the Strategy prior to the new financial year.
- 1.2 The key elements of the Strategy relate to the following:
 - Investment Strategy – relating to the management of the Council's cash balances.
 - Borrowing Strategy – relating to the financing of the Council's capital programme.
- 1.3 The report also summarises proposed changes to strategy from last year.

2. Proposal and Issues

2.1 Investment Strategy

Cash Management

- 2.1.1 The Council has cash balances arising from its operational activities, i.e. sources of income such as grants and Council Tax are received during the year and this is offset by daily expenditure to run services. Due to the timing of these cash inflows and outflows a surplus of cash is available at any point in time for investing. This is because in general significant sources of income for the year such as grants are received in advance of expenditure, plus the Council also holds specific reserves for future expenditure plans.
- 2.1.2 Cash balances are also affected by "working capital", which relates to amounts of outstanding payments to be made to suppliers (accounts payable) offset by amounts owed to the Council (accounts receivable). Cash balances are higher when the level of accounts payable is greater than accounts receivable, because

the Council has incurred net expenditure in accounting terms which has not been paid for in cash terms.

2.1.3 At the financial year end (31st March) the level of the Council's cash balances in recent years have been as follows:

2010/11	-	£94m
2009/10	-	£116m
2008/09	-	£125m

2.1.4 These balances have been made up of the following sources of cash:

- Capital grants and Section 106 funds received in advance of expenditure;
- General Fund and HRA Fund balances;
- Earmarked Reserves;
- Capital Receipts;
- Provisions;
- Loans from Public Works Loan Board and banks to fund capital expenditure but not yet spent;
- Working Capital.

2.1.5 At the end of December 2011, the Council's cash balances totalled £91m and were invested as follows:

Bank / Counterparty	£m
Internally Managed:	
Lloyds TSB Group	14.9
Santander Group	10.5
Barclays	14.9
Nationwide Building Society	11.0
External Fund Managers:	
Investec Asset Management	28.7
Scottish Widows	11.5
Total	91.5

2.2 Changes to Investment Strategy

2.2.1 The Council's investments are managed on the following principles, in order of priority:

- Security – minimising the risk of losing cash arising from a bank failure and consequent default (as occurred with Icelandic Banks with numerous local authorities in 2008).
- Liquidity – ensuring the Council will have access to cash as required to meet daily expenditure obligations.
- Yield – after ensuring the above are met, the Council will aim to maximise interest earnings on cash invested.

2.21 With the above principles in mind the following changes to investment strategy are recommended:

- The financial markets have been severely affected by the Eurozone crisis, with increasing credit risk for banks in the Eurozone area and risk of contagion. It is therefore proposed to limit investments to UK banks until there is a satisfactory resolution to the crisis.
- The reduced number of available counterparties for investing arising from the Eurozone crisis means that it is necessary to increase counterparty limits for UK banks, in order to give the Council more headroom for investing funds. It is recommended to increase the counterparty investment limit from £15m to £30m for Lloyds TSB and Royal Bank of Scotland for each counterparty, as these banks are government supported and therefore do not represent a significant credit risk. This will also give the Council more ability to increase yields when opportunities arise for deals at relatively attractive interest rates.
- It is proposed to invest in high credit quality corporate bonds for longer term investments, in order to increase yields whilst restricting exposure to highly rated institutions. In particular, AAA rated multilateral development banks such as European Investment Bank offer competitive rates. Bond purchases would be limited to £10m per counterparty to limit exposures and manage overall liquidity of Council's investments.
- It is also proposed not to use derivative financial products due to potential losses arising from instability in the financial markets at this time.

2.3 Borrowing Strategy

2.3.1 The Council is allowed to borrow funds from the capital markets for two purposes:

- (i) Short term temporary borrowing for day to day cash flow purposes to ensure liquidity. This is likeliest to occur towards the end of the financial year when the Council's cash balances are lowest and Council's own cash may be tied up in longer term investments.
- (ii) Long term borrowing to finance the capital programme where the Council can demonstrate the borrowing is affordable. The Council receives external funding (e.g. grants, TfL contributions etc) to meet a large proportion of its capital expenditure but some projects do not attract specific funding. These projects have to be funded by the Council from sources such as capital receipts from the sale of property. However in recent years the Council has not had these funds available and therefore has had to borrow.

2.3.2 The Council's borrowing as at 31 March 2011 is made up of three elements:

- a) External loans from Public Works Loan Board and private banks - £70m
- b) PFI/finance lease liabilities - £36m
- c) "Internal" borrowing - £46m.

Internal Borrowing

2.3.3 Internal borrowing represents the use of surplus available cash balances to pay for capital spend, rather than undertaking new external loans. The Council will use

internal cash balances by reducing investments when deposit rates on investments are lower than interest rates on new loans. This is because the lost interest earnings on reduced cash balances are cheaper than increased interest payable on a new external loan. This in part explains why the Council's cash balances have reduced since 2008/09.

- 2.3.4 Capital expenditure for 2011/12 to be financed from borrowing is forecast to be approximately £55m and it is proposed that this is met from internal cash balances except £7.8m for the HRA to be financed from a PWLB loan. The impact of this is to further reduce investments which are forecast to be approximately £46m by end of the financial year.
- 2.3.5 This diminution in cash to finance capital expenditure means borrowing for financing the capital programme in future years may require undertaking new external loans to maintain liquidity. However whilst borrowing rates remain higher than deposit rates, the Council will seek to delay new loans as long as possible, whilst monitoring latest interest rate forecasts to ensure any new loans are undertaken before base rate rises. The borrowing forecast for 2012/13 capital expenditure is currently £47m. The impact of this on debt charges is, however, already built in to the Council's revenue budget.

Repayment of Borrowing

- 2.3.6 The Council's external borrowings are all loans where the principal is repaid at maturity. Loans due for repayment in forthcoming years can be refinanced with a new loan if the interest rate is affordable. Otherwise the principal repayment will require to be financed from revenue or generating capital receipts.
- 2.3.7 Internal borrowing can be also be reduced by generating capital receipts, which will replenish cash balances and in accounting terms be used for financing historic spend rather than for new capital projects.

HRA Self Financing

- 2.3.8 The changes to the HRA regime and the introduction of self financing has resulted in the Council requiring to undertake a £265m loan to pay the DCLG as part of the settlement. This loan will be from the PWLB where annual payments will be interest only and principal only to be repaid at maturity. The annual interest costs of £9.7m are factored into the HRA Business Plan.

Minimum Revenue Provision

- 2.3.9 In addition to interest payable costs, the Council is required to make a statutory accounting provision for the repayment of debt on its General Fund borrowings, called Minimum Revenue Provision (MRP). MRP is not a statutory requirement for HRA borrowings however. The Council's MRP policy is included in the Treasury Management Strategy.
- 2.3.10 MRP costs are rising as the Council's borrowing increases, however these costs are contained within the approved revenue budget.

3. Financial Implications

- 3.1 The financial implications have been discussed in detail in earlier sections of this report.

4. Legal Implications

- 4.1 This report is in accordance with Section 15(1) of the Local Government Act 2003. It is a requirement of the Act to set an authorised borrowing limit for the forthcoming financial year.

5. Other Implications

- 5.1 **Risk Management** - This report has risk management issues for the Council, primarily that a counterparty could cease trading or risk that interest rates would fall adversely. The mitigation of these is contained in this report.

Background Papers Used in the Preparation of the Report:

- Local Government Act 2003
- CIPFA – Revised Prudential Code for Capital Finance in Local Authorities
- CIPFA – Revised Treasury Management in the Public Services
- Budget Framework Report 2012/13
- HRA Business Plan v7 (16 Jan 2012)

List of appendices:

- Appendix 1 – Treasury Management Strategy 2012/13
- Appendix 1A – Prudential and Treasury Indicators 2012/13 – 2014/15
- Appendix 1B – Investment Criteria
- Appendix 1C – Approved Countries list
- Appendix 1D – Sector's interest rate forecast
- Appendix 1E – Sector's economic view

TREASURY MANAGEMENT STRATEGY STATEMENT

2012/13 Treasury Management Strategy

1. Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity and security initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital programme. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.1 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council.

Prudential and Treasury Indicators and Treasury Strategy (This report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

2. Treasury Management Strategy for 2012/13

- 2.1 The Local Government Act 2003 (the Act) and supporting regulations require the Council to 'have regard to' the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 2.2 The Act therefore requires local authorities to set out their treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 2.3 The Department of Communities and Local Government (CLG) has issued revised investment guidance that came into effect from 1 April 2010, and the Council has adopted the recommendations of the guidance.

The strategy for 2012/13 covers the following areas:

- The current treasury position: Investments and existing borrowing;
- Macroeconomic outlook and prospects for interest rates;
- Prudential indicators;
- Capital expenditure plans and the Borrowing Strategy;
- the impact of reforms to the HRA system
- policy on borrowing in advance of need
- debt rescheduling
- Minimum Revenue Provision (MRP) policy
- Investment Strategy
- creditworthiness policy
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

3. Current Portfolio Position

3.1 Investments and borrowing balances

The table below shows the Council's current Rate of Return at 31 December 2011:

Borrowing	31 December 2011		Average rate of return/payment %
	£'000	£'000	
Fixed rate funding - PWLB	30,000		4.06%
Variable rate funding - Market Loan	20,000		3.98%
Market Loan	20,000		1.50%
	70,000	70,000	
Other long term liabilities		25,534	
Gross Debt		95,534	

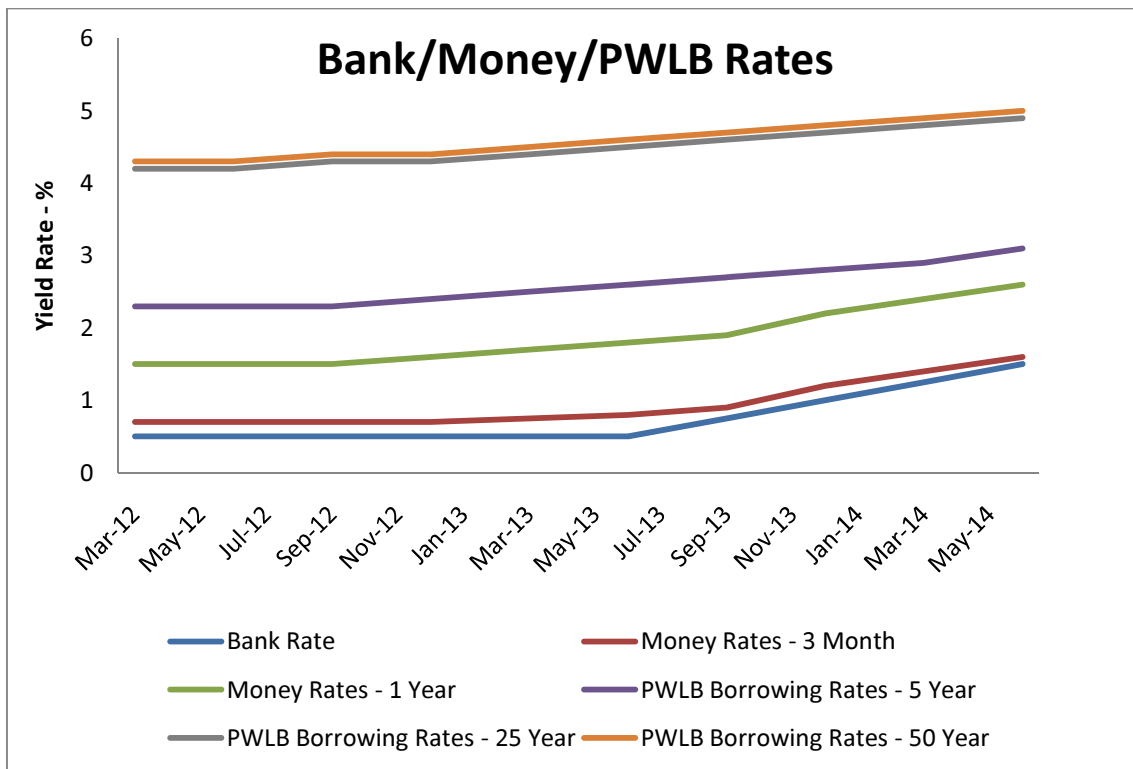
Investments	£'000	£'000	%
Council managed cash balances	51,322		1.14%
Scottish Widows	11,508		1.16%
Investec Asset Management	28,661		1.87%
Total Investments	91,491	91,491	
Net debt		4,043	

3.2 The sum invested broadly represents the reserves, provisions and balances that the Council holds together with the impact of any difference between the collection of income and expenditure (working capital). Included in the Council managed cash balances is £8m relating to the Pension fund.

4. Macroeconomic outlook and prospects for interest rates

4.1 The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendix 1D draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

Annual Average %	Bank Rate		Money Rates		PWLB Borrowing Rates	
		3 month	1 year	5 year	25 year	50 year
Mar 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec 2012	0.50	0.70	1.60	2.40	4.30	4.40
Mar 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70
Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
Mar 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00



4.2 Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). The Bank Rate, currently 0.5%, underpins investment returns and is not expected to start increasing until quarter 3 of 2013 despite inflation currently being well above the Monetary Policy Committee inflation target. Hopes for an export led recovery appear likely to be disappointed due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market. The Comprehensive Spending Review, which seeks to reduce the UK's annual fiscal deficit, will also depress growth during the next few years.

Fixed interest borrowing rates are based on UK gilt yields. The outlook for borrowing rates is currently much more difficult to predict. The UK total national debt is forecast to continue rising until 2015/16; the consequent increase in gilt issuance is therefore expected to be reflected in an increase in gilt yields over this period. However, gilt yields are currently at historically low levels due to investor concerns over Eurozone sovereign debt and have been subject to exceptionally high levels of volatility as events in the Eurozone debt crisis have evolved.

4.3 This challenging and uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2012/13;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of capital – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

For further information on the current economic climate, please refer to Appendix 1E.

5. Capital Expenditure Plans

5.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in Prudential Indicators, which are designed to assist members overview and confirm capital expenditure plans.

The table below summarises the Council's capital expenditure plans and how these plans are being financed by capital or revenue resources.

Capital Expenditure £'000	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
General Fund	82,547	116,432	44,068	6,001	4,350
HRA *	23,643	47,466	60,700	52,400	53,800
Approved Capital Prog		163,898	104,768	58,401	58,150
HRA settlement		265,000			
General Fund proposed bids		3,000	40,071	23,370	7,892
Total	106,190	431,898	144,839	81,771	66,042
Financed by:					
Capital receipts	227	0	3,000	2,700	2,000
Capital grants and Cont.	51,608	97,382	57,875	32,370	17,392
Capital reserves	10,854	13,927			
HRA resources	7,333	698	36,700	37,400	38,300
Net financing need for the year	36,168	319,891	47,264	9,301	8,350
Current planned borrowing		316,890	44,264	6,001	4,350
Funding Gap		3,001	3,000	3,300	4,000

5.2 The estimated financing need for the year in the above table represents a shortfall of resources resulting in a requirement to borrow. This underlying need to borrow is known as the Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

- 5.3 Sufficient headroom has been provided within the Authorised Limit on external borrowing to ensure that any major capital investment projects where financing has yet to be finalised, are not restricted by this statutory limit. This limit covers any short term borrowing for cash flow purposes as well as long term borrowing for capital projects, finance leases, PFI initiatives as well as any unforeseen incidences where expected capital receipts are not forthcoming due to unexpected economic factors.

This above table includes £265m borrowing in 2011/12 to finance the HRA reform (see 6.3 below).

Full details of the Council's Prudential Indicators have been included in Appendix 1A to this document. The Council adopted the revised 2009 CIPFA Prudential Code of Practice in February 2010.

6. Borrowing Strategy and Borrowing Requirement

- 6.1 The decision to borrow is a treasury management decision and is taken by the Corporate Director of Finance & Resources under delegated powers of the Council's constitution. The key objective of the Council's borrowing strategy is to secure long term funding for capital projects at borrowing rates that are as low as possible. This can result in a trade off of short term returns on deposits to obtain the best possible rate on long term borrowings.
- 6.2 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will continue to be maintained for the borrowing excluding the HRA reform settlement.

Against this background and the risks within the economic forecast, caution will be adopted with the 2012/13 treasury operations. The Corporate Director of Finance & Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- * *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- * *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still relatively cheap.*

6.3 Self financing implications

The requirement for the HRA reform settlement to be made to the CLG on 28 March 2012 will require a separate consideration of a borrowing strategy. The Council will need to have the cash settlement amount of £265m available by the 28th March

2012, so separate borrowing solely for this purpose is anticipated. The PWLB are providing loans at interest rates 0.85% lower than the usual PWLB interest rates solely for the settlement requirements. This provides a compelling reason to utilise this borrowing availability. The exact structure of debt to be drawn is currently being considered by officers to ensure it meets the requirements of the HRA business plan and the overall requirements of the Council. Whilst the debt can be drawn earlier than needed, this may incur a revenue cost, and will be considered when a review of the structure of actual prevailing borrowing and investment interest rates is undertaken nearer to the time.

For borrowing authorities, such as Barking & Dagenham, the PWLB will continue to offer early repayment flexibility via the variable rate loan for borrowing authorities. Both the variable rate and the lower rate will be available until the 26 March 2012. Although the PWLB have confirmed that it does not have any long-term concerns that the European debt crisis will have an impact on their ability to lend (because the self-financing borrowing and repayment are within the public sector and therefore has no external impact) the Council will continue to monitor the situation in case the situation does change.

The PWLB has confirmed that it will not split debt between the General Fund and HRA. However, CIPFA recommends that a book exercise is undertaken by authorities who wish to split their debt between the HRA and GF. Barking & Dagenham has decided that it will manage and account for the HRA debt separately from GF activities. This will ensure that the HRA can be operated as standalone business within the Council. This also follows DCLGs policy in this area who have confirmed that the ring fence between the HRA and General Fund will continue after the introduction of self-financing.

The importance of good treasury management under self-financing will be needed to support achievement of business objectives and to conform to the requirements of the debt cap. Although, no specific sanctions have yet been announced if the debt-cap is breached DCLG have confirmed that the Section 151 officer and the Council as a whole would be in breach of the law. Furthermore, DCLG have confirmed that once the debt cap is set it will not be reduced for individual councils; however, in the event that forecasts on which the limit is based are wrong then DCLG will review the limit and issue a revised determination where necessary.

For further details please refer to the HRA Business Plan.

6.4 The Council's borrowing strategy will give consideration to the following when deciding to take-up new loans:

- Use internal cash balances while the current rate of interest on investments remains at an all time low. However consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if long term borrowing rates begin to increase more than forecast;
- Using Public Works Loan Board (PWLB) variable rate loans;
- Using long term fixed rate market loans where rates are significantly less than PWLB rates for the equivalent maturity period;

- Maintain an appropriate balance between PWLB and market debt in the debt portfolio;
- Use short dated PWLB fixed rate loans where rates are expected to be significantly lower than rates for longer period. This ensures that the maturity profile of the Council's debt portfolio is well spread;
- Ensure that new borrowings are drawn at periods when rates are expected to be low;
- Consider the issue of stocks and bonds if appropriate.

7. The Use of the Council's Resources and the Investment Position

7.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2010/11	2011/12	2012/13	2013/14	2014/15
£m	Actual	Estimate	Estimate	Estimate	Estimate
Fund balances / reserves	104	96	97	92	87
Capital receipts	5	8	11	13	15
Provisions	9	9	9	9	9
Total core funds	118	113	117	114	111
Working capital*	30	30	30	30	30
External borrowing	71	343	382	392	400
Capital financing requirement excl. PFI	-126	-441	-481	-482	-481
Expected investments	94	46	48	54	60

*Working capital balances shown are estimated year end; these may be higher mid year

Investments are forecast to reduce in 2011/12 because the Council is reducing cash balances to finance the current year capital programme. In the above table, capital cash flow in future years is assumed to be funded from external borrowing, as the Council will otherwise face liquidity problems.

- The Council during the financial year will carefully consider the difference between borrowing rates and investment rates to ensure that the Council obtain value for money.
- Low bank rates are still expected for 2012/13 in comparison to external borrowing rates. This means the Council will continue to utilise internal borrowing rather than external borrowing as the opportunity arises.
- Short term savings as a result of avoiding new long term external borrowing in 2012/13 will also be considered in conjunction against the potential for incurring additional long term extra costs.

8. Policy on Borrowing in Advance of need

- 8.1 The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

9. Debt Rescheduling

- 9.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- * the generation of cash savings and / or discounted cash flow savings;
- * helping to fulfil the treasury strategy;
- * enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Cabinet at the earliest available meeting following its action.

10. Minimum Revenue Provision (MRP) Policy

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge called Minimum Revenue Provision (MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP).

CLG Regulations have been issued which require the full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (option 1);

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

This option provides for a reduction in the borrowing need over approximately the asset's life.

11. Annual Investment Strategy and Investment Policies

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

In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings and watches published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Sector ratings service, banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is encapsulated within the credit methodology provided by the advisors, Sector.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

11.2 Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below;
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Corporate Director of Finance & Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either Specified or Non-Specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by Sector, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), and rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.

11.3 The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) are:

- Category 1 Banks – Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland. These banks are included while they continue to be part nationalised.
- Category 2 Banks - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign long term rating of AAA (see Appendix 1C) and have, as a minimum, Fitch, Moody's and Standard and Poors credit ratings as stipulated in Appendix 1B.

However, it is proposed only to use UK banks during the Eurozone crisis and keep use of foreign banks under review depending on conditions in the financial markets.

- Category 3 Banks – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time. The Council's banker is Lloyds TSB so currently also falls into Category 1 above.
- Building societies. The Council will use all societies which meet the ratings criteria for Category 2 banks
- Money Market Funds – AAA
- UK Government (including gilts and the DMADF)
- Local authorities
- Supranational institutions
- Local Authority Mortgage Scheme
- Collective Investment Schemes

A limit of 40% of total cash balances will be applied to the use of Non-Specified investments

11.4 Use of additional information other than credit ratings.

Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

11.5 Time and monetary limits applying to investments.

The time and monetary limits for institutions on the Council's counterparty list are set out in Appendix 1B (these will cover both Specified and Non-Specified Investments).

At the time of writing, the turmoil in the financial markets arising from the Eurozone crisis is far from over and therefore it is currently considered prudent to keep investments no longer than three months except for government backed UK institutions, which will be limited to a maximum of one year.

11.6 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. The Bank Rate is forecast to remain unchanged at 0.5% before strating to rise from quarter 3 of 2013. The Bank Rate forecasts for financial year ends (March) are:

- 2011/ 2012 0.50%
- 2012/ 2013 0.50%
- 2013/ 2014 1.25%
- 2014/ 2015 2.50%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

Investment instruments identified for use in the financial year are listed in Appendix 1B under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Alternative financial instruments such as derivatives will not currently be considered but future use will **remain under review**.

11.7 Provisions for Credit-related losses

If any of the Council's investments appeared at risk of loss due to default, (i.e. a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount. Where there is a loss of the principal amount borrowed due to the collapse of the institution, the Council will seek legal and investment advice.

12. Security of Capital - the Creditworthiness Policy

12.1 Monitoring of credit ratings:

- The Council complies with the new CIPFA guidance on credit ratings.

- The Council uses the creditworthiness service provided by Sector Treasury Services. Data is provided on a weekly and daily basis. This service enables the Council to have access to ratings from all three credit rating agencies – Fitch, Moody's and Standards and Poor's as well as data which reviews market indicators. This is reviewed on an on-going basis for all investments and countries.
- If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the further use of that counterparty /investment scheme as a new investment will be withdrawn immediately;
- If a counterparty is downgraded but still meets the Council's minimum criteria, it would be watched closely and any further downgrading would result in the Council removing it from its lending list. It should however be noted that where the Council enters into a fixed term deposit, the borrower has no obligation to entertain any request for premature redemption though the Council may ask for the deposit to be broken. However this is not market practice and the institution is under no obligation to comply;
- If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion will be considered and put to the S151 Officer for approval;
- A detailed list of investment classification and counterparty limits is included in Appendix 1B to this report.

12.2 Country Limits and Use of Foreign Banks

To ensure that the Council's investments are not concentrated in too few counterparties or countries, the Council will invest in strong UK and non UK foreign banks whose sovereign ratings meet its minimum criteria of A+ long-term Fitch credit rating (Moody equivalent A1 and Standards & Poor equivalent A+). No more than 25% of the Council's total aggregate funds will be invested in any one country apart from the UK. Sovereign ratings will remain at AAA.

However during the current financial market turmoil arising from the Eurozone crisis, it is proposed to keep investments solely within the UK until the situation improves. This will be kept under constant review and the Council will follow recommendations of our treasury advisers concerning the Eurozone crisis.

12.3 Use of other Local Authorities

Where the investment is a straightforward cash loan the Local Government Act 2003 s13 suggests that the credit risk attached to English and Welsh local authorities is an acceptable one. The Council will limit its lending to local authorities in England and Wales.

12.4 Use of Multilateral Development Banks

S15 of the Local Government Act 2003 SI 2004 no. 534 amended provides regulations to clarify that investments in multilateral development banks were not to

be treated as being capital expenditure. Should the Council invest in such institutions then only such institutions with AAA credit rating and government backing would be invested in consultation with the Council's treasury management adviser and the S151 Officer.

12.5 Use of Brokers

The Council deals with many of its counterparties directly through its daily dealings. From time to time the Council will use the services of brokers to act as agents between the Council and its counterparties when lending or borrowing. However no one broker will be favoured by the Council. The Council will ensure that sufficient quotes are obtained before investment or borrowing decisions are made via brokers.

13. Use of External Fund Managers

13.1 It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep the Council's investment strategy. The level of external balances is under constant review as the level of capital receipts and available cash flow diminishes. The performance of each manager is challenged quarterly by the S151 Officer or delegated officers and the Council's treasury advisers.

13.2 The Council currently uses Investec as a fund manager with £28m of the Council's funds managed on a segregated mandate basis. In selecting the institutions to include in their counterparty listing, it is the external manager's policy to maintain a list of counterparties and assets based on the Council's set minimum criteria. This list is approved by their specialist credit team who independently research all potential counterparties before inclusion and regularly monitor and update to ensure that any change in credit worthiness and valuation is captured.

13.3 The fund manager provides the Council with a periodic outlook on fund returns. For 2011/12, the return achieved for nine months to 31 December 2011 is 1.87%, compared to a best case scenario of 2.0%. This scenario is based on the recent trend of the MPC rate which has continuously remained at 0.5% with predictions for a rate change now not until late 2013.

13.4 Investec will continue to use other instruments like Floating Rate Notes and supranational bonds, in addition to gilts in order to increase returns of the portfolio. However they expect to see higher yield before establishing a position.

13.5 The Council has, until recently, also used the services of Scottish Widows Investment Partners (SWIP). As their return on investment has been significantly below the level of Investec, the funds have been recalled to meet the Council's cash flow needs.

13.6 Pension Fund Cash

London Borough of Barking and Dagenham will comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, which were implemented on 1 January 2011. The Council has a separate bank account for the Pension Fund and pools pension fund cash with its

own cash balances for investment purposes, with its share of interest earnings credited to the Pension Fund.

14. Policy on the use of external service providers

14.1 The Council uses Sector as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The Prudential and Treasury Indicators 2012/13 – 2014/15

1. Capital Prudential Indicators

1.1 Capital Expenditure. This prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2010/11	2011/12	2012/13	2013/14	2014/15
£'000m	Actual	Estimate	Estimate	Estimate	Estimate
Adult & Community Services	17,513	13,154	4,472	5,939	4,350
Children's Services	40,912	77,196	47,212	14,813	0
Environment & Housing General Fund	13,004	5,320	4,231	2,489	2,000
Resources	8,420	20,762	24,223	2,130	1,892
Capitalisation directive	2,698	3,000	3,000	3,000	3,000
Asset Management Plans (all directorates)			1,000	1,000	1,000
General Fund	82,547	119,432	84,138	29,371	12,242
HRA	23,643	47,466	60,700	52,400	53,800
HRA settlement		265,000			
HRA	23,643	312,466	60,700	52,400	53,800
Total	106,190	431,898	144,838	81,771	66,042

The above table excludes other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments.

