

Notice of Meeting



CABINET

Tuesday, 22 May 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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AGENDA

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

In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 24 April 2012 (Pages 1 - 7)**
4. **Provisional Revenue And Capital Outturn 2011/12 (Pages 9 - 41)**
5. **Housing Garage Sites (Pages 43 - 52)**
6. **Proposed Expansion of Primary Schools (Pages 53 - 60)**
7. **Retender of the Young Person's Specialist Substance Misuse Service (Pages 61 - 70)**
8. **Term Contract for Building Maintenance in Public and School Buildings (Pages 71 - 80)**
9. **Any other public items which the Chair decides are urgent**

- 10. 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 item below relates to the business affairs of third parties and is therefore exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended)

- 11. Mark's Gate 'Open Gateway' Regeneration Initiative (Pages 81 - 101)**
- 12. Any other confidential or exempt items which the Chair decides are urgent**

CABINET

Tuesday, 24 April 2012
(5:00 - 5:17 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 J R White and Councillor M M Worby

Also Present: Councillor G Letchford

Apologies: Councillor H J Collins and Councillor P T Waker

135. Declaration of Members' Interests

Councillors Gill and Geddes declared personal interests in relation to item 15 (Establishing Sports Facilities at Barking Abbey School) as they were Council-appointed Governors of the School.

136. Minutes (20 March 2012)

The minutes of the meeting on 20 March 2012 were confirmed as correct.

137. Review of Household Waste Collection Methods

The Cabinet Member for Environment introduced a report on the proposal to replace the weekly orange bag collection of dry recyclables with a fortnightly 240 litre wheeled bin service.

The Cabinet Member advised that public consultation was carried out on four possible options and the response was overwhelmingly in favour of a fortnightly wheeled bin collection. He added that the new service would bring benefits in terms of carbon reduction and lower collection costs.

Cabinet **agreed:**

- (i) To the replacement of the weekly orange bag collection of dry recyclables with a fortnightly 240 litre brown wheeled bin service, as detailed in the report;
- (ii) To authorise the Corporate Director of Housing and Environment, in consultation with the Cabinet Member for Environment, to implement the new scheme;
- (iii) To the procurement of 59,000 wheeled bins through the East Shires Purchasing Organisation framework agreement, as detailed in the report; and
- (iv) To authorise the Corporate Director of Housing and Environment, in consultation with the Corporate Director of Finance and Resources, to award the contract to the successful contractor.

138. Performance House 2011/12 - October to December 2011 (Quarter 3)

The Leader of the Council presented the corporate performance report for the third quarter period 1 October to 31 December 2011.

The Performance House report covered the full set of the Council's performance indicators and highlighted the 19 'key' indicators as well as those where performance had deteriorated or significantly improved. The report also contained information on customer complaints and Members' enquiries and the Leader stressed the importance of all Members registering enquiries through the Members' casework process, as the information recorded via that process informed discussions on strategy and resource allocation. The Cabinet Member for Environment added that he regularly discussed the customer complaints and Members' enquiries information at his portfolio meetings.

Cabinet **agreed** to note the report and the action to be taken in response to areas of underperformance.

139. Planning for Religious Meeting Places - Amendment to Planning Advice Note 4

Further to Minute 39 (28 September 2010), the Cabinet Member for Regeneration presented a report on proposed amendments to the Planning Advice Note on Religious Meeting Places (PAN 4) in relation to designated industrial and employment areas within the Borough.

The Local Development Framework Steering Group undertook a review of PAN 4 last October in response to evidence of an adverse impact that proposals for new places of worship were having on rent levels for business premises in those areas, data on vacancy levels and concerns expressed by local businesses. The Steering Group concluded that the preferred locations of Thames Road and the Rippleside Commercial Area should be removed from PAN 4 and that other uses within the Borough's designated employment areas should not be allowed at ground floor level. The changes to PAN 4 were supported by the Development Control Board at its meeting on 16 November 2011.

The Cabinet Member commented that the proposed changes to PAN 4 would achieve a better balance between the need for new places of worship and the protection of business and employment opportunities in the Borough.

Cabinet **agreed to recommend the Assembly** to adopt the revised Planning Advice Note on Religious Meeting Places (PAN 4), as set out at Appendix 1 to the report.

140. Proposed Extension of the Civil Contingencies Joint Service to include London Borough of Havering

Further to Minute 50 (2 November 2010), the Cabinet Member for Customer Services and Human Resources presented a report on a proposal for the London Borough of Havering to join the joint Civil Contingencies service between Barking and Dagenham and Waltham Forest under an initial one-year pilot.

The Cabinet Member explained that the inclusion of the London Borough of Havering, and the potential for other Local Authorities to join in the future, would provide a framework for the delivery of further efficiencies whilst maintaining the resilience and flexibility of the service.

Cabinet **agreed**:

- (i) To extend the joint Civil Contingencies service to include the London Borough of Havering under a one-year pilot arrangement;
- (ii) That a report be presented in December 2012 on the evaluation of the pilot and whether to formalise the arrangement from April 2013; and
- (iii) That officers continue to explore the potential to extend the joint service arrangement to other Local Authorities in the event that it was considered to be in the Council's interests to do so.

141. Term Contract for Maintenance, Repair and Minor Works on Security and Protection Systems

The Cabinet Member for Finance and Education presented a report on proposals for the procurement of a new three-year term contract, with the option of two one-year extensions, to provide maintenance, repair and minor works services to security and protection systems in public buildings and schools.

The Cabinet Member advised that it was anticipated that the new contract would commence on 3 September 2012 and, in the meantime, it was intended to retain the services of the existing contractor, on the same terms, to ensure continuity of service provision.

Cabinet **agreed**:

- (i) To the procurement of a new three-year contract, with an option to extend up to two additional years, for the provision of maintenance, repair and minor works services to security and protection systems in public buildings and schools, on the terms detailed in the report;
- (ii) To authorise the Corporate Director of Finance and Resources to extend the term of the contract in accordance with the provisions of the contract and subject to satisfactory performance by the contractor during the initial term of the contract;
- (iii) That the Cabinet Member for Finance and Education be kept informed on the progress of the procurement of the contract;
- (iv) To authorise the Corporate Director of Finance and Resources to award the contract to the successful contractor; and
- (v) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to formalise the ad-hoc arrangement with the existing contractor to ensure continuity of service until the start of the new contract.

142. Urgent Action - Procurement of Electricity and Gas Supplies

The Cabinet received and noted a report on the decision taken by the Chief Executive on 29 March 2012, acting under the urgency procedures contained within paragraph 17 of Article 1, Part B of the Council's Constitution, in respect of the following:

- (i) The appointment of LASER (Kent County Council's Utilities division) as the Council's professional electricity and gas procurement provider / broker;
- (ii) To enter into a four-year agreement with LASER for the provision of the management and procurement services for electricity and gas, to become effective on 1 October 2012;
- (iii) To adopt the Purchase Within Period (PWP) procurement route to market, which would provide the Council with value for money in a fluctuating market;
- (iv) That a bill validation audit be conducted in relation to the previous utilities service to ensure the Council had paid the correct amounts; and
- (v) That an application for dispensation from the Section 20 consultation requirements be made to the Leasehold Valuation Tribunal.

143. 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).

144. Becontree Heath Masterplanning

The Cabinet Member for Regeneration presented a report on the development of a Becontree Heath masterplan aimed at regenerating the area and enhancing the integration of leisure, residential, retail/supermarket, vehicular and pedestrian route provision.

The Cabinet Member referred to the specific aspects that would be covered by the masterplan, the costs associated with the various proposals and the steps that needed to be taken to assist with the successful delivery of the project.

Cabinet **agreed**:

- (i) The masterplanning of the Becontree Heath area as detailed in the report;
- (ii) That up to £2.09m be apportioned from the Housing Revenue Account to meet the estimated cost of tenant decants, leaseholder buy-backs, commercial interest repurchases and masterplanning, as detailed in Tables 1 and 2 of the report;
- (iii) That a programme of community consultation and engagement be commenced with all stakeholders in the area;

- (iv) That the decanting of residents and the purchase of leasehold interests be commenced in respect of affected properties;
- (v) To the serving of Initial Demolition Notices on all secure tenants of affected properties in order to suspend the requirement for the Council to complete Right-to-Buy applications for those properties, for as long as the Notices remained in force; and
- (vi) To authorise the use by the Council of its Compulsory Purchase Order making powers pursuant to Section 17 of the Housing Act 1985 (amended) for the acquisition of land, as shown on the map at Appendix 2 to the report, and to promote an Order for the proposed scheme.

145. Abbey Road Creative Industries Quarter - Options Relating to the Acquisition of 134 Residential Units

The Cabinet Member for Regeneration presented a report on an opportunity for the Council to enter into a contractual arrangement with Bouygues UK for the acquisition and management of 134 new homes at Abbey Road Creative Industries Quarter.

Bouygues UK was appointed by the London Thames Gateway Development Corporation (LTGDC) to acquire and develop the site in two phases, with 134 new residential units to be constructed in the first phase and a further 138 in the second phase. Detailed discussions between the Council and Bouygues UK had identified a preferred option whereby the Council would acquire the Phase 1 units directly through the Housing Revenue Account. The Cabinet Member advised that the proposal would assist the Council in achieving its policy objective of providing more affordable housing for local residents and referred to the options that had been discussed and the implications for the Council, and specifically the Housing Revenue Account, of the preferred option.

Cabinet agreed:

- (i) To the acquisition by the Council of the long leasehold of 134 homes at Abbey Road Creative Industries Quarter as a new build scheme within the Housing Revenue Account;
- (ii) To authorise the Corporate Director of Finance and Resources, in consultation with the Corporate Director of Housing and Environment, the Divisional Director of Legal and Democratic Services and the Cabinet Members for Finance and Education, Housing and Regeneration, to negotiate final terms and agree the contract documents to fully implement and effect the project;
- (iii) To authorise the Divisional Director of Legal and Democratic Services, or an authorised delegate on her behalf, to execute all of the legal agreements, contracts and other documents on behalf of the Council;
- (iv) To authorise the Corporate Director of Finance and Resources to issue, on behalf of the Council, such certificate or certificates under the Local Government (Contracts) Act 1997 to Bouygues UK (or such other bodies as may be parties to the Agreements) in connection with the Agreements; and

- (v) That the Corporate Director of Finance and Resources be fully indemnified by the Council in the event of any claim against her arising from the provision of any certificates she may issue in accordance with the decision in paragraph (iv) above.

146. Modernisation of Cashiering Services

The Cabinet Member for Finance and Education presented a report on the implementation of a Cashiering Service Modernisation Programme and, in particular, the proposed closure of face-to-face cashiering services as a means of reducing the use of cash and promoting more efficient electronic methods of payment both internally within the Council and by its customers.

The Cabinet Member advised that the Modernisation Programme would involve the cessation of the face-to-face service provided at the Barking Learning Centre with effect from 1 June 2012, with the intention that the service at the Civic Centre, Dagenham would cease at a later date. The Corporate Director of Finance and Resources advised that the original timing for the closure of the face-to-face service at the Civic Centre had been put back to May 2013 to enable any lessons from the closure of the service at the Barking Learning Centre to be incorporated into a further report to Cabinet, and to facilitate the smooth implementation of a new financial system across the Council earlier in the year.

It was noted that a public awareness campaign was an integral part of the Modernisation Programme and a key focus would be to raise awareness of alternative methods of payment available to customers and the advantages that those methods offered.

Cabinet **agreed**:

- (i) The closure of face-to-face cashiering services at Barking Learning Centre from 1 June 2012 as part of the Cashiering Service Modernisation Programme;
- (ii) That a further report be presented in the new year on the proposed closure of face-to-face cashiering services at the Civic Centre, Dagenham from 1 May 2013, in the light of the lessons learned from the closure of the service at the Barking Learning Centre; and
- (iii) That the Corporate Director oversees the development of a Communication Action Plan to advise customers of alternative and easier methods of payment and encourage more take up.

147. Establishing Sports Facilities at Barking Abbey School

The Corporate Director of Children's Services introduced a report on a proposal for the construction of floodlit all-weather football pitches, changing room and other facilities on land adjacent to the Barking Abbey School site in Longbridge Road, Barking.

The proposal had been developed following discussions between the management of Barking Abbey School and the company, PlayFootball. The preferred option

would require the grant of a long lease at a peppercorn rent to PlayFootball who, in return, would meet all capital and revenue costs associated with the construction and ongoing management of the facility. The School would benefit by having exclusive, free use of the facilities during school and other times, which would help to enhance the School's status as one of the country's leading Sports College's.

Cabinet agreed:

- (i) To grant a waiver of advertising and tendering requirements in accordance with the provisions of paragraph 4.2.2 of the Council's Contract Rules (Part D of the Constitution) and approve the appointment of PlayFootball to carry out the construction and management, at their own cost, of a dedicated all weather surface football facility and changing rooms at Barking Abbey School (Longbridge Road site), for use by the School and community on the terms and conditions set out in this report;
- (ii) To the disposal of land shown hatched on the plan at Appendix A to the report, for the provision of a dedicated all weather surface football facility and changing rooms, to PlayFootball by way of a 35-year lease at a nominal peppercorn rent on the general terms set out in the report; and
- (iii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to agree the detailed terms of the lease and other necessary legal documentation.

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CABINET

22 MAY 2012

Title: Provisional Revenue And Capital Outturn 2011/12	
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>The Council's revenue outturn (subject to final accounting entries) is a net under spend of £2.0m against a net revenue budget of £183.4m (1.1%). The final position, however, is subject to the full closure of the Council's accounts as the Statement of Accounts are drafted and then subject to external audit.</p> <p>The 2011/12 budget includes a planned contribution of £1.5m to further improve General Fund (GF) balances. The 2011/12 under spend of £2.0m, and the planned contribution to balances of £1.5m, has resulted in the GF balance increasing by £3.5m from £10.8m to £14.3m.</p> <p>This provides a significant improvement in the Council's financial position and exceeds the target to achieve a £10.0m GF balance set by the Corporate Director of Finance and Resources.</p> <p>The revenue outturn figures have been calculated after taking into account roll forward requests. Details of these roll forward requests are contained in appendix D of the report.</p> <p>The Housing Revenue Account (HRA) also generated a surplus of £3.8m which has been transferred to HRA balances (which are ring-fenced). The in year surplus increases the reserve position from £4.4m to £8.2m at 31 March 2012.</p> <p>Capital spend of £127.7m was incurred in 2011/12 against the revised capital budget of £167.6. In year under spends on capital projects are requested to be rolled forward and are detailed in appendix E of the report.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to:</p> <p>(i) Note the provisional outturn position for 2011/12 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.10 of the report;</p>	

- (ii) Note the provisional outturn against the 2011/12 savings targets in paragraph 2.11 of the report;
- (iii) Note the provisional outturn position for the HRA as detailed in paragraph 2.12 of the report;
- (iv) Note the provisional outturn position for 2011/12 of the Council's capital budget as detailed in paragraph 2.13 of the report;
- (v) Approve the 2013/14 savings proposals detailed in paragraph 2.14 of the report;
- (vi) Approve the requests to roll forward budgets into 2012/13 and the resulting budget amendments contained in appendix D of the report;
- (vii) Approve the requests contained in appendix E of the report for 2011/12 capital under spends to be rolled forward into 2012/13.

Reason(s)

As a matter of good financial practice, the Cabinet should be informed of the final outturn and performance of the Council's Revenue and Capital resources. Knowledge of the variances from planned budgets will assist members in making sound future decisions.

1 Introduction and Background

- 1.1 This report provides a summary of the Council's General Fund, HRA revenue and capital provisional outturn positions for 2011/12. Good financial management has meant that the General Fund balance has increased by £3.5m to £14.3m. This position includes the achievement of £19.1m of in year savings targets that represented a significant challenge for the Council.
- 1.2 The Outturn report to Cabinet on 14 June 2011 reported that, as at 31 March 2011, General Fund balances stood at £10.8m. This position was an increase of £2.8m on the position twelve months earlier.
- 1.3 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved by monitoring the Council's financial results on a monthly basis through briefings to the Cabinet Member for Finance, Revenues and Benefits and monthly monitoring 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 last Budget Monitoring Report for 2011/12 was presented to Cabinet on 20 March 2012 covering the period April 2011 to January 2012. It projected a contribution to the General Fund balance of £2.8m resulting in a final balance of £13.6 as at 31 March 2012.
- 1.5 This 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, there is an extensive capital

monitoring process to ensure capital outcomes are met. The position in this report may be subject to change as the Council finalises the entries required to produce the statutory Statement of Accounts and those statements will be subject to review by external audit over the summer.

2 Overall Outturn Position

2.1 The Directorate revenue outturn (before the planned contribution to balances of £1.5m) is an under spend of £2.0m for the end of the financial year. The overall effective £3.5m under spend (£2.0m plus £1.5m contribution) has resulted 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.

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 balance for the end of the financial year (including the planned contribution to balances of £1.5m) is £14.3m.

The HRA budget for 2011/12 includes a contribution to the HRA reserve of £1.5m. At the 31 March 2012, the HRA has an under spend of £2.3m resulting in a contribution to the HRA reserve of £3.8m (£2.3m add £1.5m).

	Balance at 1 April 2011 £'000	Balance at 31 March 2012 £'000	Target Balance at 31 March 2012 £'000
General Fund	10,841	14,345	10,000
Housing Revenue Account (including Rent Reserve)	4,448	8,267	5,917

The outturn position for 2011/12 across the Council for the General Fund is shown in the table below.

