

# Notice of Meeting



## CABINET

**Thursday, 25 September 2014 - 6:30 pm**  
**Council Chamber, Town Hall, Barking**

**Members:** Cllr Darren Rodwell (Chair); Cllr Saima Ashraf (Deputy Chair) and Cllr Dominic Twomey (Deputy Chair); Cllr Laila Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr James Ogungbose, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen 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 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 4 August 2014 (Pages 1 - 13)**
4. **Budget Monitoring 2014/15 - April to July 2014 (Month 4) (Pages 15 - 46)**
5. **Barking Town Centre Strategy 2014-18 (Pages 47 - 85)**
6. **London Overground Gospel Oak to Barking Line - Extension to Barking Riverside (Pages 87 - 97)**
7. **Supporting londoneast-uk Business and Technical Park (Pages 99 - 120)**
8. **Review of Planning Policy for South Dagenham (Pages 121 - 133)**
9. **People Strategy 2014/15 (Pages 135 - 165)**

- 10. Contract for Asbestos Removal Works in Residential, School and Corporate Buildings (Pages 167 - 173)**
- 11. Contract for Electrical Repairs and Minor Works in Public Buildings and Schools (Pages 175 - 181)**
- 12. Debt Management Performance and Write-Offs 2014/15 (Quarter 1) (Pages 183 - 198)**
- 13. Any other public items which the Chair decides are urgent**
- 14. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

#### **Private Business**

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

- 15. Building Maintenance Term Contract for School and Public Buildings (Pages 199 - 205)**  
Concerns the financial affairs of contractors (paragraph 3)
- 16. Any other confidential or exempt items which the Chair decides are urgent**

## MINUTES OF CABINET

Monday, 4 August 2014  
(6:00 - 8:04 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Laila Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr James Ogungbose, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

**Also Present:** Cllr Phil Waker

**Apologies:** Cllr Dominic Twomey

### 1. Declaration of Members' Interests

Councillor Worby declared a disclosable pecuniary interest in respect of items 14 and 18 on the agenda which related to the Gascoigne Estate (East) Regeneration proposals, as she was an employee of East Thames Group, the Council's delivery partner in the project. Councillor Worby left the meeting at the appropriate points and took no part in the discussions.

### 2. Minutes (30 June 2014)

The minutes of the meeting held on 30 June 2014 were confirmed as correct.

### 3. Vision and Priorities for Barking and Dagenham

The Leader presented a report on the proposed new vision and priorities for the Borough to reflect the changing relationship between the Council, partners and the community, the Council's role in place shaping and enabling community leadership within the context of a significantly reducing budget and the ambitions of the new administration following the 2014 Local Elections.

The proposed vision for the borough was "One borough; one community; London's growth opportunity" and the three corporate priorities that would support the vision were:

- Encouraging civic pride
- Enabling social responsibility
- Growing the borough

The Leader elaborated on the key objectives that underpinned each of the priorities and the Chief Executive referred to the work that would be undertaken to publicise and implement the vision and priorities following their presentation to the Assembly for adoption on 17 September 2014.

Cabinet Members spoke in support of the new vision and priorities and made a number of observations which included:

- Local events already taking place across the Borough which encouraged civic pride;

- The need to stress the importance of affordable, high quality homes to all developers wishing to build in the Borough;
- The need to recognise that narrowing the gap in attainment does not apply only to children's education but to the whole community and across a range of areas;
- The desire to raise aspirations and attract inspirational people to the Borough;
- The need to strengthen the environment for the private sector to help develop the skills base and opportunities for the local community;
- The need for all communications on the new vision and priorities to be adapted to suit the audience to which they are directed.

The Leader advised that each Directorate had been tasked with working with the relevant Cabinet Members over the coming months to consider how the high level objectives could be developed into practical solutions for each service area and be brought together into a detailed Corporate Delivery Plan.

**Cabinet resolved:**

- (i) To support the refreshed vision and priorities, as detailed in Appendices 1 to 4 to the report, and recommend the Assembly to adopt the vision and priorities following consultation with partners and the community; and
- (ii) To approve the priority projects, as set out in paragraph 3.2 of the report, and the development of a detailed Corporate Delivery Plan to monitor implementation of the vision and priorities, subject to approval by the Assembly.

**4. Corporate Priority Performance Reporting - End of Year 2013/14**

The Leader introduced a report on the corporate priority performance information for the period to 31 December 2013, which included specific details of several areas where performance had either greatly improved or deteriorated during the year as well as general information on the achievement of targets in relation to the Council's key performance indicators.