1.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

Following accounting changes the CFR includes any other long term liabilities (e.g. PFI schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £36m of such schemes within the CFR. The Council is asked to approve the CFR projections below:

£'000	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
Capital Financing Requirement					
CFR – non housing	142,491	169,983	219,698	220,210	219,752
CFR - housing	9,563	31,262	45,762	45,762	45,762
HRA Settlement		265,000	265,000	265,000	265,000
Total CFR	152,054	466,245	530,460	530,972	530,514
Movement in CFR		314,191	64,215	512	-458
Movement in CFR represented by					
Net financing need for the year (above)	40,189	54,891	47,264	9,300	8,350
HRA Settlement		265,000			
Dagenham Park School PFI			23,750		
Less MRP and other financing movements	-4,021	-5,700	-6,799	-8,788	-8,808
Movement in CFR	36,168	314,191	64,215	512	-458

2. Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the

impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.1 Actual and estimates of the ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
General Fund	5.86%	7.25%	9.95%	11.79%	12.51%
HRA (inclusive of settlement)	1.29%	3.46%	9.26%	8.94%	8.63%

The estimates of financing costs include current commitments and the proposals in this budget report.

2.2 Estimates of the incremental impact of capital investment decisions on council tax (Band D).

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
Council Tax - band D	0.00	0.02	0.04	0.01	0.01

2.3 Estimates of the incremental impact of capital investment decisions on housing rent levels.

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Estimate	Estimate	Estimate	Estimate
Weekly housing rent levels	0.00	0.01	0.52	0.00	0.00

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

3. Treasury Indicators: Limits to Borrowing Activity

3.1 The Operational Boundary.

This is the limit beyond which external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £m	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Borrowing	77,800	117,264	126,564	134,914
Add HRA settlement	265,000	265,000	265,000	265,000
Long term liabilities	25,000	49,000	49,000	49,000
Total	367,800	431,264	440,564	448,914

3.2 The Authorised Limit for external borrowing

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- 1) This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- 2) The Council is asked to approve the following Authorised Limit:

Authorised limit £'000	2011/12	2012/13	2013/14	2014/15
	Estimate	Estimate	Estimate	Estimate
Borrowing	165,000	204,000	213,000	222,000
Add HRA settlement	265,000	265,000	265,000	265,000
Long term liabilities	35,000	59,000	59,000	59,000
Total	465,000	528,000	537,000	546,000

3.3 Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £'000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
Total	5,042	281,000	281,000	281,000

4. Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council is asked to approve the following treasury indicators and limits:

	2012/13	2013/14	2014/15
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	70%	70%	70%
Maturity Structure of borrowing 2012/13			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	40%	
2 years to 5 years	0%	70%	
5 years to 10 years	0%	70%	
10 years and above	0%	60%	

5. Investment treasury indicator and limit

Total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	2012/13	2013/14	2014/15
	£m	£m	£m
Principal sums invested > 364 days	50	50	50

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime. The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.

Annual Investment Strategy - The key requirements of both the Code and investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for investing funds
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy Guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- 1) The UK Government (such as the Debt Management Account Deposit Facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- 2) Supranational bonds of less than one year's duration.
- 3) A local authority, parish council or community council.
- 4) Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by the rating agencies
- 5) A body that is considered of a high credit quality (such as a bank or building society. For category 5 this covers bodies with a minimum short term rating of F1 (or the equivalent) as rated by the three rating agencies

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale

supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

Non Specified Investment Category	
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO}) - The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible. The Council's current bankers are Lloyds TSB which currently is supported by the UK government.</p>
d.	<p>Any bank or building society that has a minimum long term credit rating of AA- or equivalent, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>
e.	<p>Share capital or loan capital* in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. There is a higher risk of loss with these types of instruments. This area is currently under consultation by the CLG and loan capital may not be deemed capital expenditure from 1 April 2012.</p>
f.	<p>Pooled property or bond funds* – The use of these instruments will normally be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.</p> <p>The key exception to this is an investment in the CCLA Local Authorities Property Fund.</p>

Within categories c and d, and in accordance with the Code, the Council has developed additional criteria to set the overall amount of monies which will be invested in these bodies. This criteria is set out in section 11.3 in the body of the report.

In respect of categories e and f, these will only be considered after obtaining external advice and subsequent Member approval.

The Monitoring of Investment Counterparties

The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Sector as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Finance, and if required new counterparties which meet the criteria will be added to the list.

Use of External Fund Manager(s)

It is the Council's policy to use external fund manager(s) for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep to the Council's investment strategy. The terms of the fund managers' investment policies are detailed in the investment mandate agreement. The performance of each manager is reviewed at least quarterly by the Divisional Director of Finance and the managers are contractually required to comply with the annual investment strategy.

The table on the following page sets out the credit quality criteria for counterparties and allowable financial instruments for Council investments:

Counterparty / Financial Instrument	Minimum Credit Rating Criteria **						Other Investment Criteria *		Use	
	Long Term Ratings			Short Term Ratings			Maximum Duration	Counterparty Limit £m	In House	Fund Manager
	Fitch	Moody's	S & P	Fitch	Moody's	S & P				
Government Supported UK Banks (Lloyds TSB and RBS) SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bonds	A	A2	A	F2	Prime-2	A-2	12 months or as advised by Sector	30	Y	Y
Other UK Banks & Building Societies * SIBA (Call) Accounts Term Deposits, CDs, Structured Deposits, Corporate Bonds	A+	A1	A+	F1	Prime-1	A-1	12 months or as advised by Sector	15	Y	Y
Multilateral Development Banks Corporate Bonds	AAA	Aaa	AAA				12 months	10	Y	Y
Local Authorities Term Deposits	High security – not credit rated						12 months	15	Y	Y
UK Government Treasury Bills Gilts DMADF	Government – not credit rated						n/a	n/a	Y N Y	Y Y Y
Money Market Funds	AAA/ mmf	Aaa/ MR1+	AAA/ m				T+1	15	Y	Y
Managed Funds Gilt Funds/Bond Funds Collective Inv Schemes	AA	Aa2	AA				T+3	15	N Y	Y Y

* CDS data – For Other UK Banks & Building Societies the Council will follow Sector’s recommendation for investing – ie only invest where CDS spread is “In Range” or “Monitoring” on Sector’s Weekly Credit List.** Support Ratings – The Council will have regard to counterparties’ Support Ratings in making investment decisions, however these are reflected in individual short and long term credit ratings, so not included in table above.

Non-Specified Investments:

Where investments are held for longer than 365 days they are classified as Non-specified Investments. Strong credit quality is a major factor in the choice of borrower. A maximum of 40% will be held in aggregate in non-specified investments

	Minimum Credit Rating – Based on Fitch and Standard & Poor’s Ranking			Used By	Support Rating	Maximum Maturity Period	Maximum % of Total Council Investment
	Short-Term	Long-Term	Viability				
Term Deposits – Other Local Authorities (With Maturities in Excess of 1 Year)	High Security – Although Not Credit Rated			In House		2 Years	25%
Term Deposits – Banks & Building Societies (With Maturities in Excess of 1 Year). Including Structured Products	F1 or Equivalent	AA- or Equivalent		In House	1	2 Years	25%
Certificates of Deposits Issued by Banks & Building Societies	F1 or Equivalent	AA- or Equivalent		Fund Managers	1	2 Years	40%
UK Government Gilts With Maturities in Excess of 1 Year	AAA			Fund Managers		3 Years	40%

	Minimum Credit Rating – Based on Fitch and Standard & Poor’s Ranking			Used By	Support Rating	Maximum Maturity Period	Maximum % of Total Council Investment
	Short-Term	Long-Term	Viability				
Pooled Funds - Various	F1	AAA		Fund Managers			40%
Structured Deposits With variable Rates and Maturities – Callable and Flappable Deposits, Range Trades & Snowballs	F1	AAA	B	In House	1	2 Years	25%
Bonds Issued by a Financial Institution Which is Guaranteed by the UK Government	AAA			In House Fund Managers		3 Years	40%
Bonds issued by Multilateral Development Banks	AAA			In House Fund Managers		3 Years	40%
Sovereign Bond Issues (i.e. Other than the UK Government)	AAA			Fund Managers		2 Years	40%
Bond Funds	AAA			Fund Managers		2 Years	25%

Non- Specified Investments with Maturities of Any period

From time to time in periods of volatile interest rates, the Council may invest in non-specified investments with variable rates and variable maturities

Organisation	Minimum Credit Criteria	Use	Max. maturity period and limit
Local Authority mortgage guarantee scheme	AAA	Fund Manager In-house	5 Years 25%

Key

Short Term Ratings – F1 – Indicates the strongest capacity for timely repayment

Long Term Ratings – A – Capacity for payment of commitments considered strong

AA – Very strong capacity for payment of commitments

AAA – Exceptionally strong capacity for payment of commitments

Individual Rating B – Strong organisation, no major concerns.

C – Adequate organisation, some concerns regarding its profitability and Balance Sheet.

Support Rating 2 – High probability of external support

3 – Moderate probability of support

APPROVED COUNTRIES FOR INVESTMENT APPENDIX 1C

Approved countries for investments – subject to continual review during Eurozone financial crisis

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.K.

Interest Rate Forecast 2011/2015

APPENDIX 1D

Sector's Interest Rate View															
	Now	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Sector's Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
3 Month LIBID	0.87%	0.70%	0.70%	0.70%	0.70%	0.70%	0.75%	0.80%	0.90%	1.20%	1.40%	1.60%	2.10%	2.40%	2.60%
6 Month LIBID	1.16%	1.00%	1.00%	1.00%	1.00%	1.00%	1.10%	1.20%	1.40%	1.60%	1.80%	2.00%	2.50%	2.70%	2.90%
12 Month LIBID	1.65%	1.50%	1.50%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.20%	2.40%	2.60%	3.10%	3.20%	3.30%
5yr PWLB Rate	2.25%	2.30%	2.30%	2.30%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.10%	3.30%	3.50%	3.70%
10yr PWLB Rate	3.33%	3.30%	3.30%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
25yr PWLB Rate	4.24%	4.20%	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%
50yr PWLB Rate	4.26%	4.30%	4.30%	4.30%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%
Bank Rate															
Sector's View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.25%	2.50%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate															
Sector's View	2.25%	2.30%	2.30%	2.30%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.10%	3.30%	3.50%	3.70%
UBS	2.25%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	-	-	-	-	-
10yr PWLB Rate															
Sector's View	3.33%	3.30%	3.30%	3.30%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
UBS	3.33%	3.45%	3.45%	3.50%	3.60%	3.65%	-	-	-	-	-	-	-	-	-
Capital Economics	3.33%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	-	-	-	-	-
25yr PWLB Rate															
Sector's View	4.24%	4.20%	4.20%	4.20%	4.30%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%
UBS	4.24%	4.80%	4.90%	4.90%	4.90%	4.90%	-	-	-	-	-	-	-	-	-
Capital Economics	4.24%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	4.30%	-	-	-	-	-
50yr PWLB Rate															
Sector's View	4.26%	4.30%	4.30%	4.30%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.30%
UBS	4.26%	4.80%	4.95%	4.95%	5.00%	5.00%	-	-	-	-	-	-	-	-	-
Capital Economics	4.26%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	-	-	-	-	-

Economic Background

Global economy

The outlook for the global economy remains clouded with uncertainty with the UK economy struggling to generate sustained recovery that offers any optimism for the outlooks for 2011 and 2012, or possibly even into 2013. Consumer and business confidence levels are low and with little to boost sentiment, it is not easy to see potential for a significant increase in the growth rate in the short term.

At the centre of much of the uncertainty is the ongoing **Eurozone sovereign debt crisis** which has intensified, rather than dissipated throughout 2011. The main problem has been **Greece**, where, even with an Eurozone/IMF/ECB bailout package and the imposition of austerity measures aimed at deficit reduction, the lack of progress and the ongoing deficiency in addressing the underlying lack of competitiveness of the Greek economy, has seen an escalation of their problems. These look certain to result in a default of some kind but it currently remains unresolved if this will be either “orderly” or “disorderly”, and/or also include exit from the Euro bloc.

As if that were not enough there is growing concern about the situation in **Italy** and the risk that contagion has not been contained. Italy is the third biggest debtor country in the world but its prospects are limited given the poor rate of economic growth over the last decade and the lack of political will to address the need for fundamental reforms in the economy. The Eurozone now has a well established track record of always doing too little too late to deal with this crisis; this augurs poorly for future prospects, especially given the rising level of electoral opposition in northern EU countries to bailing out profligate southern countries.

The US economy offers little to lift spirits. With the next Presidential elections due in November 2012, the current administration has been hamstrung by political gridlock with the two houses split between the main parties. In quarter 3 the Federal Reserve started “Operation Twist” in an effort to re-ignite the economy in which growth is stalling. High levels of consumer indebtedness, unemployment and a moribund housing market are weighing heavily on consumer confidence and so on the ability to generate sustained economic growth.

Hopes for broad based recovery have, therefore, focussed on the **emerging markets** but these areas have been struggling with inflationary pressures in their previously fast growth economies. China, though, has maintained its growth pattern, despite tightening monetary policy to suppress inflationary pressures, but some forward looking indicators are causing concern that there may not be a soft landing ahead, which would then be a further dampener on world economic growth.

UK economy

The Government’s austerity measures, aimed at getting the public sector deficit into order over the next four years, have yet to fully impact on the economy. However, coming at a time when economic growth has virtually flatlined and concerns at the risk of a technical recession (two quarters of negative growth) in 2012, it looks likely that the private sector will not make up for the negative impact of these austerity measures given the lack of an export led recovery due to the downturn in our major trading partner

– the EU. The housing market, a gauge of consumer confidence, remains weak and the outlook is for house prices to be little changed for a prolonged period.

Economic Growth. GDP growth has, basically, flatlined since the election of 2010 and, worryingly, the economic forecasts for 2011 and 2012 have been revised lower on a near quarterly basis as the UK recovery has, effectively, stalled. With fears of a potential return to recession the Bank of England embarked on a second round of Quantitative Easing to stimulate economic activity.

Unemployment. With the impact of the Government's austerity strategy impacting the trend for 2011 of steadily increasing unemployment, there are limited prospects for any improvement in 2012 given the deterioration of growth prospects.

Inflation and Bank Rate. For the last two years, the MPC's contention has been that high inflation was the outcome of temporary external factors and other one offs (e.g. changes in VAT); that view remains in place with CPI inflation standing at 5.2% at the start of quarter 4 2011. They remain of the view that the rate will fall back to, or below, the 2% target level within the two year horizon.

AAA rating. The ratings agencies have recently reaffirmed the UK's AAA sovereign rating and have expressed satisfaction with Government policy at deficit reduction. They have, though, warned that this could be reviewed if the policy were to change, or was seen to be failing to achieve its desired outcome. This credit position has ensured that the UK government is able to fund itself at historically low levels and with the safe haven status from Eurozone debt also drawing in external investment the pressure on rates has been down, and looks set to remain so for some time.

Sector's forward view

Economic forecasting remains troublesome with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains weak and whilst there is still a broad range of views as to potential performance, they have all been downgraded throughout 2011. Key areas of uncertainty include:

- a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself;
- the impact of the Eurozone crisis on financial markets and the banking sector;
- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to exporting manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that increasingly seem likely to be undershot;
- a continuation of high levels of inflation ;
- the economic performance of the UK's trading partners, in particular the EU and US, with some analysts suggesting that recession could return to both;
- stimulus packages failing to stimulate growth;
- elections due in the US, Germany and France in 2012 or 2013;
- potential for protectionism i.e. an escalation of the currency war / trade dispute between the US and China.

The overall balance of risks remains weighted to the downside. Lack of economic growth, both domestically and overseas, will impact on confidence putting upward

pressure on unemployment. It will also further knock levels of demand which will bring the threat of recession back into focus.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

Given the weak outlook for economic growth, Sector sees the prospects for any interest rate changes before mid-2013 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

CABINET

14 FEBRUARY 2012

Title: Statement of Priorities 2012/13	
Report of the Leader of the Council	
Open report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Heather Wills, Divisional Director Corporate Policy & Public Affairs	Contact Details: Tel: 020 8227 2786 E-mail: heather.wills@lbbd.gov.uk
Accountable Divisional Director: Heather Wills, Divisional Director Corporate Policy & Public Affairs	
Accountable Director: Stella Manzie, Chief Executive	
Summary: A draft Statement of Priorities 2012/13 has been prepared which summarises the Council's aims over the coming year based on the Policy House, and is set in the context of the Medium Term Financial Strategy, which appears elsewhere on the agenda.	
Recommendation(s) The Cabinet is asked to recommend the Assembly to approve the Statement of Priorities 2012/13 as set out at Appendix 1 to this report.	
Reason(s) The Statement of Priorities 2012/13 sets out the overarching aims of the Council, and contributes to a well-run organisation.	

1. Introduction and Background

- 1.1 It is good corporate governance to have a statement or plan which sets out the aims and major activities which the organisation will focus on and achieve over the coming year. The statement should be driven by the Council's overarching policy framework (the 'Policy House') and set in the context of the Medium Term Financial Strategy.
- 1.2 The Council Plan for 2011/12 can be seen here:
<http://www.lbbd.gov.uk/CouncilandDemocracy/MeetingsAndPlans/Pages/Councilplans.aspx>

2. Proposal and Issues

- 2.1 A draft Statement of Priorities for 2012/13 has been prepared and appears at Appendix 1. It cannot aim to capture the whole span of activity in an organisation which delivers services as wide-ranging as the Council, but it seeks to highlight the most significant areas of work underway, particularly focusing on the Council's key aims of:
- raising household incomes
 - raising standards in school and post-16 education and
 - housing and estate renewal.
- 2.2 The statement sets out the strategic direction and focus of the Council and will inform team and individual action plans and targets, as part of the Council's performance management framework.

3. Options Appraisal

- 3.1 There is no legal requirement to prepare a statement of priorities, however, it is good governance to do so.

4. Consultation

- 4.1 This statement has been informed by divisional business plans, which in turn have been informed by public consultation in relation to relevant services and with the relevant Portfolio Holders.

5. Financial Implications

Implications verified by: Kathy Freeman, Group Manager Corporate Finance

- 5.1 The approved budget for 2012/13 reflects the Council's priorities and therefore the aims within the statement of priorities. The budgets will be monitored throughout the year to ensure priorities are delivered within the approved amount and any variations reported to Cabinet.

6. Legal Implications

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

- 6.1 There are no specific legal implications associated with this report.

7. Other Implications

- 7.1 **Risk Management** - The identification of clear priorities and actions to deliver against the priorities is part of a robust approach to risk management. Major risks associated with key activities are reflected in the corporate risk register, and risks of non-delivery of all actions are monitored through directorate risk management.
- 7.2 **Contractual Issues** - Any contractual issues relating to actions within the statement will be addressed as part of the delivery plan for each project or action.

- 7.3 **Staffing Issues** - Any staffing issues relating to actions within the statement will be addressed as part of the delivery plan for each project or action.
- 7.4 **Customer Impact** - The priorities and actions to achieve them identified in the action plan have been developed in response to customer consultation over a period of years. Equalities Impact Assessments are in place or in development to ensure that the needs of groups of people with particular needs are met as services are developed.
- 7.5 **Safeguarding Children** - The statement lists the larger scale and more transformational activities planned by the Council for the coming year. In addition to these activities, work will continue to achieve the outcome of 'a borough that safeguards children, young people and vulnerable adults'.
- 7.6 **Health Issues** - The statement reflects the high level activity in relation to changes in public health and health transition including the development of a Health and Wellbeing Strategy.
- 7.7 **Crime and Disorder Issues** - The statement refers to ongoing high level activity to address crime and disorder issues in the borough.

Background Papers Used in the Preparation of the Report:

Council Plan 2011/12

<http://www.lbbd.gov.uk/CouncilandDemocracy/MeetingsAndPlans/Pages/Councilplans.asp>

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List of appendices:

Appendix 1: draft Statement of Priorities 2012/13

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London Borough of Barking and Dagenham

Council Statement of Priorities 2012/13

Building a better life for all

Managing in tough times

Message from the Leader of the Council, Councillor Liam Smith

2012/13 will be an exciting year for Barking and Dagenham, in its role as a host borough for the Olympic and Paralympic games, but also a challenging one with the financial pressures we all face.

We are proud that the Olympic flame will come through our borough. The Olympics are already bringing improvements to local sports, arts and leisure provision which will promote health and wellbeing, and we are using this opportunity to promote the borough and encourage investment – which means jobs and opportunities for local people.

Our aim of **building a better life for all** means that investment in our borough is very important. Work to provide new facilities is already underway:

- Our young people will be able to access high quality training at the Technical Skills Academy from September 2012.
- Building on the success of Dagenham's new Becontree leisure centre which opened in May 2011, Barking will benefit from Abbey Sports Centre being rebuilt by Spring 2014 to provide first rate leisure facilities for the whole area.
- A major programme of estate renewal is underway on the Goresbrook Village, Leys and Gascoigne estates.

We are ambitious for the future of Barking and Dagenham. Our aims are:

- **Raising household incomes**
We will make improvements to employment and skills levels by providing proactive support to help local people back into work or training, and promoting the area to businesses and developers.
- **Improving standards in school and post-16 education**
Our services focus continually on improving aspirations and achievement to deliver improved skills and employment outcomes for all ages in the borough.
- **Housing and estate renewal**
Our Housing Strategy for 2012-2017 focuses on delivering a range of improvements including investing in new ways to deliver affordable housing, council housing, decent homes and regeneration.

We know that in 2012/13 many local people are facing tough times so we will freeze Council Tax again this year, and continue to provide support to individuals, families and businesses by working closely with our partners.

The Council continues to face challenges. We have had to make difficult budget decisions already and will continue to do so. We worked hard to involve local people in the budget setting process this year to ensure we focus resources in the right places. Our budget consultation received a positive response and helped us shape the final decisions.

The reduction in our funding from government comes at a time when our community's needs are becoming ever more complex and our population is growing faster than in other parts of London and the rest of the country. We are facing these challenges

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head on, and are working on new ways to continue to deliver services with less money. Some examples include:

- Aiming to save around £70m over seven years through Elevate, our Joint Venture with Agilisys.
- Saving money in administration and costs of running the Council to ensure front-line services are protected and reducing senior management costs.

We want to be an organisation which encourages innovation and initiative, where talent is developed and nurtured, and people are treated fairly and with respect. Our People Strategy sets out what we will do to ensure we have the right organisation and skills across the workforce to deliver our ambition. The focus for 2012/13 continues to be on:

- Workforce planning – having the right people with the right skills at every level, actively developing potential.
- Performance management and reward – rewarding good performance, addressing poor performance.
- Well-being – creating a working environment where people can be productive.
- Employee engagement – keeping our people informed and making them feel part of the future.

Councillors, the senior management team, and staff from across the Council will work together with our partners like health, voluntary groups, businesses, the Police, Job Centre Plus and Barking and Dagenham College, to deliver our aims for the borough.

Councillor Liam Smith
Leader

OUR STATEMENT OF PRIORITIES

Our Borough

Barking and Dagenham is a dynamic place with a vibrant community and complex challenges.

The latest estimate for the total Borough population is 179,700 (Office of National Statistics (ONS) mid-year estimate 2010), an increase of almost 14,000 since 2001. The most significant increases have been within the younger age groups (0-9 years) putting pressure on school places and housing.

The borough offers a unique mix of urban living with good and improving transport links both into London and the Essex countryside, and has its own impressive parks and open spaces. There are significant investment opportunities with substantial brownfield sites for development. We want to encourage growth and unlock the potential of the borough and its residents.

In 2011/12 we have already:

- Opened the new Becontree leisure centre in Dagenham
- Given Barking Station a face-lift - improving the pedestrian area and access
- Secured £45million of Government grant funding to invest in meeting school place demand
- Increased the percentage of secondary schools rated as outstanding or good from 56% in 2009 to 67% in 2011
- Opened the Dagenham Business Centre offering 21 light industrial/office units for sale or to let and the Barking Enterprise Centre offering office accommodation and on-site support

We are still however ranked 22nd of 326 authorities in the Index of Multiple Deprivation (2010) meaning that the Borough has some of the most deprived areas in England and that there are people in need across the borough. We have the second lowest household incomes in London (CACI social data supplier 2009), and the local unemployment rate, which was higher than the rest of London even before the recession began, continues to rise.

The Council, working with its partners, has delivered many services to support local people to gain skills and jobs. However, the difficult economic circumstances are proving a challenge to narrow the gap of socio economic figures of the Borough compared to London averages.

Our priorities

This statement supports the delivery of the Barking and Dagenham Partnership's aim of *'working together for a better borough that is safe, clean, fair and respectful, prosperous and healthy and where our young people are inspired and successful'*, and sets out the Council's aims for the coming year, and what we will achieve within our budget. We are leading the community and tackling the challenges we face in a range of ways and setting out what we will do and what you will see as a result.

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Despite the challenging economic climate, we are determined to continue to focus on our aims for the Borough, which are:

Raising household incomes

We will:

- Deliver the Barking Town Centre Strategy to encourage investment and bring jobs to the town through improvements to Barking Station, the town centre's roads, pedestrian areas and green spaces, additional commercial space and 4,000 new homes by 2025.
- Redevelop Dagenham Dock as a sustainable industrial development with improvements to infrastructure and 'green links' between businesses and transportation creating new employment opportunities, to be delivered in phases up to 2040.
- Improve industrial areas, promote the borough to businesses and opportunity sites to developers, and work with partners to deliver a wide-ranging programme of activities to stimulate the creation of 10,000 new jobs by 2026.
- Open the Technical Skills Academy in September 2012 to improve access to training and raise skill levels and confidence of the local community to get quality jobs. Work with partners to provide advice, guidance and support to help local people find and compete for jobs

Improving standards in school and post-16 education

We will:

- Invest £18million in the borough's primary schools and allocate £27million for investment in secondary schools and other programmes to provide additional places.
- Continue to improve GCSE results aiming to match national levels for pupils gaining A*-C including maths and English by August 2012.
- Ensure there are ways to support all young people to remain in education and maximise their opportunities such as through the apprentice scheme.

Housing and estate renewal

We will:

- Complete the estate renewal programme to demolish 1,790 non-decent homes and provide 1,200 new Council and mixed-tenure homes in 2015.
- Deliver a major regeneration programme providing 1,100 new homes on key sites such as Academy Central and Lymington Fields by 2016 and 10,000 new homes on Barking Riverside.
- Establish a new and innovative Housing Local Education Partnership to deliver 472 new and affordable homes in 2014.

The aims are underpinned by the theme, **a well-run organisation**. We will continue to provide a range of day to day services and effective behind the scenes support to ensure we meet both our legal responsibilities and the needs of the community.

In 2012/13 we will focus on ensuring that we implement innovative ways of working through our IT strategy enabling quicker and easier access to our services for customers and more efficient ways of working for our staff. We will also implement the budget savings agreed for the coming year, completing restructuring in services and management teams.

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As well as our overall aims we also have four priority themes. These are listed below with the main issues we will be focusing on in 2012/13 which reflect some of the other core services we provide.

- **Better together – we will:**
 - Continue to work with the Police and community to reduce crime and solve local problems such as anti-social behaviour.
 - Provide more positive things for young people to do such as opening a new outdoor BMX facility at Becontree Heath Leisure Centre by December 2012.
 - Continue to empower local communities to take over and run local community facilities and to develop vibrant local communities.
 - Continue to ensure the Council for Voluntary Service (CVS) and other third sector organisations have a strong local voice through the Barking and Dagenham Partnership with other public and private sector organisations, and specific projects such as Olympic volunteers.
 - Continue to help communities keep children and adults safe.

- **Better homes – we will:**
 - Continue to invest in and implement our programme of housing and estate renewal.
 - Continue to improve services such as refuse and recycling collections, street cleaning and environmental health services such as pest control so that we have a clean borough with low levels of litter and graffiti.
 - Complete our programme of road and footpath repairs by March 2013.

- **Better health and well-being – we will:**
 - Work with the NHS to transfer public health services to the Council so that we can work together to support local people to live healthier lives.
 - Work with partners to develop and implement the Health and Wellbeing Strategy to ensure services are focussed on the needs of local people.
 - Work with GPs and local providers to improve joined up services delivered through children's centres and schools to improve children's health and give them the best possible start in life.
 - Continue to campaign for and support improvements to Queen's hospital.
 - Support older people to be fit and active by providing free leisure activities.
 - Provide social care services to meet people's needs.

- **Better future – we will:**
 - Provide ongoing support to residents through tough times by ensuring people get the benefits they are entitled to and by providing targeted schemes and programmes with our partners.
 - Continue to provide support to families most in need to ensure that children and young people have the best chance to succeed.
 - Take advantage of the opportunities of the Olympics and Paralympics, promoting inward investment and development opportunities creating employment.

Our Policy House (available on the Council's website
<http://www.lbbd.gov.uk/CouncilandDemocracy/Documents/council-plan-11-12-policy->

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house.pdf) sets out the three overall aims and the outcomes we want to achieve under each of the four priority themes.