Council Summary	Net Budget £'000	Outturn 2011/12 £'000	Over/(under) Budget £'000
<u>Directorate Expenditure</u>			
Adult and Community Services	64,459	64,366	(93)
Children's Services	69,729	69,729	0
Housing and Environment	23,479	23,579	100
Finance and Resources	26,031	25,523	(508)
Chief Executive	725	122	(603)
Central Expenses	(1,041)	(1,941)	(900)
Total Service Expenditure	183,382	181,378	(2,004)
Planned Contribution to Balances			(1,500)
Total Outturn for 2011/12			(3,504)

The reported outturn is shown after taking into account roll forwards requested in appendix D of the report.

2.3 Directorate Performance Summaries

The Directorate's outturn performance is outlined in the paragraphs below.

2.4 Adult and Community Services

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Outturn
	£'000	£'000	£'000
Net Expenditure	69,951	64,459	64,366
Projected over/(under)spend			(93)

The Adult and Community Service outturn position at month 12 of the 2011/12 financial year is under spent by £93k. The service has requested to carry forward £121k which is included in the under spend figure.

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 £2.4m. This means we are able to report a 0.14% under spend. Discussions continue with the ONEL PCT cluster about the impact of their budgetary policy on jointly commissioned services and on Council services. A national access grant of £554k was given by the Department of Health in January 2012 to cope with the increased demand of needs due to the cold weather. Monies were also given to GPs, Acute Hospitals and PCTs to which enabled them to manage their seasonal demand.

The 2011/12 budgets reflect savings decisions made as part of the Council Tax setting process, which amounted to reductions of £4.6m from the Adults and Community Services Budget. This represented a challenge to deliver without service detriment. The savings decisions for 2012/13 are also very challenging with budget reductions of £3.5m.

All the savings for Adult and Community Services were achieved for 2011/12. Community Equipment and Mental Health showed pressures all year however, these savings were achieved by off-setting the £2.4m NHS monies used 'to support social care where it benefits health'.

2.5 Children's Services

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	61,913	69,729	69,729
Projected over/(under)spend			0

The Children's Service has achieved a balanced budget position including the full delivery of £4.5m of savings built into the budget. The outturn position of each division is summarised below:

Education

The Education division is under spent by £275k at outturn, after allowing for £572k of carry forward requests. The transport budget for Special Educational Needs (SEN) has over spent by £400k. £150k of this over spend is due to the in year loss of external grant income. The remainder is largely attributable to increasing places at Trinity (24 places) and the Additionally Resourced Placements (36 places) and the children filling these additional places being eligible for transport. The cost of in-house provision and transport assistance remains more cost effective than sending children out of borough. Savings of £670k were achieved through additional income generation from training courses, the deployment of grant income and the holding back of all non essential spend to support pressures elsewhere within the service and to ensure the full delivery of savings for 2012/13.

Targeted Support

The Targeted Support division is under spent by £1.3m at outturn, after allowing for £22k of carry forward requests. This significant under spend has been managed by reducing and ceasing expenditure to manage pressures elsewhere within the service and to ensure approved savings of £1.1m are achieved in full from this budget in 2012/13.

Complex Needs and Social Care

The Complex Needs and Social Care division is over spent by £1.6m at outturn. The borough continues to experience an increase in its young person population, Looked After Children (LAC) numbers continue to increase and the number of children eligible for free school meals (a key indicator of need) has increased by 20% from January 2011 to January 2012.

Commissioning and Safeguarding

The Commissioning and Safeguarding division is under spent by £815k at outturn, after allowing for £245k of carry forward requests. Additional income from the Schools' Service Level Agreements and delays to the Heathway's respite facility coming into service have realised savings of £350k. The remainder of the under spend is across the service and has been used to fund pressures in other parts of the Directorate.

Other Management Costs

This centrally held budget is over spent by £730k at outturn, after allowing for £830k of carry forward requests. The majority of this is attributable to a revenue contribution to capital to cover the over spend on the final phase of children centre capital schemes. However, overall the Directorate achieved a breakeven position.

2.6 Dedicated School Grant (DSG)

The DSG is a ring fenced grant to support the education of school aged pupils within the borough. The grant is allocated between the Schools and Centrally Retained budget in agreement with the Schools Forum. In 2011/12 DSG of £187.9m was received with £19.5m being retained centrally.

2.7 Housing and Environment

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Outturn
	£'000	£'000	£'000
Net Expenditure	23,961	23,479	23,579
Projected over/(under)spend			100

The Directorate has faced a difficult year with significant pressures within the core budgets and an additional £4.3m of savings to be delivered.

The Housing General Fund has experienced increased demand for bed and breakfast accommodation. This is an expensive form of providing temporary accommodation that has an impact on the amount of Housing Benefit recoverable under the subsidy scheme.

The Environment and Enforcement division has significant core budgetary pressures - a fact which has been substantiated by a zero-based budgeting exercise undertaken during the course of the year. These are mainly in respect of the use of agency staff, overtime and transport to deliver core services.

The most significant new pressure for this service has been in respect of the £1.0m savings in relation to increased income for the parking service. Due to a number of system and other exceptional issues, £486k of these savings has proved difficult to achieve.

The services have mitigated these pressures by identifying and delivering action plans together with bringing forward approved 2012/13 financial savings and tight control over non-essential expenditure.

2.8 Finance and Resources

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	14,662	26,031	25,523
Projected over/(under)spend			(508)

The Finance & Resources Directorate outturn for 2011/12 is a £508k under spend.

The under spends across the different services have mainly been achieved through vacant posts (partly due to premature delivery of 12/13 savings) and tight control over non-essential expenditure.

Savings have also been achieved through an improved rebate received from the Matrix Contract due to a procurement led negotiation and Road Adoption & Planning fees exceeding the target set.

A £720k pressure against court costs income was experienced within the Revenues and Benefits budgets. This pressure is mainly due to improved Council Tax collection that has resulted in less court action and hence reduced court cost income.

The Directorate has achieved its 2011/12 saving targets.

2.9 Chief Executive

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	991	725	122
Projected over/(under)spend			(603)

The Chief Executive Directorate outturn is a £603k under spend, mainly due to services making transitional arrangements to deliver agreed 2012/13 savings prematurely i.e. keeping posts vacant which are due to be deleted and also over achievement of income targets.

The Directorate has achieved its 2011/12 saving targets.

2.10 Central Expenses

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	(19,482)	(1,041)	(1,941)
Projected over/(under)spend			(900)

As part of the Central Expenses savings target for this year, £1.0m was planned to be generated through implementing revised Terms and Conditions of employment across the Council. Due to the delayed implementation, only part of the savings was achieved resulting in a £630k shortfall. This shortfall has been managed within the Central Expenses budget and the Directorate as a whole was £900k under spent.

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 on sports tuition, parking charges and cultural admission.

Due to the management of our cash balances a net under spend of £476k was achieved against the budgets for interest payable and interest receivable.

2.11 In Year Savings Targets

The delivery of the 2011/12 budget was dependent on meeting a savings target of £20.3m. Directorate outturns are summarised in the table below. The savings shortfalls have been included in the Directorate outturns 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	Outturn £'000	Shortfall £'000
Adult and Community Services	4,620	4,620	-
Children's Services	4,500	4,426	74
Housing and Environment	4,264	3,729	535
Finance & Resources	1,046	1,046	-
Chief Executive	1,914	1,914	-
Central Expenses	4,000	3,370	630
Total	20,344	19,105	1,239

2.12 Housing Revenue Account (HRA)

The Housing Revenue Account delivered a significant surplus of £3.8m. This enables the Council to maintain a healthy balance of £8.2m (approximately 8% of gross income).

The primary reason for the increased surplus is through the negotiation and reduction of overall repairs & maintenance costs which has resulted in a saving of around £1.1m.

The slippage in the Estate Renewal programme has also meant that the incremental loss of income from the decanting of properties has not materialised.

A detailed HRA is provided in appendix C.

2.13 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	Outturn 2011/12 £'000	Variance £'000
Adult & Community Services	10,322	13,531	12,757	(774)
Children's Services	56,993	77,381	61,376	(16,005)
Housing & Environment	37,472	52,786	35,206	(17,580)
Finance & Resources	16,868	23,868	18,340	(5,528)
Total	121,655	167,566	127,679	(39,887)

In addition to the above 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.

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 was completed in March 2012.

A detailed capital outturn and capital roll forward requests are included in appendix E.

Variances by area are summarised below:

Adult & Community Services

- Community Services, Heritage & Libraries - (£324k) under spend
- Leisure & Olympics (£450k) - under spend

Children's Services

- Schools - (£15,793k) under spend
- Other schemes - (£212k) under spend

Housing & Environment

- Housing Revenue Account - (£16,498k) under spend
- General Fund Housing - (£673k) under spend
- Environment & Enforcement - (£305k) under spend
- Parks and Open Spaces - (£104k) under spend

Finance & Resources

- Asset Strategy - £47k over spend
- ICT - (£213k) under spend
- Regeneration - (£4,872k) under spend

Central Expenses

- Redundancy Costs – (£490k) under spend

Explanations for project variances over £100k are provided in appendix F.

2.14 2013/14 Savings Proposals Requesting Approval

At its meeting on 14 December 2011, Cabinet agreed to the following in relation to the Libraries service:

- 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 £425k.

As further options are required to ensure that the Council's savings target can be achieved, officers have developed a further proposal, 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 £226k in 2013/14; A full Equalities Impact Assessment has now been carried out and Members are requested to agree these savings proposals.

These savings were included in the Medium Term Financial Strategy for 2013/14 when presented to assembly on 22nd February 2012.

2.15 Financial Control

At the end of 2011/12 all key reconciliations have been prepared and reviewed and no major reconciling items unexplained.

3 Prudential Indicators

3.1 Regulations issued under the Local Government Act 2003 require local authorities to have regard to the CIPFA Prudential Code for Capital Finance. This code considers the prudence, affordability and sustainability of capital investment decisions made by the Council.

3.2 The Council set a series of “prudential indicators” to measure capital investment decisions against the key principles of the code. They include the level of capital expenditure, the associated financing costs and impact on Council Tax and Housing Rents. They also include treasury management indicators which set out limits for investment and borrowing decisions throughout the year.

3.3 Appendix F sets out the outturn position for 2011/12 against the indicators. The Capital Financing Requirement was higher than anticipated due to the Dagenham Park School Private Finance Initiative (PFI).

4 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.

5 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.

6 Financial Implications

This report details the financial position of the Council.

7 Legal Issues

There are no legal implications for an outturn report.

Background Papers Used in the Preparation of the Report

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

Appendices

- A – General Fund Outturn
- B – Savings Targets Outturn
- C – Housing Revenue Account Outturn
- D – Revenue Roll Forward Requests
- E – Capital Outturn and Roll Forward Requests
- F – Explanations for Variances on Capital Projects
- G – Prudential Indicators

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GENERAL FUND REVENUE MONITORING STATEMENT OUTTURN 2011/12

Directorate	Outturn 2010/11	Original Budget	Working Budget	Outturn 2011/12	Variance
	£'000	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>					
Adult Care & Commissioning	48,705	45,896	46,070	46,070	-
Mental Health	4,172	3,837	3,844	3,770	(74)
Community Safety & Neighbourhood Services	3,736	4,360	4,632	4,463	(169)
Culture & Sport	12,671	10,449	9,605	9,796	191
Management	667	247	308	267	(41)
	69,951	64,789	64,459	64,366	(93)
<u>Children's Services</u>					
Education	12,455	6,111	7,578	7,303	(275)
Targeted Support	1,359	14,406	13,405	12,146	(1,259)
Complex Needs and Social Care	34,773	31,646	31,783	33,402	1,619
Commissioning and Safeguarding	6,031	4,877	5,107	4,292	(815)
Other Management Costs	7,295	8,104	11,856	12,586	730
	61,913	65,144	69,729	69,729	-
<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	20,265	20,355	90
Housing General Fund	3,360	3,378	3,214	3,224	10
	23,961	20,326	23,479	23,579	100
<u>Finance & Resources</u>					
Directorate of F&R	(109)	414	161	(200)	(361)
Commercial Services (including JV contract)	4,482	2,598	5,299	5,319	20
Financial Services	(5)	-	173	(73)	(246)
Audit & Risk	(20)	-	-	(130)	(130)
Regeneration	4,571	5,229	5,649	5,571	(78)
Corporate Management	4,694	4,681	4,673	4,548	(125)
Barking & Dagenham Direct	4,242	6,532	10,076	10,488	412
ICT (now within JV contract)	(3,193)	-	-	-	-
	14,662	19,454	26,031	25,523	(508)

Appendix A

Directorate	Outturn 2010/11	Original Budget	Working Budget	Outturn 2011/12	Variance
	£'000	£'000	£'000	£'000	£'000
<u>Chief Executive Services</u>					
Chief Executive Unit	1,185	-	(90)	(228)	(138)
Legal & Democratic Services	795	441	257	60	(197)
Corporate Policy & Public Affairs	(957)	300	381	217	(164)
Human Resources	(32)	250	177	73	(104)
	991	991	725	122	(603)
<u>Other</u>					
Central Expenses	(27,608)	1,257	(9,989)	(10,528)	(539)
Contingency	-	2,834	361	-	(361)
Levies	8,126	8,587	8,587	8,587	-
	(19,482)	12,678	(1,041)	(1,941)	(900)
TOTAL	151,996	183,382	183,382	181,378	(2,004)

GENERAL FUND SAVINGS MONITORING STATEMENT OUTTURN 2011/12

Directorate	Detail	Target	Outturn 2011/12	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	-

Directorate	Detail	Target	Outturn 2011/12	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	200	486
-	Street Scene - Parking Staff Permit	354	354	-
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	5	49
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	3,729	535

Appendix B

Directorate	Detail	Target	Outturn 2011/12	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	19,105	1,239

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HOUSING REVENUE ACCOUNT MONITORING STATEMENT OUTTURN 2011/12

HOUSING REVENUE ACCOUNT	Outturn 2010/11	Original Budget	Working Budget	Outturn 2011/12	Variance
	£'000	£'000	£'000	£'000	£'000
Rents	(73,118)	(76,625)	(76,625)	(77,953)	(1,328)
Non Dwelling Rent	(2,367)	(2,565)	(2,565)	(2,484)	81
Other Income	(12,128)	(11,603)	(12,080)	(15,103)	(3,023)
Capitalisation of Repairs	(2,518)	(2,500)	(1,000)	(1,625)	(625)
Repairs and Maintenance	22,874	23,153	21,492	20,999	(493)
Supervision and Management	31,533	28,926	29,109	(233,356)	(262,465)
Rent Rates and Other	990	920	1,376	1,341	(35)
Subsidy	18,048	18,931	18,931	21,057	2,126
Depreciation	13,481	14,697	14,697	14,697	-
Bad Debt Provision	658	953	953	1,002	49
Interest Charges	1,173	3,431	3,431	1,296	(2,135)
Corporate & Democratic Core	811	811	811	811	-
Pensions	-	80	80	113	33
Interest	(484)	(78)	(78)	(526)	(448)
HRA Borrowing	-	-	-	265,912	265,912
Contribution to HRA Reserve	(1,047)	(1,469)	(1,468)	(3,819)	(2,351)

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GENERAL FUND REVENUE ROLL FORWARD REQUESTS

		£
<u>Adult & Community Services</u>		
Community Safety - Youth Offending	To supplement funding for 12/13 which is expected to be reduced.	68,000
Community Safety - Youth Offending	To fund in flight projects - youth offending video conferencing £12k. Community Safety electronic signing £14k.	26,000
Culture & Sport - Libraries	The roll forward will be used to fund dilapidation costs relating to Muirhead Quay once this is finalised with the Landlord.	27,000
		121,000
<u>Children's Services</u>		
Children's Centres boiler repairs	Repair to boiler will take longer to carry out than anticipated.	22,050
Education - IT Services	salary saving for MIS staff, contingency not used, did not purchase hardware/ software unless absolutely necessary.	97,000
Education - Castle Green insurance rebate	Insurance works rebate -due to school timetabling these works have to be carried out in school holidays	67,000
Education - Community Music Service	Insurance works rebate -due to school timetabling/needs these works have to be carried out in school holidays	128,000
Education - Apprenticeship Scheme	Rationalisation of staff hours, increase income from developing income streams.	105,000
Commissioning - Delayed approval for Voice recognition software	There have been a number of financial complexities which have taken a long time to rectify and many of the costs associated with the scheme span an academic year (ie Sept – July).	20,000
Unringfenced grant income set aside for 2 year statutory provision & non re-current 2011/12 management actions	Money was held in 11\12 for purchase of Voice recognition Software. The approval process through the various boards has meant that the order is being placed after the end of the financial year.	830,402
Flexible use of DSG set aside for 2 year statutory provision & non-recurrent 2011/12 management actions	Unring-fenced Grant income set aside for 2 year old pilot.	400,000
		1,669,452
<u>Finance & Resources</u>		
Elevate HR	Release under-spend in the People Strategy budget to invest in the HR and Payroll modernisation programme as agreed by Cabinet. Elevate have billed for £5.5k to date.	127,100
Assets & Commercial Services	Roll forward to 2012/13 to fund health and safety improvements to Civic Building reception areas.	215,000
Assets & Commercial Services	There is a saving of £234,000 in 2012/13 budgets in respect of the Accommodation savings. Due to the early closure of Fortis House some of this amount was achieved in 2011/12 and therefore needs to be carried forward.	90,600
Assets & Commercial Services	A solution needs to be found to provide a screen between the grounds of Dagenham Park School and adjacent properties. £60k from the 2011/12 budget needs to be carried forward to fund this work which will take place during the summer.	60,000
Customer Strategy, ICT and Transformation	There was a drop in the number of Taxicard trips in 2011/12 by Barking & Dagenham residents. There are expected pressures on LBBB's cost of funding Taxicard operations in 2012/13 due to a reduction in funding from London Councils.	84,350
Directorate-Corporate Budget Regeneration	Roll forward 2011/12 under spend on Olympics Budget. Procurement projects not completed in 2011/12.	78,100 14,950
		670,100

GENERAL FUND REVENUE ROLL FORWARD REQUESTS

		£
<u>Chief Executive Services</u>		
Legal	£40k roll forward for the Children's Lawyers - with the money received in 11/12 from Children's Services, plus £20k for additional software purchases. £30k roll-forward for Legal case work system.	90,000
Human Resources	Corporate Training budget under spend due to delay in implementing the plan for 2011-12	150,000
Human Resources	To fund a savings gap identified in the recently transferred service to Elevate.	68,000
		308,000
<u>Other</u>		
Central Expenses	The roll forward is required to meet future corporate savings and funding pressures.	2,780,592
		5,549,145
TOTAL		5,549,145

CAPITAL OUTTURN AND ROLL FORWARD REQUESTS

Oracle Code	Scheme	Budget	Final Outturn	Variance	Roll Forward Request
Adult & Community Services					
1654	Ripple Hall (St Georges/Vol Group Relocation)	375,268	129,863	(245,405)	245,405
2233	Valence Site Redevelopment	434,580	423,505	(11,075)	11,075
191	Eastbury House	18,000	7,181	(10,819)	10,819
2872	Fews Lodge Extra Care Scheme	84,000	27,784	(56,216)	56,216
1652	Contingency	17,528	65,206	47,678	(47,678)
2421	Staff Costs	43,000	0	(43,000)	43,000
2266	Barking Park Restoration & Improvement	4,046,948	4,032,762	(14,186)	14,186
2768	Abbey Sports Centre (Wet Side Changing Areas)	8,816	0	(8,816)	8,816
2603	Becontree Heath Leisure Centre	5,119,593	5,122,703	3,110	(3,110)
2815	Goresbrook Leisure Centre - Olympic Training Venue	47,000	27,287	(19,713)	19,713
2817	Mayesbrook Park Improvements (Phase 1)	1,004,480	936,111	(68,369)	68,369
2855	Mayesbrook Park Athletics Arena	2,027,000	1,596,207	(430,793)	430,793
2870	Barking Leisure Centre 12-14	250,000	386,488	136,488	(136,488)
2879	Barking Park Light Railway & Rowing Boat Equipment	55,000	2,257	(52,743)	52,743
Total For Adult & Community Services		13,531,213	12,757,353	(773,860)	773,859
Children's Services					
2555.01	Eastbury	577,678	484,460	(93,218)	93,218
2735	Cambell Infant & Juniors George Carey CE Primary School (formerly Barking Riverside Primary)	237,476	212,113	(25,363)	25,363
2745	Roding Primary School - Cannington Road Annex	8,362,310	7,542,042	(820,268)	820,268
2736	Beam Primary Expansion	323,232	12,332	(310,900)	310,900
2759	St Joseph's Primary - expansion	404,267	306,593	(97,674)	97,674
2799	St Peter's Primary - expansion	1,967,297	1,671,275	(296,022)	296,022
2800	Thames View Infants - London TG Agreement	106,529	102,661	(3,869)	3,869
2776	Cambell Junior - Expansion & Refurb	507,236	550,230	42,994	(42,994)
2787	Thames View Juniors - Expansion & Refurb	166,760	135,393	(31,367)	31,367
2786	Manor Longbridge (Former UEL Site)	2,075,223	1,642,269	(432,954)	432,954
2784	Westbury - New Primary School	10,134,749	9,808,916	(325,833)	325,833
2789	St Georges - New Primary School	2,573,781	2,600,296	26,515	(26,515)
2790	Renewal School Kitchens 2009/10	3,140,353	3,113,931	(26,422)	26,422
2601	SMF - School Modernisation Fund	32,306	32,129	(177)	177
2793	Youth Access Card	3,245,146	3,036,797	(208,349)	208,349
2742	Extended Schools Phase 4	284,723	241,555	(43,168)	43,168
2722	School's Kitchen Extension/Refurbishment 10/11	377	377	0	
2751	Cross-Government Co-Location Fund	534,490	518,080	(16,410)	16,410
2753	Basic Needs Projects (formerly Additional School Places)2011/12	44,012	44,008	(4)	4
2724	Schools Legionella Works	1,534,915	1,592,809	57,894	(57,894)
2581	Schools L8 Water Quality Remedial Works 2010/11	168,464	141,747	(26,717)	26,717
2808	Schools Reboiler & Repipe Fund	142,524	133,960	(8,564)	8,564
2809	Schools Asbestos Management & Removals 2010-11	328,985	281,469	(47,516)	47,516
2807	William Bellamy Childrens Centre	8,417	6,591	(1,826)	1,826
2310	John Perry Childrens	3,458	(3,000)	(6,458)	6,458
2217	Furze Children'S Centre	9,619	0	(9,619)	9,619
2586	Alibon Childrens Centre	0	(133,770)	(133,770)	
2651	Gascoigne Community Centre	18,000	26,812	8,812	(8,812)
2739	Youth Bus	(176)	7,875	8,051	(8,051)
2791	Gascoigne Primary	(10,594)	168	10,762	(10,762)
2365	512a Heathway - Conversion to a Family Resource	(169)	0	169	(169)
2826	512a Heathway (phase 2)- Conversion to a Family Resource with additional teaching space	146,910	62,428	(84,482)	84,482
2878	Devolved Capital Formula	265,000	163,464	(101,536)	101,536
9999	Sydney Russell - Schools For The Future	2,671,388	1,057,789	(1,613,599)	1,613,599
2818	Robert Clack Expansion	13,077,944	13,101,404	23,460	(23,460)
2859	Provision of New School Places (Basic Needs)	3,058,000	3,047,110	(10,890)	10,890
	Provision of New School Places (Basic Needs) Contingency	9,550,000		(9,550,000)	9,550,000
2860	Monteagle Primary (Quadrangle Infill)	796,941		(796,941)	796,941
2861	Eastbury Primary (Expansion)	300,000	43,415	(256,585)	256,585
2862	Gascoigne Primary (Expansion)	300,000	299,993	(7)	7
2862	Parsloes Primary (Expansion)	50,000	0	(50,000)	50,000
2863	Godwin Primary (Expansion)	300,000	190,011	(109,989)	109,989
2864	William Bellamy Infants/Juniors (Expansion)	300,000	0	(300,000)	300,000
2865	Dagenham Village Rectory Road Library (Expansion)	300,000	119,298	(180,702)	180,702
2866	Southwood Primary (Expansion)	200,000	0	(200,000)	200,000
2867	Advanced Skills Centre	300,000	198,793	(101,207)	101,207
2723		8,843,502	8,981,831	138,329	(138,329)
Total For Children's Services		77,381,073	61,375,652	(16,005,421)	15,871,650

CAPITAL OUTTURN AND ROLL FORWARD REQUESTS

Oracle Code	Scheme	Budget	Final Outturn	Variance	Roll Forward Request
Housing and Environment					
2632	Millard Terrace	38,329	35,184	(3,145)	3,145
2729	Lifts replacement	1,040,010	1,205,354	165,344	(165,344)
2734	SAMS formerly remote concierge	64,753	(23,343)	(88,096)	88,096
2637	DH works Framework contracts	626,010	5,736	(620,274)	620,274
2640	Major maintenance renewals	1,000,000	1,000,000	0	0
2641	Heating works (Thaxted, Maxey & Humphries Houses)	289,491	105,771	(183,720)	183,720
2645	Planning and Contingencies	190,000	189,970	(30)	30
2727	CHP Programme	63,343	38,919	(24,424)	24,424
2728	Electrical Switchgear Project	766,136	519,454	(246,682)	246,682
2725	Extensions and deconve	19,580	(32,131)	(51,711)	51,711
2822	Communal Lighting and Electrical Switchgear	1,085,700	708,028	(377,672)	377,672
2726	External Enveloping Work	372,640	299,299	(73,341)	73,341
2730	Sheltered Alarms Upgrade	37,787	9,223	(28,564)	28,564
2731	Colne & Mersea Blocks	5,509,393	4,494,785	(1,014,608)	1,014,608
2811	Capitalised Improvement Works	224,000	132,959	(91,041)	91,041
2813	Estate Improvement Project	800,000	565,078	(234,922)	234,922
2824	Oldmead & Bartlett Remedial Works	104,320	1,249	(103,071)	103,071
2844	Door Entry Project 11/12	683,550	47,750	(635,800)	635,800
2845	External Enveloping & Fire proofing project	1,278,023	74,295	(1,203,728)	1,203,728
2846	Defective Overflow Works	45,000	30,106	(14,894)	14,894
2847	Central Heating Installation	1,914,000	342,827	(1,571,173)	1,571,173
2848	Kitchen & Bathroom Replacement Project	2,183,800	2,717,609	533,809	(533,809)
2849	High Rise Surveys	550,000	3,290	(546,710)	546,710
2850	Capitalised Improvement works (Estates)	500,000	0	(500,000)	500,000
2853	Estate Improvements	350,000	195,794	(154,206)	154,206
2852	Adaptations - Housing	203,000	124,336	(78,665)	78,664
2880	Central Heating Installation Phase 2	2,067,068	2,066,709	(359)	359
2881	Kitchen, Bathroom, Central Heating and Rewire	5,589,874	1,901,135	(3,688,739)	3,688,739
2882	Electrical Rewiring	1,554,024	703,473	(850,551)	850,551
2883	Voids	1,000,000	625,151	(374,849)	374,849
2772	King William St Qtr	428,566	425,519	(3,048)	3,047
2773	Council Housing & Thames	11,987,905	11,886,693	(101,212)	101,212
2757	Council Housing - New Builds	596,319	59,707	(536,612)	536,612
2823	New Council Housing Phase 3	3,801,025	0	(3,801,025)	3,801,025
100	Disabled Adaptations (HRA)	501,894	507,899	6,005	(6,005)
106	Private Sector Households	1,117,756	706,644	(411,112)	411,112
105	Private Sector Households (105)	687,144	457,051	(230,093)	230,093
2570	Housing Modernisation Programme	56,594	24,495	(32,099)	32,099
2128	Highways Maintenance(TFL)	0	42,063	42,063	0
2288	Land Quality Inspection Programme	130,261	80,635	(49,626)	49,626
2764	Street Light Replacing	1,215,817	1,030,303	(185,514)	185,514
2842	Flats recycling banks scheme	306,775	310,780	4,005	0
2832	Principal Rd Resurfacing - Longbridge Rd (TFL)	340,800	346,997	6,197	0
2836	Road Safety Improvement Schemes (TFL)	96,000	96,000	0	0
2777	SNAPS	173,615	126,970	(46,645)	46,645
2803	Becontree Neighbourhood Improvements	63,464	63,000	(464)	0
2769	Parking Software Replacement	(334)	0	334	0
2621	Highways Structural Repairs	0	133,624	133,624	0
2732	Local Safety Schemes (TFL)	0	55,000	55,000	0
2873	Environmental Improvements and Enhancements	353,000	272,330	(80,670)	80,670
2869	Christmas Lighting	45,000	45,000	0	0
2886	Parking Strategy Imp	300,000	291,417	(8,583)	8,583
2887	Frizlands Wkshp Major Wks	190,000	14,989	(175,011)	175,011
2423	Pondfield Park	59,648	51,327	(8,321)	8,321
2614	Green Flag & Small Scale Works	244	244	0	0
2567	Abbey Green Park Development	35,800	26,036	(9,764)	9,764
2604	Valence Park Improvements	43,434	28,058	(15,376)	15,376
2612	Mayesbrook Watercourse & Park Study	27	28	1	(1)
2326	BTC Public Art Project	11,458	6,000	(5,458)	5,458
2546	Barking Park Artwork	84,000	20,692	(63,308)	63,308
2721	Play Builder	10,000	9,031	(969)	969
Total For Customer Services		52,786,043	35,206,542	(17,579,501)	17,820,260

CAPITAL OUTFURN AND ROLL FORWARD REQUESTS

Oracle Code	Scheme	Budget	Final Outturn	Variance	Roll Forward Request
Resources					
2741	L8 Control of Legionella Remedial Works	276,850	228,952	(47,898)	47,898
2578	Asbestos (Public Buildings)	81,000	88,502	7,502	(7,502)
2771	Automatic Meter Reading Equipment	11,320	15,899	4,579	(4,579)
2542	Backlog Capital Improvements	213,671	177,955	(35,716)	35,716
2342	CMRP DDA for Buildings	27,394	19,660	(7,734)	7,734
2565	Implement Corporate Accommodation Strategy	1,607,115	1,795,698	188,583	(188,583)
2458	New Dagenham Library & One Stop Shop	60,000	20,343	(39,657)	39,657
2587	Energy Efficiency Programme	187,000	163,952	(23,048)	
2623	Microsoft Enterprise Agreement	126,280	37,486	(88,794)	88,794
2738	Modernisation & Improvement Capital Fund	1,494,122	1,370,071	(124,051)	124,051
806	IT for Members	121	0	(121)	
2877	Oracle R12 Joint Services	106,230	106,230	0	
2585	London Road Market Square	0	18,800	18,800	
2615	Creekmouth	0	3,157	3,157	
2596	Legi Business Centres	4,851,982	4,511,049	(340,933)	340,933
2754	Industrial Area Improvement	79,033	81,123	2,090	
2579	Barking Town Square (Phase 2)	536,201	266,406	(269,795)	269,795
2717	Retail Premise Improvement Grant	153,202	138,240	(14,962)	
2774	Barking Town Centre - Low Carbon Emission (TFL & GLA)	132,765	137,766	5,001	
2775	BTC Public Realm - Tsq & Abbey	72,772	42,586	(30,186)	30,186
2755	Area Based Schemes (Shopping Parades)	183,079	196,959	13,880	
2821	Robin Hood Shopping Parade Enhancement (TFL & S106)	324,000	174,096	(149,904)	149,904
2625	East End Thames View Demolition	53,794	29,516	(24,278)	24,278
2746	Axe Street Housing	27,689	44,715	17,026	
2804	Demolition of Kingsbridge Site	6,925	6,925	(0)	
2805	Rainham Road Corridor (TFL)	95,982	157,364	61,382	
2806	Green Lane Corridor (TFL)	119,479	63,067	(56,412)	
2819	London Road/North Street Site Acquisitions	1,002,734	655,703	(347,031)	347,031
2820	Boroughwide Estate Renewal - Gascoigne Decants	392,700	309,661	(83,039)	83,039
2828	Boroughwide Estate Renewal - Leys Decants	225,225	298,265	73,040	(73,040)
2829	Boroughwide Estate Renewal - Goresbrook Village Decants	762,344	576,933	(185,411)	185,411
2856	Boroughwide Est Renewal - Leaseholders Buybacks (all)	4,766,417	1,601,842	(3,164,575)	3,164,575
2857	Boroughwide Est Renewal - Resources/Masterplanning (all)	170,000	181,047	11,047	(11,047)
2858	Boroughwide Est Renewal - Demolition (all)	100,000	215	(99,785)	99,785
	Barking Station Forecourt - Phase 2 Implementation (TFL & S106)	1,028,042	1,099,121	71,079	(71,079)
2831	Mayesbrook Park Access Improvements (TFL)	365,760	335,784	(29,976)	
2834	Merry Fiddlers Junction Improvements (TFL)	144,000	134,299	(9,701)	
2835	Cycling on Greenways and Local Cycle Links (TFL)	144,000	146,257	2,257	
2837	Station Access Improvements (TFL)	48,000	45,504	(2,496)	
2838	Minor Works - Various Locations - Local Transport Fund (TFL)	67,200	50,802	(16,398)	
	Future Scheme Development - various locations - Local Transport Fund - (TFL)	28,800	18,624	(10,176)	
2840	Car Club Expansion (TFL)	14,400	6,000	(8,400)	
2841	Biking Borough Initiative (TFL)	122,880	102,659	(20,221)	
2137	Cycling on Greenways (TFL)	0	1,560	1,560	
2179	LIP Cycling/Walking Schemes (TFL)	0	(16,414)	(16,414)	
2814	Bus Priority 2010-11 (TFL)	0	4,140	4,140	
2854	Improvements to the rear of The Mall, Dagenham Heathway	223,002	0	(223,002)	223,002
2871	New Market Square (Barking)	136,347	47,850	(88,497)	88,497
2605	Dagenham Job Shop	11,439	6,287	(5,152)	
2884	Demolition Westbury Pub	45,000	65,650	20,650	
2885	Resurface Sky Ride Event	242,000	261,873	19,873	
Total For Finance & Resources		20,868,296	15,830,181	(5,038,115)	4,994,456
Capitalisation of Redundancies		3,000,000	2,510,008	(489,992)	
GRAND TOTAL		167,566,625	127,679,736	(39,886,889)	39,460,225

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Explanations for Variances on Capital Projects

Adults & Community Services

- Ripple Hall (£245k under spend) – The project was anticipated to come £200k under; this was to be achieved through robust project management;
- Abbey Leisure Centre (£136k over spend) – The forecast spend came in higher than budgeted; primarily due to the project proceeding faster than expected - funding earmarked for 2012/13 will be used to fund the over spend.