To track how we are doing towards achieving these aims we monitor a range of performance measures, some of which are listed below. We are also working hard with other host Olympic boroughs to close the gap between our performance and the average across London.

- Overall, 64% of residents are satisfied with the local area as a place to live (2011). This has increased by 10% from the previous year and our target is to increase this further in 2012/13.
- We are aiming to reduce the time it takes to process Housing benefit and Council Tax benefit change of circumstances from 16.5 days (December 2011) to a provisional target of 15 days by March 2013, and process new claims within 21 days.
- The percentage of pupils achieving 5 A*-C GCSEs (including English and Maths) continues to increase from 51.7% in 2010 to 56.6% in 2011. The target across the Olympic host boroughs is to narrow the gap against the London average by increasing performance by 3-4% annually.
- In the borough the percentage of 16 to 18 year olds who are not in employment, education or training is reducing, from 7.9% in 2009/10 down to 6.9% in 2010/11.
- In 2010/11 there were 25.48 violent crimes per 1,000 population. This was a reduction from 30.40 the previous year. Across the host Olympic boroughs our target is to reduce this by another 3-4% by 2014/15.
- In 2010/11 24.3% of school children in year 6 (age 10-11) were obese. The host Olympic boroughs target is to reduce this to 22.6% by 2014/15.

How we will fund our plans - our Medium Term Financial Strategy

The Council's net budget in 2012/13 is £177.4 million. In 2011/12 our budget was £183.4 million and in 2010/11 we spent £167.3 million.

This reduction in the Council's budget is due to reduced resources from Government. Our financial analysis shows that we are facing a reduction of £20.2m (13.7%) over a two year period, including reductions on Formula Grant, Specific Grant and Area Based Grant. These grants account for approximately 18% of the Council's overall gross budget. Other funding comes from Council Tax (8%), dedicated schools grant (23%) and the remainder from income from services and other third party payments (51%).

While we try to influence Government decisions in the interests of local residents, the Council has no choice about how much money it is given from them. There is still no official notification of our level of grant funding for future years. The Council's Medium Term Financial Strategy (MTFS) prudently estimates further reductions in 2013/14 and 2014/15.

We do however have the ability to choose how we spend our money and how much money we raise from local residents – and have chosen, again, to freeze Council Tax which enables us to take advantage of the Council Tax freeze grant from Government equivalent to a 2.5% increase. Members decide the priorities for the Council and where

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to focus spending by listening to local people through their surgeries, ward activity, annual Residents' Survey and from their own policy perspective.

The Council has listened to the views of local people in setting its budget for 2012/13. Residents were able to share their views on the budget proposals through a series of meetings, Leader's Question Time, on Facebook and Twitter, and through the Council's website. In response to the feedback, changes were made to several proposals. Residents played a valuable part in the process ensuring the budget has gone through a robust challenge process before Councillors made their final decisions.

The financial principles the Council will follow are:

- A balanced budget
- Budget decisions based on Members' priorities
- All employees, partners and contractors are required to "treat every pound spent as though it is the last pound in your purse"
- Managers are responsible and accountable for their budgets
- Robust but not excessive levels of reserves and contingencies
- Strong financial systems and processes
- Effective commissioning
- Affordable investments to improve services and maintain assets
- Income maximisation
- Continued efficiency, elimination of waste and value for money

We manage the risks associated with the achievement of our priorities and the management of the Council and its budget through a robust risk management process, with headline risks summarised in the Corporate Risk Register.

In conclusion, the Council is trying to improve the lives of local people, particularly at a time when economically things are tough.

Comments, ideas or questions?

If you have questions about this statement, or you require this information in another format e.g. in large print or in a language other than English, please contact the Council's Policy & Performance team on 020 8227 2343.

London Borough of Barking and Dagenham

Civic Centre
Dagenham
RM10 7BN

Phone: 020 8215 3000
Email: 3000direct@lbbd.gov.uk

February 2012

CABINET

14 FEBRUARY 2012

Title: School Capital Programme – Basic Need Allocation 2012/13							
Report of the Cabinet Member for Finance and Education							
Open Report	For Decision						
Wards Affected: All Wards	Key Decision: Yes						
Report Author: Mike Freeman, Group Manager School Estate and Admissions	Contact Details: Tel: 020 8227 3492 E-mail: mike.freeman@lbbd.gov.uk						
Accountable Divisional Director: Jane Hargreaves – Divisional Director Education							
Accountable Director: Helen Jenner – Corporate Director Children’s Services							
Summary							
<p>The Council faces a strongly growing demand for school places (Basic Need including Special education Needs (SEN)) that exceeds its current capacity over the coming decade. It also has an estate which has a significant backlog of repairs and condition problems. As reported to Cabinet on 18 October 2011 (Minute 51 refers), it is forecast that by 2016/17 the demand for school places will exceed supply by:</p> <ul style="list-style-type: none"> • at least 23 additional forms of entry at Reception; • at least 34 additional forms of entry at Year 7; • at least 400 sixth form places. <p>Central Government have recently announced the following allocations to support the Council’s School and other children’s services estate and to provide for the additional capacity to support school place demand.</p> <table style="margin-left: 40px;"> <tr> <td>○ Redirected Basic Need Allocation</td> <td style="text-align: right;">£23,914,831</td> </tr> <tr> <td>○ Basic Need Allocation</td> <td style="text-align: right;">£21,890,118</td> </tr> <tr> <td>○ Maintenance - capitalised repairs [LA Schools]</td> <td style="text-align: right;">£ 3,759,770</td> </tr> </table> <p>The redirected basic need is additional Government money targeted to areas of highest need. Unlike other allocations it is not time bound.</p> <p>This report is the first of two designed to set out proposals for investment based on the outline investment matrix “Programme for Developing School Places” approved by Cabinet at its meeting on 18 October 2011 in a report entitled ‘Strategy for Ensuring Sufficient School Places 2011/12 - 2016/17’, minute 51 refers. This first report seeks agreement to a two phased approach to deal with this increased allocation. It requests permission now to move forward with mainly primary schemes to provide the of the seven additional reception forms of entry required from September 2013 and to complete some of the schemes in the current programme, and to provide additional facilities at Valence, Rush Green Infants, and for Special Educational Needs. A subsequent report will be presented later in the Spring, dealing with mainly secondary schemes and additional forms of entry</p>		○ Redirected Basic Need Allocation	£23,914,831	○ Basic Need Allocation	£21,890,118	○ Maintenance - capitalised repairs [LA Schools]	£ 3,759,770
○ Redirected Basic Need Allocation	£23,914,831						
○ Basic Need Allocation	£21,890,118						
○ Maintenance - capitalised repairs [LA Schools]	£ 3,759,770						

for reception. The additional funding will allow for more detailed work to be done with secondary schools to bring forward schemes that were in a later phase of developments. At the time of writing we await the outcome of Public Finance Initiative (PFI) bids for 3 secondary schools which will affect the overall programme. A further report will be presented to Cabinet concerning procurement options in relation to the second phase consisting of the secondary schools once these have been clarified in order to comply with the Council's Contract Rules.

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the allocated grant of £45,804,949 be included in the Council's Capital Programme for 2012-2013 to support the provision of additional school places;
 - a. Approve the allocation of £15.6m to provide additional, mainly primary school places, at the schemes detailed in paragraph 2.2 of the report, subject to all schemes being approved via the Corporate CPMO process;
- (ii) Note that a report will be presented to a later Cabinet meeting on proposals for the allocation of the remaining £30.2m which will focus on additional secondary school places and provision for reception classes;
- (iii) Agree the inclusion of the School Improvement grant for capitalised repairs from the DfE in sum of £3,759,770 in the capital programme for 2012/13, to support the improvement of condition and modernisation of the Borough's Schools and the wider Children's Services property portfolio; and
- (iv) Approve the procurement route as set out in section 8, being the use of the Council secured Local Education Partnership (LEP), for the current year projects to ensure that they will be operational for this coming academic year starting September 2012.
- (v) Further to (iv) indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement process and the award of the contracts for the projects, or whether it is content for the Corporate Director Children's Services, in consultation with the Corporate Director of Finance and Resources, to award the respective project contracts based on the checked and independently validated prices.

Reason(s)

This decision will assist the Council in fulfilling its statutory obligations to provide a school place for every child and achieving its core values as set out in the Council Plan through Policy house which aims for a better life for all. This report's proposals will in particular support the objective of Better Future and the value of achieving excellence.

1. Introduction and Background

- 1.1 The Council faces a strongly growing demand for school places (Basic Need) including Special Education Needs that exceeds its current capacity over the coming decade. It also has an estate which has a significant backlog of repairs,

and condition problems. The school sites it has are, on the whole over developed with little space for new buildings. There are few new sites to cope with the level of prospective demand.

- 1.2 In the period up to 2016/17 the demand for school places is forecast to exceed supply:
1. at least 23 additional forms of entry at reception over the coming 5 years.
 2. at least 34 additional forms of entry from September 2012 at year 7 over the coming 5 years;
 3. at least 400 sixth form places, over the coming 5 years. These matters were reported to the Cabinet on 18 October 2011 (minute 51 refers).

- 1.3 It has been reported previously that the Borough has experienced significant change since 2000 in the number of births, with around a 50% increase. The most recent statistics from the GLA show that since 2000 when the annual birth rate was 2,321, the birth numbers increased to 3,682 in 2010, which represents an increase in the birth rate of 58%.

- 1.4 Central Government have recently announced the following allocations to support the Council's School Estate to provide for the additional capacity to support school place demand.

Redirected Basic Need Allocation	£23,914,831
Basic Need Allocation	£21,890,118
Total	£45,804,949

The redirected basic need is additional government money targeted to areas of highest need. Unlike other allocations it is not time bound.

- 1.5 A sum of £3,759,770 (2012/13) has been allocated to address issues related with condition of the buildings, for example that it is safe and functions correctly, which is currently estimated at c£50m backlog across the school estate and the wider Children's Services property portfolio, as a whole. This would mean that the school estate is highly likely to deteriorate further over this coming decade as these are insufficient funds to carry out all the desired repairs to school buildings.

2. Proposal and Issues

- 2.1 Set out below are proposals for investment based on the outline investment matrix "Programme for Developing School Places" approved by Cabinet at its meeting on 18 October 2011 in a report entitled 'Strategy for Ensuring Sufficient School Places 2011/12 - 2016/17' (Minute 51 refers). Appendix 3 from that report is appended for ease of reference as Appendix 1 to this report. This report seeks agreement to a two phased approach to deal with this increased allocation. A subsequent report will be presented in March, dealing with mainly secondary school schemes. The additional funding will allow for more detailed work to be done with secondary schools to bring forward schemes that were in a later phase of developments. At the time of writing the Council awaits the outcome of PFI bids for 3 secondary schools which will affect the overall programme. This proposed programme will provide the 4 additional forms of entry required from September 2013, plus some additional facilities across the primary phase and some SEN provision.
- 2.2 In order to manage the potential risks of non-delivery against a statutory obligation to provide school places, Members are asked to agree the programme below:

School	Scheme Output/Project	Amount £m
Dagenham Village Expansion and Possible amalgamation (Additional)	1fe	1.4
William Bellamy Expansion and Possible Amalgamation(Additional)	1fe	0.5
Contingency - summer 2012 for unplanned classes	Various One Off Classes	1.0
Roding Cannington	1fe	1.8
Richard Alibon	1fe	1.5
Warren/Furze	1fe	1.8
Manor School	1fe	2.0
Fanshawe	3fe	2.5
Valence Halbutt Street Yr5/6	6 classes	1.0
Rush Green Infants	Nursery/Reception	0.3
SEN/Additional Resource Provision [asperger/behaviour]	Additional Units	1.0
Contingency - summer 2013	Various One Off Classes	1.0
	Sub Total	13.3
Feasibility and Contingency	[17.3%]	2.3
	Total	15.6

2.3 This programme has been compiled in the light of the very limited finance and space available and the priority that must be given to statutory obligations, covering the primary sector. By setting this £15.6m aside to address the most needy in terms of school places this will deal with the provision of the majority of places to September 2013 in the primary phase. By investing this sum the balance will be held in reserve of £30.2m for developing further schemes in a report later in Spring 2012.

2.4 In particular it is intended that consideration will be given in forthcoming reports to other options which will support the Council particularly in respect of expansions to the secondary school estate to respond to demand for basic need in the secondary school phase.

2.5 In view of the pressing nature of the condition of many school buildings, work is continuing to identify priority projects with appropriate advice from technical officers and consultants advising the Council. The Asset Management Plan (AMP) for schools, instigated by Government, indicates a potential spend of c£50m to meet repairs and maintenance needs which has never been achieved. In practice, building systems e.g. boilers, lifts, electrical systems as well as building fabric have presented significant annual problems which require urgent remedial work. A particular issue over the last year has been the supply of services into school sites with some major failures particularly of electrical and water supplies. This year's allocation from Central Government of £3,759,770 is to be designated for programmes which support continued development of sites in these priority areas, particularly the delivery of initial repairs in accordance with the Asset Management Plan database held by Children's Services and in consultation with Schools

3. Options Appraisal

3.1 See risk management section at 7.1 below. The main option outside of the report's immediate proposals is to do nothing more than accept the current and proposed levels of funding which then exposes the Council to risks of poor accommodation and a challenge to its ability to fulfil its statutory obligations. Clearly the Council needs to adopt a position to utilise the funding to invest in schools to provide additional school places responding to demand and meeting the statutory requirements on the Council.

4. Consultation

4.1 This report sets out an investment schedule based on earlier proposals as set out the report to Cabinet at its meeting on 18 October 2011. This included an investment matrix "Programme for Developing School Places" approved by Cabinet in a report entitled 'Strategy for Ensuring Sufficient School Places 2011/12 - 2016/17': minute 51 refers. This report was been widely circulated and discussed, in with particular Headteachers.

4.2 Further consultation on individual projects will need to take place when this report is approved with Headteachers, Schools and Governors to agree individual schemes within the financial boundaries which have been indicated where this is possible.

5. Financial Implications

Implications verified by: Gaspare Nicolini, Group Accountant

5.1 Central Government announced an allocation of £45.8m to support the Council's School Estate to provide for the additional capacity to support school place demand.

5.2 This report sets out proposals for investment based on the outline investment matrix "Programme for Developing School Places" approved by Cabinet at its meeting on

18 October 2011 in a report entitled Strategy for Ensuring Sufficient School Places 2011/12 - 2016/17. This report seeks agreement to a two phased approach to deal with this increased allocation, the first phase being £15.6m for the primary sector. A subsequent report will be presented in March, dealing with mainly secondary school schemes.

- 5.3 This first phase contains a contingency of £4.3m to cover rising costs and an increase in pupil numbers not planned but which we need to respond by providing demountables. The recent summers have seen such need as people move into the Borough over late spring and summer.

6. Legal Implications

Implications verified by: Rachel Murray, Contracts Solicitor

- 6.1 The Council has a statutory duty to provide a school place for every child. The Council also has a commitment to achieve its core values as set out in the Council Plan through the Policy House to ensure a 'better life for all'.
- 6.2 This report is seeking Cabinet's approval to procure the project contracts herein referred to utilising the funding detailed in Paragraph 2 of this report.
- 6.3 The value of each contract exceeds the EU threshold for services, therefore, there is a legal requirement to tender the contracts in the EU.
- 6.4 Furthermore, the Council's Contract Rules (Contract Rule 3.6) require the strategy for the procurement of contracts above £400k in value to be submitted to Cabinet for approval prior to the procurement of such contracts.
- 6.5 As the value of the proposed contracts for phase one exceed £400k, the proposed strategy is set out in Paragraph 8 of this report for approval by the Cabinet.
- 6.6 It is proposed that the project contracts for phase one, consisting of primary schools are secured through the Local Education Partnership (LEP) for being operational for September 2012.
- 6.7 The LEP was procured by the Council in compliance with the EU public procurement regulations and the scope of the works/ services advertised under OJEU notice published in respect of the LEP is wide enough to cover the proposed procurement in respect of phase one.
- 6.8 The report sets out a number of potential procurement options that may be followed in the procurement of the contracts for phase two projects for September 2013 (involving secondary schools) and confirms that when the specific procurement option to be followed in relation to procurement of the contracts has been determined, a further report to Cabinet will be made.
- 6.9 Advice should be sought from Corporate Procurement as to the procurement option that secures the best for value for money for the Council in respect of the phase two contracts for 2013 projects.

- 6.10 The report is furthermore seeking a decision pursuant to Council Contract Rule 3.6.4, as to whether or not Cabinet should be kept informed on the progress of the procurement process or would wish to be involved in the award of the project contracts or whether it is content for the commissioning Chief Officer to award the contract to the successful Contractor.
- 6.11 Under Contract Rule 13.3, a commissioning Chief Officer acting in consultation with the Council's Section 151 Officer has the power to award contracts of this value, in the absence of direction to the contrary from Cabinet.
- 6.12 The Legal Practice confirms that there is no legal reason preventing Cabinet from approving the recommendations of this report. It is, however, expected that the Legal Practice will review the proposed form of contracts and be involved in the planning and preparation of the terms and conditions that will be applicable to these contracts, and will be consulted for advice on the legal implications of the selected procurement option re the phase two contracts.

7. Other Implications

7.1 Risk Management

The following risks appear as the most significant on the project's risk register:

- Risk that funding levels will not be sufficient to create new school places needed. This risk is high impact (4) and medium (3) probability = 12 red. This risk is being managed by purchasing the most affordable accommodation which is system build where possible. Post control the risk is high impact (4) and low (2) probability = 8 amber.
- Risk that funding levels will not be sufficient to create suitable new school places. This risk is high impact (4) and high (4) probability = 16 red. This risk is being managed by purchasing the most affordable accommodation which is system build, and blending it with site specific proposals. Post control the risk is high impact (4) and low (2) probability = 8 amber.
- Primary schools: risk that site availability would prevent delivery of school places in the areas where demand is highest. This risk is high impact (4) and medium (3) probability = 12 red. This risk is being mitigated, as far as practicable, by expanding all available sites in high demand areas, and reviewing other buildings for potential school use. Post control the risk is still high impact (4) and medium (3) probability = 12 red.
- Risk that the cost of the rate of deterioration of school estate will outrun the funding available to maintain it. This risk is high impact (4) and high (4) probability = 16 red. This risk is being mitigated as far as practicable by lobbying DfE for improvements in funding. Post control the risk is high impact (4) and medium (3) probability = 12 red.

- 7.2 **Contractual Issues** - Advice will be sought regarding the appropriate procurement and contractual agreements to secure individual projects from technical and procurement advisers in respect of the projects which fall within the second phase, consisting of the secondary and primary school schemes.

It is anticipated that projects will be secured through options related either to the Local Education Partnership or through the Council's Framework of Contractors. It will also be necessary to explore other specialist providers where there is value for money and a clear support from the Government or its agents to secure projects in this way.

A further report setting out the strategy for procuring contracts will come forward once this has been clarified as 7.2.1 above.

7.3 **Staffing Issues** - There are no specific staffing issues although the growing demand for school places will create additional opportunities in the primary phase of schools where there are additional classrooms which attract the need for more staff.

7.4 **Customer Impact** - The short term impact of the implementation of the recommendations for the coming year would be positive for children and families on all counts of: race, equality, gender, disability, sexuality, faith, age and community cohesion.

However, until funding is confirmed for the longer term, the impact on these groups remains uncertain.

7.5 **Safeguarding Children** - Adoption of the recommendations in the short term would contribute to the Council's objectives to improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Children Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.

7.6 **Health Issues**- In the short term there are no specific implications, until funding is confirmed for the longer term the impact on these groups remain uncertain.

7.7 **Crime and Disorder Issues** - In the short term there are no specific implications, but in the longer term the outlook is unlikely to be positive on the proposed funding levels.

Appropriate consideration of the development of individual projects will take into account the need to design out potential crime problems and to protect users of the building facilities.

7.8 **Property / Asset Issues** - This proposed decision would facilitate the improvement and renewal of Council assets.

8 **Progress on 2011/12 Programme for schemes planned to be in use by September 2012.**

8.1 Schemes progressed.

There was a report to Cabinet on 10 May 2011 setting out a number of projects to be undertaken this academic year minute 133 refers. It was reported at the time that the intention was to procure schemes using the construction contract framework which was in place. Regrettably, this frame work expired at the end of last year and as a result we have had to make some changes to the procurement options.

A list of schemes is set out below and cabinet is asked to note progress is being made and where we have changed procurement route to utilise the Borough secured Local Education Partnership (LEP)

Utilisation of School Basic Need (including SEN) Funding 2011 – 2012

School	Project Outline Description	Procurement
St Joseph's RC Primary Barking	Provision of 6 classroom block extension tot eh front and side of the school with ancillary and toilet facilities	Diocese of Brentwood out to design
Monteagle Primary	Quadrangle infill 8 classrooms plus external works, toilets and group room.	LEP – in design
Eastbury Primary	Expand by 1FE including developing early years and converting original Infant building.	LBBD surveyors separately tendered phases.
Gascoigne Primary	Provide 2 new Junior Classrooms	LEP – in design
Parsloes Primary	Expansion by 1 (2) form of entry 7 classrooms, toilets and ancillary	LEP – in design
Godwin Primary	Expansion by 1 form of entry 6 classrooms plus replacement	LEP – in design
William Bellamy Infants/Junior	Expansion by 1 for of entry	LEP – in design
Dagenham Village Rectory Road Library	Expansion by 1 form of entry Project on hold subject to amalgamation	Diocese of Chelmsford project
Southwood Primary	Expansion of 1 form of entry, 7 classrooms, toilets and ancillary.	LEP – in design
Contribution to Secondary Places provision The Sydney Russell School (Partnership funded with the School		LEP in design

Background Papers Used in the Preparation of the Report:

Cabinet Report - Context and Programme for Investment in Schools - 10 May 2011
(minute 133 refers).

Cabinet Report - Strategy for Ensuring Sufficient School Places 2011/12 –2016/17, -18
October 2011 (minute 51 refers).

DfE Letter dated 3 November 2011 advising about additional capital allocation.

DfE Letter dated 13 December 2011 advising about capital allocation for 2012/13.

List of appendices:

Appendix 1 - Strategy for Ensuring Sufficient School Places 2011/12 - 2016/17
(previously presented to Cabinet as Appendix 3 to the 18 October report)

Strategy for Ensuring Sufficient School Places 2011/12 - 2016/17

Programme for Developing School Places with Draft SEN Provision				
	Primary	Secondary	Sixth Form	Special Needs Provision
September 2011	Created 550 reception + 286 nursery places			3 additional primary SLCN ARP places (Hunters Hall) 3 additional primary ASD ARP places John Perry.
	Further 180 Year R for September 2011			4 additional primary Aspergers ARP places (Monteagle)
	Further 30 Year 1 for September 2011	Nil	Nil	6 additional primary ASD placements (George Carey)
	Need +1 class Year R			
	(Funded from Basic Need 2010)			24 additional SLD / PMLD places at Trinity School
September 2012	Must create minimum 204 Year R places	Barking Riverside Secondary 4fe at George Carey	Robert Clack addition 185 places at April 2012	12 additional SEBD ARP primary places (Ripple)
	Planning 210 places Year R St Joseph's RC Primary Barking (1fe) Monteagle Primary (1fe) Eastbury Primary (1fe) Parsloes Primary (1fe) Godwin Primary (1fe) Southwood Primary (1fe) William Bellamy Infant (1fe) Dagenham Village Rectory Road Library (1fe) (Must include expansion of nurseries where possible.)		Skills Centre	8 additional secondary ASD placements (Aspergers) (Barking Abbey) 6 additional SLCN / MLD secondary ARP places (Eastbrook) 12 additional primary ASD places at Trinity School 5 additional ASD places (JRCS/SR) 24 assessment and re-engagement places (Seabrook House) 18 additional primary ASD ARP places (Manor and George Carey)
	(Funded Basic Need £14.2m)	No capital cost. Revenue DSG	YPLA £3.058m funded	

September 2013	Must create 192 Year R places	Barking Riverside Year 8 provision at least 4fe alternative site capital costs. (Temporary accommodation or PFI?) Basic Need.	All Saints? 6 classroom block (possibly to link with Year 7 expansion)	To accommodate the increasing numbers of children and young people with complex needs and MLD / SLCN (MLD+) 3 additional MLD+ primary ARP places, 8 additional MLD+ secondary ARP places and 6 additional SLCN/MLD places.
	Planning for 7 fe schemes: Fanshawe Site (3) Roding/Cannington (1) Richard Alibon (1) Warren/Furze (1) Manor/Upney (2) * Free School? (2fe) These projects currently unfunded. Additional Basic Need this Autumn could bring some projects forward, alternatively demand on Basic Need 2012/13. (* funded by government)	Sydney Russell Year 7 (2fe) funded jointly LA/school		6 additional SEBD secondary ARP places
September 2014	Must create 60 Year R places – however need to consider demographic changes in 2011 that impact.	Barking Riverside Year 9 (4fe) and Year 7 additional 2 fe.		6 additional SEBD secondary ARP places 5 additional MLD+ secondary ARP places
	Second Barking Riverside Primary on Secondary campus 3fe	JRCS (2fe)		
	Lymington Fields (3fe)			
	Free School (2fe)?			
September 2015	Need 30 Year R places Eastbury (Faircross Primary) PFI scheme Adult College (1fe)	Need 105 places Year 7 Robert Clack 2 fe Barking Riverside 2 Year 7 Barking Abbey 2 Year 7	Wood Lane development (linked to Robert Clack School)	6 additional SEBD secondary ARP places
September 2016	Need 78 Year R places ? Sanofi Primary	Need 195 Year 7 places plus contingency Barking Riverside Year 7 (2fe) All Saints Year 7 (2fe) Warren Year 7 (2fe) Eastbrook Year 7 (2fe) special needs element to barking Riverside		6 additional SEBD secondary ARP places Barking Riverside Special (30 places per year group for 5 years)
September 2017		New secondary (4fe minimum plus contingency) (Sanofi/Goresbrook?) DPCE (2fe)		6 additional SEBD secondary ARP places

CABINET

14 FEBRUARY 2012

Title: Establishment of an Additional Resourced Provision at Ripple Primary School	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: Gascoigne and 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 Ripple Primary School to formally establish an Additional Resourced Provision (ARP) for pupils with statements of Special Educational Needs (SEN) who have been diagnosed with social, emotional and behavioural difficulties (SEBD). The provision is to be formally established from the start of the Autumn Term 2012.</p> <p>This proposal has been initiated for the following main reasons:</p> <ol style="list-style-type: none"> 1. The building in which this provision was previously accommodated at Stamford Road is now being used by Monteagle Primary school, hence the need for the provision to be relocated. 2. The lack of suitable, local specialist places for pupils of primary school age with SEBD. 3. The expectation that there is provision for pupils with SEN to be taught in local mainstream settings where this is possible. 4. The value for money provided by an ARP, as opposed for instance to costly out-of-borough placements. <p>Further benefits include;</p> <ol style="list-style-type: none"> 5. The provision of on-site specialists. 6. Improved access to specialist staff 	

Recommendation

The Cabinet is recommended to agree the formal establishment of an additional resourced provision at Ripple Primary School for children with statements of Special Educational Needs who have a diagnosis of social, emotional and behavioural disorders.

Reason

This proposal will assist the Council in providing specialist provision to children of primary school age who have complex needs related to SEBD. The law requires the Council to make provision for children's SEN appropriately. If no alternative site is made available for this SEN, the Council would not have the capacity to accommodate children with SEBD in any other educational setting. The alternative would be to purchase expensive out-of-borough places at high cost.

1. Introduction and Background

- 1.1 The expanding population in Barking and Dagenham and the growing numbers of children identified with learning difficulties and disabilities require an increase in specialist provision. In line with high levels of population growth and oversubscribed current provision, forecasts show a further circa 300 special school places will be needed by 2016 and this includes places for children with profound and multiple special educational needs. Addressing the need for additional provision is a key Council priority.
- 1.2 The growing school population in Barking and Dagenham has therefore placed considerable strains on 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.
- 1.4 Special Needs
All children are different and learn in a range of different ways. Some children may need help to access the curriculum or have a disability that makes it difficult for them to fully participate in school, pre-school or nursery and if so may have a special educational need. These children are referred to as children with special needs.
- 1.5 Social, Emotional and Behaviour Difficulties (SEBD)
Children with a behaviour need may find it difficult to form relationships with peers and adults and as a result may require intensive specialist support and help in order to ensure they can reintegrate into their mainstream class.
- 1.6 Additional Resourced Provisions (ARP's)
Some children require specialist provision not normally available in a mainstream school. For these pupils the LA provides resources to a school to ensure that the

children placed in these provisions receive specialist teaching and intensive support.