Children's Services

- Eastbury (£93k under spend) and George Carey CofE (£820k under spend) – Projects are complete but retention payments to the contractor are being held back until 2012/13, which is standard practice;
- Beam Primary (£98k under spend) – project complete however release of retention is outstanding;
- Thames View Juniors (£434k under spend) – Main project complete – under spend is in relation to works to the staffroom which have been delayed and will be carried out in 12/13;
- Manor Longbridge (£326k under spend) – remaining budget to be utilised for release of retention in 12/13;
- SMF 2009-12 (£208k under spend) – some works delayed in 11/12 now rolled forward to 12/13;
- Conversion of Heathway (£85k under spend) – installation of equipment and ICT delayed until Phase II was completed – these will be completed & invoiced in Q1 of 12/13;
- 512a Heathway Phase II (£102k under spend) – delayed works now complete, now awaiting invoices and final account;
- Devolved Capital Formula (£1,613k under spend) – remaining allocations to be made in 12/13;
- Monteagle & Parsloes & Southwood Primary (£258k & £110k & £101k under spend) – design & feasibility invoices to be received from the LEP now rolled forward to 12/13;
- Godwin & William Bellamy Infants & Dagenham Village (£300k & £181k & 200k under spend) – schemes being reworked to ensure that appropriate budgets are available;
- Skills Centre (£138k overspend) – invoices anticipated for May received in April at the outturn, funding earmarked for 2012/13 will be used to fund the over spend, project anticipated to deliver within budget.

Housing & Environment

- Lift Replacement (£165k over spend) – Professional fees such as design were higher than anticipated. Budgets from other projects will be used to cover the over spend;
- Dh works Framework (£620k under spend) – some retention payments are to be made in 12/13;
- Heating works Thaxted, Maxey (£184k under spend) – final account agreed now retentions can be paid;
- Electrical Switch Gear (£247k under spend) – awaiting final account costs;
- Communal Lighting & Switch Gear (£378k under spend) – invoices delayed, payments will now be made in 12/13;
- External Enveloping Work (£73k under spend) – retention payments being made slower than anticipated;
- Sheltered Alarms upgrade (£29k under spend) – retention payments overlapping end & start of financial year;
- Colne & Mersea (£1,015k under spend) – programme completed behind schedule with final account now agreed – payment & retentions to be made in 12/13;
- Capitalised & Estate improvement (£100k & £198k under spend) – works being reconciled and anticipated to be completed in 12/13;
- Oldmead & Bartlett (£103k under spend) – works delayed and anticipated to be completed in Q1 of 12/13 with payments to be made subsequently;
- Door Entry Project (£636k under spend) – works delayed and anticipated to be completed in 12/13 where remaining budget will be utilised;
- External Enveloping & Fire Proofing (£1,204k under spend) – works delayed hence budget will be utilised in 12/13;
- Central Heating Installation (£1,571k under spend) – some works are anticipated to complete in early 12/13, budget will be utilised accordingly;
- Kitchen & Bathroom Replacement (£534k over spend) – additional works added to scope, relevant budget will be reprofiled from sister project (code 2881) to cover overspend;
- High Rise Surveys (£548k under spend) – budget incorrectly reprofiled during 11/12;
- Kitchen, Bathroom Phase II (£3,063k under spend) – delay in obtaining delegated authority resulted in works completing at financial year end, awaiting invoices for payment in 12/13;
- Council Housing New Builds (£101k under spend) – A retention payment to the contractor is being held back until 2012/13, which is standard practice;
- Council House Building (£537k under spend) – genuine under spend of £500k with a small sundry credit payment anticipated;
- Private Sector Household Dfg's (£433k under spend) – some works overlap financial years, payments to be made in Q1 & Q2 of 12/13;
- Private sector assistance rendered (£249k under spend) – works were invoiced at financial year end and are being processed;
- Land Quality Inspection (£49k under spend) – works commenced late which will result in completion and invoices being received at end of Q1 12/13;
- Street Light Replacement (£166k under spend) – some works completing at financial year end and will be invoiced in 12/13;

- SNAPS (£47k under spend) – The project has completed and the remaining budget will be utilised on highways projects;
- Environmental Improvements (£81k under spend) – works continuing well however some invoices delayed from contractors;
- Frizlands workshop (£175k under spend) – budget incorrectly reprofiled during 11/12;
- Barking Park Artwork (£63k under spend) – budget to be reprofiled to code 2266 to cover any overspend.

Finance & Resources

- L8 control of Legionella (£65k under spend) – awaiting cross-charge of fees from Children Services, small under spend will be rolled-forward for works programmed in 12/13;
- Backlog Capital Improvements (£69k under spend) – some works delayed & re-programmed for 12/13, remaining budget to be rolled-forward;
- Implement Corporate Accommodation Strategy (£135k overspend) – some works completed and invoiced ahead of schedule resulting in budget from 12/13 being utilised to cover overspend;
- Microsoft Enterprise Agreement (£89k under spend) – an exercise to ascertain which licenses are required has been carried out, genuine under spend to be reprofiled to code 2738;
- LEGI business centres (£381k under spend) – public realm works delayed with payment to be made upon completion in 12/13, all the under spend will be utilised;
- Barking Town Square Phase 2 Acquisition (£270k under spend) – business compensation claim agreed and paid below assumed budget, remaining funds to be allocated to New Market Square (£150k) and Barking Leisure Centre (£120k);
- Robin Hood Shopping Parade (£150k under spend) – due to delay in civil engineering works completing, budget to be rolled-forward for installation of street lighting and implementation of a parking strategy will complete in Q1 of 12/13;
- East End Thames View Demolition (£24k under spend) – budget being utilised for continued onsite management and security costs, reprofile of remaining budget to 12/13 for continued costs;
- All Borough Wide Estate Renewal Projects (£3,417k under spend) – Spend profile has differed from expectation and a request to roll forward the under spend has been submitted;
- Barking Station Forecourt (£124k over spend) – The project was delayed due to adverse weather conditions and signing BAPA agreement with network rail. The budget is wrongly forecasting an overspend as the budget has is incorrect and needs to be increased – departmental finance is in process of initiating this;
- Improvements to the Mall (£223k under spend) – The project has been delayed due to agreeing aspects of the design. A request to roll forward the under spend has been submitted;
- New Market Square (£112k under spend) – Expenditure has not occurred as quickly as anticipated. A request to roll forward the under spend has been submitted.

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The Prudential Code for Capital Investment in Local Authorities

Outturn Report 2011/12

1. The Prudential Framework for Local Authority Capital Investment

- 1.1. The Prudential Code for Capital Investment commenced on the 1st April 2004. This system replaced the previous complex system of central Government control over council borrowing, although the Government has retained reserve powers of control which it may use in exceptional circumstances.
- 1.2. The regime offers significantly greater freedom to authorities to make their own capital investment plans, whereas the previous system restricted authorities to credit approvals controlled by central government.
- 1.3. Within this regime, authorities must have regard to the *Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities*. The principles behind this code are that capital investment plans made by the Council are prudent, affordable and sustainable. The code identifies a range of indicators which must be considered by the Council when it makes its decisions about future capital programme and sets its budget.

2. The Prudential Indicators

- 2.1. The Prudential Code sets out the information that each Council must consider when making its decisions about future borrowing and investment. This takes the form of a series of "Prudential Indicators".
- 2.2. The Code is a formal statement of good practice that has been developed to apply to all authorities regardless of their local circumstances.
- 2.3. This appendix will set out the original estimated 2011/12 prudential indicators as approved by the Council in February 2011, and the actual outturn position, now that the final spend on the capital programme for 2011/12 is known.

3. Capital Expenditure

- 3.1. The first prudential indicator sets out **capital expenditure** both for the General Fund, and Housing Revenue Account Expenditure. These figures are shown in table 1:

Table 1: Capital Expenditure (Prudential Indicator)

	2011/12 Original Estimate	2011/12 Revised Estimate	2011/12 Actual
	£'000	£'000	£'000
HRA	33,895	47,465	30,968
General Fund	87,757	120,101	97,178
Total	121,652	167,566	128,146

- 3.2 Table 1 shows that actual capital expenditure was £128.1m against a revised budget of £167.6m, largely due to slippage in project delivery.
- 3.3 The knock on effect of the reduction in spend on the capital programme is a reduction in the costs associated with financing the capital programme, and these are considered in the next section.
- 4. Financing Costs**
- 4.1 The prudential code also requires Councils to have regard to the financing costs associated with its capital programme.
- 4.2 For an authority that has debt, the prudential indicator for its financing costs is calculated based on the interest and repayment of principle on borrowing.
- 4.3 Since the authority entered into borrowing there is now a Minimum Revenue Provision (“repayment of principal”) in the General Fund financing costs. For the HRA there is, however, a charge for depreciation based on the Major Repairs Allowance. This is included in the financing costs of the authority although in practice it is matched by an equivalent amount in HRA Subsidy.
- 4.4 Table 2 shows outturn figures for 2011/12 in respect of the Council’s Net Revenue Streams for both the General Fund and the Housing Revenue Account, Financing Costs for these two funds and the ratio of Net Revenue Streams to Financing Costs, based on capital expenditure shown in Table 1.

Table 2: Financing Costs (Prudential Indicator)

	2011/12 Original Estimate	2011/12 Actual
	£'000	£'000
Net Revenue Stream		
HRA	93,294	95,653
General Fund	183,381	183,382
Financing Costs		
HRA	3,431	1,113
General Fund	14,610	11,100
Ratio		
HRA	3.70%	1.16%
General Fund	8.00%	6.05%

- 4.5 The outturn position for the HRA and General Fund shows a lower figure for financing costs because the lower actual capital expenditure than estimate has reduced financing costs.
- 4.6 Financing costs can also be shown with reference to their impact on Council Tax and Housing Rents and this is set out in Table 3.

Table 3: The Impact of Capital Programme on the Council Tax and Housing Rents (Prudential Indicator)

	2011/12 Revised Estimate	2011/12 Actual
	£	£
For Band D Council Tax	0.02	0.01
For average Housing Rents	0.01	-0.11

4.8 The table shows the incremental cost of financing the capital programme in respect of the General Fund has increased negligibly. The additional financing costs in 2011/12 have been contained within the overall council budget, and therefore also within the Council Tax set.

4.9 The impact on Housing Rents is a saving on financing costs because of slippage in the HRA capital programme resulting in lower borrowing.

5. Capital Financing Requirement

5.1 The Prudential Code requires the Council to measure its underlying need to borrow for capital investment by calculating its **Capital Financing Requirement**.

5.2 The outturn position for this is shown in table 4 below. The capital financing requirement identifies the level of capital assets on an authority's balance sheet, and compares this to the capital reserves to see how much of these assets have been "funded". The difference is the level of debt that the authority has to repay in the future, or the "capital financing requirement".

Table 4: Capital Financing Requirement (Prudential Indicator)

	2011/12 Original Estimate	2011/12 Revised Estimate	2011/12 Actual
Housing Revenue Account (HRA)	-3,952	10,657	-5,795
HRA Self Financing Debt Settlement			265,912
General Fund	210,175	169,983	224,453
Capital Financing Requirement	206,223	180,640	484,570

5.3 The capital financing requirement is higher than the revised estimate because of the impact of the new Dagenham Park PFI scheme which became operational in March.

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CABINET

22 MAY 2012

Title: Housing Garage Sites	
Report of the Cabinet Member for Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Andrew Walkinshaw, Income Initiatives Officer	Contact Details: Tel: 020 8724 8254 E-mail: andrew.walkinshaw@lbbd.gov.uk
Accountable Divisional Director: Maureen McEleney, Divisional Director of Housing and Neighbourhoods	
Accountable Director: Darren Henaghan, Corporate Director of Housing and Environment	
<p>Summary:</p> <p>This report sets out proposals for improving garage management and enhancing the parking facilities available to residents of and visitors to the Borough. The proposals aim to improve the income generated to the Housing Revenue Account (HRA) and also improve the condition of Housing garage sites.</p> <p>The key proposals in this report include targeting dilapidated garage sites to either refurbish; fully convert into a car park; or part convert to create a car parking and garage site. The proposed strategy for tackling each garage site will differ on a site by site basis and will be confirmed in consultation with Ward Councillors and local residents.</p> <p>It is also proposed to introduce a pricing structure for garage and car parking that is fairer and lower than current charges for local residents, ensuring local residents receive parking priority with options for any surplus places to be made available to other Borough residents and out-of-borough users at higher rates.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Approve the proposed strategy for improving garage management and enhancing the parking facilities available to Borough residents and visitors, as outlined in the report; and authorise the Corporate Director of Housing and Environment, in consultation with the Cabinet Member for Housing, to agree the detailed arrangements; (ii) Agree that the £500,000 provision made within the Housing Capital Programme 2012/13 be used to implement the first phase of works at the nine garage sites listed in paragraph 2.4 of the report; 	

- (iii) Agree to the implementation of a garage and car park pricing structure for Borough residents in the immediate vicinity of the site, other Borough residents and non-Borough residents, as set out in paragraph 2.15 of the report;
- (iv) Note that the day-to-day management of the service will be undertaken within the Housing Area offices.

Reason(s)

The main objective of this report is to set out proposals to improve existing garage sites and income collection to the HRA. The proposals outlined in this report set out to achieve the following objectives and local community priorities:

1. To support the corporate Customer Services Strategy to provide excellent, value for money, front line/customer focused services, engaging with partners, the community, services and staff across the Council to put customers at the heart of services and deliver service improvement.
2. Making Barking and Dagenham cleaner, greener and safer.

1. Introduction and Background

1.1 This report sets out proposals for improving garage management and enhancing the parking facilities available to residents and users of B&D to improve the income generated for the HRA, and improve the condition of housing garage sites in order to:

- Provide a safer environment for residents and out of borough users to park;
- Drive the regeneration of garage sites by developing solutions that benefit the local community;
- Improve the customer experience of the garage letting process;
- Increase the percentage of garages let;
- Reduce annual garage maintenance costs.

1.2 Business analysis has been used to evaluate the potential income from each garage site and to prioritise garage sites for revenue maximisation. There are 2,929 housing garages owned by Barking and Dagenham and many of these are void/empty. Key issues identified from the analysis include:

- 45% of all garages in the borough are empty/void;
- This represents an income of approximately £700,000;
- System data is not 100% accurate;
- Garage users are not always known.

1.3 In February 2006, 77.6% of all garages were let. This figure has reduced considerably since that time, and now stands at 45%. There are likely to be a range of reasons for this, however, it is considered that responsibility for garage waiting list management may be a factor in this decline.

- 1.4 A business process review has been undertaken with key stakeholders including B&D Direct and Estate Service Officers (ESO) to redesign the garage management process to improve current service delivery. A number of key areas for process improvement have been identified through this exercise.
- 1.5 A site visit to a number of garage sites was carried out with the Housing Portfolio Holder Councillor Philip Waker and Councillor James McDermott. The garage sites visited were determined by the outcomes of the analysis undertaken and knowledge provided by ESO's, Housing Managers and ward councillors to identify the worst affected garage sites and those providing opportunities for development which could result in capital receipts being generated.

2. Proposal and Issues

Garage Site Improvement Proposal

- 2.1 There are a number of reasons why there is a high level of un-let garages. It is recognised that many existing Council garages are not large enough for modern vehicles. Residents and staff are not always aware that garages are available, or can be used for personal storage purposes. Visibility is also an issue, as residents want to park their car where they can see it and know that their vehicle is safe and secure from potential ASB.
- 2.2 Strategies for improvement include refurbishing garage sites utilising community payback teams and/or converting targeted garage sites (i.e. those near tube stations, those with known parking issues in the area) into car parks or part car park/garage site schemes. Planned improvements include:
 - Fob key or pay and display system.
 - Consistent high quality security fencing.
 - Demolition of a number of dilapidated garage sites and environmental improvements
- 2.3 A capital budget of £500,000 has been provided within the Housing Capital Programme for 2012/13 to deliver a programme of improvements to targeted garage sites. The proposed strategy for tackling each garage site will be determined by consultation and analysis and will aim to pro-actively tackle ASB issues such as fly tipping and improve the parking environment for local residents.
- 2.4 The first proposed phase of works includes nine garage sites, all of which are a mix of let and empty garages. Other sites will be targeted in the future subject to further consultation being carried out. Targeted income in the below table assumes a 75% garage and/or parking occupancy rate with the exception of two sites that currently exceed this target:

Garage Site	Ward	Total Garages	No. Let	No. Void	Current Annual Income	Target Income	Strategy
Grantham Court	Whalebone	11	5	6	£3,120	£5,148	Environmental Improvements
Hollidge Way	Village	46	40	6	£24,960	£27,269	Environmental Improvements
Curzon Crescent	Thames	10	0	10	£0	£7,020	Car Park Scheme
Kingston Close	Chadwell Heath	14	3	11	£1,872	£6,552	Car Park Scheme
Shafter and Dewey Road	Village	29	3	26	£1,872	£13,572	Car Park Scheme
John Burns Drive	Eastbury	76	62	14	£38,688	£45,053	Car Park Scheme
Margaret Bondfield Ave	Eastbury	42	15	27	£9,360	£19,656	Car Park Scheme
Wythenshawe Road	Heath	31	5	26	£3,120	£14,508	Car Park Scheme
Woodward Road	Goresbrook	41	10	31	£6,240	£19,188	Car Park Scheme
TOTALS		300	143	157	£89,232	£157,966	

2.5 A detailed breakdown of the estimated capital cost can be summarised as follows:

Garage Site	Ward	Total Garages	Demolition	Fob Entry Gate and system	Fob Entry R&M (3 years)	Power supply	Fencing	Surfacing	Line Bay Marking	Community Pay Back Team	Planning & Legal	Estimated Total Cost
Grantham Court	Whalebone	11	NA	£25,000	£5,000	£2,000	NA	£2,500	£2,000	£1,500	£1,000	£39,000
Hollidge Way	Village	46	NA	£25,000	£5,000	£2,000	NA	£5,000	£2,000	£1,500	£1,000	£41,500
Curzon Crescent	Thames	10	£8,750	NA	NA	NA	NA	£2,000	£2,000	£1,500	£1,000	£15,250
Kingston Close	Chadwell Heath	14	£12,250	£25,000	£5,000	£2,000	NA	£2,500	£2,000	£1,500	£1,000	£51,250
Shafter and Dewey Road	Village	29	£25,375	£25,000	£5,000	£2,000	£12,000	£3,000	£2,000	£1,500	£1,000	£76,875
John Burns Drive	Eastbury	76	£33,250	£25,000	£5,000	£2,000	£24,000	£6,000	£2,000	£1,500	£1,000	£99,750
Margaret Bondfield Ave	Eastbury	42	£18,375	£25,000	£5,000	£2,000	£12,000	£4,000	£2,000	£1,500	£1,000	£70,875
Wythenshawe Road	Heath	31	£27,125	NA	NA	NA	£12,000	£3,500	£2,000	£1,500	£1,000	£47,125
Woodward Road	Goresbrook	41	£35,875	£25,000	£5,000	£2,000	£10,000	£5,000	£2,000	£1,500	£1,000	£87,375
TOTALS		243	£161,000	£175,000	£35,000	£14,000	£70,000	£33,500	£18,000	£13,500	£9,000	£529,000

2.6 When considering the target to increase garage lettings by 10% (£175,000 per annum) and target income detailed in the above tables, it will take approximately three years to recover the estimated capital spend.

Garage Service Improvement Proposal

2.7 The garage letting service is currently provided by a number of Customer Service Officers in the One Stop Shops (OSS), who do not have the visual knowledge of garages or direct contact with the officers responsible for enabling a wanted garage to be let.

2.8 In light of the issues identified from the workshops and analysis undertaken, it is proposed for the administration teams in both area offices to take responsibility for the day to day management of the garage processes. Improvements anticipated

include the ability to pro-actively market garage lettings and also provide residents with one point of contact for garage and housing parking enquiries.

- 2.9 B&D Direct support this change in service delivery, and the business outcomes to be achieved will include improving the customer experience and increasing garage letting performance and revenue for the HRA. Other planned improvements include offering a self service appointment system for garage applications which will be available at the OSS.

Differing Price Structure Proposal

- 2.10 It is proposed to introduce a differing pricing structure for garage and car parking that is ultimately fairer and lower than current charges for local residents and is also in line with the corporate car parking strategy for staff, business users and residents.
- 2.11 Garage revenue can be increased by enabling non borough residents to access parking opportunities available in the borough. Benchmarking and comparative research has been carried out with a number of local authorities and private sector organisations to compare garage and car parking costs. The garage and car parking charging proposal has been developed in consultation with the Portfolio Holder for Housing.
- 2.12 There is also the option to reduce capital spend by implementing pay and display rather than fob entry systems. This could increase revenue as the public would be able to buy a ticket as and when they need to and may be an appropriate option for the sites near to tube stations. Enforcement of the car park would be carried out by Civil Enforcement Officer's (CEO) who would issue penalty charge notices as appropriate.
- 2.13 It is also recognised that a Traffic Management Order will be needed where it is proposed to adopt the garage sites as a car park in the borough. Statutory consultation will need to be undertaken as required by the Road Traffic Act (1984) to support the introduction of the pay and display payments described in this section of the report.
- 2.14 The 2012/13 garage weekly rental price for Council tenants is £11.02 per week, and private residents have to be charged VAT on this amount as it is a non landlord service.
- 2.15 The proposed pricing structure for garage rental and car parking and garage sites with a fob entry system is as follows:

Proposed Pricing Structure			
	Garage Site Charges	Fob Entry Car Park Charges	Fob Entry Garage Site Charges
Local resident	£10 p/w	£7 p/w	£12 p/w
Borough resident (non local)	£12 p/w	£10 p/w	£14 p/w
Non-Borough user	£22 p/w	£20 p/w	£30 p/w

* VAT is applicable on charges to non council residents.

- 2.16 For garage sites nearer to tube stations, a pay and display option is recommended to maximise the number of potential users (subject to formal consultation). It is recognised that there are number of different options for fees and charges and it is proposed that the charges will follow the pricing structure of the Heathway Multi-storey car park which is as follows:

Time Length	Price
Up to 1 hour	£0.30
Up to 2 hours	£0.75
Up to 4 hours	£1.50
Up to 6 hours	£3.00
Over 6 hours	£5.00
Business / Resident contract annual permit	£350.00

- 2.17 For business users and existing residents of the estate using the car park on a frequent basis, an annual permit is likely to be the preferred option as this works out cheaper than paying on a daily basis.
- 2.18 It is proposed that existing garage tenants will be charged the local resident rental charge and a 4 weeks' notice consultation letter will be sent to all tenants affected.

3. Options Appraisal

- 3.1 This section of the report provides details of all options considered and rejected and the reasons why they were rejected, but ultimately the Council has two main options of either to "Do Nothing" or to "Do Something".

Option 1 - Do Nothing

The option of doing nothing was rejected because to do so, would mean the Council continuing to lose garage revenue and increase the likelihood of further complaints being received about poor repair conditions and garage rental charges.

Option 2 – Differing Price Structure Only

This proposal recognises the role of local communities as the suggested price structure is lower than the current garage rental charges and responds to comments made by residents through corporate complaints. The proposal to allow non borough users to park in the borough at a higher rate is intended to offset any reduced charges and generate additional income.

Option 3 – Garage Site Improvement Programme Only

This will improve the environment of the targeted garage sites and increase garage revenue for the garage sites refurbished. However, this would not secure improvements in garage and void property performance as the management and marketing of garages would not be carried out pro-actively and it would reduce the potential to increase and sustain garage income in the long term.

Option 4 – Garage Service Improvement Proposal only

This option will provide a central focus for the management of the key garage processes such as key holder responsibility and speed in turning around a garage

letting. It will also help improve performance on key void processes such as the sign up process being completed in a more consistent manner.

It will also assist to support the business case for reducing annual expenditure on B&D Direct Services as the garage sign up processes can be delivered by officers with better service knowledge expertise and administration capacity and improve customer experience.

Option 5 – Options 2, 3 & 4

The preferred option is to drive forward garage lettings and improve service delivery and to introduce a fairer pricing structure. The proposals will also support the delivery and implementation of improvement plans to enable housing services to achieve excellence in garage management.

4. Consultation

- 4.1 The proposals within this report have been developed in response to issues raised by local residents and Members regarding the poor state of a number of garage sites across the Borough.
- 4.2 The proposed strategy for tackling each garage site will differ on a site by site basis and will be confirmed in consultation with existing users, ward councillors and local residents.

5. Financial Implications

Implications completed by: Jo Moore, Finance Group Manager

- 5.1 The income and expenditure budget for HRA garages is incorporated in the HRA Budget & Rent Setting report for 2012/13. In the same way as Tenant Service Charges, the costs incurred in managing and maintaining garages and car parks should, where possible, be recoverable from HRA tenants and other users (Leaseholders and Private Tenants).
- 5.2 Analysis has shown that 45% of garages in this borough are empty/void, equating to an annual loss of income of approximately £700,000. However it is also recognised that there is an oversupply of garages and therefore not all of this income is realisable. Across the borough it is evident that many existing garage sites are in a dilapidated state. A 10% increase in garage lettings is seen as a realistic target for improvement and would equate to approximately £175,000 additional revenue per annum.
- 5.3 The annual garage gross income for the year 2011/12 was £926,643. The garage maintenance costs and other associated costs for the Housing service of managing, maintaining, securing and clearing garages will need to be further assessed. This will enable the Council to determine the extent to which the proposals in this report are likely to mitigate existing operational and maintenance costs.
- 5.4 A £500,000 capital budget has been made available to enable enhancements such as security fencing and repairs needed to garage doors. The capital budget will also finance the use of approved contractors to demolish and/or convert targeted garage sites into car parks as well as provide environmental improvements. The

estimated cost as per the table in paragraph 2.5 amounts to £529,000. The difference of £29,000 will have to be met by finding efficiencies within the scheme or by means of revenue contribution.

- 5.5 Cost efficient measures such as the use of the Community Pay Back team, overseen by the Probation Service, will be utilised to paint dilapidated garage sites such as garage doors to make the sites more attractive for letting. For demolition works, garage doors will be recycled wherever possible.

6. Legal Implications

Implications completed by: Paul Field, Senior Lawyer

- 6.1 An appraisal will need to be carried out regarding the legal status of the sites which are held within the HRA. The garages are let under licences which can be brought to an end by notice. There is a responsibility under the Local Government and Housing Act 1989 to ensure that the HRA is balanced and the steps outlined in this report are consistent with this duty.
- 6.2 As observed in the main body of this report positive action to demolish sites in a state of disrepair would make a significant contribution to the duty to reduce Crime and Disorder and prevent the sites becoming derelict and sources of public health concern with regard to public nuisances and harbourage for pests. Sites in a dilapidated state do present a risk as the Council would be responsible if there were for example, collapsing of fragile roofs and persons or property were injured or damaged.

7. Other Implications

7.1 Risk Management

Ref	Risk Description	Action/Solution	Likelihood	Impact	Priority	Date Updated	Responsibility
1	Failure to increase garage lettings	This risk will be reduced by transferring the day to day management to the administration teams in each area office who's role will be to increase awareness of garages and parking available	2	3	6	02-Mar-12	Andrew Walkinshaw
2	Capital expenditure overspend	Detailed analysis to be completed and lessons learned review to be carried out on each site.	2	3	6	02-Mar-12	Andrew Walkinshaw
3	Income is not delivered	Prime for development land has been identified and could realise additional income and fund capital expenditure.	2	3	6	02-Mar-12	Andrew Walkinshaw
4	No market or demand for garages and car parking	Sites are targeted based on business analysis and geographical location (i.e. near tube stations)	2	3	6	02-Mar-12	Andrew Walkinshaw
5	Increased vandalism costs	Cost of maintaining fob systems to be factored into capital spend and higher fencing to be procured to reduce risk of vandalism.	2	2	4	02-Mar-12	Andrew Walkinshaw
6	High management costs	Introduction of fob entry system would minimise management costs as would not require enforcement activity as required with permit and pay and display system.	2	3	6	02-Mar-12	Andrew Walkinshaw
7	Failure to comply with HSA guidelines on demolitions	Meeting with Roy Carden (Capital Works Surveyor) on 05/03/2012 to ensure demolition plans are delivered correctly and consistently	3	4	12	02-Mar-12	Andrew Walkinshaw

7.2 **Contractual Issues** - The procurement of services to improve the environment of the garage sites will need to follow Council procurement rules and timelines. The key business requirements to be considered by the Council and any approved contractor are:

- The design will provide a solution that is sustainable and easy to maintain and clean;
- The design of the security fencing needs to be consistent with borough wide designs;
- The design will address health and safety concerns and achieve a high level of security.

To reduce capital spend it is proposed to use the community payback teams through the probation service to paint dilapidated garage sites such as garage doors and carry out weed and litter picking activities to make the garage sites more attractive for letting.

7.3 **Customer Impact** - The customer strategy intended for the garage improvements detailed in this report will impact on current services and processes. It is proposed that the location for sign up for garages and housing properties will continue to take place in the One Stop Shop environment for accessibility purposes.

The proposal to transfer aspects of the garage management process to each area office to drive forward the service improvements will provide a central focus on garages and voids management and will support targets for community cohesion, as the strategy for each garage site will be determined by local consultation. Targeted marketing is also essential to maximise impact and will ensure that all groups in the community have access to the garages available in the borough.

7.4 **Safeguarding Children** - The proposals set out in this report will promote the wellbeing of children in the borough by providing prospective parents the opportunity to park their vehicles or personal belongings in a safer and more secure environment.

For security purposes, the car parks will be secured by 4m high fencing because it is recognised that the Council has made use of palisade fencing in the past which is less attractive and can be less secure.

7.5 **Health Issues** - The proposals set out in this report will have a positive effect on the local community as one of the main objectives is to provide a safer and more secure place for users to park. However, during construction there could be negative effects on the local community in terms of nuisance. Consultation with local residents will be carried out to reduce any potential adverse affects and to also understand the preferred strategy for each garage site's development.

7.6 **Crime and Disorder Issues** - Anti-social behaviour is a key concern of local residents. A survey carried out to inform the development of this strategy highlighted that issues such as verbal abuse, rubbish lying around and graffiti, contribute to feelings of lack of safety for residents when walking alone in the Borough both during the day and after dark.

Garage sites also attract activities such as fly tipping and having a safe place to store personal belongings and park a car can be an important aspect of daily life. The proposals detailed in this report aim to reduce crime and disorder and will support the crime and disorder reduction priorities in line with the Crime, Disorder and Drugs Strategy.

- 7.7 **Property / Asset Issues** - The proposals set out this report will have a positive impact on the Council's assets in terms of reducing repairs and maintenance spend and improve income for the long term. Any future plans to lease or sell any garage sites will be subject to consultation with members and residents.

Following a recent court of appeal judgment the demolition of buildings such as garage compounds would require an application to the planning authority for 'prior approval'. The planning department is not at liberty to refuse to allow the demolition but can control the method of demolition and the means of securing the site following demolition.

The use of garage compounds for car parking purposes could possibly constitute a 'material' change of use requiring planning permission although this would depend upon circumstances. If, for example, the use of the car park was noticeably more intensive than the garage compound use (involving many more spaces and potentially vehicular movements) planning permission may be required. This will be reviewed on a case by case basis to ensure permission is sought and granted as necessary.

To promote more secure parking it is planned to implement higher fencing which is comparable to secure fencing installed by TfL. Normally permission is required for fences above 1 metre where they are adjacent to a highway. However, development by local authorities is subject to separate regulations and it is possible to erect fences under Part 12 of the General Permitted Development Order subject to a height limitation of 4 metres.

Background Papers Used in the Preparation of the Report:

- Business Analysis documentation
- Garage Management Policies and Procedures
- Garage service improvement action plan

List of appendices: None

CABINET

22 MAY 2012

Title: Proposed Expansion of Primary Schools	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: Abbey, Alibon, Eastbury, Gascoigne, Heath and Parsloes	Key Decision: Yes
Report Author: Mike Freeman, Group Manager – Schools Estate and Admissions	Contact Details: Tel: 020 8227 3492 E-mail: mike.freeman@lbbd.gov.uk
Accountable Divisional Director: Jane Hargreaves, Divisional Director of Education	
Accountable Director: Helen Jenner, Corporate Director of Children's Services	
<p>Summary:</p> <p>At its meeting on 14 February 2012 (Minute 109), the Cabinet approved the allocation of funding within the Capital Programme to support an investment programme to respond to the demand for additional school places in the primary age range. The report to the 14 February meeting, together with several previous reports, outlined interim arrangements that had been agreed with Headteachers and Governing Bodies to meet immediate demand issues at a number of the Borough's schools. This report seeks to formalise those arrangements through the permanent expansion of the following schools with effect from 1 September 2012:</p> <ul style="list-style-type: none"> • Parsloes Primary - To expand from two to three forms of entry. • Southwood Primary - To expand from two to three forms of entry. • Monteagle Primary - To expand from three to four forms of entry. • St Joseph's Catholic Primary (Barking) - To expand from one to two forms of entry. • St Joseph's Catholic Primary (Dagenham) - To expand from one and a half to two forms of entry. • Eastbury Primary - To expand from three to four forms of entry. • Gascoigne Primary - To expand all year groups to five forms of entry so that there is a consistent number in each year group. <p>The benefits of this proposal will be to increase school places in the primary age range in order to meet the increasing demand for school places. This increase in demand for school places is being caused by the changes experienced in the age profile of the Borough, most notably the rise in birth rates, and changes in migration patterns into the Borough.</p>	
Recommendation(s)	
The Cabinet is recommended to agree the formal expansion of the schools listed above with effect from 1 September 2012, as detailed in the report.	

Reason(s)

To assist the Council in achieving its Community Priority of “Inspired and Successful” and to fulfil its duty to provide every child in the Borough with a school place.