- 1.7 There are approximately 70 SEBD pupils per year group who need additional support to succeed in a mainstream school. This group has a range of needs from the long term SEBD to those who are disaffected, emotional and vulnerable. The former BSF programme included a programme for enhanced Learning Support Units, and a specialist SEBD unit in each secondary school.
- 1.8 Provision for pupils with significant learning needs is currently made through one large special school, Trinity School, and also at Additional Resourced Provisions (ARPs) attached to schools. The need for an additional special school, to be provided as part of the new Barking Riverside School, has been agreed with the DCSF SEN Regional Adviser.
- 1.9 At the Cabinet Meeting on 18 October 2011 (Minute 51 refers), Members approved the programme for developing school places, subject to six monthly reviews and this programme included SEN places.
- 1.10 The central aim of the SEN Strategy is to promote achievement for all young people with SEN, within an inclusive/mainstream environment as far as possible. This means providing co-ordinated accessible multi-agency services, preferably on site, alongside high quality specialist teaching. For pupils with more complex needs it means co-located provision or for young people at Trinity School, strong links with mainstream schools in order to maximise access to a broad and balanced curriculum, appropriately targeted to their needs.

2. Proposal and Issues

- 2.1 It is proposed to formally establish the unit provision at Ripple Primary that transferred from The Acorns at Stamford Road in September this year 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 This is in line with the Council's Policy House in providing educational, academic and vocational opportunities where this is needed. The Council are constantly improving their schools which are growing to meet the demands for pupil places and where the Council is improving value for money across all services.
- 2.3 A draft SEN provision development plan has been completed and was circulated to the schools forum in the Summer Term 2011.
- 2.4 The LA currently has one specialist ARP unit for children with SEBD and this is based at Cambell Junior School. However, the provision at Cambell Junior School is focused on pupils preparing for KS2. The provision proposed at Ripple Primary School is to focus on pupils preparing for KS1 with SEBD.
- 2.5 This proposal meets with both the Education Strategy and the Inclusion strategy whereby the overarching role of all those with responsibility for Education in Barking and Dagenham is to improve the life chances and help drive, support and fulfil the ambitions of all the children who live and study here. Children and young people with special educational needs are a significant part of our borough's population of

vulnerable children and a multi-agency approach is required to ensure that appropriate educational arrangements and effective inclusive special educational needs systems and provisions are made for individual children. This requires a range of agencies and educational settings to own and acknowledge a shared understanding and joint response for meeting these childrens' needs.

- 2.6 There are currently no ARPs attached to mainstream secondary schools for SEBD. The former BSF programme was expected to address this deficit.
- 2.7 The Ripple ARP is staffed by three experienced specialist teachers and supported by three specially trained learning support assistants. Adaptations have been made to classrooms at the school, new furnishings have been purchased and the appropriate type of workstations to allow for a suitable working environment for both the staff and the pupils. The level of unit cost for the resource provided, detailed in Section 5, compares favourably with the cost of external provision which can be significantly more. This cost has been met from the capital budget.
- 2.8 The local authority will provide specialist training in order to develop the ARP as a centre of excellence.
- 2.9 The aim is to ensure that sufficient specialist education places are available to be able to provide for all of our children and young people within local Barking & Dagenham settings so that pupils living within the borough are able to access provision in the borough.
- 2.10 This provision was previously provided in a building located at Stamford Road known as The Acorns. This is now being used by Monteagle Primary School as an ARP for pupils with Asperger's Syndrome, hence the reason for relocating the provision.
- 2.11 This provision has now transferred over to Ripple Primary School (Westbury Site) and is in operation. This paper is therefore to agree its formal establishment at the school in order that this is recorded with the DfE.
- 2.12 Assistance is provided to children living more than one mile away from the ARP such as reimbursement of travel costs and a bus is provided at mid day to then transport the children to their schools.
- 2.13 The provision of the ARP addresses inclusion together with 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.
- 2.14 The present proposal will enable the council to fulfil its statutory obligations to this group of children with SEBD. It will be a cost-effective alternative to potential out-of-borough placements.

3. Options Appraisal

- 3.1 Do Nothing – There are increasing numbers of young people who now have a diagnosis of Asperger’s Syndrome but have no learning difficulties. This group are increasingly being sent to high cost non-maintained provisions at around £80K per place. Transport costs are significant for this group of children as they are usually unable to be transported with other groups of children, therefore requiring a separate means of transport. Therefore, this would mean children with social, emotional and behavioural disorders would need to go to out-of-borough placements at a significantly higher cost than this proposal.
- 3.2 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.
- 3.3 Expand other ARP’s at Jo Richardon and Sydney Russell Schools. Both units take children with ASD and learning needs and there are a significant number of children with this level of need who require this specialist provision.
- 3.4 Create an additional resourced provision at Ripple Primary School. This is seen to be the best option and has the support of the Headteacher who is keen to provide this SEN unit and also has the backing of the staff.

4. Consultation

- 4.1. Consultation regarding the ARP at Ripple 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 Ripple Primary School on 17 October 2011.
- 4.2 From the discussions at the Governing Body meetings and the Schools Forum noted in 4.1 above, there was general agreement for this provision to be at Ripple Primary School.
- 4.3 A Notice was published in The News on 17 December 2011. The notice period ended after six weeks from the date of publication on 27 January 2012. The notice has been on display at both the main public library in Barking and on the School notice-board.
- 4.4 No representations have come forward from the published Notice.

5. Financial Implications

Implications verified by: Tracie Evans - Corporate Director of Finance & Resources

- 5.1 Funding has been agreed on the basis of an ARP funding grid. This grid allows funding for one service manger, two specialist teachers, three learning support assistants, as well as management responsibility allowances for the Senior Leadership Team at Ripple, plus additional funds for commissioned therapies, training and other resources. In all this equates to just under £24,000 per place at this ARP.

- 5.2 The start up and running costs for this ARP are being met from the DSG. The cost in 2011/12 to the DSG is £318,000 (£30,000 start up costs and £288,000 running costs). Annual running costs thereafter will be £288,000. Adaption costs of £100,000 were incurred and funded from capital resources.
- 5.3 The current average cost for meeting the need of a child who would be supported through an external education placement range between £30,000 to £40,000, with an additional £5,000 to £10,000 required for transport. The unit cost of the ARP provision is £24,000 which compares favourably with the cost of external provision.

6. Legal Implications

Implications verified by: Fiona Taylor – Legal Group Manager (Safeguarding)

- 6.1 This report recommends members agree to the establishment of an additionally resourced provision at Ripple Primary School. The legal power to do so is found under Section 19 of the Education and 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.
- 6.2 The Council 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

7. Other Implications

7.1 Risk Management

The Council needs 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 SEBD 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.

7.2 Customer Impact

See 'Safeguarding Children' below.

7.3 Safeguarding Children

Adoption of the recommendations would contribute strongly to the Council's objectives to improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Children Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.

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.

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.

7.4 **Health Issues**

Implications verified by: Dr Justin Varney – Consultant in Public Health Medicine

The 2011 Joint Strategic Needs Assessment has highlighted the growing school roll population in Barking and Dagenham and the 2011 school census identified 7,098 children and young people with special educational needs, 20.3% of the school population. Overall the proportion of children with special educational need is higher in Barking and Dagenham than the national picture although there has been a significant reduction between 2010 and 2011 which reflects the work with schools to ensure inclusive practice and appropriate use of special educational need processes and utilise the common assessment framework effectively to support children and young people at an earlier stage through Education Improvement Plans and School Action.

In Barking and Dagenham the most frequent needs are Speech, Language and Communication Needs (32.4%), Behavioural, Emotional and Social Disorders (20.1%) and Moderate Learning Disorders (18.5%). Support for these conditions requires substantial interaction with local services and there also needs to be consideration of how the wider family is engaged and supported to provide care and intervention in the home setting.

As the school roll increases then, even with the substantial work to support schools around children with additional needs, there is likely to be an increase in the number of children with statements of special educational need. Trinity is a high standard provision but has reached capacity and demand for places is likely to continue to increase over the short to medium term.

Children with statements of educational need require a multi-disciplinary approach which includes and engages the family and wider social network of services and support structures around the school. Placement out of borough limits the ability for a holistic and community engaged model of provision and support for these children and their families.

It is important to consider that this additional provision will require some adjustment to the commissioning of school nursing and allied health therapies to provide additional capacity and LBBDD will need to engage through the partnership structures to ensure this is reflected in NHS commissioning plans.

However from a public health perspective the option to establish an additional provision resource at Ripple Road is the preferred option as it provides additional capacity in the borough to deliver support and services to children with special education need closer to their home and social networks.

7.5 **Property / Asset Issues**

The provision is being made using classrooms at Ripple Primary School (Westbury site).

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”
Cabinet Report and Minute 51, 18 October 2011
Council Policy House
SEN Strategy
Children & Young People Plan
Every Disabled Child Matters Charter
Inclusion Strategy
Notice published 17 December 2011
Consultation Letter dated 17 October 2011

List of appendices: None

CABINET

14 FEBRUARY 2012

Title: Framework Contract for the Provision of Short Break Activities for Disabled Children and their Families	
Report of the Cabinet Member for Children and Adult Services	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Ian Davis – Group Manager, Commissioning & Partnerships; Children's Services	Contact Details: Tel: 0208 227 3670 E-mail: ian.davis@lbbd.gov.uk
Accountable Divisional Director: Meena Kishinani, Divisional Director, Strategic Commissioning and Safeguarding	
Accountable Director: Helen Jenner – Corporate Director of Children's Services	
<p>Summary:</p> <p>This report seeks the authority for the procurement of a Framework Agreement for the provision of short breaks and activities for disabled children. This tender, facilitated by East London Solutions and in collaboration with the London Boroughs of Waltham Forest (the lead borough), Havering, Redbridge and Tower Hamlets. The tender will result in a framework agreement in place for a range of Short Break providers from April 2012 for a period of four years.</p> <p>Efficiencies are anticipated by moving from a block contract towards a framework contract. Call off's will be based on a clear indication of need over a defined period of time. There will be efficiencies realised by promoting universal services to those children and young people who do not need a huge amount of support and are able to attend mainstream schools and activities. Efficiencies will also be made by a reduction in administrative effort and cost for the contracting authority; in addition the initial tendering process allows contracting authorities to identify competitive suppliers, who should offer more competitive prices on the basis of an expected volume of business.</p> <p>The resulting framework will also give Parents, Carers and Young People more choice and flexibility.</p>	
Recommendation(s)	
The Cabinet is recommended to agree that:	
(i) The Council participates in the joint procurement with the London Boroughs of Waltham Forest (lead borough), Havering, Redbridge and Tower Hamlets and facilitated by East London Solutions, of a Framework Agreement for the provision of short break activities for disabled children and their families, on the terms detailed in	

this report;

- (ii) Advise, in accordance with the Constitution (Contract Rules 3.6.4) whether Cabinet would wish to be further informed or consulted on the progress of the procurement and award of contracts, or would be content for the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources, to enter into the framework agreement upon conclusion of the procurement process.

Reason(s)

To assist the local authority in improving outcomes of children with disabilities and SEN across all five priority outcome areas specified in the children and young people's plan:

- 1 Ensure children and young people in the borough are safe
- 2 Narrowing the Gap - raise attainment and realise aspiration for every child
- 3 Improve Health and Wellbeing, with a particular focus on tackling obesity and poor sexual health
- 4 Improve support and fully integrate services for vulnerable children, young people and families
- 5 Challenging Child Poverty - preventing poor children becoming poor adults

The framework agreement will allow choice and flexibility for families to access short breaks that meet their individual needs.

1. Introduction and Background

- 1.1 Short breaks provide invaluable support for disabled children, young people and their families. While children are given opportunities to become more independent, have fun, enjoy new experiences, and form friendships with their peers; their families are able to take time out to recharge their batteries. Short breaks can reduce the risk of family breakdown and prevent children needing to be placed in high cost placement away from their family and local environment.
- 1.2 There are many forms that short breaks can take, including daytime, evening, weekend and overnight activities. They can take place in the child's own home, a family based setting, a residential, educational or community setting, or in their local environment. A short break can last from just a few hours to a few days or longer. The activities can include sporting activities, play schemes, pre-school groups, youth clubs, overnight settings, nurseries, the arts or dance. Short breaks can also include activities where someone other than a parent or carer accompanies a disabled young person for informal leisure activities - for example to go swimming; to go to the cinema; to watch a football match; to play on his/her computer at home; to have a sleep over with a friend, or to spend time in town or the park.
- 1.3 In May 2007, HM Treasury published a report called 'Aiming High for Disabled Children (AHDC): Better Support for Families', based on the Government's review of services for disabled children.
- 1.4 The Government wants disabled children to be a priority both nationally and locally, and recognises that more needs to be done to improve the lives of disabled children and their families.

- 1.5 Following a review of the opportunities available to disabled children; the AHDC programme was launched in May 2007 to transform disabled children's services
- 1.6 The report recommended ways to improve services by:
- empowering disabled children, young people and their families;
 - promoting more responsive services and timely support;
 - boosting provision of vital public services.
- 1.7 One of the recommendations was to recognise the critical importance and significant benefits of short breaks for disabled children and their families.
- 1.8 A Central Government evaluation of the short breaks programme published in December 2010 showed the positive impact that short breaks can have on families with disabled children – with 88 per cent of families surveyed currently using some form of short breaks service. However it was recognised that there is more work to be done to better target services and make sure all families have access to a wide range of support.
- 1.9 Families with disabled children told the Government their number one priority is regular and reliable short breaks from caring. This Framework agreement will significantly increase the volume and range of short breaks for disabled children.
- 1.10 It is important to ensure that families can access the right breaks at the right time, and the short break menu through Direct Payments and Individual Budgets will enable Parents, Carers and Young People to select the services they want from all the short breaks on offer. There will be a wide range of breaks including play schemes, sports, group activities, and befriending services. By taking part in this joint commissioning exercise the Council will significantly increase the range and volume of services. In addition, the work is shared across the boroughs and the impact on resources for the individual boroughs is reduced.
- 1.11 The funding for short breaks is included in the Early Intervention Grant for local authorities and is protected which means that Government will monitor it's spending closely.

2. Proposal and Issues

- 2.1 This will be a competitive tender exercise for the appointment of a number of provider's within a multi-supplier framework agreement in accordance with the Council's Contract Rules. The supplier's offer to provide services will be held open for the duration of the framework agreement, ready for acceptance by the ELS boroughs for what could be a single contract or a series of mini-contracts, each 'calling off' under the terms and conditions established.
- 2.2 The Framework agreement will allow for the smooth implementation of Direct Payments and Individual Budgets.
- 2.3 Direct payments and Individual Budgets are a central part of the personalisation agenda, the drive to give service users choice and control over the care services they receive.

- 2.4 Direct payments are made by the local council. They are for people who are assessed as needing help from social services, and prefer to arrange and pay for their own care and support services. This is instead of receiving them directly from the local council. Parents and carers who are in receipt of direct payments will have the option to purchase services directly from those organisations that are included in the framework secure in the knowledge that these organisations have been vetted extensively and have in place all the necessary safeguarding requirements.
- 2.5 The Framework agreement will consist of 5 lots:
- Lot A – School Holiday Play Scheme, After School Provision and Saturday Provision
 - Lot B - Buddying/befriending and enabling young people to access universal services
 - Lot C – Weekend/Overnight Breaks
 - Lot D – Transitions Support /Independence Skills
 - Lot E – Family based respite from registered foster carers
 - Lot F – Training programme for parents of children with Autistic Spectrum Disorder
- 2.6 The minimum standard documentation will specify clearly the need for the service to be of the highest quality and will be closely monitored by Children’s Services’ Officers with the lead borough ensuring quality and compliance.

3. Current Position

- 3.1 Within Barking and Dagenham currently there are 6 local providers delivering a variety of services that range from simple befriending for children on the Autistic spectrum to Weekend respite for children and young people with more complex needs. The interim contracts are due to expire in March 2012.
- 3.2 Service Providers are aware of the intention to allow Parents/Carers and Young People to access direct payments and individual budgets and therefore have the ability to purchase services directly from them. This tender exercise will invite competition which should help to keep costs affordable for families and provide them with an approved list of local providers. This will allow them choice and flexibility to meet the Childs individual needs.

4. Consultation

- 4.1 A number of detailed consultations with Parents, Children and Young People have taken place and most recently at the Barking and Dagenham 3rd Parents and Carers conference held on Saturday 22nd October 2011.
- 4.2 Consultation that took place during August 2011 showed that a large number of children and their families were not aware that there are services that they could access potentially for free within universal settings. Swimming can also be accessed free through the Street Base Connect or Splash Card by earning points. Reaching out to these families and raising awareness of universal services is critical for all those involved in providing short break services.

- 4.3 In April 2011 Firstcare was commissioned by London Borough of Barking and Dagenham Short Breaks Commissioners to provide a review that would maximise the effectiveness of their funding of the third sector and other providers in its delivery of Aiming High for Disabled Children Short Breaks services.
- 4.4 Its purpose was not only to support the council in ensuring that its commissioning arrangements continue to provide best value for money but to provide feedback to local voluntary organisations and other providers that will assist them to develop their services and internal structures in such a way as to ensure a long-term sustainable future for their service delivery in the light of the forthcoming move to Personalisation and Direct payments.
- 4.5 Firstcare conducted the review using a mix of research methodology. This included: a desk review and analysis of available documentation as provided by the client and local organisations involved in Short Breaks service delivery; field visits to service delivery organisations; mini-groups with parents; discussion groups with young people; and a web-based parental survey.
- 4.6 There is also still a large gap in knowledge on short break services, in both the range of services available and the number of parents that know what they are 'entitled' to access. Work has been undertaken to address the above issues via the Short Break Core Offer and Short Break Statement.
- 4.7 In addition a Market Warming Day was held on Tuesday 11th October 2011. Providers from Barking and Dagenham were invited to attend to discuss the forthcoming tender. Discussions are also being held with Barking and Dagenham CVS to hold workshops to ensure that local providers are confident and feel able to make an application.

5. Financial Implications

Implications verified by: Dawn Calvert

- 5.1 There is budget provision for funding short breaks within the Children's Services budget. This budget is a Children's Social Care budget and is therefore currently out of scope for Elevate procurement coordination
- 5.2 The indirect cost of the tender process and monitoring and managing of the contract throughout the contract term will be met through the existing staffing costs/resources within Children's Services. The tender exercise will assist in assessing the financial stability of any prospective provider. One of the tender evaluation criteria will be based on the financial viability of the providers to ensure the sustainability of the provision.
- 5.3 All prospective providers will have their financial viability assessed. Providers will also be requested to submit a copy of their accounts for the last two years and credit checks will be requested for those providers who progress through to the second stage of the tender.

6. Legal Implications

- 6.1 In this report Cabinet's approval is being sought for the Council to enter into a tendering exercise for the setting up a framework agreement. The procurement of the Framework Agreement will be in partnership with other boroughs, namely Havering, Redbridge, Tower Hamlets and Waltham Forest, for the provision of the short break activities for disabled children and their families.
- 6.2 The Public Contracts Regulations allows local authorities to enter into framework agreements with service providers, following a competitive tendering process, and to select service providers to provide particular services, as and when required, from the established framework agreements.
- 6.3 This report states that the framework agreement is intended to run for a period of four years. This complies with the provisions of Regulation 19 (10) of the Public Contracts Regulations 2006, which stipulates that a Framework Agreement should not run beyond four years unless in exceptional circumstances.
- 6.4 The particular service to be procured in this report is classified as a Part B service and therefore not subject to the strict tendering rules in the Public Contract Regulations. However in conducting the procurement, the Council still has a legal obligation to comply with the relevant provisions of Rule 3 of the Council's Contract Rules and with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in procuring the contracts.
- 6.5 The report explains in paragraph 7.2.4, that a two-stage tendering process is to be undertaken, commencing with expressions of interest being invited from potential bidders. The report also states that the tender is to be advertised on a few websites, including the Council's website. This complies with the EU Treaty principles noted above which generally encourage the advertisement of contracts in a manner that would allow any providers likely to be interested in bidding for the contracts identify the opportunity and bid for the contracts, should they wish to do so.
- 6.6 In deciding whether or not to approve the proposed procurement of the framework agreement, Cabinet must satisfy itself that the procurement will represent value for money for the Council.
- 6.7 In accordance with Rule 3.6.4, the report additionally requests that Cabinet indicate whether it wishes to be further informed or consulted on the progress of the procurement and appointment of successful bidders onto the framework agreement, or whether it is content for the Corporate Director of Children's Services, in consultation with the Corporate Director of Finance and Resources to monitor progress of the procurement and approve appointment of the successful bidders onto the framework agreement upon conclusion of the procurement exercise.
- 6.8 Contract Rule 13.3 provides delegated authority to the commissioning Corporate Director, in consultation with the Section 151 Officer (the currently the Corporate Director of Finance and Resources), to appoint successful bidders onto a framework agreement upon conclusion of a duly conducted procurement exercise, in the absence of direction to the contrary from Cabinet.

6.9 The Legal Practice confirms that there are no legal reasons preventing Cabinet from approving the recommendations of this report.

7. Other Implications

7.1 Risk Management

7.1.1 The tender exercise will assist in assessing the financial stability of any prospective providers.

7.1.2 Once financial stability has been established the main risk involved will be the quality of the service delivered. Technical ability will be assessed during the tender stages. Providers will be expected to demonstrate:

- five years relevant experience;
- a commitment to quality and continuous improvement;
- evidence of commitment to enhancing the lives of disabled children
- a commitment to engaging children and young people in service delivery design
- evidence of commitment to staff development and training

7.1.3 To ensure that the families are able to access local provision, we will work collaboratively with Barking and Dagenham CVS to assist and encourage local Voluntary and Community providers to submit tenders. A commissioning workshop took place on 1st September 2011 and a Market Warming event took place on the 11th October. Additional workshops delivered in partnership are planned for early December/January.

7.1.4 Once a provider has been chosen by a call off process, written contractual arrangements will contribute to ensuring a quality service. The contract will have a dedicated contract manager. Quality assurance will be assed jointly as Boroughs will share monitoring and evaluation information. Individual boroughs will monitor those services that they have contracted through Call Off by requesting written evidence and reports showing performance against the Performance Targets to the Authorised Officer for each borough on a quarterly basis. Where services have been contracted jointly; the Provider will be required to submit information to all authorities and an agreement will be made between contracting authorities on who will be the Lead.

7.1.5 Council Officers will conduct unannounced monitoring visits focusing on the quality of the provision. Quality surveys will be conducted by the Provider and the Council and will be aimed at Parents / Carers and Children. The Provider will have to report any complaints made to the Council.

7.1.6 Providers delivering services for children and young people under 8 will be subject to external inspection from Ofsted. For Providers of services for children and young people over 8 we will encourage voluntary registration with Ofsted. Applicants will need to supply personal information, sign a declaration that they can meet the requirements and give evidence of a valid first aid certificate. After that they will be asked to submit a number of documents, including their completed Criminal Records Bureau (CRB) and application form.

7.1.7 All Providers will be expected to comply with both local and national safeguarding policies and this will be monitored by Council Officers. These checks will assist Parents and Carers when purchasing services via direct payments and individual budgets to feel confident that the Service Providers has had vigorous checks completed.

7.1.8 The Provider shall, at its own expense, attend all Performance Review Meetings. The purpose of Performance Review Meetings shall be to discuss and examine:

- performance and Performance Targets;
- payment;
- Contract terms;
- service-related issues, particularly where suggestions for improvements in the Services are proposed;
- continuance and/or extension of the Contract;
- any relevant areas of concern; and
- any other relevant matters.

7.1.9 The Authorised Officers may assess the Provider's performance in other manners including (without limitation):

- Service User surveys and feedback;
- Complaints and compliments;
- Visits and inspections by Council Officers;
- Case studies which demonstrate achievement of the above Outcomes;
- Ad hoc requests for information; and
- Performance Review Meetings.

7.2 **Contractual Issues**

7.2.1 The tender process will be conducted in compliance with European Union rules and principles and Council Rules. The tendering of Short Breaks will be advertised on the Council's website and on The London Tenders Portal. The London Tenders Portal is the public sector procurement portal for all London Boroughs.

7.2.2 This portal will support the procurement process and help local authorities and other organisations in the public sector to achieve better value from their buying, whilst providing suppliers with easier access to new business opportunities and contracts.

7.2.3 There is no requirement for this tender to be advertised in the OJEU as this is a Part B service and this tender is, therefore, not subject to full EU regulations. However it will be advertised on other appropriate websites. Interested parties will be invited to tender on the basis of an open tender.

7.2.4 This is a two-stage process. The first stage will be to invite expressions of interest requiring the completion of a pre-qualification questionnaire (PQQ) which will be assessed against the responses given. This will result in a shortlist progressing to the next stage.

7.2.5 All Providers invited to tender will be advised of the detailed price/quality criteria and weightings in the tender documentation. The price weighting will be 40% and quality will be 60%.

The following scoring will be used:

- 38 points on service delivery model;
- 10 points on performance management;
- 15 points on quality assurance
- 10 points on staffing policy and structure
- 7 points on training policy and procedures
- 7 points on health and safety
- 3 points on added value
- 10 points on equality and diversity

These processes will result in a shortlist of preferred providers.

7.2.6 Expected Tender Outline

Cabinet Approval	14th February 2012
Tender evaluation	28 th February 2012 - 15 th March 2012
Approval and award	March 2012
Contract delivery	1 st May 2012

7.2.7 There is no obligation for Barking and Dagenham to purchase services from this framework; however; if we were to go out to tender alone for the range of services covered within the framework, the procurement exercise would take one (1) officer a period of six (6) months to complete

7.2.8 One practical effect of a framework agreement is the freedom to award contracts without the need to re-advertise and re-apply the selection and award criteria. This alone will lead to all parties saving the substantial time and cost of repeat bidding. More importantly, frame working is about having a long-term partnership between the supplier, client and other stakeholders that creates the working environment needed to support continuous improvement.

7.2.9 Continuous improvement requires a system for establishing objectives and targets and monitoring performance. Frameworks offer the structure needed to measure and improve performance during a project and to compare successive projects to see that lessons are transferred from project to project.

7.3 Customer Impact

7.3.1 Children's Services will be responsible for supporting the providers to deliver high quality services. The call-off contract will specify expectations in this respect. Regular equality impact assessments will be made.

7.4 Safeguarding Children

7.4.1 As this is a service for one of our most vulnerable groups the chosen providers will be required to conform to all our local and national safeguarding procedures. This will be checked at the tender stage and post appointment by regular and unannounced monitoring

Background Papers Used in the Preparation of the Report:

None

List of appendices:

None

CABINET

14 FEBRUARY 2012

Title: Barking Station Masterplan Supplementary Planning Document	
Report of the Cabinet Member for Regeneration	
Open Report	For Decision
Wards Affected: Abbey	Key Decision: Yes
Report Author: Naomi Pomfret, Principal Planning Policy Officer, Development Planning	Contact Details: Tel: 020 8724 8097 E-mail: naomi.pomfret@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director Regeneration and Economic Development	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>At its meeting on the 10 May 2011 the Cabinet approved the draft Barking Station Masterplan Supplementary Planning Document (“the Masterplan”) for consultation and to be used as a material consideration by Development Management (Minute 136 refers). Following an eight week public consultation, the Masterplan has been finalised and is ready to be adopted by the Council. This report sets out the consultation results and the changes that have been made in response to these.</p> <p>The Masterplan provides more detail on the implementation of site allocation BTCSSA3 of the Barking Town Centre Area Action Plan Development Plan Document which the Assembly adopted on 23 February 2011 (Minute 58 refers).</p> <p>The Masterplan has been circulated under separate cover to all Councillors and is available on the Council’s website. Copies of the Consultation Report are available in the Members’ Rooms at the Civic Centre and Town Hall and members of the public can obtain copies from the author. A map showing the location of the site allocations is provided in Appendix 1.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is asked to recommend the Assembly to adopt the Barking Station Masterplan Supplementary Planning Document.</p>	
<p>Reason(s)</p> <p>The Masterplan will help deliver the Council’s Policy House objective of raising household incomes by assisting in the regeneration of the station and the area around it. This will help improve the image of the town centre and therefore make it a more attractive place to invest. It will therefore help deliver outcomes under the Better Together and Better Home themes including “a borough in which people are proud and satisfied to live and work” and “a borough with good quality transport, including public transport, roads and footpaths”.</p>	

1. Introduction and Background

- 1.1 The draft Barking Station Masterplan Supplementary Planning Document (the Masterplan) was produced in consultation with the London Thames Gateway Development Corporation (LTGDC), the Mayor of London and the Greater London Authority (GLA) members including Transport for London (TfL) and Design for London (DfL) and a number of other key stakeholders including Network Rail, C2C and the Homes and Communities Agency (HCA).
- 1.2 The Masterplan provides more detail on the implementation of 'Site Specific Allocation 3: Barking Station' of the Barking Town Centre Area Action plan, which was adopted by the Council on 23 February 2011 (Minute 58 refers). Therefore, the Masterplan covers an area stretching from Linton Road to the Longbridge Roundabout and is centred on Barking Station.
- 1.3 As a Supplementary Planning Document (SPD), the Masterplan does not have the same status as the Action Plan but, once adopted, it will be an important material consideration in the determination of planning applications.
- 1.4 At its meeting on the 10 May 2011, the Cabinet recommended to approve the draft Barking Station Masterplan Supplementary Planning Document for consultation and to be used as a material consideration by Development Management (Minute 136 refers). An eight week consultation took place between 19 July and 13 September 2011. A number of minor changes have been made to the Masterplan following the consultation. The consultation results as well as the key changes to the Masterplan are set out below:

2. Proposal and Issues

- 2.1 The consultation (details given in Section 4 of this report) received a total of 47 responses. In general, support was received for the Masterplan's overall aim and ambitions. Of the 30 questionnaires returned only one respondent did not support the vision for the station quarter set out in the Masterplan. However, a number of objections have been received from English Heritage, Design for London and two business owners with properties on Station Parade, regarding the site allocation BS10: Anchor Retail Store. Contrasting concerns have been voiced by English Heritage and Coplan Estates regarding site allocation BS4: Trocoll House. In addition, both English Heritage and Design for London called for the site allocations BS3: Station Parade and site allocation BS8: Roding House to pursue a heritage-led refurbishment approach and not comprehensive redevelopment. These sites and comments regarding site allocation BS13: Leisure Square and the Hapag-Lloyd building are outlined below. The full list of representations made on the Masterplan and the Council's responses are detailed in the Consultation Report.

Site Specific Allocation BS3: Station Parade (the parade opposite Barking Station)

- 2.2 Both English Heritage and Design for London have called for Station Parade to be sensitively refurbished and not allocated for comprehensive redevelopment as set out in the Masterplan. It should be noted that Design for London is supportive of the

approach taken to Salisbury Avenue and the delivery of housing on this portion of the site.

- 2.3 The proposal for Station Parade is a longer term aspiration in the Masterplan (15-25 years) which depends on the willingness of the landowner to bring forward the site for redevelopment. The site allocation involves redeveloping the existing parade with larger shop units and office accommodation above to create a higher quality frontage opposite the station and a residential terrace along Salisbury Avenue.
- 2.4 The Masterplan text acknowledges, in the description of BS3, that whilst Station Parade is not part of the grade II listing of Barking Station it was part of the 1959-1963 Masterplan and that it therefore reflects the overall approach to the station area. However, the units have been much altered over time and are of varying quality. It is proposed to amend the text of BS3 to clarify that, should a developer come forward seeking to refurbish Station Parade that the Council would support this approach as an alternative to a comprehensive redevelopment of the site.

Site Specific Allocation BS4: Trocoll House (building to the right of the station)

- 2.5 English Heritage has called for Trocoll House to be sensitively refurbished. BS4 allocates the site for a flexible approach, whilst seeking a historically-led refurbishment, the site allocation also acknowledges that a comprehensive redevelopment approach may be a more viable option.
- 2.6 This is a medium term aspiration in the Masterplan (5-15 years) which depends on the willingness of the landowner to bring forward the redevelopment. The aim here is to improve the retail offer aside the station by bringing forward either refurbishment or a comprehensive scheme which will deliver high quality office buildings which complement the station with retail at ground floor level.
- 2.7 Coplan Estates, the land owners, have also made a representation regarding this site. Whilst supportive of the overall aims and ambitions of the Masterplan, Coplan Estates expressed strong concerns surrounding the viability and desirability of bringing forward this site for refurbishment, wishing the Masterplan to solely advocate the comprehensive redevelopment of Trocoll House. Coplan Estates also expressed concern regarding restricting any future development on this site to five storeys and sought to allocate the site for residential use in addition to retail and office.
- 2.8 Whilst a historically-led refurbishment of this site is the favoured option, the Council recognise that the Masterplan needs to be flexible and not prescriptively constrain but guide development within the Masterplan area. As set out in Coplan Estates representation, the building fabric of Trocoll House is currently in a poor condition. To restrict this site to a historically-led refurbishment scenario would be overly constraining and may lead to further deterioration of the site, detracting from the regeneration of Barking Town Centre. Therefore it is recommended to amend the text of BS4 so it states that a balanced approach will be taken to this site.
- 2.9 BS4 sets out parameters such as the height of the building, ensuring that any future development respects and enhances the grade II listed Barking Station and its setting. The adopted Barking Town Centre Area Action Plan (2011) stipulates that

tall buildings are not acceptable immediately adjacent to the grade II listed Barking Station (see Policy BTC17 and BTCSSA3). It is therefore not proposed to change this aspect of the policy.

Site Specific Allocation BS8: Roding House (building to the south west of the station)

- 2.10 English Heritage and Design for London have called for Roding House to be sensitively refurbished. The text of BS8 allocates the site for a flexible approach. Whilst seeking a historically-led refurbishment, the site allocation also acknowledges that a comprehensive redevelopment approach may be a more viable option.
- 2.11 This is a medium term aspiration in the Masterplan (5-15 years) which depends on the willingness of the landowner to bring forward the redevelopment. The aim here is to improve the retail offer aside the station by bringing forward either refurbishment or a comprehensive scheme which will deliver high quality office buildings which complement the station with retail at ground floor level.
- 2.12 As with site BS4: Trocoll House, it is recommended to amend the text of BS8 to further clarify the Council's approach to this site. Whilst a historically-led refurbishment of this site is the favoured option, it is considered that the Masterplan needs to be flexible and not prescriptively constrain but guide development within the Masterplan area. To restrict this site to a historically-led refurbishment scenario would be overly constraining and may lead to further deterioration of the site, detracting from the regeneration of Barking Town Centre. Therefore it is recommended to amend the text of BS8 to clearly state that a balanced approach will be taken to this site. Should a comprehensive redevelopment scheme come forward in the future, BS8 clearly sets out the priorities for the site.

Site Specific Allocation BS10: Anchor Retail Store

- 2.13 English Heritage and Design for London have objected to the allocation of this site as a suitable location for a large floorplate anchor retail store as detailed in the Masterplan. Shoeworld located at 7 Station Parade and the landlord for 3 Station Parade which is tenanted by T Cribb and Son Funeral Directors have also strongly objected to this allocation on the grounds that their businesses are operating successfully from this location and that the units are not in a poor state of repair.
- 2.14 Site Allocation BS10 seeks to deliver a 3,500 sqm floor plate which would meet the identified need for future retail 'comparison' floorspace in the town centre. This is a medium term aspiration in the Masterplan (5-15 years). The site is in multiple ownership and would need to be assembled for delivery by the private sector.
- 2.15 BS10 advocates a flexible approach for the site. Whilst primarily seeking a historically-led refurbishment which would retain the existing buildings of historic interest (namely the Locally Listed Barking Tap and units 1-9 Station Parade), the Masterplan also acknowledges that comprehensive redevelopment may be a more viable option. BS10 clearly states that should comprehensive redevelopment take place that only a building of exceptional architectural merit would be permitted and that it would need to relate to the fine grain of the buildings in the vicinity.

- 2.16 The main concern which English Heritage and Design for London have regarding the comprehensive option for delivering this site allocation is the loss of the locally listed features – the Barking Tap and units 1-9 Station Parade, which are located within the Abbey and Barking Town Centre Conservation Area. Section 2.2 of the Masterplan identifies and highlights these features as heritage assets within the Masterplan area and their contribution to the wider town centre. English Heritage and Design for London would like the Council to uphold the protection of these buildings. However, as set out in the Section 2.1 of the Masterplan, there is a need to provide modern units to allow for the provision of larger floorplates to encourage investment from chain stores if it is to prosper as a Major Centre. This is substantiated by the Barking Town Centre Retail Update (2009) and the 2010 market analysis conducted by Savills in 2010 (this is an evidence document for the Masterplan). The site allocation BS10 was identified as the most suitable location for a large floorplate comparison retail store by the engineering and design consultancy Atkins, who produced the preferred development scenario set out in the Masterplan.
- 2.17 The heritage value of units 1-9 Station Parade and the Barking Tap is recognised and, as such, BS10 sought to strike a balance between the feasibility / viability of refurbishment and the desire for redevelopment and the delivery a large floor plate retail unit within the town centre.
- 2.18 Design for London has suggested an alternative approach for the site which would see development restricted to the foot print of the Cambridge House office building to deliver a similar floor plate but across successive levels. .This option has a number of advantages including:
- It retains existing heritage assets which give Barking its character and differentiates it from modern malls
 - It allows businesses to invest in their premises in the knowledge that the Council would not sanction their loss
 - It still potentially leaves space for an anchor store if such a proposal were to come forward

It also has a number of disadvantages including:

- There is a greater risk that Barking Town Centre will not be able to attract a large multiple comparison retailer if the site is not on one large floorplate. There is a lower footfall on Cambridge Road – being located away from the Station Parade thoroughfare may not be an attractive option
 - As the site is less attractive, there may be little potential to seek improvements to the quality and appearance of the existing units at ground and above ground level at 1-9 Station Parade.
- 2.19 On balance it is recommended that an element of flexibility should be retained that does not totally exclude the comprehensive redevelopment of the entire site. However, it is also recommended that the text of BS10 should be amended to more clearly stipulate that a development option which preserved the Barking Tap and 1-9 Station Parade would be favoured.

Site Specific Allocation BS13: Leisure Square

- 2.20 Design for London has raised concerns regarding the inclusion within this allocation of a new public space. Primarily their fear is that this public space is not required, nor is it of benefit to pedestrian connectivity. This space was envisaged as a desirable space for the new residents at the Cambridge Road Site (allocation BS9), and for surrounding office workers. Alternative design scenarios have been proposed by Design for London, including extending the building proposed for BS12 on the Linton Road Car Park further south along Cambridge Road so that a continuous frontage is provided. This is the favoured option and therefore it is recommended that BS13 is deleted and BS12 changed accordingly.

Hapag-Lloyd – extension of Masterplan boundary to include this site

- 2.21 Both Design for London and Hapag-Lloyd have made representations to seek that the Hapag Lloyd office block on Cambridge Road is included in the boundary of the Masterplan. This cannot be done because the boundary of the Masterplan area was fixed in the Barking Town Centre Area Action Plan. It should be noted that the interests of Hapag Lloyd have been carefully considered in the drafting of Site Allocation BS9: Cambridge Road.

3. Options Appraisal

- 3.1 The Masterplan is the product of an options analysis and three regeneration scenarios. The Preferred Option incorporates elements from the three original options and takes forward the cautious growth regeneration scenario. It is considered in the current economic climate that the cautious growth scenario is the most appropriate.
- 3.2 The Council could choose not to adopt the Masterplan. However, the Masterplan aims to transform the experience of those using the area and ensure a quality of public realm and development is achieved which befits the area's status as the gateway to Barking and Dagenham. Not producing the Masterplan would represent a missed opportunity and deny those who live and work in the borough the opportunity to benefit from these essential improvements.

4. Consultation

- 4.1 The draft Masterplan was consulted on between 19 July 2011 and 13 September 2011. The consultation was in accordance with the Town and Country Planning (Local Development) (England) Regulations 2004 (the regulations) and the Council's adopted Statement of Community Involvement. Further to this, the Council consulted local land owners in the Station Masterplan area to ensure that a response was received from these landowners; consultation for this group was extended to 2 November 2011.
- 4.2 A notice went into Issue 55 of the News to announce the consultation of the draft Masterplan (Cover Date 23 July 2011, circulated on 18 July 2011). Consultation material regarding the draft Masterplan was also made available in various locations and formats including on the Council website, in the borough Libraries, the Planning Reception at Maritime House in addition to the Civic Centre and Town Hall Receptions for the entire consultation period.

4.3 The Masterplan was also presented to the Barking Town Centre Working Group at its meeting on 9 March 2011 and members were reminded again at its 13 July 2011 meeting that the consultation was due to begin on 19 July 2011.

4.4 The consultation received 46 responses from a broad range of stakeholders. There was broad support for the aims and the objectives of the Masterplan.

5. Financial Implications

Implications completed by: David Abbott, Principal Accountant

5.1 The Barking Station Masterplan has previously been approved by Cabinet for public consultation, and is now being resubmitted following the consultation period. The revenue implications of producing, consulting on, and adopting the Masterplan are as follows:

5.2 The Council will receive £50,000 in 2011/12 from London Thames Gateway Development Corporation (LTGDC) (£38,000 already received, with £12,000 to be received in March 2012). This funding arrangement was secured because the project was started by the LTGDC when they had planning powers over London Riverside, including Barking Town Centre. When these planning powers were handed back to the Borough from 1 April 2011, so was this project; however so that the project could be finished, the LTGDC agreed one-off funding of £50,000. This funding will be used to offset the cost of existing staff within Planning Policy, who have managed the process and produced the document, the cost to the Council (£2900) of the drawings and plans produced by WS Atkins consultants and the minor costs of placing a notice in The News and printing the document.

5.3 The Council is also currently running one major capital scheme in this area: 'Improvements to Barking Station Forecourt', which links in with the proposals and ideals set out in the Masterplan

6. Legal Implications

Implications completed by: Paul Field, Senior Lawyer

6.1 The Planning and Compulsory Purchase Act 2004 (the "Act") required the Council to replace its Unitary Development Plan (UDP) with a Local Development Framework (LDF). As observed above the Barking Station Masterplan Supplementary Planning Document is a key LDF document.

6.2 The Local Authorities (Functions and Responsibilities) (Amendment) (No 2) (England) Regulations 2004 provide that adoption of LDF documents are not an Executive function, so the resolution to adopt LDF documents under section 23 of the Act must be carried out by the Assembly.

7. Other Implications

7.1 Risk Management

Risk	Probability	Impact	Priority	Action
Failure to meet legal requirements	Low	High	High	Relevant Act and Regulations will and have been followed in preparing and adopting the Masterplan
Policy not applied successfully	Low	High	High	Development Management staff will be fully briefed.
Failure to integrate fully with other Council policies and strategies	Low	High	High	The Masterplan has been produced in consultation with the LTGDC, the Mayor of London and Greater London Authority (GLA) family members including Transport for London (TfL) and Design for London (DfL) and a number of other key stakeholders including Network Rail, C2C and the Homes and Communities Agency (HCA).
Guidance is not upheld at appeal	Low	High	High	This Masterplan provides more detailed guidance on the implementation of the Action Plan which was adopted by the Council on 23 February 2011.
Policy is challenged by developers.	Low	High	High	Other local authorities have issued similar guidance. The Masterplan does not impose any new requirements but instead provides guidance to developers on how to comply with the policies in the Action Plan.

7.4 Customer Impact

An Equalities and Impact Assessment has been completed for the Masterplan. Overall the Masterplan will have positive impacts on target groups in the town centre. The equalities impacts of the Masterplan can be summarised as follows:

- Improved public realm and improved pedestrian movement around Barking Station
- Enhanced accessibility of Barking Station
- Creation of new public realm space
- Easier to alight from buses

7.5 **Safeguarding Children**

Improvements to the public realm outside of Barking Station and enhancement of the surrounding area will provide a better pedestrian environment for children, especially benefitting those who attend the Northbury Primary School.

7.6 **Health Issues**

The improvements to the Barking Station Forecourt area and the proposals for the upgrade of Barking Station should result in a more pleasant experience for commuters and other users of the station and therefore have positive impacts on their health and well being.

7.7 **Crime and Disorder Issues**

Section 17 of the Crime and Disorder Act 1998 places a responsibility on councils to consider the crime and disorder implications of any proposals. The Barking Station area is a hotspot for crime and the proposals contained in the Masterplan will help make the area safer by increasing natural surveillance, removing problem uses, increasing the amount of public realm particularly in front of Barking Station and therefore reducing overcrowding. All development proposals in the Barking Station area will need to comply with Policy BC7: Crime Prevention in the Borough Wide Development Policies Development Plan Document (reported to Cabinet on 15 March 2011).

7.8 **Property / Asset Issues**

All development proposals will need to be in line with both the Action Plan and the Masterplan. Therefore the Masterplan will have an impact on future use of the Council's Property and Assets where the need for planning permission is involved.

In general the Action Plan, the Core Strategy and the Masterplan set higher standards for new developments compared to the previous Unitary Development Plan (1995). This will therefore impact on the cost of new development.

BS12 Linton Road Carpark would generate a capital receipt for this underused asset.

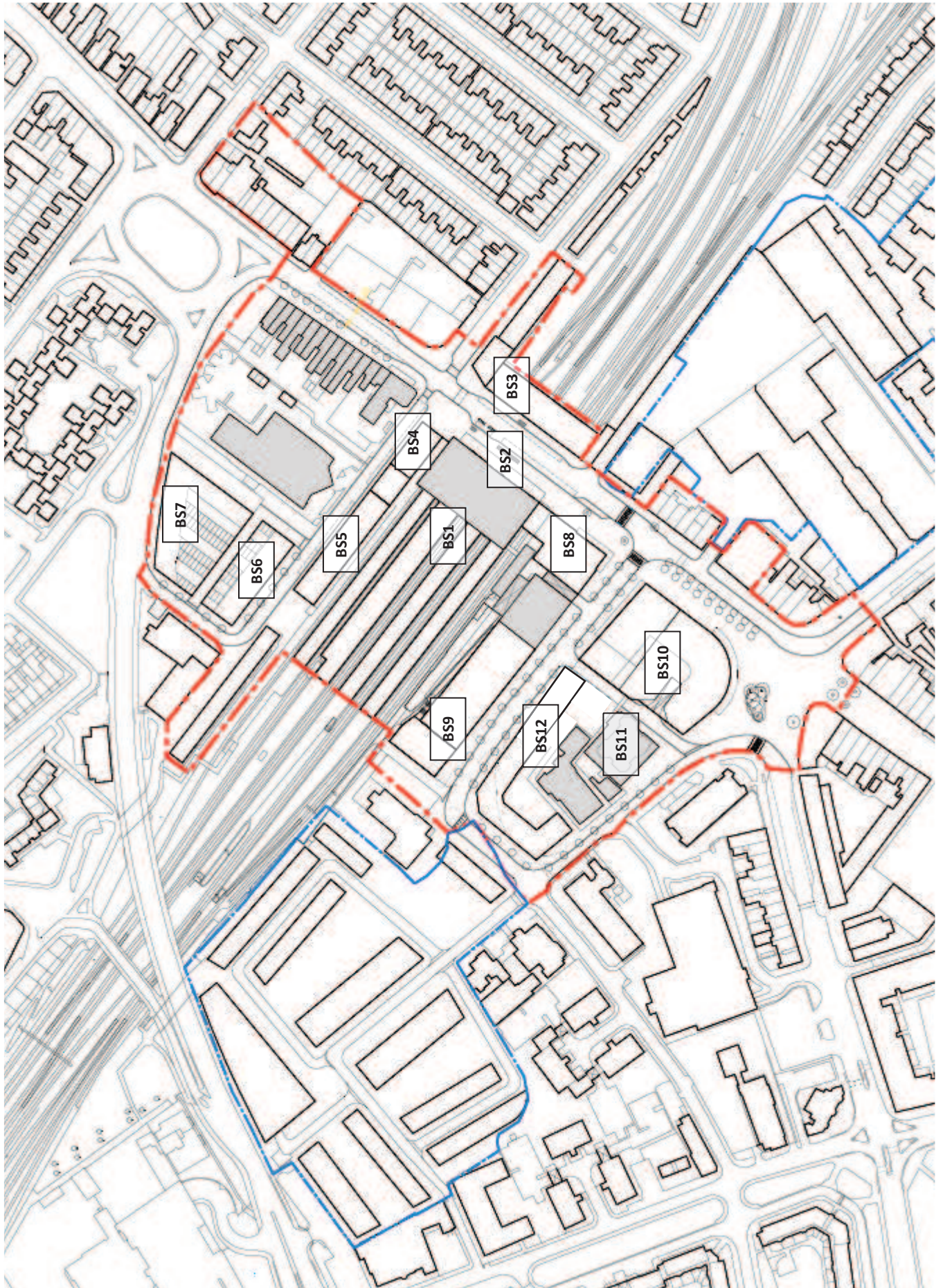
Background Papers Used in the Preparation of the Report:

- Cabinet Report, 25 January 2011, Local Development Framework: Approval of the Barking Town Centre Area Action Plan, (Minute 92 - 25/01/11).
- Assembly Report, 23 February 2011, Local Development Framework:
- Approval of the Barking Town Centre Area Action Plan, (Minute 58 - 02/11).
- Cabinet Report 10 May 2011, Draft Barking Station Masterplan Supplementary Planning Document, (Minute 136 – 10/05/11)
- Atkins 2008 Baseline Reports:
 1. Transport Planning
 2. Heritage Impacts Analysis
 3. Pedestrian Modelling Report
 4. Planning Policy Review
 5. Structural Constraints Review (Building and Bridge Structures)
 6. Local Property Market Review
 7. Sustainability Appraisal and Equalities Impact Assessment (Scoping Report)

- Atkins Stage 2 Report: December 2008: Site Context and Analysis
- Atkins Stage 3 Report: April 2009: Masterplan Options Report

List of appendices:

Appendix 1: Map showing Barking Station Masterplan allocations



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CABINET

14 FEBRUARY 2012

Title: Adoption of Supplementary Planning Documents - Biodiversity, Trees and Development and Residential Extensions and Alterations	
Report of the Cabinet Members for Regeneration and Environment	
Open	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Rachel Hogger, Planning Policy Manager, Development Planning	Contact Details: Tel: 020 8227 5605 E-mail: rachel.hogger@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Division Director Regeneration and Economic Development	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>The draft Biodiversity Supplementary Planning Document (SPD) and the draft Trees and Development SPD were approved for consultation by the Cabinet on 23 November 2010 (Minute 67 refers). The draft Residential Extensions and Alterations SPD was approved for consultation by the Cabinet on 3 November 2009, (Minute 77 refers).</p> <p>The Biodiversity SPD sets out the Council's guidance on protecting and enhancing biodiversity in the borough through the planning process. The Trees and Development SPD provides guidance on how trees are protected in the borough and how this impacts on development proposals. Both SPDs will assist applicants in making sure they comply with policies in the Council's Local Development Framework (LDF) and London Plan and relevant national legislation. The Residential Extensions and Alterations SPD contains design advice which applicants will have to follow when applying for planning permission for residential extensions and alterations.</p> <p>Following public consultation on the draft SPDs undertaken in a six week period from 11 June to 23 July 2011, the SPDs have been finalised and are ready to be adopted by the Council. This report sets out the consultation results and the changes that have been made in response to these. Officers consider the changes made following the consultation have strengthened the SPDs. Copies of the Consultation Reports are available in the Members' Rooms at the Civic Centre and Town Hall.</p> <p>The three SPDs have been circulated to all Members of the Council under separate cover in advance of the Cabinet.</p>	

Recommendation(s)

The Cabinet is asked to recommend to the Assembly the adoption of the Biodiversity Supplementary Planning Document, the Trees and Development Supplementary Planning Document and the Residential Extensions and Alterations Supplementary Planning Document.

Reason(s)

These three Supplementary Planning Documents will help deliver the “Better Together” and “Better Homes” themes of the Council Policy House by assisting in the delivery of the related outcomes “a borough with improved estates and homes that people choose to live in” and “a borough in which people are proud and satisfied to live and work”.

1. Introduction and Background

- 1.1 The draft Biodiversity SPD and the draft Trees and Development SPD were approved for consultation by the Cabinet on 23 November 2010 (Minute 67 refers). The draft Residential Extensions and Alterations SPD was approved for consultation by the Cabinet on 3 November 2009, (Minute 77 refers).
- 1.2 Formal consultation on the three documents was undertaken in a six week period from 11 June 2011 to 23 July 2011. The consultation was in accordance with the Town and Country Planning (Local Development) (England) Regulations 2004 (the regulations) and the Council’s adopted Statement of Community Involvement.
- 1.3 Following the consultation period the three documents were revised in light of the comments made. The majority of the changes to the three documents were minor and serve to improve the clarity of the documents. However, a few more significant changes were required and these are set out below:

2. Proposal and Issues

- 2.1 There are two significant changes being proposed to the draft Biodiversity SPD in response to comments received from the Environment Agency and Greenspace Information for Greater London:
 - Emphasizing more strongly in the document that development should where feasible seek to restore and enhance any watercourses on and adjacent to the development site. The naturalisation of culverted water courses should be investigated and measures to enhance the natural habitats alongside watercourses considered.
 - Clarifying in the document that where a habitat survey is required that publically available data obtained from the National Biodiversity Network (NBN) Gateway does not provide sufficient detail and cannot be considered as a substitute for a data search by Greenspace Information for Greater London.
- 2.2 The first change reflects the value in enhancing watercourses and naturalising culverted water courses in terms of benefiting biodiversity in the borough. This

change will help ensure that opportunities, where appropriate, to improve existing water courses as part of agreements on major planning applications will not be lost.

2.3 No significant changes were made to the draft Trees and Development SPD.

2.4 There is one significant change being proposed to the draft Residential Extensions and Alterations SPD.

- Removing the requirement to leave a gap of 1 metre to the neighbours boundary when undertaking a side extension. Instead the SPD will state that the Council may ask for a gap where the particular character of a street justifies it.

2.5 The reason for this change is to ensure that the SPD does not make an unnecessary blanket requirement and focuses on sustaining and enhancing positive characteristics of existing buildings and surroundings. This change is also supported by a number of planning appeal decisions having been allowed recently. Planning inspectors have taken the view that in some circumstances, the gaps between buildings do not contribute positively to the character of an area and that the loss of these gaps is not always harmful.

3. Options Appraisal

3.1 The Council could choose not to adopt the Biodiversity SPD, the Trees and Development SPD and the Residential Extensions and Alterations SPD. However, the Cabinet previously approved the draft Biodiversity SPD and Trees and the Development SPD on 23 November 2010 and the Cabinet previously approved the draft Residential Extensions and Alterations SPD on 3 November 2009. Officers consider the changes made following the consultation have strengthened the SPDs and that they provide essential guidance to developers and Council staff alike during the development management process

4. Consultation

4.1 Formal consultation on the three documents was undertaken in a six week period from 11 June 2011 to 23 July 2011. The consultation was in accordance with the Town and Country Planning (Local Development) (England) Regulations 2004 (the regulations) and the Council's adopted Statement of Community Involvement.

4.2 As part of this, the documents were placed on the Council's website, a public notice placed in the News, and electronic copies placed in the borough libraries on CD rom. In addition, consultation letters were sent directly to statutory planning consultees (including neighbouring boroughs, utility providers, Natural England, the Environment Agency and English Heritage), a list of general consultees (developers, agents and community groups) who have been actively involved in the LDF process in Barking and Dagenham and a list of 80 agents known to be operating with respect to householder developments in the borough.

5. Financial Implications

Implications completed by: David Abbott, Principal Accountant

- 5.1 The SPDs do not contain any new policies, but provide guidance on how to comply with existing legislation and the implementation of LDF policy. No new planning applications would be required specifically as a result of this document, and therefore there will be no incremental increase in overall applications or planning income.

The work associated with consulting on and implementing the three SPDs has been carried out by current staff, and met from within the existing Regeneration & Economic Development budget. The only incremental costs to the Council of consulting on and implementing the SPDs are the minor costs of advertising, postage, and printing.

6. Legal Implications

Implications completed by: Paul Field, Senior Lawyer

- 6.1 The Planning and Compulsory Purchase Act 2004 (the "Act") required the Council to replace its Unitary Development Plan (UDP) with a Local Development Framework (LDF). As observed above the Supplementary Planning Documents are key LDF documents.
- 6.2 The Local Authorities (Functions and Responsibilities) (Amendment) (No 2) (England) Regulations 2004 provide that adoption of LDF documents are not an Executive function, so the resolution to adopt LDF documents under section 23 of the Act must be carried out by the Assembly

7. Other Implications

7.1 Risk Management

Biodiversity and Trees and Development Supplementary Planning Documents

Risk	Probability	Impact	Priority	Action
Failure to meet legal requirements.	Low	High	High	Relevant Act and Regulations will be followed in preparing and adopting the SPDs.
Policy not applied successfully	Low	High	High	Development Management staff will be fully briefed.
Failure to integrate fully with other Council policies and strategies	Low	High	High	The Draft SPDs have been prepared in consultation with Natural England, the GLA, the London Biodiversity Partnership and relevant Council services. The SPDs help deliver the Policy House outcomes.