1. Introduction and Background

- 1.1 The Council has planned for steady expansion of school places in the primary sector over the past few years. The requirement to make the right number of places available and being able to satisfy demand involves analysis of demographic data for which there are established methods for planning pupil places which we have followed.
- 1.2 However, the borough has seen an unprecedented rise in births since 2003/04 as detailed in table 1 below. The impact of this was first seen in the Reception Cohort in 2008/09.

Table 1 - Births in Barking & Dagenham

Year of Birth	Number of Births
2002	2,416
2003	2,505
2004	2,639
2005	2,909
2006	3,072
2007	3,324
2008	3,489
2009	3,676
2010	3,643
2011	3,729

Source: GLA – February 2012

- 1.3 Table 2 details the growth in Reception and the infant age range (Reception to Year 2) since 2004/05.

Table 2 – Numbers of Reception and Infant pupils on roll 2004/2005 to 2011/2012

Year	Number of Reception Pupils	Yearly Increase %		Cumulative Increase (on 2004/05) %		Infant Range (Reception to Year 3)	Yearly Increase %	
2004/05	2,283					6,971		
2005/06	2,361	78	3.4	78	3.4	6,967	(4)	
2006/07	2,418	57	2.4	135	5.8	7,123	156	2.2
2007/08	2,532	114	4.7	249	10.5	7,385	262	3.7
2008/09	2,720	188	7.4	437	17.9	7,784	399	5.4
2009/10	2,928	208	7.6	645	25.5	8,247	463	5.9
2010/11	3,125	197	6.7	842	32.2	8,924	677	8.2
2011/12	3,411	286	9.2	1,128	41.4	9,646	722	8.1

- 1.4 Additional classes have been put in place since 2007/08 in order to meet the increased demand for pupil places and this has been detailed in previous reports to

Cabinet. For the current Academic Year, sixty eight additional classes have been created ranging from Reception to Year 6. These classes have been managed by a combination of expansions, blip classes and also the new George Carey Church of England Primary School. The expansions include the following:

- the Roding Primary expansion by 3 Forms of Entry on the Cannington Road site,
- the Valence Primary expansion on the St George's Site in Halbutt Street,
- the Ripple Primary expansion on the Westbury site, and
- the Manor Infants expansion on the Longbridge Road site;

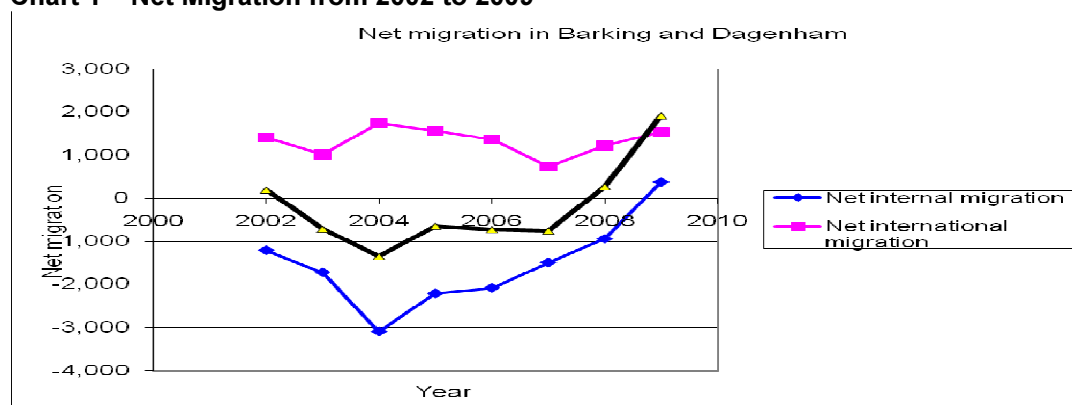
1.5 In addition to the increased births, Admissions are continuing to receive high numbers of late applications for Reception age and Year 1 children and this has compounded the difficulty in planning for the right number of school places. Further, the number of casual admissions into Year 1 and Year 2 has risen substantially compared to previous years. Table 3 details the late applications for Reception Year for the past two years and the current status on applications for 2012/13. It should be noted the late applications include those from pupils new to the borough.

Table 3 - Applications made for Reception Year

Academic Year	Number of On-time Applications	Number of Late Applications	Total Number of Applications
2010./2011	2,910	827 (up to 31 August 2011)	3,737
2011/2012	2,906	1,221 (up to 15 March 2012)	4,127 (up to 15 March 2012)
2012/2013	3,481	136 (up to 15 March 2012)	3,617 (up to 15 March 2012)

1.6 A further issue is the change in the retention rate regarding the number of children born in the borough requiring a Reception place. This is now at 111% compared to five years ago when the retention rate was 104%. This and the information set out above highlights the number of new residents moving to the Borough with larger families. This is backed by data from the Office for National Statistics and the GLA that shows a growth in migration into the borough (see chart 1 below). Further, it was reported by the GLA that Barking & Dagenham had the largest population growth in 2010.

Chart 1 – Net Migration from 2002 to 2009



- 1.7 This increase in pupil numbers is being reflected in many London boroughs including our neighbouring boroughs Redbridge, Newham and, to a lesser extent, Havering.
- 1.8 The Cabinet has previously approved a range of necessary actions taken by the Corporate Director of Children's Services to respond to the demand for additional school places in the primary phase.
- 1.9 Meetings with the Chair and Board of Governors of the schools have been held over the past year to discuss the wider proposals and support was received to expand the schools permanently from 1 September 2012 subject to accommodation provision being made available which met each of the Schools requirements. This will allow the schools to grow year on year.
- 1.10 The discussions that have followed with each School Governing Body, the Diocese of Chelmsford regarding St Joseph's Catholic Primary School in Barking and St Joseph's Catholic School in Dagenham, parents and local community have placed the schools in a position to permanently expand their intake (as set out in section 2.1 below) and therefore formalise the interim arrangements for Monteagle Primary School, St Joseph's Primary School (Barking), Eastbury Primary School and Gascoigne Primary School whilst allowing Southwood Primary School, Parsloes Primary School and St Joseph's Primary (Dagenham) to also expand to meet current and future demand.
- 1.11 Council officers and representatives of the schools have worked together to move forward the necessary building improvements in order to enhance provision and support the objectives of the schools. Capital budget provision has been agreed for these schemes as part of the Capital Programme, using grant income allocated from the DfE.
- 1.12 A series of meetings have been held at each of the schools including meetings with teaching staff, personnel committee meetings, other various school committee meetings and Governing Body Meetings where plans for building refurbishments have been presented.
- 1.13 Letters were sent to Parents, Carers and Guardians of Pupils, Staff and Governors of each of the schools informing them of the proposal to expand the school and the reasons for this on 6 February 2012.
- 1.14 The Council has published a formal statutory notice to expand the schools with effect from the start of the Autumn Term, 1 September 2012 with standard new admission numbers as set out in section 2.1 below in each year group. The notice was published in the local press on 31 March 2012 and copies of the notice were displayed in each of the schools and Barking Library and also sent to other neighbouring local authorities. The notice period expired on 27 April 2012.
- 1.15 At the time of writing this report, two responses have been received following the published notice and the letter sent to parents, carers and guardians of pupils, staff and governors of the school.
- 1.16 The letters, one from a parent of children at Parsloes Primary School and one from a parent of children at Southwood Primary School, made reference to the following:

Parsloes Primary

- the need for ground maintenance work in the playground;
- additional children could mean insufficient playground space and dining hall space;
- the need for additional resources including stationary and hygiene facilities;
- additional information to be provided to parents on matters such as the new layout for the school and potential disruption to the school.

Southwood Primary

- how would the additional children be accommodated?
- the potential lack of space with the additional children;
- the increased traffic to the vicinity with the additional children.

1.17 Any further responses received subsequent to the writing of this report will be reported at the meeting.

2. Proposal and Issues

2.1 The expansion proposals are as follows:

- Parsloes Primary: to expand from two to three forms of entry by providing a new classroom block. The proposed Admission Number will be 90.
- Southwood Primary: to expand from two to three forms of entry by providing a new classroom block. The proposed Admission Number will be 90.
- Monteagle Primary: to expand from three to four forms of entry by providing a new classroom block. The proposed Admission Number will be 120.
- St Joseph's (Barking): to expand from one to two forms of entry by providing a new classroom block. The proposed Admission Number will be 60.
- St Joseph's (Dagenham): to expand from one and a half to two forms of entry by providing a new classroom block. The proposed Admission Number will be 60.
- Eastbury Primary: to expand from three to four forms of entry through a number of internal and building alterations that will make additional classrooms available. The proposed Admission Number will be 120.
- Gascoigne Primary: to expand to five forms of entry through a number of internal and building alterations that will make additional classrooms available. The proposed Admission Number will be 150.

2.2 This is in line with the Council's Policy House whereby we want a borough that believes in opportunity and one that recognises and champions success, where people can look to the future with confidence, assured that their council will do what it can to provide the educational, academic and vocational opportunities they need.

- 2.3 The outcome would be for a borough with excellent schools, constantly improving and which are growing to meet the demands for pupil places.
- 2.4 Further, this proposal meets with the Education Strategy whereby the overarching 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, young people and adults who live and study here.
- 2.5 In particular the Education Strategy sets out the agreement for a programme for developing school places subject to the proviso that it may need revision in the light of changed demand for places and resources available.

3. Options Appraisal

- 3.1 Do Nothing - This is not practical due to the legal and statutory obligation placed on the Council to provide sufficient school places and the pressures currently faced across the Borough.
- 3.2 Expansion of Schools – This preferred option has the support of each School’s Governing Body and local community and forms part of the wider development of the Schools for which funding has been made available within the Capital Programme.

4. Consultation

- 4.1 As set out in Section 1 of the report, discussions have been held with the Headteachers of each of the schools and the Diocese of Brentwood in respect of St Joseph’s Primary School (Barking) and St Joseph’s Primary School (Dagenham) regarding the expansion of the school. Letters were sent to all parents, carers and guardians, members of staff and members of the Governing Body for each of the schools allowing them six weeks to put forward any comments or views. Trade Unions were also included in the consultation.
- 4.2 A formal statutory notice was published in The News on 31 March 2012 regarding the proposal to expand the schools with effect from 1 September 2012, allowing a further six weeks for views to be brought forward.
- 4.3 Ward members were sent this report prior to it being finalised as part of the consultation process.

5. Financial Implications

Implications completed by: Dawn Calvert, Finance Group Manager

- 5.1 The expansions detailed in this report require both capital and revenue funding. Capital funding to provide the new classrooms is supported by the 2011/12 School Basic Need allocation from DfE. The total School Basic Need funding for 2011/12 was £14.236m with £7.4m allocated to this round of primary expansions. Revenue funding is supported by the Dedicated Schools Grant (DSG). A schools revenue budget is based on their January Census pupil numbers. When a new class comes on stream from September, the School receives an allocation of £46,500 (7/12ths of the Average Weighted Pupil Unit) and a lump sum of £10,000 to cover expenditure

such as staff recruitment, classroom equipment and furniture. This is received each year for the life of the form of entry, for example 7 years if the form of entry starts at reception.

- 5.2 Table 4 below summaries the capital and revenue funding for the primary expansions:

Table 4: Primary Expansions – Summary Capital and Revenue Funding

School	Capital (2011/12 Basic Need Funding)	Revenue
Parsloes Primary	£1,800,000	£56,500
Southwood Primary	£1,500,000	£56,500
Monteagle Primary	£1,300,000	£56,500
St Joseph's (Barking)	£1,400,000	£56,500
St Joseph's (Dagenham)	£2,200,000 *	£28,250
Eastbury Primary	£1,200,000	£56,500
Gascoigne Primary	£200,000	£56,500
TOTAL	£9,600,000	£367,250

*NB: This includes £200,000 from the Primary Capital Programme

6. Legal Implications

Implications completed by: Fiona Taylor, Legal Group Manager

- 6.1 The proposed expansion of primary schools is regulated by the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007, as amended. These regulations impose a duty to publish proposals, consult, consider representations and have regard to statutory guidance. The Local Authority is required to make its decision in respect of the expansion proposals within two months of the end of the statutory consultation period; that is within two months of the 27.4.2012. If no decision is made by then, the matter must pass to the Schools Adjudicator for determination.

7. Other Implications

7.1 Risk Management

The Council has a statutory obligation to make provision for additional pupil places in the Borough and these proposals mitigate Corporate Risk 31 - the risk of failing to provide suitable numbers of places for pupils' learning.

7.2 Staffing Issues

The schools will need to increase the numbers of teaching and non-teaching staff to support the increase in pupil numbers. This will be funded through the school's DSG budget and the increased share which the school will receive.

7.3 Customer Impact

The increase in pupil places at the above listed schools will improve the available places for parents expressing a preference for their children to attend the

aforementioned schools. It will also ensure that pupils have better access to education provision in the primary sector and are more likely to be able to attend schools in their local area.

7.4 Safeguarding Children

Adoption of the recommendation 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's Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.

7.5 Property / Asset Issues

All of the schools are in the process of being expanded with either new classrooms added or through internal and building alterations to meet the increased size of the school.

Background Papers Used in the Preparation of the Report:

- Legislation which allows this – Education and Inspections Act 2006.
- DfE Guidance: Expanding a maintained mainstream school by enlargement or adding a sixth form.
- Consultation letters dated 6 February 2012.
- Notice Published 31 March 2012
- Previous Cabinet Reports: 14 February 2012 [Minute 109], 18 October 2011 [Minute 51], 16 March 2010 [Minute 139],

List of appendices:

None.

CABINET

22 May 2012

Title: Retender of the Young Person's Specialist Substance Misuse Service	
Report of the Cabinet Member for Crime, Justice and Communities	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Arabjan Iqbal, Young Person's Substance Misuse Commissioner	Contact Details: Tel: 020 8227 5731 E-mail: arabjan.iqbal@lbbd.gov.uk
Accountable Divisional Director: Glynis Rogers, Divisional Director Community Safety and Public Protection	
Accountable Director: Anne Bristow, Corporate Director of Adult and Community Services	
Summary: The Young Person's specialist substance misuse service provides open access and structured treatment to young people up to the age of 19 in relation to substance misuse problems. In 2010/11, 349 young people accessed this service for support regarding their substance misuse. The current contract for the service will expire on the 31 March 2013. This report asks Cabinet to give permission for the re-tendering of the Young Person's Specialist Substance Misuse Service, known as SubWize, in line with public procurement law and local authority regulations.	
Recommendation(s) The Cabinet is recommended to: (i) Approve the procurement of a Young Person's Specialist Substance Misuse Service, to include a Single Point of Contact (SPoC) service, on the terms detailed in the report; and (ii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content for the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources, to award the contract to the successful contractor.	
Reason(s) To assist the Council to deliver the following Policy House themes: <ul style="list-style-type: none"> • Better together: through reducing criminal and anti-social behaviour and safeguarding children. • Better health and well-being: through treatment and abstinence from substance 	

misuse.

- Better future: through accessing education, training and employment opportunities as a holistic approach to substance misuse treatment.

1. Introduction and Background

- 1.1 Substance misuse is defined by the National Institute for Health and Clinical Excellence (NICE), as intoxication by, or regular excessive consumption of and/or dependence on psychoactive substances, leading to social, psychological, physical or legal problems. This definition relates to both legal and illegal substances.
- 1.2 According to both national and local treatment records, in Barking and Dagenham the number of young people that are accessing treatment services has increased from 204 in 2009/10 to 349 in 2010/11. The numbers in structured treatment has also increased from 159 in 2009/10 to 242 in 2010/11. From the 2010/11 Needs Assessment the Drug and Alcohol Action Team (DAAT) has calculated that there is a treatment naïve population for young people of 129 individuals (41%) which is slightly higher than the regional percentage of (37%). The treatment naïve population are those who are known to other services, such as police, in relation to substance misuse but who have not been engaged with substance misuse treatment services.
- 1.3 In 2010/11 alcohol and cannabis were the drugs of choice for young people in Barking and Dagenham which is reflective of national trends (National Drug Treatment Monitoring Service, NDTMS).
- 1.4 The Young Person's specialist substance misuse service contract is currently funded through a range of funding streams, with a total contract value of £233,500 These agencies include:
 - Department of Health via the National Treatment Agency, (NTA);
 - LBBB;
 - NHS Barking and Dagenham; and;
 - Youth Justice Board.
- 1.5 LBBB currently have a contract which provides a specialist open access substance misuse service to young people; this includes advice, information and guidance on reducing harm.
- 1.6 In addition to this service structured substance misuse treatment is accessed through a referral. Structured substance misuse treatment involves a care planned medical, psychosocial or specialist harm reduction intervention aimed at alleviating the current harm caused by substance misuse.
- 1.7 The current provider of the SubWize Service is Crime Reduction Initiatives (CRI). CRI was awarded a two year contract which has been extended for 1 year. CRI work closely with the Youth Offending Service (YOS) to provide effective treatment for young offenders. The service also works with "hidden harm" clients, that is, young people that are affected by parental or sibling substance misuse.