Guidance is not upheld at appeal	Medium	High	High	These SPDs are in line with Government guidance on protecting and enhancing biodiversity and protecting trees. Their purpose is to provide detailed guidance to developers on the implementation of LDF policy set out in the Borough Wide Development Policies DPD and the Core Strategy which have now been adopted.
Policy is challenged by developers.	Low	High	High	Other local authorities have issued similar guidance. The SPDs do not impose any new requirements but instead provide guidance to developers on how to comply with legislation and LDF policy.

Residential Extensions and Alterations Supplementary Planning Document

Risk	Probability	Impact	Priority	Action
Failure to meet legal requirements.	Low	High	High	Relevant Act and Regulations will be followed in preparing and adopting SPD.
Policy not applied successfully	Low	High	High	This SPD has been prepared by Development Management who will also be responsible for using the SPD when determining applications for residential extensions and alterations.
Failure to integrate fully with other Council policies and strategies	Low	High	High	The Draft SPD has been prepared in consultation with relevant consultees and helps deliver the Policy House outcomes.
Guidance is not upheld at appeal	Medium	High	High	This SPD takes account of the latest changes to the General Permitted Development Order. It is also more comprehensive than the Council's current guidance and therefore will enable the Council to take a more consistent approach to householders applications and appeals.

Policy is challenged by developers.	Low	High	High	Other local authorities have issued similar guidance. The SPD does not impose any new requirements but instead provides guidance to developers on how to comply with legislation and LDF policy.
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7.2 **Staffing Issues** - The adoption of the SPDs will incur no additional burden to Council staff. Indeed, the plans are a key tool in assisting Development Management Officers when considering planning applications in the borough and will help bridge the capacity gap due to the reduction in resources in the Planning Policy Team.

7.3 **Customer Impact** - The three SPDs do not contain new policies but they do provide helpful guidance on how to comply with legislation concerning the protection of wildlife as well as implementation of LDF policy.

The consultation process undertaken in 2011 allowed the general public, developers and statutory bodies to comment on these documents. Consultation was undertaken in line with the Council's Statement of Community Involvement.

The potential impacts on customers are identified below:

External Customers:

- **Developers**

The Trees and Development SPD and the Biodiversity SPD explain the requirement to protect biodiversity and trees during the development process and to identify mitigation measures where necessary. This should enable developers to incorporate the protection and enhancement of biodiversity and the protection of trees from the earliest stages of a new project. This will help ensure that the necessary information is provided with the planning application and that delays are avoided later in the planning process.

- **Householders**

The Biodiversity SPD and the Trees and Development SPD both set out the responsibilities of householders with regard to permitted development and the protection of wildlife and to the protection of trees. These responsibilities are defined by legislation and therefore do not represent any additional burden on householders.

The Residential Extensions and Alterations SPD provides clearer and more detailed advice for those submitting planning applications for a proposal which involves the extension or alteration to their home. Applicants should therefore be more certain as to what they need to do to gain planning permission thereby saving time for themselves and planning officers. In addition clearer guidance should save applicants money.

Internal Customers:

- **Development Management.**

The Biodiversity SPD and the Residential Extensions and Alterations SPD should help Development Management identify at an early stage in the planning process if:

1. The necessary information has been provided
2. Measures to protect, enhance and create biodiversity and to protect trees are included in the application.

This will help Development Management staff ensure legal and policy requirements are met during the planning process.

The Residential Extensions and Alterations SPD will help Development Management when dealing with householder pre-application enquiries as well as planning applications.

- **Property Services**
Council proposals for the development of sites will benefit from the additional guidance provided in the three SPDs.

7.4 Health Issues

Biodiversity SPD and the Trees and Development SPD - The borough has a number of important habitats for sustaining biodiversity including 30 designated Sites of Importance for Nature Conservation, gardens, allotments, rivers and reed beds, and grassland. The borough is also home to a variety of protected species of plants and animals. The borough's biodiversity is enjoyed and accessed by many residents. It underpins our sense of health and wellbeing.

Residential Extensions and Alterations SPD - The SPD provides further guidance with respect to implementing adopted LDF policy. The SPD will help ensure residential extensions and alterations are allowed to take place in the borough to suit changing householder needs whilst also protecting the residential amenity of neighbouring properties (e.g. not lead to significant overlooking, loss of privacy, immediate outlook or overshadowing).

7.5 Crime and Disorder Issues – The Biodiversity SPD and the Trees and Development SPD both provide guidance on how to comply with legislation such as the Wildlife and Countryside Act 1981 and will help to address environmental crime in the borough.

7.6 Property / Asset Issues - Council proposals for the development of sites will also need to comply with LDF policy and as such will benefit from the guidance provided in all three SPDs.

Background Papers Used in the Preparation of the Report:

- Cabinet Report, 23 November 2010, Local Development Framework – Draft Biodiversity and Draft Trees and Development Supplementary Planning Document (Minute 67, 23/11/2010)
- Cabinet Report, 3 November 2009, Local Development Framework – Residential Extensions and Alterations Draft Supplementary Planning Document (Minute 77, 3/11/09)

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CABINET

14 FEBRUARY 2012

Title: Community Infrastructure Levy	
Report of the Cabinet Member for Regeneration	
Open Report	For Decision
Wards Affected: All	Key Decision: yes
Report Author: Rachel Hogger, Planning Policy Manager, Development Planning	Contact Details: Tel: 020 8227 5605 E-mail: rachel.hogger@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director for Regeneration and Economic Development	
Accountable Director: Tracie Evans, Director of Finance and Resources	
<p>Summary:</p> <p>The Government now allows Councils to set a Community Infrastructure Levy. This is a charge on nearly all new development to help pay for the cost of the infrastructure needs they generate. At the same time the Government has tightened the use of S106 agreements so that they can only be used for site specific impacts. Therefore if the Council wants to maximise developer contributions for infrastructure costs then it must introduce a CIL.</p> <p>The purpose of this report is to recommend to Cabinet that the Council proceeds with adopting a Community Infrastructure Levy and to seek approval to consult publicly on the proposed set of charges which are set out in the Preliminary Draft Charging Schedule (see Appendix 1).</p> <p>As part of the consultation on the Preliminary Draft Charging Schedule, the Council will need to make publicly available its Infrastructure Plan which is summarised in Appendix 2. This demonstrates the cost of providing the new infrastructure to meet the needs of new development and provides the justification for implementing a CIL. The Council must also publish its Economic Viability Assessment which assesses the viability of different types of development in different parts of the borough and provides the justification for the CIL charges which this report recommends should be set. This is available in the Members Rooms, on the Council's website and can be obtained from the author on request.</p> <p>Members should also note that the Mayor of London is instituting a CIL to help pay for Crossrail. This is due to apply from April 2012.</p>	
Recommendation(s)	
The Cabinet is recommended to agree:	
(i) the Community Infrastructure Levy Preliminary Draft Charging Schedule, as	

attached at Appendix 1, for consultation; and

- (ii) the draft Barking and Dagenham Infrastructure Plan for New Development and the Barking and Dagenham 2011 Community Infrastructure Levy and s106/Affordable Housing Economic Viability Assessment for publication.

Reason(s)

The Community Infrastructure Levy will help deliver two key priorities in the Council's Policy House; school and post 16 education and housing and estate renewal.

1. Introduction and Background

What is the Community Infrastructure Levy (CIL)?

- 1.1 Currently, contributions are sought from developers through agreements made under S106 of the Town and Country Planning Act 1990 (S106 Agreements) to mitigate the impacts of their development. The Government has recently tightened the operation of S106 agreements by making law the tests they must meet. S106 monies can now only be sought, if they meet all of the following three legal tests:

- necessary to make the development acceptable in planning terms
- directly related to the development
- fairly and reasonably related in scale and kind to the development.

Therefore Section 106 monies can now only be used to mitigate the direct impacts of a development, for example improved road access, on site landscaping or an onsite play area. From 6 April 2014 or local adoption (whichever is sooner) a maximum of five S106 contributions can be pooled for any one item of infrastructure. This includes any S106 agreements agreed since 1 April 2010. Due to their reduced scope this means looking to the future that the amount of monies secured through S106 Agreements is likely to be significantly reduced.

- 1.2 The Government now expects the wider infrastructure impacts of development, such as the provision of school places, to be funded not through S106 contributions but through a new mechanism called the Community Infrastructure Levy introduced under the Planning Act 2008.
- 1.3 The Community Infrastructure Levy (CIL) is a new charge which local authorities in England and Wales are empowered, but not required, to levy on all net new development of 100 square metres or more or the creation of one additional residential unit in their areas. The proceeds of the levy can be spent on infrastructure to support the needs of new development anywhere in the borough.
- 1.4 The Planning Act 2008 provides a wide definition of the infrastructure which can be funded by the levy, including transport, flood defences, schools, hospitals, and other health and social care facilities. The implementation process is set out in the Community Infrastructure Regulations 2010. Regulation 123 of the Regulations requires the Local Planning Authority (the Council) to publish a Regulation 123 list which sets out the general infrastructure on which it will spend CIL proceeds on. The list is exclusive to the Council so it cannot then seek additional S106

contributions for items which are listed on the 123 list. However the list is not fixed and can be altered at any time.

1.5 Whilst S106 agreements are negotiated on a case by case basis due to the circumstances of each development being unique, CIL is an automatic charge which once in place applies to all eligible development.

1.6 The benefits of moving to a CIL regime can be summarised as follows:

- Applies to nearly all new development except affordable housing and development for charitable purposes;-
- As it is a fixed, non-negotiable charge there is greater transparency, predictability and certainty for developers;
- It delivers additional funding to carry out a wide range of infrastructure projects that support growth and benefit the local community;
- It gives freedom and flexibility to set priorities for what the money should be spent on, as well as a predictable funding stream that assists in planning ahead;
- It provides developers with much more certainty 'up front' about how much money they will be expected to contribute, which in turn encourages greater confidence and higher levels of inward investment. It will therefore assist in the delivery of new homes and commercial floorspace and therefore help maximise income from other potentially more lucrative funding streams such as the New Homes Bonus and domestic and non-domestic rates;
- Unlike S106 agreements, it will not slow down or complicate the development assessment process and will help speed up the planning system;
- The Council will be able to use anticipated CIL receipts to secure additional borrowings to deliver capital infrastructure items.

Affordable Housing

1.7 Affordable housing will continue to be delivered through S106 agreements. CIL and S106 both represent additional costs to the developer. Therefore in setting CIL a judgement has to be made about the level of affordable housing that developers should be asked to provide.

1.8 The Mayor of London's London Plan requires the Council, on schemes of ten or more new homes, to seek the maximum reasonable amount of affordable housing having regard to current and future requirements for affordable housing, local affordable housing targets, development viability and the availability of public subsidy. The Council currently does not have an overall affordable housing target within its Local Development Framework therefore the Council normally asks for a development appraisal to substantiate the size of the S106 and affordable housing offer the developer is proposing. Historically it has normally only been possible to secure affordable housing in Barking and Dagenham through S106 with recourse to Government subsidy. This subsidy is now much more limited and will not normally be available to support affordable housing through S106 unless part of a registered provider's agreed delivery program. Consequently the viability study has established that no more than 10% affordable housing can be secured without grant via S106 alongside a reduced CIL and then only in Barking Town Centre and Barking Riverside. However whilst CIL is fixed S106 contributions will vary from one scheme to the next and cannot be guaranteed. Therefore officers recommend that

the CIL is set at the CIL ceiling under the regulations and that the Council continues to use the Mayor's London Plan as guidance.

- 1.9 The Government is currently consulting on a proposal to allow CIL receipts to be spent on affordable housing. This may allow the Council the freedom to spend the CIL receipts on the type of affordable housing it deems to be the priority as an alternative to using S106 agreements.

Mayoral Crossrail CIL

- 1.10 The Mayor of London has introduced a CIL across London for all development, except schools and health facilities to assist in funding Cross-Rail. A charge of £20 per square metre applies to Barking and Dagenham. This is due to be introduced in April 2012 and applies until the Mayor has collected £300 million. This is scheduled to be achieved in 2019 at which point the Mayor's CIL will end. At this point the borough will be able to set a higher CIL. The Mayor's CIL is currently subject of a public inquiry. Due to the significant impact it will have on development viability in Barking and Dagenham the Council has contested the charge, however the recommended local CIL charges take into account the Mayoral CIL.

The Process of Implementing CIL

- 1.11 To apply the levy the Council must produce a charging schedule setting out its levy rates. The charging schedule will form part of the Council's Local Development Framework.
- 1.12 The Council is required to provide two key pieces of evidence in support of the Charging Schedule. Firstly a Local Infrastructure Plan. This estimates that the cost of the infrastructure required to support projected development over the next 15 years will amount to **£894,126,545** taking into account other funding sources (this includes the cost for the Docklands Light Railway Extension). As the infrastructure costs of supporting new development are greater than the forecast available funding, the Council is fully justified in seeking the maximum reasonable amount of CIL from qualifying developments subject to viability.
- 1.13 The Infrastructure Plan is summarised in Appendix 2.
- 1.14 The second piece of evidence required to support the charging schedule is a viability assessment to demonstrate that the charges have been set at a level which will not stop overall development coming forward across the borough and therefore undermine the delivery of the Local Development Framework. The charges can only be set on the basis of development viability they cannot be varied for any other reason and they must not be set at the margins of viability. Therefore the charges cannot be varied to achieve policy objectives. London boroughs are required by regulations to take full account of the rates already set by the Mayor of London (e.g. the proposed blanket charge of £20 per sq metre).
- 1.15 For this purpose an Economic Viability Assessment (Affordable Housing & CIL/S.106) has been prepared by consultants GVA. GVA worked closely with Council staff and local stakeholders in the local development industry in the undertaking of their work. The recommended charges set out in paragraph 2.2 represent the maximum reasonable amount of CIL the different types of

development listed it is calculated can afford to pay. This takes into account the impact on build costs of the various policy requirements set out in the Local Development Framework including for example Code for Sustainable Homes, and internal space standards.

2 Proposal and Issues

- 2.1 The Cabinet is being asked to support the approval of the Preliminary Draft Charging Schedule for consultation, and the activation of 'exceptional circumstances' relief, outlined in paragraph 2.8.

The Preliminary Draft Charging Schedule

- 2.2 The Preliminary Draft Charging Schedule, attached as Appendix 1, sets out the following charges:

Proposed Level of Residential CIL (per sq.m)

	0% Affordable Housing	Example 100 new homes at 80 sq.m each
Barking Town Centre Key Regeneration Area and Leftley and Faircross Estates	£70	£560,000
Barking Riverside Key Regeneration Area	£25	£200,000
Rest of Borough	£10	£80,000

Proposed Level of Commercial CIL (per sq.m)

	CIL	Example	
Large Convenience Retail (>1,500sqm)	£300	Supermarket 7500 sq.m	£2,250,000
Small Retail (A1-A5 <370 sqm)	Nil		
Office (B1a)	Nil		
Municipal Leisure	Nil		
Health¹	Nil		
Education²	Nil		
All other non-residential uses	£10	Warehouse 1000 sq.m	£10,000

- 2.3 Since sales values are a significant determinant of development viability, the borough was split up into five distinct residential market areas based on current house prices:

¹ Development used wholly or mainly for the provision of any publicly funded medical or health services except the use of premises attached to the residence of the consultant or practitioner

² Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education

- Barking Town Centre, Leftley Estate and Faircross Estate
- Barking Riverside
- South Dagenham
- Rest of the borough medium (Chadwell Heath, Rush Green and Dagenham East)
- Rest of the borough low – all areas not covered any of the other four areas

2.4 The viability appraisal concluded that developments in Barking Town Centre and the Leftley and Faircross Estates, and to a lesser extent Barking Riverside, could support a higher charge. Elsewhere in the borough the study concluded that, developments can only afford to pay a de minimis CIL charge, and therefore a CIL charge of £10 per square metre is recommended.

Explanation of the Charges

2.5 The Economic Viability Assessment has confirmed that development values are low in Barking and Dagenham. This is due to capital construction costs, provincial sales values and therefore low land values. In many parts of the Borough there is limited scope for a development to provide CIL, S106 or affordable housing, other than the Mayor of London's CIL. The CIL has therefore been set at £10 per sq metre outside of Barking Town Centre and Barking Riverside.

2.6 The viability work shows that, currently, at the proposed CIL charges, development cannot also contribute towards affordable housing and the charges set out above are set on the basis of the Council continuing without an affordable housing target. Affordable housing can however still be negotiated through S106 agreements and therefore when and if development viability improves in the borough this will be reflected in increased amounts of affordable housing being secured.

2.7 It is important to view CIL proceeds against other arguably more lucrative funding streams especially the New Homes Bonus and to a lesser extent Council tax receipts and non-domestic rate receipts. The New Homes Bonus is a significant income source. The Council will receive £7,500 for each net new home and an additional £2,100 for each new affordable home built. Therefore New Homes Bonus will make a bigger contribution to meeting the infrastructure needs of new development than CIL. As outlined at the outset of this report it is considered that implementing a CIL will provide certainty to developers on the cost they will incur and also help speed up the planning process. In addition due to development viability in Barking and Dagenham being worse than in neighbouring boroughs CIL charges here will be less than in Redbridge and likely to be less than in Havering. For these reasons the implementation of a CIL should assist the delivery of new homes and new commercial floorspace and therefore help maximise New Homes Bonus and domestic and non-domestic rate income streams as set out in the recently published Local Government Finance Bill.

Relief for Exceptional Circumstances

2.8 Given the importance of ensuring that CIL does not prevent otherwise desirable development, the regulations provide that the Council has the option to offer a process for giving relief from the levy in exceptional circumstances where a specific scheme cannot afford to pay it. The Council can consider claims for relief on chargeable developments from landowners on a case by case basis, provided the

following conditions are met. Firstly, a section 106 agreement must exist on the planning permission permitting the chargeable development. Secondly, the Council must consider that the cost of complying with the section 106 agreement is greater than the CIL charge on the development and that paying the full charge would have an unacceptable impact on the development's economic viability. Finally, relief must not constitute State Aid; that is to say it would not amount to assistance by the Public Sector either by a relief or contribution to give a national business an unfair competitive advantage over other European businesses. Relief for Exceptional Circumstances can be withdrawn by the Council at any time and therefore does not have to be made available in perpetuity. It is recommended that the Council take up the option to provide for Relief for Exceptional Circumstances particularly given the potential for section 73 applications (applications to vary an existing condition) at Barking Riverside to make homes previously granted planning permission liable for CIL. Therefore the Preliminary Draft Charging Schedule makes clear that the Council will make relief available for exceptional circumstances in Barking and Dagenham.

Monitoring

- 2.9 The Council is required to monitor and report annually on the collection and spending of the levy. This will be done through the Council's Annual Monitoring Report. In addition it is proposed that the Council reviews the CIL charge annually to ensure it is set at the right level taking into account development viability. However it is suggested that any changes are only made at the least every two years due to the lengthy statutory processes that any changes to the charges would have to negotiate.

Governance

- 2.10 The collection of the borough's CIL will use the same arrangements and processes which will be implemented by 1 April 2012 to collect the Mayor's CIL. The CIL regulations allow the Council to recoup the administrative costs of collecting both sets of CIL.
- 2.11 It is recommended that CIL proceeds are spent on those projects within the Council's agreed Capital Strategy which meets the needs generated by new development.

CIL timetable

- 2.12 The table below sets out the timetable for implementing the Barking and Dagenham Community Infrastructure Levy.

Task	Progress
1. Seek approval of Preliminary Draft Charging Schedule at Cabinet	Cabinet date – 14 February 2012
2. Consultation on Preliminary Draft Charging Schedule (6 weeks)	21 February – 3 April 2012
3. Approval of Draft Charging Schedule (advert required Reg 16 a (d))	Cabinet date – June 2012 Assembly July 2012

4. Public Consultation on Draft Charging Schedule (4 + weeks)	August 2012
5. Submit the Draft Charging Schedule to the examiner plus also to PINs.	September 2012
6. Charging Schedule Examination	December 2012
7. Adoption and Publication	
- Report to Cabinet and Assembly for approval of Charging Schedule	March 2013
- Publish Charging Schedule	
8. CIL comes into effect	April 2013

3. Options Appraisal

3.1 Two other options were considered:

Option 1: No CIL and maximum affordable housing via S106

3.2 The disadvantages of this approach are:

- No money would be secured for education, transport and other infrastructure costs and this in turn could have negative implications for social cohesion
- The Council would not receive CIL from developments below 10 units or from non-residential uses
- Affordable housing has a higher child yield than private sale housing so would increase pressure on school places.
- In considering whether to proceed with this option it is important to consider which option ensures that the amount of developer contribution is maximised. Whilst CIL is a fixed amount, S106 and Affordable Housing are negotiated. Therefore this option has the disadvantage that there would be no certainty to the Council on how much affordable housing would be received as it would be negotiated on a site by site basis. Whilst the Council can set an overall local affordable housing target the final amount that is provided is determined through a development appraisal and will be dictated by the viability of the development.

Option 2: CIL and 10% indicative affordable housing target

3.3 The Council could set an affordable housing target alongside CIL. The viability study has established that no more than 10% affordable housing can be secured without grant via S106 alongside a reduced CIL and then only in Barking Town Centre and Barking Riverside. For the reasons set out in the last bullet point for Option 1 whilst with Option 2 the Council can be certain that it will receive a high CIL, with this option it can only be certain it will receive a low CIL. The amount of affordable housing that is provided is negotiated and cannot be guaranteed. Although the preferred option assumes no affordable housing, it does not mean that affordable housing cannot be secured. The developer would still be required to

demonstrate that they have provided the maximum reasonable amount of affordable housing viable. This has the advantage that if development viability improves beyond the levels modelled in the Economic Viability Assessment, it can be captured by the affordable housing.

4. Consultation

- 4.1 Stakeholder consultation was undertaken as part of the economic viability work to inform the charges set out in the Preliminary Charging Schedule. A stakeholder workshop involving developers and agents was held on 27th September 2011 to discuss the assumptions used in the viability assessment. Further workshops took place on 25th October and 7th November 2011 to discuss the results of the viability testing. All attendees and interested parties will continue to be consulted and kept informed via email.
- 4.2 Further consultation will be undertaken on the Preliminary Draft Charging Schedule as outlined in paragraph 2.12 above.

5. Financial Implications

Implications completed by: David Abbott, Principal Accountant

- 5.1 The main significant difference in controlling S106 and CIL proceeds is that with S106 contributions there is a legal requirement that any payment should be directly related to the development whereas with CIL the payment will go to an accumulated fund to finance infrastructure projects generally (as defined in legislation and regulation).
- 5.2 The CIL is expected to provide additional monies for infrastructure but not replace mainstream funding.
- 5.3 The Council will be required to exercise proper governance and monitoring arrangements to be able to demonstrate what monies have been received and how they have been spent in line with existing reporting and accounting procedures.
- 5.4 From 1st April 2012 a mayoral CIL will apply to all qualifying developments, meaning the Council will need to collect £20 per net additional square meter of new development from the developer and pass it on to the Mayor of London. The total CIL charge, including the mayoral and Authority's own CIL, will be collected as one payment, and the mayoral element will then be forwarded on. After 2019 it is anticipated that the mayoral CIL will cease, at which point the mayoral element of the charge can be incorporated into the Authority's own charge, thus leaving our charges £20/sq.m higher in each band.
- 5.5 S106 contributions are negotiated on a development-by-development basis and therefore it is not possible to say at present whether the introduction of the CIL will impose greater costs for developers. However, as the CIL is based on a charging schedule, developers will have much greater certainty in calculating their likely costs.

- 5.6 Benchmark data with other Authorities (see below) indicates that the proposed charges are on the whole low. This reflects land values and development viability within the Borough.

£ / sq.m	Wandsworth	Redbridge	Croydon		LBBB
			Town Centre	Rest of Borough	
Residential	0-575	70	0	120	10-70
Retail	0-100 ³	70	120	120	0-300
Business	0	70	20 ⁴	0	10
Hotel	0	70	120	120	10
Leisure	0	70	120	120	10

- 5.7 The incremental costs of producing and consulting on the CIL have been met from within the current Regeneration & Economic Development budget, which are summarised below (some figures are approximate / ongoing):

Viability study (consultants)	£22,640
Adverts	£2,100
Printing and postage	£1,000
Inspectors fees	£20,000
Room hire	<u>£1,000</u>
TOTAL	£46,740

- 5.8 There is also a cost in terms of the time spent by current staff. There will also be a cost of administering and collecting the CIL, but this cost is allowed to be met from the CIL proceeds.

6. Legal Implications

Implications completed by: Paul Field, Senior Lawyer

- 6.1 The historical basis for ensuring developments did not have a cost on the community was by the granting of planning permission subject to an agreement which might involve payment or works that is to say that the development would not be agreed without a contribution from the Developer. The problem with this approach is that it was seen as arbitrary in nature and as it were; putting a price on the grant. As the developers circumstances and the viability of the scheme varied so did the contribution. In reality it meant that some developments were charged different amounts under S.106 agreements or not at all.
- 6.2 To address concerns about the S.106 payments the Planning Act 2008 introduced the Community Infrastructure Levy, the application is set out in the Community Infrastructure Regulations 2010. Unlike the Section 106 arrangements most new buildings will be liable to pay the levy. This includes from 6 April 2013 new buildings that are granted permission by way of a general consent, such as via the General Permitted Development Order or through a Local Development Order.

³ Wandsworth includes offices

⁴ Croydon includes offices

The CIL regime is designed to be transparent and while it will still reflect local planning considerations the charges will be open for all to see. This report has set out the process and suggests a potential charging framework. The proposed scheme set out in this report will be open for review and it maybe those aspects of the scheme may need to be revisited to take account of the national and local changes indeed the CIL allows the charges to vary with geographic areas. It is important that the schedule for the CIL is backed by an evidential basis. Further there needs to be evidence as to what infrastructure is needed and how the CIL would contribute, though it does not need to be the only source.

- 6.3 There are a broad range of measures that can be taken to ensure recovery of payment. Furthermore late payments will incur a surcharge. Prosecution can follow if the commitment to pay is breached as effectively it will be as if a condition has not been met which means that resort can be made to stop notices and if necessary an injunction.
- 6.4 Finally the CIL regime does not affect contributions secured for highway work or improvements under Section 278 Highways Act 1980 such agreements will continue.

7. Other Implications

7.1 Risk Management

Risk	Probability	Impact	Priority	Action
Proposed charges are challenged by developers and landowners	Medium	Medium	High	Developers and landowners were consulted in the early stages of developing the draft charging schedule to ensure that it was based on local evidence. The two stages of statutory consultation will give the Council the opportunity to address any concerns that are raised.
Draft charging schedule is rejected by the Examiner	Low	Medium	High	The Council has followed the relevant legislation and Government guidance in arriving at the charges proposed in the Preliminary Charging Schedule
Levy stops development coming forward	Low	High	High	In line with the CIL regulations 2010 the Council has not set charges at the margins of viability
Neighbouring Council's set Levy at lower rate	High	Medium	Low	The CIL charge can only be set on the basis of development viability. It is the responsibility of neighbouring boroughs to do likewise. On this basis charges in neighbouring boroughs are likely to be higher.

- 7.2 **Staffing Issues** - The proposals will not necessitate the need for additional staff. Systems will be put in place to collect the Mayor's CIL from 1 April 2012. The Council can recover its administrations cost from CIL.
- 7.3 **Customer Impact** - In line with the CIL regulations the charge has been set based on development viability. The charge cannot be varied to achieve policy objectives. However it is relevant to note that a nil charge will apply to public health, schools and municipal leisure centres and residential extensions and alterations below 100 square metres. In addition affordable housing and charitable development is exempt from the charge. The CIL will have a positive impact on the local community as it will help maximise developer contributions to meet the costs of new infrastructure generated by new development. The Council will have increased flexibility to ensure that funds from the levy are spent where they are most needed in the borough; this will enable the Council to ensure that the needs of residents from different areas, age groups, incomes and equality groups can be taken into account in deciding which infrastructure developments to support.
- 7.4 **Safeguarding Children** - The proposal will have a positive impact on the wellbeing of children as it will help provide funding for the Council's Capital Strategy which includes extensions to existing schools and new schools to meet the needs generated by new development. Monies generated by CIL can also be used to fund Children's Centres and community services which are important for family welfare, and also to provide places for young people to help reduce anti-social behaviour. Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education will not pay the levy.
- 7.5 **Health Issues** - Developments used wholly or mainly for the provision of any medical or health services will not pay the levy.
- 7.6 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 requires local authorities to consider the crime and disorder implications of any proposals. New developments can often raise issues of concern around crime and disorder both within the development phase but also long term if due crime design advice is not given or adhered to. This proposal may therefore have a positive impact if CIL is spent on community safety initiatives which will mitigate any impact either directly on the development, or on the surrounding area, eg CCTV provision or better lighting.
- 7.7 **Property / Asset Issues** The Council, as a landowner and developer, will be liable to pay CIL on qualifying developments.

Background Papers Used in the Preparation of the Report:

- CLG March 2010, Community Infrastructure Levy Guidance; Charge setting and charging schedule procedures.
- CLG May 2011, Community Infrastructure Levy: An overview
- CLG May 2011, Community Infrastructure Levy Relief.

List of appendices:

- Appendix 1: Preliminary Draft Charging Schedule
- Appendix 2: Summary of Infrastructure Plan 2012 – 2025

London Borough of Barking and Dagenham

Community Infrastructure Levy Preliminary Draft Charging Schedule January 2012

Introduction

What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a new planning charge introduced on 6th April 2010 through the Community Infrastructure Levy Regulations 2010 (now amended by the Community Infrastructure Levy (amendment) Regulations 2011).

CIL allows local authorities to raise funds from developers undertaking new building projects in their area, which can be used to fund a wide range of infrastructure that is needed as a result of development. This may include schools, road schemes, health facilities, flood defences, parks and open spaces and leisure centres.

CIL provides a much more consistent and transparent mechanism to raise financial contributions currently sought under Section 106 of the Town and Country Planning Act 1990. Under CIL, developers are still required to directly provide 'on-site' infrastructure through Section 106 contributions to mitigate the direct impact of the development proposed. However, a standard fee is then charged through CIL to enable the delivery of new or improved infrastructure needed to support the development.

Who will pay CIL?

The charge will be levied on development of more than 100m² of new floor space and those creating 1 or more dwellings even where the floor space is less than 100 m². In principle, this affects all types of development that involve buildings 'into which people normally go'.

Subject to caveats the levy will not be charged on developments that do not involve a net increase in floor space. Therefore sub-divisions of existing dwellings to form other dwellings will not be charged. Structures which are not buildings, or which people do not regularly go into to use will not be liable, in accordance with the CIL regulations. Affordable housing development and development for charitable purposes will also be exempt in accordance with the regulations.

In addition, the council can choose to set the CIL charging rate for certain uses or certain areas at £zero, based on viability considerations.

Relief for Exceptional Circumstances

The London Borough of Barking and Dagenham will make relief available for exceptional circumstances in its area. The power to do this will be activated following the adoption of the Charging Schedule. The regulations on this matter make clear that relief should only be granted in truly 'exceptional circumstances'. The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an 'exceptional circumstance' in relation to the CIL Regulations.

When will the levy be collected?

The levy will become due from the date that a chargeable development is commenced in accordance with the terms of the relevant planning permission.

When planning permission is granted, LBBD will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.

The levy's payment procedures encourage someone to assume liability to pay the levy before development commences. Payments must be made in accordance with the instalment policy published by the Mayor of London or in the case of the Council adopting one, in accordance with the Council's instalment policy. In the absence of no instalment policy being in place by the Mayor of London or the Council, parties liable to pay the levy will always benefit from a 60 day payment window beginning with the commencement date.

The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. That benefit is transferred when the land is sold with planning consent, which also runs with the land. Although ultimate liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume liability for the development.

There may be circumstances where it will be more desirable for a charging authority to receive land instead of monies. The regulations provide for charging authorities to accept transfers of land as a payment in kind for the whole or part of the levy. This will be subject to negotiation with the Council.

Evidence for Preliminary Draft Charging Schedule

The regulations require the 'Charging Authority' (LBBD) to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effect of the imposition of CIL on the economic viability of development across the area.

Charging authorities are therefore required to prepare evidence about the effect of the levy on economic viability in their area to demonstrate to an independent examiner that their proposed rates strike an appropriate balance.

The development of the Preliminary Charging Schedule has been informed by the following pieces of evidence:

- Barking and Dagenham Local Development Framework
- LBBD Community Infrastructure Plan 2012/13 – 2025/26
- Affordable Housing and Community Infrastructure Levy/S106 Economic Viability Assessment 2011

Barking and Dagenham Local Development Framework

Preparation of the Preliminary Draft Charging Schedule has been based on the policies set out in the Council's adopted Local Development Framework (LDF) which is the statutory development plan for the borough and focuses on the future planning of the borough up to 2025. This consists of the following documents:

The Core Strategy, adopted in July 2010, sets the overall planning strategy for the borough and is focused on delivering the spatial elements of the Community Plan. All other Local Development Documents are focused on implementing this strategy. Core Strategy Policy CM1 directs growth to the three Key Regeneration Areas within London Riverside of Barking Riverside, South Dagenham and Barking Town Centre.

The Site Specific Allocations Development Plan Document (DPD), adopted in December 2010, identifies all the significant development opportunities across the borough, ensuring that the pre-requisite social and physical infrastructure to meet the growth identified in the Core Strategy is provided.

The Barking Town Centre Area Action Plan, adopted in February 2011, resolves the land use implications of the Core Strategy within the action plan area and provides town centre specific policies and site allocation. It acknowledges that Barking Town Centre will make a significant contribution to meeting Core Strategy housing targets by delivering 6,000 additional homes over the plan period.

The Borough Wide Development Policies DPD which contains the detailed development management policies for the borough was adopted in March 2011.

The final DPD is the Joint Waste DPD which the Council has prepared in partnership with the London boroughs of Havering, Newham and Redbridge. This plan identifies the necessary capacity to manage the waste apportioned by the London Plan to the four boroughs. This plan is due to be adopted in February 2012.

Community Infrastructure Plan

The Barking and Dagenham Community Infrastructure Plan (CIP) outlines community infrastructure provision across the borough. It is based on the London Plan housing monitoring target of 1,065 homes per year which equates to 14,910 new homes and 36,082 new residents (based on a yield of 2.42 persons per new home). The CIP looks at the impact of growth on:

- Education
- Transport
- Health
- Public Realm
- Open Space
- Allotments
- Leisure
- Play
- Children's Centres
- Cemeteries
- Libraries
- Flood Defences and Mitigation Measures
- Employment and Local Labour
- Emergency and Essential Services

For each of these it examines:

- Current provision of facilities
- Existing shortfall or surplus

- Projected shortfall or surplus based on the demand from an additional 36,082 residents
- New facilities required to meet new demand
- Costs of meeting new demand
- Potential available funding sources

The table below summarises the overall requirement for new community infrastructure facilities to 2025, estimated costs and the responsible delivery agencies.

Cost of Community Infrastructure to support growth in Barking and Dagenham to 2025.	
Type of Facility	Existing shortfall
Council's and Local Education Authority's Responsibilities	
Education (incl. land for 4 additional primary schools and 2 additional 8FE secondary schools all on confined sites. Also includes 6398 primary school places and 4,570 primary school places)	£147,613,529
Transport (incl. £500m for DLR Extension, £70m for Renwick Road Junction Improvements)	£633,511,000
Public Realm (incl. London Road/North Street Market Square, A406 roundabout, BTC East Street, Street Scene Enhancement, Becontree Station Improvements, Creekmouth Industrial Area)	£2,660,000
Open Space (incl. Abbey Green, Mayesbrook Park)	£7,540,000
Allotments (maintenance and creation of allotment space)	£649,476
Leisure (Indoor) (Build and land costs for 2 additional 4 court leisure centres. This assumes Barking Riverside will provide land and building for 8 lane swimming pool)	£4,032,900
Leisure (Outdoor) (additional 17.76 hectares of playing pitches, 1.5 tennis courts, 1 bowling green and upgrading of sports pavilion in eight strategic parks)	£6,814,140
Play (play provision for 5-9 year olds. Under 5s to be provided through S106 agreements (doorstep play)).	£1,049,920
Children's Centres	£5,600,000
Cemeteries	No information
Libraries (Revenue costs for Barking Riverside Library, Ongoing maintenance costs of existing estate)	£3,600,000
Flood Defences (Measures to manage surface water flooding in LBBD. Does not include fluvial or tidal flooding)	£56,310,823
Employment and Local Labour (Revenue requirements for Barking Business Centre. Local Labour agreements to be provided through S106 agreements)	£2,600,000
Emergency Services	None.
NHS Outer North East London's responsibilities	
Health (capital requirements for 36,082 people)	£22,144,757
Further Education Provider's Responsibilities	
Further Education	Tbc
Total	£894,126,545

CIL Economic Viability Assessment 2011

The Council appointed GVA Grimley in September 2011 to undertake three pieces of work:

- Preparation of a construction cost schedule
- Preparation of a land value appraisal study
- Preparation of an economic viability assessment

GVA has drawn on both primary and secondary evidence sources in order to test the viability of CIL/S106 and affordable housing delivery in Barking and Dagenham.

The work has taken the form of quantitative viability testing of a series of possible housing splits, tenure variations and CIL/S106 charging options for a range of types of development in order to identify the levels of viability for future development. Work has also included extensive discussions with stakeholders including local authority planning officers, local landowners, developers and agents.

GVA's analysis suggests that Barking and Dagenham should adopt three different residential charging zones – a higher one for Barking Town Centre, Leftley and Faircross (£70) a medium one for Barking Riverside (£25) and a lower charge for the rest of the borough (£10).

For commercial developments, the viability findings are more varied. Office schemes are unable to make any contribution, whilst large retail, private leisure, industrial and waste uses can afford to contribute more. Food retail, such as a supermarket can afford to make a significant CIL/S106 contribution.

GVA's analysis shows that health, education and municipal leisure development cannot afford any level of CIL/S106 tariff contribution.

These charges have been set on the basis of the Council continuing without an affordable housing target.

Proposed CIL Rates and Charging Areas

Having examined the findings of the evidence base, the Council consider that the most appropriate approach is to have variable rates of CIL by area and use. The proposed areas and charges per square metre are set out in the plans and tables below.

LBBB Charging Zones – Residential

Zone	LBBB Area	Rates (£ per sq. m.)
1	Barking Town Centre, Leftley and Faircross ¹	£70
2	Barking Riverside ²	£25
3	Rest of borough ³	£10

¹ The area covered by the Barking Town Centre Area Action Plan plus the area bounded by the District Line, Mayesbrook Park and the London Borough of Redbridge including the former University of East London site.

² The area covered by the Barking Riverside Key Regeneration Area as shown on the adopted Local Development Framework Proposals Map

³ The London Borough of Barking and Dagenham excluding Barking Town Centre and Barking Riverside

Differential Rates: intended uses

Use	Rates (£ per sq. m.)
Large Convenience Retail (>1,500sqm)	£300
Small Retail (A1-A5 <370 sqm)	Nil
Office (B1a)	Nil
Municipal Leisure	Nil
Health ⁴	Nil
Education ⁵	Nil
All other non-residential uses	£10

How will CIL rates be calculated?

CIL will be levied in pounds per square metre of the net additional increase in floor space of any given development. The rate will be calculated based on Regulation 40 - Calculation of chargeable amount, as set out within 'The Community Infrastructure Levy Regulations 2010 and (Amendment) Regulations 2011' (See Appendix 1).

The chargeable rate will be indexed linked. The index referred to in the calculation formula is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for November of the preceding year.

Mayor of London's Crossrail CIL

London Boroughs are also required to collect the CIL charged by the Mayor of London, who has proposed to introduce a CIL levy for contributions towards Crossrail. This is anticipated to be implemented by 1st April 2012. At present the Mayor proposes a CIL of **£20 per sq.m** in Barking and Dagenham. The Levy will be paid by most new development in Greater London which:

- consists of buildings that are usually used by people (this excludes buildings to which people do not usually go to, or go to occasionally to inspect machinery, and structures like electricity pylons which are not buildings)
- has 100 square metres or more of gross internal floor space or involves creating one dwelling even where this is below 100 sq m (although any net charge of less than £50 will not be collected).

Charges will be based on the net additional increase in floor space of a development. The following types of development are exempt:

- Development used wholly or mainly for the provision of any medical or health services except the use of premises attached to the residence of the consultant or practitioner

⁴ Development used wholly or mainly for the provision of any publicly funded medical or health services except the use of premises attached to the residence of the consultant or practitioner

⁵ Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education

- Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education

Commenting on the Preliminary Draft Charging Schedule

This consultation is the Council's first step in preparing a CIL Charging Schedule. All responses will be fully considered before a Draft Charging Schedule is prepared for independent examination.

There are a number of ways in which you can make a representation on the Preliminary Draft Charging Schedule:

Email: planningpolicy@lbbd.gov.uk

Telephone: 020 8724 5274

Fax: 020 8227 3490

Post: Planning Policy Team, London Borough of Barking and Dagenham, Room 106, Barking Town Hall, 1 Town Square, Barking, IG11 7LU

Your comments should arrive no later than ????? 2012.

Please note that your comments will be made available as public documents.

Next Steps

Once the Council considers that the draft Charging Schedule is ready for independent examination, it will be published together with available evidence on infrastructure, economic viability and the responses received during this consultation. The Council will then call for representations to be made within a period of four weeks (regulation 17(3)). Any person may make representations about a draft charging schedule and that person must be heard before the examiner at the CIL examination if they have requested to do so.

The four week consultation on the draft Charging Schedule is anticipated to take place in August 2012, prior to independent examination in December 2012.

Appendix 1: Extract from The Community Infrastructure Levy Regulations 2010

Calculation of chargeable amount

40.—(1) The collecting authority must calculate the amount of CIL payable (“chargeable amount”) in respect of a chargeable development in accordance with this regulation.

(2) The chargeable amount is an amount equal to the aggregate of the amounts of CIL chargeable at each of the relevant rates.

(3) But where that amount is less than £50 the chargeable amount is deemed to be zero.

(4) The relevant rates are the rates at which CIL is chargeable in respect of the chargeable development taken from the charging schedules which are in effect—

(a) at the time planning permission first permits the chargeable development; and

(b) in the area in which the chargeable development will be situated.

(5) The amount of CIL chargeable at a given relevant rate (R) must be calculated by applying the following formula—

$$\frac{R \times A \times I_P}{I_C}$$

where—

A = the deemed net area chargeable at rate R;

I_P = the index figure for the year in which planning permission was granted; and

I_C = the index figure for the year in which the charging schedule containing rate R took effect.

(6) The value of A in paragraph (5) must be calculated by applying the following formula—

$$\frac{C_R \times (C - E)}{C}$$

where—

C_R = the gross internal area of the part of the chargeable development chargeable at rate R, less an amount equal to the aggregate of the gross internal area of all buildings (excluding any new build) on completion of the chargeable development which —

(a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use;

(b) will be part of the chargeable development upon completion; and

(c) will be chargeable at rate R.

C = the gross internal area of the chargeable development; and

E = an amount equal to the aggregate of the gross internal areas of all buildings which—

(a) on the day planning permission first permits the chargeable development, are situated on the relevant land and in lawful use; and

(b) are to be demolished before completion of the chargeable development.

(7) The index referred to in paragraph (5) is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors(1); and the figure for a given year is the figure for 1st November of the preceding year.

(8) But in the event that the All-in Tender Price Index ceases to be published, the index referred to in paragraph (5) is the retail prices index; and the figure for a given year is the figure for November of the preceding year.

(9) Where the collecting authority does not have sufficient information, or information of sufficient quality, to enable it to establish—

(a) the gross internal area of a building situated on the relevant land; or

(b) whether a building situated on the relevant land is in lawful use, the collecting authority may deem the gross internal area of the building to be zero.

(10) For the purposes of this regulation a building is in use if a part of that building has been in use for a continuous period of at least six months within the period of 12 months ending on the day planning permission first permits the chargeable development.

(11) In this regulation “building” does not include—

(a) a building into which people do not normally go;

(b) a building into which people go only intermittently for the purpose of maintaining or inspecting machinery; or

(c) a building for which planning permission was granted for a limited period.

(12) In this regulation “new build” means that part of the chargeable development which will comprise new buildings and enlargements to existing buildings.

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Summary of Infrastructure Plan 2012 – 2025

The Infrastructure Plan considers what additional infrastructure is needed, during the period 2012/13 – 2025/26 in Barking and Dagenham to support the growth envisaged in the adopted Local Development Framework. It also identifies what funding sources are available so as to identify any funding gap which could be funded through the CIL. As far as the CIL is concerned the main purpose of this exercise is to establish whether the net infrastructure costs to support new developments are greater than available funding. It has been established that they are and therefore the Council is fully justified in seeking the maximum reasonable amount of CIL from qualifying developments subject to viability.

In the preparation of this Plan, input has been provided from Children's Services, Parks and Leisure Development, Transport Planning, NHS Outer North East London, Library Services, Area Regeneration, Economic Development and the Environment Agency. The Infrastructure Plan looks at projected population from 2012/13 to 2025/26 based on development of new homes, and uses the revised London Plan new housing target of 1,065 homes per year. This amounts to 14,910 new homes, or a new population of 36,082 (based on the average of 2.42 people per home).

The Plan then looks at the key areas of infrastructure (these are set out in the table below) that will be required by this new population and that may be funded by CIL, and assesses:

- Current provision
- Existing shortfall/surplus in provision
- Projected shortfall/surplus in provision
- Costs and funding sources

As set out above, the purpose of the Infrastructure Plan is to provide an overall understanding of the infrastructure requirements to support growth envisaged in the Council's LDF. Whilst it may be useful to other services, it is not intended to provide an accurate account of their future needs in the next 14 years, and it does not determine what CIL is spent on. This must be decided by the Council and an infrastructure list (the Regulation 123 list) published on the Council's website when the charging schedule is adopted.

Importantly, the CIL is only intended to pay towards shortfalls generated by new development. Therefore, whilst the Infrastructure Plan identifies for each type of infrastructure whether an existing shortfall or surplus exists, the costs are only calculated in relation to the impact of the population from new housing and takes into account any existing surplus or planned provision (e.g. existing commitments in the Barking Riverside S106 agreement to provide land for the primary and secondary schools).

The Infrastructure Plan currently identifies a total funding gap which could be funded through the CIL of **£894,126,545**. A summary of the costs is set out in the table below.

Cost of Community Infrastructure to support growth in Barking and Dagenham to 2025.	
Type of Facility	Existing shortfall
Council's Responsibilities	
Education (incl. land for 4 additional primary schools and 2 additional 8FE secondary schools all on confined sites. Also includes 6398 primary school places and 4,570 primary school places)	£147,613,529
Transport (incl. £500m for DLR Extension, £52m for Renwick Road Junction Improvements)	£633,511,000
Public Realm (incl. London Road/North Street Market Square, A406 roundabout, BTC East Street, Street Scene Enhancement, Becontree Station Improvements, Creekmouth Industrial Area)	£2,660,000
Open Space (incl. Abbey Green, Mayesbrook Park)	£8,250,000
Allotments (maintenance and creation of allotment space)	£649,476
Leisure (Indoor) (Build and land costs for 2 additional 4 court leisure centres. This assumes Barking Riverside will provide land and building for 8 lane swimming pool)	£4,032,900
Leisure (Outdoor) (additional 17.76 hectares of playing pitches, 1.5 tennis courts, 1 bowling green and upgrading of sports pavilion in eight strategic parks)	£6,814,140
Play (play provision for 5-9 year olds. Under 5s to be provided through S106 agreements (doorstep play)).	£1,049,920
Children's Centres	£5,600,000
Libraries (Revenue costs for Barking Riverside Library, Ongoing maintenance costs of existing estate)	£3,600,000
Flood Defences (Measures to manage surface water flooding in LBBD. Does not include fluvial or tidal flooding)	£56,310,823
Employment and Local Labour (Revenue requirements for Barking Business Centre. Local Labour agreements to continue to be provided through S106 agreements)	£2,600,000
Emergency Services	None.
NHS Outer North East London's responsibilities	
Health (capital requirements for 36,082 people)	£22,144,757
Further Education Provider's Responsibilities	
Further Education	tbc
Total	£894,126,545

CABINET

14 FEBRUARY 2012

Title: Confirmation of Article 4 Direction for Houses in Multiple Occupation	
Report of the Cabinet Member for Regeneration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Daniel Pope, Group Manager, Development Planning	Contact Details: Tel: 020 227 3929 E-mail: daniel.pope@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director Regeneration and Economic Development	
Accountable Director: Tracie Evans, Corporate Director Finance and Resources	
<p>Summary:</p> <p>On 30 March 2011 Assembly agreed to make a non-immediate Article 4 Direction, covering the whole borough, withdrawing permitted development rights for changes of use from use class C3 (dwelling house) to use class C4 (house in multiple occupation) (Minute 74 refers).</p> <p>In line with the requirements set out in the General Permitted Development Order as amended:</p> <ul style="list-style-type: none"> • The notice was placed in the News on 12 May 2011 advertising that the Direction was due to come into force on 14 May 2012 subject to confirmation by the Council and inviting representations between 14 May 2011 and 10 June 2011. • The notice and associated material was placed on the Council's website. • The notice was placed outside 691 Green Lane, 4-5 Tudor Parade in Chadwell Heath, 1 Town Square and outside Dagenham Heathway Station. • The notice was sent to the Secretary of State <p>The Council also notified its statutory planning consultees as well as registered HMO Landlords operating in the borough and placed the notice and associated material on the website.</p> <p>If confirmed by the Assembly, this non-immediate direction will come into force on 14 May 2012. Once confirmed a notice will be served locally and a copy of the confirmed direction will be sent to the Secretary of State. From 14 May 2012 any proposals for small HMOs would then be assessed principally against the Local Development Framework which restricts the loss of housing of three bedrooms or more. It only allows other proposals for HMOs where a number of criteria are met including that:</p> <ul style="list-style-type: none"> • The number of houses that have been converted to flats and / or HMOs in any road (including unimplemented but still valid planning permissions) does not exceed 10% of 	

the total number of houses in the road.

- No two adjacent properties apart from dwellings that are separated by a road should be converted.

Recommendation(s)

The Cabinet is asked to recommend the Assembly that the Council confirms an Article 4 Direction, covering the whole borough, withdrawing permitted development rights for changes of use from use class C3 (dwelling house) to use class C4 (house in multiple occupation) which would come into force on 14 May 2012.

Reason(s)

To help deliver the Better Home and Better Together outcomes in the Council's Policy House of :

- A borough with improved estates and homes that people choose to live in, whether owned by the Council, other social landlords, privately rented or owned.
- A clean borough, with low levels of litter and graffiti and where residents look after their own homes and gardens.
- A borough with low levels of antisocial behaviour, and where authorities support residents in getting problems solved.

1. Introduction and Background

1.1 HMOs make an important contribution to the private rented sector by catering for the housing needs of specific groups/households and by making a contribution to the overall provision of affordable or private rented stock. However, HMOs are not without their problems. The 2008 report by CLG "Evidence Gathering – Housing in Multiple Occupation and possible planning responses" identified a number of problems associated with HMOs including:

- anti-social behaviour, noise and nuisance
- imbalanced and unsustainable communities
- negative impacts on the physical environment and streetscape
- pressures upon parking provision
- increased crime
- growth in private rented sector at the expenses of owner-occupation
- pressure upon local community facilities and
- restructuring of retail, commercial services and recreational facilities to suit the lifestyles of the predominant population

1.2 In response to this the previous Government introduced a new C4 use class for small houses in multiple occupation and amended the 1995 (General Permitted Development) Order so that planning permission was required to change between the C3 (dwelling house) and C4 (house in multiple occupation) use classes. This Government has reversed this decision. On the 1st October 2010 the Town and Country Planning (General Permitted Development) (Amendment) (No.2) (England) Order 2010 came into force. The Order amends the 1995 (General Permitted Development) Order and makes a change of use from a use falling within Class C3

(dwelling houses) to a use falling within Class C4 (houses in multiple occupation) 'permitted development' – i.e. planning permission is no longer needed to do this.

- 1.3 The Government has presented this change as part of wider reforms so that it moves from the current top down approach and creates a system which encourages local people to take responsibility for shaping their communities and gives power to Councils to make this happen. In this case the power is an Article 4 Direction.

2. Proposal and Issues

- 2.1 The Government has advised that local planning authorities should consider making Article 4 directions only in those exceptional circumstances where evidence suggests that the exercise of permitted development rights would harm local amenity or the proper planning of the area and that local planning authorities should identify clearly the potential harm that the direction is intended to address. The Government has advised that it might be appropriate to withdraw permitted development rights where they would undermine local objectives to create or maintain mixed communities. This has been a concern of the Council for many years. LBBB has had planning policies in place to control HMOs for at least 15 years. The previous Unitary Development Plan and the current Local Development Framework (LDF) seek to ensure that the number of houses that have been converted to flats and/or HMOs in any road does not exceed 10%. In addition the LDF now resists any proposals for residential conversions or Homes in Multiple Occupation which involve the loss of family sized houses. These policies were considered necessary to control the adverse effect that HMOs can have on the general character and amenity of an area and also to retain a reasonable stock of small/medium-sized dwellings suitable for families seeking to move out of flatted accommodation. The changes to the Order mean that the Council has no control over the loss of family sized houses to small HMOs nor can it restrict the number of small HMOs in any street.

- 2.2 Therefore on 30 March 2011 Assembly agreed to make a non-immediate Article 4 Direction to withdraw permitted development rights for small HMOs across the borough. If confirmed by the Assembly, this non-immediate direction will come into force on 14 May 2012. Once confirmed a notice will be served locally and a copy of the confirmed direction will be sent to the Secretary of State. From 14 May 2012 any proposals for small HMOs would then be assessed principally against the Local Development Framework which resists the loss of housing of three bedrooms or more. It only allows other proposals for HMOs where a number of criteria are met including that:

- The number of houses that have been converted to flats and / or HMOs in any road (including unimplemented but still valid planning permissions) does not exceed 10% of the total number of houses in the road.
- No two adjacent properties apart from dwellings that are separated by a road should be converted.

3. Options Appraisal

- 3.1 For the reasons set out in the previous Cabinet report officers consider that doing nothing is not an option. For this reason the previous Cabinet report explained that the two options available were to either make a non-immediate direction or an

immediate direction. To avoid the compensation the Council may be liable for under an immediate Direction Cabinet agreed to make a non-immediate direction. No responses were received to the consultation on the making of the Article 4 Direction. Therefore for the reasons set out in the previous Cabinet Report Cabinet is asked to recommend that Assembly confirms the Direction.

4. Consultation

4.1 When intending to make an Article 4 Direction, a Council as local planning authority (LPA) must give notice locally and nationally.

4.2 Local notification requires the following measures:

- Local advertisement (e.g. in a local newspaper).

The notice of the making of an Article 4 Direction withdrawing permitted development rights for changes of use from use class C3 (dwelling house) to use class C4 (house in multiple occupation) was placed in the News on 12 May 2011 advertising that the Direction was due to come into force on 14 May 2012 subject to confirmation by the Council. The notice invited representations between 14 May 2011 and 10 June 2011

- Site notice at no fewer than 2 locations within the area to which the Direction relates for not less than 6 weeks.

The notice was placed outside 691 Green Lane, 4-5 Tudor Parade in Chadwell Heath, 1 Town Square and outside Dagenham Heathway Station.

- Individually on every owner and occupier of every part of the land within the area to which the Direction relates.

Annex A of Appendix D of Circular 9/95 advises that this requirement would not apply if it is impracticable because it is difficult to identify/locate every owner and occupier or the number of owners or occupiers would make individual service impracticable. Given the size of the area under consideration and the quantity of individual owners /occupiers affected the Council did not notify individual parties in this way.

4.3 In addition to these statutory requirements the Council also consulted with its statutory planning consultees as well as the registered HMO landlords operating in the borough. The notice and associated material was placed on the Council's website.

4.4 National notification was also carried out as prescribed to the Secretary of State (SoS) on the same day the notice of the Article 4 Directions was first published / displayed locally.

4.5 No representations were received during the consultation period.

5. Financial Implications

Implications completed by: David Abbott, Principal Accountant

- 5.1 The Council would not be entitled to charge a fee for planning applications that are only necessary because of this Article 4 Direction; therefore there would not be any impact on overall planning income. In order to avoid any possible claims for compensation, the Council has provided 12 months advance notice of the Article 4 taking effect (a non-immediate direction, approved by Assembly in March 2011).
- 5.2 The only costs to the Council associated with implementing the Article 4 Direction are the minor ones of publicising and printing (as well as staff time), which will be met from existing Regeneration & Economic Development budgets.