- 1.8 SubWize also provide outreach work in partnership with Integrated Youth Support Services (IYSS) on the Youth Bus and increase awareness on the effects of substance misuse in Schools and Children's Centres and at Community events.
- 1.9 The current contractor was awarded the contract in 2010 and performance has improved since they took over the service. In line with the terms of the contract a subsequent extension has therefore been granted for 1 year. This expires in March 2013.
- 1.10 Outcomes
Of the 242 young people that were in structured treatment in 2010/11, 122 individuals left treatment services. Of the 122, 80 individuals completed their treatment as a planned exit and on completion of their treatment 50 of these individuals were occasional users, (had a drink or smoked cannabis once in the past 28 days) with 30 individuals recorded as drug and or alcohol free. Although it is the goal for treatment services to have young people leave treatment services drug and alcohol free, this is not always possible. Of the 122 individuals the remaining 42 left as an unplanned exit and dropped out of treatment. The challenge of attrition amongst service users is always a possibility in treatment services, and as such engagement with clients and maintaining them in treatment is continuously reviewed.
- 1.11 The YP Treatment Data Summary report for Q3 2011/12 shows that for the cohort of 248 individuals 71% of young people in structured treatment have left in an agreed and planned way which is inline with comparative partnerships at 75% and nationally at 77%. Of the young people that have left in an agreed and planned way 88% have met goals agreed on their care plan at exit which is also in line with comparative partnerships at 83% and nationally at 88%. This shows that the partnership has positively decreased the attrition rate for young people and is working effectively to meet the goals set on individual care plans.

2. Proposal and Issues

- 2.1 The Young Person's specialist substance misuse service contract will expire on the 31 March 2013. It is proposed that a new contract will be tendered and procured which will continue to provide open access and structured specialist substance misuse services, to commence on the 1 April 2013.
- 2.2 In 2010/11 Barking and Dagenham had the highest number of young people in treatment in London. This is reflective of the disproportionately high younger population in the borough, (JSNA 2011) and the effectiveness of the service in engaging with young people in the borough. In 2010/11 349 young people were referred to treatment services of which 242 were in specialist structured substance misuse treatment.
- 2.3 The future need of the service is expected to increase reflecting the projected population increase amongst young people. Data from the GLA suggests a 19% increase in the 10-14 years old age group between 2012 and 2017 and a 2% increase in the 15-19 years old age group. It is estimated that in 2012 there are 24,000 young people aged between 10-19 years old. On a ward level it is predicted that the largest growth in the young people's population will be Thames (78% increase), Gascoigne (34%) and Abbey (13%).

- 2.4 The demographic make up of the borough has also changed over recent years and the emerging needs of the young people's population will be factored into service provision. The most significant changes have been the increase in the Black African community from 4.4% in 2001 to 15.3% in 2011 and amongst the White Other cohort with an increase from 2.6% to 12.3% over the same period. Data collected from the School Census shows that 60% of the pupils currently enrolled in Barking and Dagenham come from a non White British background. Future service provision will look to increase the number of young people engaged in treatment services from non White British backgrounds from the current figure of 31%; making the service more reflective of future population need. This fact has also been highlighted in the Equality Impact Assessment for this service.
- 2.5 The procurement of this service will achieve improved outcomes for young people focusing on early intervention and prevention of substance misuse in line with the National Drug Strategy 2010 "Reducing Demand, Restricting Supply, Building Recovery: supporting people to live a drug free life". These outcomes are also reflected in the Barking and Dagenham Substance Misuse Recovery Strategy and Treatment Plan 2011-2014, and the Children and Young People's Plan 2010-13. In addition, strong links will be established to the Troubled Families project, supporting greater parental awareness of substance misuse.

Finance

- 2.6 The Young Person's substance misuse service finances are made up of an amalgamation of several funding streams. These include the Department of Health Pooled Treatment Budget, London Borough Barking and Dagenham, Youth Justice Board, and NHS Barking and Dagenham funding. The NHS and Department of Health money is paid to the Local Authority by NHS Barking and Dagenham on a yearly basis. The indicative funding for the contract is detailed below. However, the exact funding will be confirmed following a discussion at the Joint Commissioning Board.

Funding Source 2011/12	Value (£)
Department of Health Young People Pooled Treatment Budget	124,500
LB Barking and Dagenham	110,500
Youth Justice Board	22,700
NHS Barking and Dagenham	71,300
Total Value	329,000

- 2.7 The formula for allocating the budget is only just being developed, and it is expected to take into account the current investment in treatment services. Over time, however, it is expected to move to an allocation based on an assessment of need. These changes in resources may have a consequential effect on services and there are few certainties to future funding in the current economic climate. To alleviate the financial risk to the Council in future years the contract will have a break clause with a three month notice period.
- 2.8 NHS Barking & Dagenham have agreed that they will continue to work in partnership with the Council to deliver substance misuse treatment services. There is continued pressure on NHS Barking and Dagenham budgets during the coming two years, as identified in their draft Commissioning Strategy Plans, and should

they propose a reduction in the level of funding for the services currently being tendered, then contracts will have to be amended accordingly. To protect the Council's interests, therefore, the contract for the new service will contain a break clause, stating a three month notice period, to be served at any time should existing funding streams cease or be reduced.

2.9 From 1 April 2013, health improvement work will be led by local authorities using funds from ring-fenced public health budgets to improve health and tackle inequalities in their local area. The Council will have a new statutory duty to take steps to improve the health of their population in addition to other related statutory functions. The new responsibilities of local authorities will include commissioning local activity on alcohol and drug misuse services. The current PCT 2011/12 allocated spend of circa 2.6 million will form part of the shadow public health grant for 2012/13. For 2013/14 the Government will set public health ring fenced grant using a process that includes estimating the long term aim for the most efficient use of resources based on a formula set by an independent group of NHS managers, GPs and academics - currently the Advisory Committee on Resource Allocation (ACRA). On 1 April 2013, this grant will be passed directly to the Council via Public Health England.

2.10 Officers are currently drafting the tender specification based on best practice models provided by The National Treatment Agency for Substance Misuse and incorporating the findings of the draft Equality Impact Assessment on the Young People's Recovery Strategy and Treatment Plan and the Joint Strategic Needs Assessment recommendations. The new service will also include the post of a Family and Transition worker which is currently being piloted.

2.11 Procurement process

This contract falls under the OJEU category of health and social care and will be procured under Part B of the OJEU process and in line with local procurement rules. This contract is also outside of the Elevate procurement arrangements.

2.12 Tender Evaluation

The evaluation of tender submissions will be based on a quality cost matrix of 70:30 with weightings to be as follows:

Staffing & Personnel related issues	(10)
Partnership Working and Information	
Sharing to Achieve Effective Outcomes	(10)
Safeguarding	(5)
Service Delivery	(25)
Presentation	(5)
Interview	(15)
Cost / Pricing Schedule	(30)

2.13 Prospective tender candidates will be advised of these weightings beforehand. This will enable a fair and even handed approach to be taken. Prior to award of the contract an evaluation of the price will be carried out to ensure that provider organisations tendering for the contract provide fair and competitive prices that are consistent with the service specification and the services required to be delivered.

2.14 In addition tenders will be designed to ensure compliance with grant funding conditions from all agencies. Statutory requirements mandate that a range of drug treatment options are available within Barking and Dagenham for its residents. The provision of the tendered services will deliver against statutory requirements under the Drugs Act 2005.

2.15 Tender Timetable

Outline tender timetable for Young Person’s specialist substance misuse service (all dates are provisional and subject to change)

Action	Date
Cabinet approval	22 May 2012
Advertise	11 June 2012
Expressions of interest to be returned	23 July 2012
Evaluate returns	7 August 2012
Invitation to Tender to be sent out	24 August 2012
Tenders to be returned	28 September 2012
Interviews to be conducted	15 October 2012
Approval from Chief Officer and 10 day standstill period	5 November 2012
Contract Award	19 November 2012

2.16 Contracts will be awarded to the successful provider for a period of two years and eight months with an option to extend for a further period of up to two years dependant upon satisfactory performance and availability of funding. The total contract value for the Young Person’s specialist substance misuse service over a four years and eight months period is estimated up to a value of £1,089,700. If the contract is not extended beyond the initial two years and eight months period, then the total contract value over the two years and eight months period is estimated up to a value of £622,700.

3. Options Appraisal

3.1 **Option 1** - Tender for a two years and eight months term contract; with the option of up to a two year extension subject to satisfactory performance. This is the preferred option to provide open access and structured substance misuse services.

3.2 **Option 2** - To undertake tenders separately for open access and structured substance misuse services. This would mean losing the holistic approach to substance misuse treatment service provision and a potential decrease in the number of young people accessing treatment services. This also goes against guidance from the NTA to provide an integrated substance misuse service for young people.

3.3 **Option 3** - Do nothing/disinvest in drug treatment services – if the contract is not re-tendered these services will cease and customer needs will not be met. This is vitally important as Barking and Dagenham had the highest number of young people in treatment in London for 2010/11. Not having these services will accordingly impact beyond individual drug users themselves and onto the local community, increasing multiple disadvantage amongst young people with substance misuse, for example in relation to poor health, offending behaviour and opportunity losses in employment and education.

4. Consultation

- 4.1 The provision of young people's treatment services has been consulted on as part of the DAAT Recovery Strategy and Treatment Plan 2011-14 by the Joint Commissioning Board and the Community Safety Partnership Board. Formal consultation of the tender will be carried out as part of the procurement process. This will include consultation with the BAD Youth Forum, Parents Forums and schools.

5. Financial Implications

Implications completed by: Ruth Hodson, Finance Group Manager

- 5.1 Due to financial constraints it is necessary to tender within the budgets and funding the Council receives, as there is no additional capacity available. Members should be aware that agencies may choose to reduce or stop these funding streams.
- 5.2 Funding for Youth Justice Board and NHS Barking and Dagenham have not yet been confirmed for 2012/13.
- 5.3 In 2013/14 the funding for drug misuse will be transferred from the PCT to Councils by the Public Health Grant. However, these allocations have not been agreed and are still in negotiation nationally.

6. Legal Implications

Implications completed by: Antonia Asielue, Senior Lawyer, Procurement & Contracts

- 6.1 This report is seeking Cabinet's permission to tender the contract for a specialist substance misuse service which provides open access and structured treatment to the youth up to nineteen (19) years of age. It is proposed that the contract will be for a two years and eight months period, but with an option to extend for a further period of up to two years.
- 6.2 The Public Contracts Regulations allows local authorities to enter into a contract with a service provider, following a competitive tendering process.
- 6.3 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 due of the value of the contract which is stated to be approximately £622,700 over the initial two years and eight months contract term, the Council, in conducting the procurement, 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.
- 6.4 The report sets out in paragraph 2.15 the tender timetable for the procurement of this service. The contract is to be advertised in June 2012 with the expectation that expressions of interest will be returned by potential bidders in July 2012. Following the evaluation of these, relevant bidders will be invited to tender for the contract,

with a view to appointing a preferred bidder and awarding the contract in November 2012. The EU Treaty principles noted above 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.

- 6.5 In deciding whether or not to approve the proposed procurement of the contract, Cabinet must satisfy itself that the procurement will represent value for money for the Council.
- 6.6 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 award of the contract, or whether it is content for the Corporate Director of Adult and Community Services, in consultation with the Section 151 Officer (the Corporate Director of Finance and Resources) to monitor the progress of the procurement and award the contract upon conclusion of the procurement exercise.
- 6.7 Contract Rule 13.3 provides delegated authority to the commissioning Corporate Director, in consultation with the Section 151 Officer, to approve the award of a contract upon conclusion of a duly conducted procurement exercise, in the absence of direction to the contrary from Cabinet.
- 6.8 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** - The commissioning of the young people's treatment services is based on a sound needs assessment thereby reducing the risks associated with commissioning.

Risks associated with the procurement process will be mitigated by ensuring European Union, (EU), rules and Council procedures are followed in commissioning this service.

All potential providers will be assessed for financial viability before progressing to the tender stage. The procurement process and the 70:30 balance between quality and price in the evaluation of tenders is designed to ensure that only competent providers progress to the final stage.

Formal quarterly performance and contract monitoring meetings of the service will take place once it is in place. This includes audits, service user and professional's consultation and informal reviews by Adult and Community Services, Children's Services and the Community Safety Partnership.

Not commissioning the service carries significant risk in terms of outcomes for young people as outlined above at Option 3 and below in 7.4.

- 7.2 **Contractual Issues** - The existing contract is due to finish on the 31 March 2013 with the new contract in place on the 1 April 2013. EU and Council procurement procedures will be followed to enable to a fair competitive tendering process.

- 7.3 **Staffing Issues** - There are no TUPE implications for LBBD staff; however, there are potential contractor to contractor TUPE implications.
- 7.4 **Customer Impact** - An Equality Impact Assessment (EIA) has been carried out on the young people's Recovery Strategy and Treatment Plan that will feed into the procurement of the young people's specialist treatment service. The EIA has shown an overall positive impact of service provision with an action plan for areas of improvement that will be fed into the service specification. Through the work done for the EIA it is known that there has been good work done in engaging with the white male population. There is also positive work around engaging young women. Areas that need improvement are engaging with the black and minority ethnic groups and groups that have disabilities.
- 7.5 **Safeguarding Children** - Robust safeguarding policies and procedures will be evidenced as part of the procurement process including compliance with local safeguarding procedures. The specialist substance misuse service is an integral element of the local suite of services available to young people and connects strongly with the priorities within the Children & Young People's Plan, the priorities within the local Children's Trust and the work of the Barking & Dagenham Children's Safeguarding Board, as well as the corporate priorities of the council as listed within the policy house. There are robust referral pathways between adult and young persons substance misuse services. All staff in adult treatment services are qualified to recognise child protection issues and it is explained to clients when confidentiality has to be broken.

The Youth Offending service works jointly to coordinating the care of presenting clients with substance misuse needs. They also consider transitional issues that older young people may be facing, such as housing, education and training, to ensure that their needs are met by the appropriate service and that they are able to reintegrate back into the community with a clearer vision.

All commissioned voluntary and statutory sector organisations must have their own safeguarding and child protection policies in place. Evidence of these is gathered at tender stage and then through contract monitoring and auditing processes. Case files are audited by commissioners to ensure best practice is routinely undertaken.

All agencies commissioned to work with adults and young people are aware of LBBD safeguarding procedures and must adhere to incident reporting as part of their contractual obligations.

The service also provides an essential element of the directorates 'early help' offer to young people, seeking to prevent their experimental drug use escalating into far more problematic drug use, thus assisting in the safeguarding of young people and reducing harm they may experience through more prolonged drug use and the possible consequences, e.g. criminal activity and physical ill health. The service will also work with Hidden Harm clients whose parents or siblings are involved in substance misuse as part of the 'Think Family approach' which provides holistic support to families with complex and inter-generational disadvantage. The service will link closely to the Troubled Families project currently being developed.

7.6 **Health Issues** - Evidence suggests tackling the use of cannabis is important as this is a gateway drug for individuals and can result in problematic drug use in the future. Addressing alcohol consumption amongst young people may also be a way of reducing chronic health problems in the future for example liver disease amongst young people. The Joint Strategic Needs assessment highlighted that there were particular local issues relating to alcohol misuse and the DAAT Young People's Needs assessment also highlighted that cannabis was the most commonly abused substance. There is a body of evidence which demonstrates the connection between alcohol and increased likelihood of chronic liver disease, coronary heart disease as well as the increased accidental injuries and increased frequency of domestic violence. The evidence base for cannabis is less well established but there is evidence of a connection with lung cancer due to the smoking of cannabis and increased accidental injuries.

7.7 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 requires local authorities to take account of the crime and disorder impact of all their functions, decisions and policies. The Act was revised in 2006 and a new provision was made under Section 17. This directly relates to the harm caused by drug and alcohol misuse.

Substance misuse has a high correlation to anti-social and criminal behaviour. The highest cohort of people arrested for drug related acquisitive crime is 18-24 year olds. Criminal records acquired as young people act as a barrier for future employment thereby contributing to cycles of offending behaviour. Therefore the provision of a Young Person's specialist substance misuse service will make a positive contribution to community safety within the borough. It will achieve this through providing treatment and support that will reduce offending and enable young people to make a positive contribution to society.

7.8 **Property / Asset Issues** - The current provider currently operates from the Streetbase Advice Plus Suite in the Foyer and does not make a financial contribution to the accommodation. This has been facilitated through a partnership arrangement; however, there has been an indication by the sub-lessee, 14-19 Employment, Education and Training team, that this partnership arrangement will be revisited. There is potential for a negotiated settlement for the current accommodation and this will be detailed in the service specification.