6. Legal Implications

Implications completed by: Doreen Reeves, Group Manager Employment and Litigation

- 6.1 As a general principle developments require planning permission from the Council as the Local Planning Authority. To avoid every single development being referred to planning authorities; the Town and Country Planning (General Permitted Development) Order 1995 (the "Order") gives the Secretary of State the power to issue directions that specified developments may be "permitted development" that is to say that they do not require planning consent.
- 6.2 Article 4 of the Order provides that a local planning authority may resolve to withdraw a specific "permitted development" and instead direct that the development will still need to seek planning permission from the authority. Article 4 directions cannot be used in relation to any type of development other than those explicitly granted permitted development rights through the GPDO, nor can they be applied retrospectively to development undertaken before a direction comes into force, or to development that has been commenced at the time that a direction comes into force.
- 6.3 DCLG Guidance provides that Local planning authorities should consider making article 4 directions only in those exceptional circumstances where evidence suggests that the exercise of permitted development rights would harm local amenity or the proper planning of the area. For all article 4 directions the legal requirement is that the local planning authority is satisfied that it is expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application.
- 6.4 In deciding whether an article 4 direction would be appropriate, local planning authorities are advised by the Guidance to identify clearly the potential harm that the direction is intended to address. As an example it could be that the exercise of permitted development rights would undermine local objectives to create or maintain mixed communities, or the visual amenity of the area or damage the historic environment.
- 6.5 Provided there is justification for both its purpose and extent, it is possible to make an article 4 direction covering any geographic area from a specific site to a local

authority wide. However, the Guidance also provides that there should be a particularly strong justification for the withdrawal of permitted development rights relating to a wide area e.g. those covering the entire area of a local planning authority.

- 6.6 The Assembly in March 2011 considered that the report set out sound reasons why an Article 4 direction should be made to cover the whole borough, withdrawing permitted development rights for changes of use from use class C3 (dwelling house) to use class C4 (house in multiple occupation) and instead require a formal application for a change of use. The mechanism of a non-immediate Direction with a period of a year was chosen as in such cases there is no right to compensation for loss of permitted development rights to a developer who may have been going through the process of a change of use.
- 6.7 In accordance with the statutory procedure a Direction Document was made and notice given that it would be confirmed by the Council subject to any representation to become effective on 14 May 2012. It is understood there have not been any representations so the Direction can proceed to confirmation
- 6.8 The Statutory Guidance requires that following confirmation the same procedure for notice is applied.

7. Other Implications

- 7.1 **Risk Management** As set out in the previous report to Cabinet officers consider that there is a legally sound basis for confirming this Article 4 direction. Whilst the Council has to notify the Secretary of State when the direction is published it is unlikely he/she would intervene. The Government's replacement Appendix D to Circular 9/95 published in November 2010 states that the Secretary of State will only exercise their powers in relation to article 4 directions if there are very clear reasons why intervention at this level is necessary.

There may be additional burdens for the planning enforcement service following adoption. However the Article 4 Direction effectively reinstates the position that existed in the borough prior to 1st October 2010.

- 7.2 **Customer Impact** - HMOs make an important contribution to the private rented sector by catering for the housing needs of specific groups/households and by making a contribution to the overall provision of affordable or private rented stock. Whilst black, Asian and other minority ethnic (BAME) communities are probably disproportionately represented in the HMO stock they are on balance likely to be advantaged by the Article 4 Direction for two reasons. BAME communities are more likely to require the family housing the Article 4 direction is seeking to protect and withdrawing permitted development rights will allow the Council more control over the location of small HMOs and therefore the associated problems cited in the CLG report titled "Evidence Gathering – Housing in Multiple Occupation and possible planning response". This will be to the benefit of all residents.
- 7.3 **Safeguarding Children** - Withdrawing permitted development rights will help preserve the borough's stock of family housing. Many of the problems associated with HMOs cited in the CLG Evidence Gathering report will have an impact on the environment children are brought up in.

- 7.4 **Crime and Disorder Issues** - The CLG Evidence Gathering report identifies that increased crime was a problem associated with HMOs. Therefore withdrawing permitted development rights will help address this impact.

Background Papers Used in the Preparation of the Report:

- Assembly report, 30 March 2011, Withdrawal of Permitted Development Rights for Houses in Multiple Occupation (Minute 74 – 30/03/11)
- Evidence Gathering – Housing in Multiple Occupation and possible planning responses, CLG, 2008
- Town and Country Planning (General Permitted Development) (Amendment) (No.2) (England) Order 2010
- 1995 (General Permitted Development) Order (as amended)
- Town and Country Planning (Compensation) (No. 3) (England) Regulations 2010 (2010 No. 2135).
- The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (2000 No. 2853)
- Replacement Appendix D to Department of the Environment Circular 9/95:
- General Development Consolidation Order 1995

List of appendices: None

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CABINET

14 FEBRUARY 2012

Title: Single Equality Scheme 2012 - 2016	
Report of the Cabinet Member for Crime, Justice and Communities	
Open report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Paul Hodson, Group Manager, Community Cohesion	Contact Details: Tel: 020 8227 2782 E-mail: paul.hodson@lbbd.gov.uk
Accountable Divisional Director: Karen Ahmed, Divisional Director Adult Commissioning	
Accountable Director: Anne Bristow, Corporate Director of Adult and Community Services	
<p>Summary:</p> <p>This paper summarises the approach taken to develop the Single Equality Scheme 2010-13, and outlines the need to revise the scheme and the consultation undertaken in 2011. The Council is required to adopt Equality Objectives from March 2012; following this decision, and once the savings proposals have been agreed, the Council will develop a new Action Plan to meet the Objectives with the available resources.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Formally adopt the revised Single Equality Scheme Objectives as the Council's method of meeting the specific duty in regards to Equality Objectives; and (ii) Authorise the Corporate Director, in consultation with the Cabinet Member for Crime, Justice and Communities, to agree a four year action plan to commence from April 2012 following the approval of the Equality Objectives 	
<p>Reason(s)</p> <p>It is necessary for the Council to formally adopt the revised Single Equality Scheme to meet the requirements of the Public Sector Equality Duty 2011 in regards to Equality Objectives.</p>	

1. Introduction and Background

- 1.1 At its meeting on 28 September 2010, Cabinet authorised the Council's first Single Equality Scheme (SES). The SES brought together the three existing equality schemes (Race, Gender and Disability) and extended them to cover a range of other equality issues which reflected 'protected characteristics' identified in the new Equality Act 2010.
- 1.2 The Scheme was developed through a process of internal consultation and with relevant equalities groups in the borough.
- 1.3 The Single Equality Scheme was designed to enable the Council to continue to meet its legal duties relating to equality and diversity, and to continue to deliver further real improvements in equality for people living and working in the borough and in so doing help the authority to maintain level 5 of the Equality Standard for Local Government (and its equivalent under the new revised Equalities Framework).
- 1.4 However following the publication of the additional Public Sector Equality Duty 2011, the Council's Equality, Diversity and Inclusion Board requested officers to prepare a refreshed Single Equality Scheme for 2012 -2016 to enable LBB to meet the requirements of the Duty. This was based on the requirement within the Duty for public sector bodies including local authorities to:

“Prepare and publish equality objectives by 6 April 2012, and at least every four years after that. They must be specific and measurable, and they should set out how progress towards the objectives will be measured. Listed bodies must publish details of their engagement in developing the equality objectives, also every four years. They will need to have considered equality information they have published, and undertaken engagement, before preparing and publishing these objectives. Objectives must be published in a reasonably accessible format, either as an individual document or as part of another report.”

Process

- 1.5 The Council launched a consultation on current Scheme on 1st June 2011. Officers met with the borough's five Equality Fora early in the process to ensure that any new developments captured any areas of community concerns and were addressed in the action plan. Meetings were held with Council officers to clarify what equality data was available.
- 1.6 As a result the main text of the scheme remained the same and the action plan was changed to reflect the work that is planned within the key strategic area of the scheme.
- 1.7 A meeting with the chairs of the Equality Fora took place on 16th June 2011 seeking the views and asking key questions relating to the scheme
- 1.8 Along with the refreshed document, the following questions were also placed on the Consultation Portal from 30th August - 7th November 2011:
 - Have we captured the main areas of concern – do you think that we have missed any area of importance?
 - Are the actions that we are taking appropriate - do you think there is anything else we could do?

- How would you like to be kept informed about this scheme?
- Are there any further comments that you would like to make?

Results

1.9 At the close of the consultation period only one response to the refresh of the Single Equality Scheme was received. No responses were logged on the Consultation Portal. No changes were recommended to the Equality Objectives.

Stephen Lawrence Enquiry

1.10 Cabinet will be aware of the recent conviction of two men of the 1993 murder of Stephen Lawrence. The Macpherson Report, published in 1999, followed an inquiry into the Metropolitan police's investigation of the murder. The Council set up its own Lawrence Inquiry Officers Working Party, which provided a set of recommendations for the Council which were prepared in consultation with EMPA, the Race Equality Council and the Council's Black Workers Group. The Council adopted the Working Party recommendations on 26 March 2002.

1.11 There have been a number of developments in the Council's approach to equalities since 2002. These have resulted in the proposal for a revised Single Equalities Scheme. Whilst the Council is now required to address each of the equality categories, the areas of work related to ethnicity identified by the Macpherson Report, and agreed by the Council, each remains a part of the Council's work to promote equalities. A brief summary of the Council's ongoing work in response to Macpherson is provided below.

1.12 The Report described the Council's progress in some detail. Whilst many of the areas of work now involve different partners, or have become part of work that also supports other equality categories, all of the areas identified are currently being progressed by LBBB in some way.

1.13 Rather than producing a list of recommendations, the Report recommended a practical framework to support Barking and Dagenham's Race Equality Scheme and provide a three-year action. The action plan was completed, and Race Equality Scheme has now been subsumed into the Single Equalities Scheme.

There were three areas for actions:

1. Human Resource Management and Development

1.13 The Council agreed to ensure that the right people are working within the organisation and that they are properly equipped to meet the needs of all the local communities. This was to be done firstly through addressing the lack of cultural diversity in the workforce, particularly in management posts, and secondly through targeted training and development to equip staff and contractors to engage with the community and forge meaningful partnerships that result in improved services for all.

1.14 Currently, the Council reviews the staff profile quarterly. Whilst management posts are more representative of men and women, the number of senior posts held by staff from ethnic minorities is not yet representative of the demographic profile of the borough.

- 1.15 The Council does now have a comprehensive programme of equality training for staff, which includes training for all staff during induction, equalities training for managers, and various departmental training.
2. Community Involvement
- 1.16 The Council undertook to take a new creative approach to consulting the community, focusing on meeting people where they are and on their terms.
- 1.17 The Council subsequently led on, signed and promoted the Barking and Dagenham Anti-Discrimination Charter. Council services now routinely engage with residents in a range of ways, including through the five equalities fora, to gain an understanding of the particular needs of different communities of residents. In particular, the Council now commissions the Refugee and Migrant Forum of East London to facilitate the borough's Black, Asian and Ethnic Minority and Refugee Forum (BAMER), who work with 190 BAMER organisations in the borough to engage in consultations, policy development, and advocate to local statutory organisations.
3. Service Delivery
- 1.18 People who face discrimination in their daily lives deserve public services which champion their fight to play a full part in society through ensuring all meet the needs of all the local communities.
- 1.19 The Council now carries out Equality Impact Assessments of services through a rolling programme, and also carries out EIAs on new strategies and policies to enable members to take account of the impact of decisions on all communities in the borough. A recent example was the Cumulative Impact Assessment which members considered on the overall effect of the savings proposals for the 2012/13 budget.
- 1.20 The Council has recently commissioned the Barking and Dagenham Council for Voluntary Services to provide the borough's capacity building support for third sector organisations; the CVS are currently supporting a wide range of BME led organisations.

2. Proposals

- 2.1 Despite there being only minor changes requested to the original scheme, which was published in 2010, it is necessary for the Council to formally adopt the revised Single Equality Scheme as the Council's method of meeting the specific duty in regards to Equality Objectives.
- 2.2 The Single Equality Scheme has four main objectives. Two of these relate to how the Council delivers its services (externally facing) and two relate to the Council as an organisation (internally facing).

i) Externally Facing

Objective 1: To ensure that best practice in equality is rooted in all aspects of the Council's functions and is supported by a strong evidence base

Objective 2: To ensure that the work of the Council is informed by effective and inclusive consultation, engagement and communication with users

ii) Internally Facing

Objective 3: To ensure that the promotion of equality and human rights and elimination of discrimination and harassment are embedded in all LBBB practices through leadership and organisational commitment

Objective 4: To ensure the development of an effective and diverse workforce that is representative of the communities served by the Council.

Action Plan

2.3 Whilst the Objectives are unchanged, the actions and context given in the SES will need to be updated by officers regularly. In particular, the current Action Plan ends in March 2012. Once Cabinet has made a decision regarding the Objectives, a new action plan will be prepared and agreed by EDI, to enable the Council to progress work to achieve the Objectives with the resources currently available to the Council. It is anticipated that the Council will continue with the approach of supporting all services to meet their Equality duties through core budgets, and as a part of normal business. The current Action Plan is provided for reference as an Appendix.

3. Consultation

3.1 A consultation was carried out which informed Cabinet's decision to adopt the SES in September 2010, and a further consultation has been carried out in 2011, using the Equalities Fora, the Council's consultation portal, and through meetings with officers and representatives of equality groups. The consultation did not identify any suggested changes to the Equality Objectives.

4. Financial Implications

Implications completed by: Ruth Hodson, Finance Group Manager

4.1 There is no financial impact due to the adoption of the Single Equality Scheme. If there are any additional incidental costs these will have to be managed within the council's budgets.

5. Legal Implications

Implications completed by: Chris Pickering, Senior Employment Solicitor

5.1 This report appropriately sets out the positive obligations on the Council pursuant to the Equalities Act 2010 and subsequent Regulations in terms of the adoption of a Single Equality Scheme. Not only are these obligations required by law, but they are useful in showing the Council's commitment to equalities in individual employment cases which allege a failure to support equalities.

5.2 The process for implementation including consultation is appropriate and exceeds minimum requirements. Ongoing monitoring of outcomes against stated objectives will be required as identified in this report but it appears that no extra resources will be required for this beyond the previous scheme.

5.3 Following updating Regulations to the 2010 Act, we are required to update our SES and this report sets out an appropriate way of doing so.

6. Other Implications

6.1 **Risk Management** - The Corporate Risk Number 30 provides an action plan to mitigate the risk of “Failure to meet the Council’s legal duties results in expensive litigation, intervention by the Equalities and Human Rights Commission and harm to the Council’s reputation, through failure to understand and meet the needs of customers from the equality groups.”

The actions agreed to mitigate this risk include the Council revising the current SES by March 2012, and the Action Plan being reviewed by the EDI Board annually.

6.2 **Contractual Issues** - None, apart from those addressed within the body of the report.

6.3 Customer Impact

The SES summarises the Council’s approach to meeting its Equality duties.

Background Papers Used in the Preparation of the Report:

Single Equality Scheme 2010 – 13

‘Beyond Lawrence’, responding to the recommendations of the Stephen Lawrence Inquiry and requirements of the Race Relations (Amendment) Act 2000; March 2002

List of appendices:

Appendix 1 - Single Equality Scheme Action Plan Performance Report

Single Equality Scheme Action Plan Performance Report

Objective 1: To ensure that best practice in equality is rooted in all aspects of the Council's functions and is supported by a strong evidence base					
Overarching Actions	Milestones Set	Intended Outcomes	Date due	Rag Rating	Performance Update
Ensure that information and facilities are accessible to all, taking into account the needs of different communities	Following impact assessment, Access Strategy in place reporting against action plan monitored at appropriate levels. Appropriate access to all services can be evidenced	All services using the correct vehicles to allow equal access and are able to demonstrate how different access needs are catered for	01/10/2010 Jan2011 April 2010	Amber	The Council's Access Strategy is in place. Elevate is now responsible for delivering the Strategy. Discussions are under way with the client group about ongoing monitoring.
Partnership Boards identify actions to address equalities and cohesion	Actions & targets identified 6 monthly reporting to CSP	Evidence of partners developing strategies to tackle access and equality issues with demonstrable outcomes	01/12/20 June 2011 and ongoing	Green	Each LSP Board received reports and provided action plans in autumn 2010 and summer 2011. CSP provided feedback, with the support of the Chairs of the Equalities Fora, with feedback from a review conducted of activity relating to community cohesion, equalities and third sector development. LSP Boards are currently receiving a presentation on the Mayor's Refugee and Integration Strategy as well as an update on equalities and cohesion. Boards have been required to provide a response in time for consideration by CSP at its May meeting.

<p>Develop and implement Child Poverty Strategy to be known as 'Raising household incomes: the best possible start for every child in Barking and Dagenham</p>	<p>Strategy impact assessed Strategy developed and adopted Monitoring against agreed NIs and local indicators in place and results reported to the Children's Trust Board Targets within strategy are met</p>	<p>Child poverty strategy in place</p>	<p>March 2011 October 2011 2011- ongoing</p>	<p>Amber</p>	<p>The government strategy has now been published with a new toolkit giving more indicators. A number of individual strategies including older people's strategy will address poverty. All of these strategies including the child poverty strategy will be developed into a Corporate Raising Household Incomes strategy, bringing together all of the elements that will support the elimination of poverty.</p>
<p>Continue to support and work with Equality Fora and develop method of 'Joined-up working to identify common issues</p>	<p>Establish a 6 monthly programme of fora chairs to advise CSP on relevant issues</p>	<p>Active Fora where relevant issues are discussed. Evidence that the services are using these fora as consultative / engagement mechanisms evidence. Consultation /involvement demonstrate influence on potential outcomes of services. Common issues brought to the attention of the Council</p>	<p>2010 April 2012 January 2011</p>	<p>Green</p>	<p>The Older People's Forum, Disability Forum, Faith Forum, LGBT Forum and Black, Asian and Minority Ethnic and Refugee Forum (BAMER Forum) have all been commissioned for three years from 1 July 2012. The Chairs met on 13 January 2012 and provided feedback on equality and cohesion issues. Each of the Fora are discussing one or more consultation at their regular meetings.</p>

<p>Continue to improve the feeling of safety and well being for all groups</p>	<p>Develop a communication and engagement strategy for the Community Safety Partnership taking into account the needs of different communities</p> <p>Delivery of the actions and outcomes of the year on year CSP plan</p>	<p>Increase in community feeling safe within the borough (National Indicators</p>	<p>01/10/2011 targets to be achieved and ongoing</p>	<p>Green</p>	<p>A full team of community Safety Coordinators now in place and working effectively with police SNTs to provide local reassurance and problem solving. Public confidence in police and council has risen from LBBB being the lowest in London to the London average. Work involves communication and engagement with residents via ward panels, meetings, newsletters etc</p>
<p>Streamline hate incident reporting with bullying/harassment incident handling in schools</p>	<p>Develop appropriate reporting mechanisms</p>	<p>Incidents being reported in schools and information being used effectively to improve relationships within school communities and the wider community</p>	<p>Dec-10</p>	<p>Green</p>	<p>Forms have been developed and are now available and in use. Plans are being developed to launch through head teachers meeting. Some progress to streamline reporting and move away from paper to email and internet based reporting, but it is a slow process</p>
<p>Identify an establish a third party reporting site for disability hate incidents</p>	<p>Third party Disability group identified Reporting process agreed</p>	<p>Wider range of opportunities for disabled people to report hate incidents Increased number of disability hate incidents reported</p>	<p>01/12/2010 Feb 11</p>	<p>Green</p>	<p>The Racial Equality Project is to be reviewed as part of the Grants Review in 2012 to identify how it can also support the reporting of hate crime by disabled people.</p>

Objective 2: To ensure that the work of the Council is informed by effective and inclusive consultation					
Overarching Actions	Milestones Set	Intended Outcomes	Date due	Rag Rating	Performance Update
Adopt community engagement and empowerment strategy	Strategy adopted Strategy monitored through appropriate PIs.	Diverse/ representative cross-section of the community participating in engagement activities A coordinated approach to engagement with partners Increased opportunities to get involved for all communities More confident and empowered community Improved services as a result of the continued engagement. Improved services as a result of continued engagement. achievement of target NI4	22-Nov-11	Amber	Cabinet approved the Council's Engagement Strategy on 22 November 2011. The Engagement Officers' Group is responsible for delivery of the Strategy.

<p>Develop approach to engaging the wider community in assessing equalities impacts</p>	<p>Develop approach to engaging the wider community in assessing equalities impacts</p>	<p>Evidence that there has been appropriate involvement in the review and development of service to improve access to the individual services Community have greater opportunity to be involved in the Equality Impact Assessment process</p>	<p>Apr-11</p>	<p>Green</p>	<p>Developing web information to allow equality fora to identify the EIAs they wish to comment / be involved in.</p>
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Objective 3: To ensure that promotion of Equality and Human Rights and the elimination of discrimination and harassment are embedded in all LBBD practices through leadership and commitment					
Overarching Actions	Milestones Set	Intended Outcomes	Date due	Rag Rating	Performance Update
<p>Robust monitoring of this action plan to ensure delivery</p>	<p>Quarterly monitoring by EDI Group Achievement report published annually</p>	<p>Performance and development is monitored at an appropriate level</p>	<p>April 2011 and ongoing; October 2011 and ongoing</p>	<p>Green</p>	<p>The Council's Equality, Diversity and Inclusion Group has received 6 monthly performance reports on this Action Plan.</p>

<p>Within marketing and communications, continue to use 'positive images' of all equality strands</p>		<p>All communities are proportionately represented in LBBD literature, posters and leaflets etc and on the council's website and intranet pages.</p>	<p>Ongoing</p>	<p>Green</p>	<p>Remains a commitment within the work streams of the communication team</p>
<p>Ensure impact assessments are mainstreamed into performance management systems</p>	<p>Impact assessment process reviewed and updated to take into account the new protected characteristics Continued programme of impact assessment Review/revise monitoring framework</p>	<p>Programme of impact assessments and action planning carried out that will inform business plans/ services plans Services able to demonstrate how process has improved outcomes for different communities</p>	<p>October 2010 and ongoing Ongoing</p>	<p>Green</p>	<p>Each DMT will receive their first quarterly EIA performance report in January. The Council carried out a full Equality Impact Assessment of the cumulative impact of the savings proposals for 2012, which included actions being agreed which are being included in service plans where relevant.</p>

<p>Monitor Procurement and commissioning of services to ensure that equality is built into relevant contracts</p>	<p>Identify mechanisms and appropriate targets to evidence compliance with the Equality Act within Council procurement procedures and functions</p>	<p>Evidence that Equalities is mainstreamed into appropriate contracts at all levels. Programme of monitoring contracts including sharing good practice</p>	<p>Mar-11</p>	<p>Amber</p>	<p>An initial meeting has taken place. Further discussions will be held with Elevate to ensure the Council's legal obligations are met.</p>
<p>Customer profiling and equality mapping used by services to understand and be aware of who is using them, levels of satisfaction and gaps in coverage</p>	<p>Use of CRM to capture equalities data Output from CRM customer insight reports to services Evidence that services are acting on customer insight</p>	<p>The needs of individual services users are recorded and used to allow equal access. Information used to understand and develop services</p>	<p>December 2010 Ongoing from August 2010 ongoing April 2011</p>	<p>Amber</p>	<p>Good use is being made of data collected by services. The project to use the CRM to collect equality data has yet to be commenced. The best resolution will be clear by June 2012.</p>

Objective 4: To ensure the development of an effective and diverse workforce that is representative of the community it serves					
Overarching Actions	Milestones Set	Intended Outcomes	Date due	Rag Rating	Performance Update
<p>Cyclical review of training program to ensure that staff are appropriately trained on equalities matters</p>	<p>Review of programme conducted annually</p> <p>Amendments made to programme</p> <p>Review of attendance at programme and actions taken</p> <p>Annual corporate briefing /update on equality issues</p>	<p>All staff trained to an appropriate level for their work to enable them to understand their individual responsibilities</p> <p>Training is relevant and helps delivery of the Corporate priorities. Manager and staff kept updated on changes to legislation and best practice in case law. The council is fully compliant with its statutory duties under the equality act. all training accessible to part time and disabled employees</p>	<p>Annual review and ongoing</p>	<p>Green</p>	<p>Learning Pool has been introduced and is being rolled out, using modules in equalities and “How to Carry Out and Equality Impact Assessment” as some of the first services.</p> <p>Guidance has been issued on the Agency Workers Regulations 2010 and the removal of the default retirement age.</p> <p>Various briefings on equality related issues have been provided via "Lets Talk", and E-bulletin etc.</p>

<p>Ensure the workforce at all levels, better represents the community it serves</p>	<p>Percentage of women, BME and disabled staff in management posts reflects the overall percentage of the workforce Establish recruitment and retention initiatives to attract and retain staff, including: 1. Work experience 2. Apprentices 3. Graduate schemes 4 flexible working 5. career development-work related training mentoring secondment succession planning</p>	<p>Achieve more representative workforce at all levels within the organisation Employment targets in OD and Workforce Development Plans / Strategies met Recruit and retain more people from the local community, especially into difficulty to recruit to posts Career pathways to develop staff to become managers</p>	<p>ongoing</p>	<p>Amber</p>	<p>Cabinet agreed the People Strategy including delivery plan on 10 May 2011. Quarterly Workforce Profile Reports are now being provided for the EDI Board and Dodges.</p> <p>Agency Workers Regulations have been used to review the Council's use of agency workers and alternatives including advertising posts on short-term contracts. Progress has been made on reviewing key employment policies and procedures.</p>
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<p>Pursue accreditation and benchmarks where appropriate</p>	<p>IIP and DWP Disability 'Two Tick' employers' accreditation. Continue to reapply for Stonewall Workplace Equality Index annually. Self assess against EFLG</p>	<p>Council has communication strategy embedded within the organisation and engages managers and staff on issues that affect them Council is fully compliant with its statutory duties, under the equality legislation Maintain/improve individual "score" in Workplace Equality Index</p>	<p>Reviewed every three years – next review due in 2014. annual review by DWP on the councils progress against 5 "two tick" commitments (July / August)</p>	<p style="text-align: center;">Green</p>	<p>IIP accreditation was retained in 2011. DWP "Two-Tick" accreditation was retained in 2011.</p>
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<p>Support staff networks and use as a consultative mechanism</p>	<p>Annual review of support to staff networks to ensure: Promoted effectively, increased awareness, engaged on delivering agreed aims, training needs identified/provided. Access demand /need for others. Contact staff attitude survey to assess engagement</p>	<p>75% of staff can identify groups. Healthy Staff networks with relevant reporting mechanisms. Staff networks consulted on the development of equality plans / employment policies, including impact assessments Staff networks contribute to accreditation processes and positively promote the Council as a good employer</p>	<p>May/June (yearly) ongoing</p>	<p style="text-align: center;">Green</p>	<p>HR continues to support Staff Networks and a monthly consultation forum meeting has been established with the Chairs and Community Cohesion Team. HR have continued to consult with and engage Staff Networks on:</p> <ul style="list-style-type: none"> i) changes to employment policies and procedure ii) the introduction of new equalities related legislation iii) workforce monitoring and trends iv) accreditation, including "Two-Tick" and IIP Reviews v) promoting the Staff Networks vi) Temperature Check survey findings vii) Outcome of the annual Disabled Staff Survey viii) Equalities Day, HR Equalities Quiz ix) Equalities training
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<p>Review of Human Resources policies and practices to ensure we will meet all requirements highlighted in the new Equality Act e.g. Maternity</p>	<p>Identify key employment policies and practices that covered by Equality Act and audit to ensure compliant with legislation; update as necessary, notify managers and staff of any changes Agree programme to review and update employment policies ongoing, including equality impact assessments. identify training and support to be provided prior to introducing new procedures</p>	<p>Employment policies and practices are up to date and reflect changing legislation, “case law” and “best practice” The Council is fully compliant with its statutory duties, under the various equality legislation</p>	<p>2010 /2011</p>	<p>Green</p>	<p>HR are engaged on an agreed programme of reviewing key employment policies and procedures as prioritised by key stakeholders including senior management, trade unions and staff representatives. Key policies and procedures have been audited (and amended as appropriate) to ensure compliance with the Equality Act and other related legislation that came into force in 2011 including: i) the removal of the default retirement age (DRA) and ii) the Agency Workers Regulations 2010</p> <p>In addition, the Council has already agreed and is in the process of introducing of new employment policies and arrangements, including:</p> <ul style="list-style-type: none"> - Home-working (introduced) - Grievance Resolution (including bullying & harassment) - Disciplinary procedure and rules - Employee secondment arrangements - Special leave and time off arrangements
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