Background Papers Used in the Preparation of the Report:

Barking & Dagenham Recovery Strategy and Treatment Plan 2011-14
Barking & Dagenham Drug Treatment Needs Assessment 2010/11
Drug Strategy 2010: Reducing Demand, Restricting Supply, Building Recovery: Supporting People to Live a Drug Free Life: HM Government.
Drug and Alcohol Action Team Young People's Recovery Strategy and Treatment Plan Equality Impact Assessment (2011) – draft.
Young people's substance misuse treatment services – essential elements, NTA
Children and Young People Plan 2010-13
Joint Strategic Needs Assessment 2011

List of appendices: None

CABINET

22 May 2012

Title: Term Contract for Building Maintenance in Public and School Buildings	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Tony Williams, Principal Building Services Officer, Asset & Commercial Services	Contact Details: Tel: 020 8227 3324 E-mail: tony.williams@lbbd.gov.uk
Accountable Divisional Director: N/A	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>This report asks the Cabinet for approval to enter into a procurement exercise for the award of a new Term Contract for Building Maintenance in Public and School buildings and Housing properties (where required) over a three year term covering the period from 3 September 2013 to 2 September 2016, with the possibility of up to a two year extension subject to satisfactory performance of the appointed contractor.</p> <p>This contract will be used to:</p> <ul style="list-style-type: none"> • Provide a day-to-day reactive repairs and planned maintenance service to all non domestic Council buildings and schools as necessary. • Provide the facility of a minor works service to all public and school buildings • Provide extra capacity where required to support the new in-house Housing repairs and maintenance service provider following the expiry of the current contract. <p>Whilst the Council undertakes its full tender exercise the proposal is to access Braintree District Council's Framework Agreement (the 'Framework') for a period of 15 months commencing on 11 June 2012. The Framework is accessible to the Council and is compliant with EU Procurement Legislation. The Framework allows the Council to contract with its incumbent provider on the basis of the tendered Schedule of Rates which are deemed to offer best value. This will also ensure continuity of service supply.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <p>(i) Approve the procurement of a new three-year Term Contract for Building Maintenance in Public and School buildings and Housing properties (where required) commencing 3 September 2013, with the possibility of up to a two year extension subject to satisfactory performance of the appointed contractor, on the terms detailed in the</p>	

report;

- (ii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content for the commissioning Chief Officer to award the contract to the successful contractor; and
- (iii) Agree that for the interim period, the Council access Braintree District Council's current Framework Agreement to ensure continuity of service supply, and authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to enter into the contract on behalf of the Council with the preferred provider in accordance with the framework terms and conditions.

Reason(s)

To assist the Council in achieving its Policy House priorities of "Improve Value for Money across all services" and "Make better use of our resources and assets" as well as aiding the development of a well run organisation.

1. Introduction and Background

- 1.1 The Council has a statutory responsibility to comply with the Health and Safety at Work Act 1974 and relevant Building Regulations requirements. The previous term contract for building maintenance and repairs which was awarded to Kirkman & Jourdain Ltd, has expired following the utilisation of the extension period allowed under the provision within the contract.
- 1.2 The previous contract let to Kirkman & Jourdain Ltd was a combination of reactive and small works with a maximum individual order value of £50,000. The contract provided a 24 hour building repair and maintenance service to schools, operational and public buildings, with a pre-priced schedule of rates, which enabled users of the contract to control budgets.
- 1.3 Officers have undertaken a lengthy options appraisal including the intrinsic value of a Building Maintenance Term Contract (BMTC) itself and other potential methods of procurement. The various options appraisals including the need for this contract in its current form have been investigated within this process and are detailed in section three of this report.
- 1.4 The use of the Framework will allow the Council sufficient time to ensure that a full tender process is conducted to ensure the Council receives a value for money service for in respect of all of its' requirements.

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- 1.5 The Cabinet agreed on 20 March 2012 to new arrangements for the management and delivery of the Repairs and Maintenance Services, including the procurement of additional contractors to provide support to the new (yet to be formed) in-house direct service.

- 1.6 Following an assessment of the service requirements it is proposed that the repair services are included when the Council accesses the Braintree Framework. Similarly the repair services will also be incorporated when Asset and Commercial Services fully re-tenders the building maintenance service by way of the measured term contract as set out in the main report. This will ensure that the contractor awarded the measured term contract will be able to undertake the necessary repairs to domestic properties.
- 1.7 The details of the procurement approach are as contained in the report being submitted to CMT and Cabinet.

2. Proposal and Issues

- 2.1 To mitigate the Council's Commercial and Financial risk, Corporate Procurement has advised that the Council utilise Braintree District Council's responsive Repair & Maintenance Services Framework Agreement as a compliant route to market for the interim period whilst the Council conducts a full tender exercise for the new contract, which is scheduled to commence on 3 September 2013. The Framework is a call off 4 year agreement which commenced on 14 June 2010. This will enable the authority to maintain continuity of supply. This ensures the Council will receive a cost beneficial service, without the need to transition its' requirements, which could lead to avoidable operational issues. The Framework is not seen as a long term solution.
- 2.2 In terms of the full retender for commencement of the Term Contract in 2013 tenders will be sought through a full European Restricted Procedure following an advertisement in the Official Journal of the European Union (OJEU).
- 2.3 The contract will be awarded through a scoring matrix on the basis of 40% price and 60% quality.
- 2.4 It is proposed that this contract will be let as a Joint Contract Tribunal (JCT) Measured Term Contract 2011, which is appropriate for use:
- By Employers who have a regular flow of maintenance and minor works, including improvements, to be carried out by a single contractor over a specified period of time and under a single contract;
 - Where the work is to be instructed from time to time and measured and valued on the basis of an agreed schedule of rates; and
 - Where a Contract Administrator and Quantity Surveyor are to administer the conditions. These roles are performed by the Building Services Officers within the Council's Building Services Team.
- 2.5 It is anticipated that the new contract will commence on 3 September 2013 for a period of three years with the possibility of two, one year extensions at an estimated value of approximately £3,000,000 over the initial three year period to £5,000,000 for the full five year period (including the possible two, one year extensions).
- 2.6 The estimated contract value comprises a combination of small works and major upgrades, up to a maximum single order value of £50,000, and planned service costs based on a priced schedule of rates. The precise contract value will depend

upon the value of work that is placed with the successful contractor but is also dependent upon client budgets.

- 2.7 In order to achieve some of its Policy House priorities of “Improve Value for Money across all services “and “Make better use of our resources and assets” it is essential for the council that all buildings are maintained and kept in a state of good repair. Failure to meet this requirement could result in unsafe assets and buildings, with the potential of causing ill health to the community, visitors, staff, and contractors, which could result in criminal prosecution of officers and councillors under Health and Safety legislation.
- 2.8 The contract will work on an order basis for Council’s schools, operational and public buildings, utilising a priced Schedule of Rates for the duration of the contract. The order arrangements do not commit the Council to guaranteed payments to the contractor by way of any stand-by arrangements, but will ensure continued supply of important services during the contract term.
- 2.9 It is expected that the contract will be used to meet all of the Council’s day to day repairs, planned maintenance and minor works and will be based on priced schedules of rates items plus an element of unspecified work where estimates have been used for materials and hourly attendance rates. This will give the Council the benefits of economies of scale whilst improving maintenance efficiency and enabling the council to standardise equipment used. All planned maintenance works will be carried out at regular pre-determined intervals in conjunction with regular service plans as generated by the Council.
- 2.10 The applicants will be assessed on their economic and financial standing, health and safety standards, technical capability, prices and references, as well as a qualitative assessment of performance targets and method statements on a range of criteria relevant to the contract.
- 2.11 Applicants who have policies and methods in place to measure quality and performance and are able to provide this information to the Council will be considered as suitable tenderers.
- 2.12 The successful contractor will be expected to maintain a full electronic audit trail of the work undertaken on behalf of the Council and this data must be accessible to LBBD officers, without additional data capture, utilising the Council’s asset management database (K2) or via a web portal to an equivalent acceptable solution provided by the successful tenderer. The contractor will also be expected to work with the Council during the contract term to enhance the electronic data exchange to meet our ICT aspirations.
- 2.13 The Children’s Service Department has been advised that whilst schools are encouraged to use this contract (under best value principles), the Department cannot insist that they do. Should schools decide not to use this contract and make their own arrangements for Building Maintenance works they will be required legally to undertake the same Health & Safety assessment of potential contractors and to formally monitor their work once contracted, complying at all times with current legislation.

Housing Repairs 2013

- 2.14 The new direct service for undertaking repairs and maintenance to HRA properties will be formed and become operational from 1 May 2013.
- 2.15 The creation of this Direct Labour Organisation (DLO) will be expected to undertake all day to day repairs, refurbishment of voids and gas servicing.
- 2.16 It is envisaged and expected that the DLO will be capable of dealing with all volumes of work and have sufficient capacity to complete works to targets. However, a risk assessment would duly highlight that other than the DLO there would be no alternative options to get repairs completed, this arrangement will provide an alternative option to complete repairs.
- 2.17 It is difficult at this stage to accurately predict the level or value of repairs work that will not be processed through the DLO. This impacts on the ability of the Council to secure value for money for repairs as a discrete service.
- 2.18 It is therefore proposed that by including the potential repair works in the use of the Braintree Framework and the subsequent procurement of the building maintenance term contract, this will save both time and money whilst still ensuring that the necessary legal framework is in place to secure a service contractor in a legally compliant manner.
- 2.19 Both the Braintree Framework and the measured term contract will allow greater flexibility for the Housing Service as they will not require a commitment to guaranteed work volumes.
- 2.20 The use of either the Braintree Framework or the term contract will only be triggered when the work volumes increase above the capacity of the DLO.
- 2.21 This arrangement may also potentially be used if the performance of the DLO is significantly below target and the council wishes to intervene to ensure good services were delivered to tenants.

3. Options Appraisal

3.1 Option 1

Use of the Framework for a period of 15 months and full tender for a three year term contract with the possibility of two, one year extensions with a preferred service provider - this is the preferred option as it gives the benefits listed in Section 2 of this report.

3.2 Option 2

To undertake tenders/quotations for each individual project – this option is not considered cost effective, both in terms of procedural costs of tendering and by offering no long term commitment to a specific contractor. This would also create delays and additional costs where emergency action is required and would not be appropriate for reactive maintenance works.

3.3 Option 3

To combine this contract with the East London Buying Solutions building maintenance term contract - this option was thoroughly investigated at a number of combined meetings with other authorities such as Newham, Havering and Tower Hamlets. A number of utilisation obstacles needed to be overcome to achieve a solution that satisfied all clients and although many of them were overcome, some base fundamental elements around contract standing orders were proving to be a sticking point, including minimum single order value that exceeds LBBB standing orders. It was felt that the protracted time period had already progressed beyond our cut off point and it would be more secure for the authority to undertake its own contract and revisit this option once its existing members had established an acceptable solution and had a proven contract in position in 2015.

3.4 Option 4

To buy into an existing OGC framework contract – Again this option was thoroughly investigated but proved fruitless due to the various combination packages that were available not being satisfactory to suit the requirements of the authority. All other solutions investigated appeared to compromise the Borough's service level provision in some way or another hence the decision to recommend option 1 as documented.

3.5 Option 5

Do nothing – This option was considered at length but due to an immense amount of orders that were required on a daily basis and a diminishing lack of resources a return to a contract format will prove less onerous to manage going forward. The Council's insurance policy will be potentially compromised if we do not undertake the work. The Council also has a statutory duty to comply with the Health and Safety at Work Act 1974 and relevant Building Regulations requirements, removing the 'does nothing' approach as an option. This option will also make the Council non-compliant with EU Procurement rules.

3.6 Option 6

To establish an in-house maintenance team to carry out all repairs and maintenance - this option would need to be considered along with the possibility of combining with the Mechanical and Electrical Term Contracts which have recently been retendered. Therefore, this option is not viable at this point in time but can be revisited once these contracts are retendered again and the opportunity exists to align the end dates of all three contracts.

4. **Consultation**

- 4.1 The proposals within this report have been discussed with all relevant officers across the Council.

5. Financial Implications

Implications completed by: Jo Moore, Finance Group Manager

- 5.1 The precise contract value will depend on the amount and urgency of the work that is placed with the successful contractor and is also dependent on funds available in client budgets. The estimated contract value is approximately £3,000,000 over the initial three year period (September 2012 to September 2015) to £5,000,000 for the full five year period (including the possible two, one year extensions).

Projected contract expenditure							TOTAL
	Sept 2012- Mar 2013	Apr 2013- Mar 2014	Apr 2014- Mar 2015	Apr 2015- Mar 2016	Apr 2016- Mar 2017	April 2017- Sept 2017	Full Term
TOTAL	£500,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£500,000	£5,000,000

- 5.2 The estimates shown in the table above are based on the actual level of spend incurred with the existing service provider in the 2010/11 financial year. All of this expenditure was met from the capital and revenue budgets of the Council's public buildings and schools.
- 5.3 There will be no guarantee given that the contractor will receive the full contract value.
- 5.4 Part of the work included under this contract will be met from day to day revenue maintenance budgets (£300,000 in 2011/12). However, it is also highly likely that the successful contractor will be required to undertake some larger scale projects in Council public buildings and schools (£700,000 in 2011/12). The value of this work will not exceed £50,000 for any individual job. Although the likely total value of these projects will depend on client demand and, therefore, cannot be accurately quantified, where works of this nature are to be undertaken, funds will be available within the Council's capital programme or project related revenue budgets.

6. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

- 6.1 The Council is required to comply with the Health and Safety at Work Act 1974, and current Building Regulations.
- 6.2 The Council's Contract Rules (Contract Rule 3.6) require the strategy for the procurement of contracts of above £400,000 in value to be submitted to Cabinet for approval prior to procurement of such contracts. The details of the strategy are therefore set out in section 2 of this report.
- 6.3 This report is seeking Cabinet's approval to access the Braintree District Council Framework Agreement for a period of 15 months. The value of the contract exceeds the EU threshold for services; therefore, the Council will be accessing and using the Framework which is open to all local authorities in the UK and was established following a fully EU compliant tender process.

- 6.4 This report is also seeking approval to re-tender the contract for the provision of Building Maintenance in Non-Domestic Properties for a period of three years from September 2013 with an option to extend it for a further two, one year extension periods subject to satisfactory performance by the appointed contractor.
- 6.5 The value of the contract exceeds the EU threshold for services; therefore, there is a legal requirement to tender the contract in the EU.
- 6.6 It is proposed that the Building Maintenance in Non-Domestic Properties contract will be tendered in the EU, using the Restricted Procedure - a two-stage tendering procedure which allows a procuring authority to shortlist the service providers to be invited to tender from a list of those who have expressed an interest in the contract, by undertaking a Pre-qualification exercise.
- 6.7 This strategy complies with the EU public procurement rules as contained in the Public Contracts Regulations 2006 (as amended).
- 6.8 The report is also seeking a decision pursuant to Council Contract Rule 3.6.4 as to whether it is content for the commissioning Chief Officer to award the contract to the successful Contractor. Under Contract Rule 13.3, a commissioning Chief Officer acting in consultation with the Council's Section 151 Officer has the power to award a contract of this value, in the absence of direction to the contrary from Cabinet.
- 6.9 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 contract to be issued in the full re-tender exercise and be involved in the planning and preparation of the terms and conditions that will be applicable to that contract.

7. Other Implications

7.1 Risk Management

Current Risks

- 1) Works carried out may not meet the appropriate health and safety standards or current building legislation.
- 2) Urgent works may not be properly procured or may be delayed by procurement processes
- 3) Service & performance levels of contractors will be difficult to monitor with no formal contractual agreements in place with contractors.

How these risks are managed

- 1) The contract will be managed in accordance with the Health and Safety at Work Act 1974 and current building legislation and all works will be carried out in line with this.
- 2) The use of the proposed contract will facilitate the planning of works where possible and will negate possible delays and costs incurred by the use of a separate quotation process. It will also provide the ability to undertake necessary reactive repairs without delay as and when they arise.
- 3) Building Service Officers will administer the contract to pre-agreed service level agreements, strictly monitoring the performance levels of the contractor.

- 4) Should the Term Contract option not be pursued, Officers would be required to seek competitive tenders for all works. This is likely to be in the region of 1400 to 1600 individual quotations / tenders per financial year which would not be considered cost effective or practical, especially in a reactive repair situation.

7.2 **Contractual Issues**

No specific implications except the potential TUPE issues explained in 7.3 below.

7.3 **Staffing Issues**

There may be TUPE implications associated with this contract as staff employed by the current contractor may be required to transfer to the new contractor should a new contractor be successful following the tender process. However, this does not affect any Council employees. Relevant HR and legal advice will be sought in relation to this matter prior to tendering, and any such issues will be appropriately raised and covered within the tender documentation if so required.

7.4 **Customer Impact**

The contract covers a number of aspects with a potential to impact on customers daily use and requirements:

- Security – Provides continuous security - 24 hr facility to buildings or particular areas of buildings for emergency boarding up & maintenance repairs,
- Safety – Provides the facility to restrict access to dangerous areas hence a potential Health & Safety implication.
- Efficiency – Provides the ability for small projects to be completed with haste to ensure the customers continuous service.

7.5 **Safeguarding Children**

The contractor shall take all reasonable precautions to prevent injury to children by implementation of measures set out in Guidance notes Health & Safety Guidance Publication 151 issued by Health and Safety Executive. All operatives and contractual staff working in schools and public buildings will have been CRB checked (and in the case of those who will come into direct contact with children, enhanced CRB checks will be undertaken) which will be on file and will be part of their Barking and Dagenham contractor's identification card, which will display their specific CRB number and expiry date.

7.6 **Crime and Disorder Issues**

This contract will maintain and keep the assets as mentioned in 7.4 in full operational order that can assist in the reduction of crime and disorder to our public, staff and customers in our buildings throughout the borough.

A safe and secure facility can enable the customer to control & restrict access to property that contains the public, staff, customers, and valuable equipment and assist in the prevention of crime and disorder being carried out in close proximity to or upon our building users. By maintaining a secure building visually it can assist as a deterrent to casual criminals or people with damaging or public disorder intent.

7.7 Property / Asset Issues

In order to provide a safe environment for the community, visitors, staff, and contractors, which satisfies both legislative and customer requirements, it is essential that all corporate buildings are maintained and secured in accordance with their relevant regulations. Failure to comply with this requirement could result in unsafe assets and buildings.

Background Papers Used in the Preparation of the Report:

Cabinet report and minute 47, 25 June 2002
Cabinet report and minute 360, 22 March 2005

List of appendices:

None

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