Arising from the discussions, the following issues were raised:

- Domestic Violence Offences - it was noted that repeat incidents of domestic violence had increased from 21% in 2012/13 to 25% in 2013/14 and the Cabinet Member for Children's Social Care questioned why the issue had not been identified as one of the selected indicators which merited a detailed narrative. The Cabinet Member for Adult Social Care and Health commented that the Metropolitan Police may point to the proactive work they have done in the local community to encourage reporting of domestic violence as a major factor for the increase.

The Cabinet Member for Children's Social Care also referred to some information that he had seen which suggested that Barking and Dagenham had the highest domestic violence figures in London. It was noted that OFSTED may have been the source of that information, but the figures quoted were not recognised by the Council as having come from any official source.



The Cabinet Member for Crime and Enforcement advised that Barking and Dagenham was piloting a new Metropolitan Police 'Domestic Violence Protection Order' initiative and the first order had already been issued.

The Cabinet was also pleased to note that the Council's Youth Offending Service had been selected as runners-up in the Community Sentences - Young People category of the Howard League for Penal Reform's Community Programmes Awards 2014.

- Homeless applications - the Cabinet Member for Children's Social Care referred to the 31% increase in applications accepted during the year and asked for an explanation of the reasons.
- Household waste recycling - in response to a question regarding the fall in recycling / composting levels, the Cabinet Member for Environment undertook to investigate the issues regarding contamination rates which were being blamed for the 'red' rating and also referred to new initiatives relating to the recycling of plastics and mattresses.
- Processing of Housing / Council Tax Benefit change events - the Cabinet Member for Education and Schools commented on the significant improvement in the number of days taken to process change events, which had reduced from an average of 21 days in 2012/13 to 9 days in 2013/14.
- Common Assessment Frameworks (CAFs) - in response to a question from the Cabinet Member for Environment, the Divisional Director of Children's Strategic Commissioning and Safeguarding commented that the number of CAFs initiated by schools compared to children's centres was now much closer and undertook to provide Cabinet Members with the details.

The Leader invited Cabinet Members to work with their Directorates to review and develop the performance monitoring framework in the context of the greater focus on core services and the new vision and priorities proposals.

Cabinet **resolved** to note the 2013/14 end of year performance results as detailed in the report.

## **5. Budget Monitoring 2014/15 - April to June 2014 (Month 3)**

The Leader introduced the report on the Council's capital and revenue position for the 2014/15 financial year, as at 30 June 2014.

The General Fund showed a projected end of year spend of £167.87m against the total approved budget of £165.32m, which would reduce the General Fund balance to £24.59m at the year end. The Housing Revenue Account (HRA) was projected to break-even, maintaining the HRA reserve at £8.74m while the Capital Programme showed a projected spend of £152.11m against the total revised budget of £153.97m.

The projected overspend on the General Fund related to a pressure of £2.98m in respect of the Children's Services Complex Needs and Social Care division. The Leader advised that the matter was under review and the Chief Finance Officer

commented on the potential solutions to bring the budget back into line. The Cabinet Member for Education and Schools acknowledged the difficulties being caused by the current levels of social care need and pressures on placements but pointed out that the Children's Services department was delivering on the in-year savings target of £2.964m for 2014/15. In respect of the latter, the Chief Finance Officer apologised for the omission of any narrative on the Children's Services savings contained within Appendix B to the report.

Other issues raised during the discussions included:

- Capital expenditure of £255,000 on the Controlled Parking Zones (CPZ) 2013 to 2015 project - The Chief Finance Officer confirmed that income from CPZ fees and charges would finance the project;
- The significant under-achievement against the Facilities Management savings target of £300,000 - The Leader raised concerns that only £5,000 was projected when he understood that all staff had been relocated from 2 and 90 Stour Road offices; and
- The savings target of £9,000 in respect of mobile telephone masts in parks - The Cabinet Member for Children's Social Care suggested that the income level could be increased through higher charges to the mobile telephone operators.

The report also included a proposal to release £1m set aside for the Asset Strategy programme for inclusion in the 2014/15 Capital Programme.

**Cabinet resolved:**

- (i) To note the projected outturn position for 2014/15 of the Council's General Fund revenue budget at 30 June 2014, as detailed in paragraphs 2.4 to 2.9 and Appendix A of the report;
- (ii) To note the progress against the 2014/15 savings targets at 30 June 2014, as detailed in section 3 and Appendix B of the report;
- (iii) To note the position for the HRA at 30 June 2014, as detailed in section 4 and Appendix C of the report;
- (iv) To note the projected outturn position for 2014/15 of the Council's capital budget as at 30 June 2014, as detailed in section 5 and Appendix D of the report; and
- (v) To approve the inclusion in the 2014/15 Capital Programme of the previously agreed £1m for the Asset Strategy programme, as detailed in paragraph 5.3 of the report.

## **6. Treasury Management Annual Report 2013/14**

The Leader introduced the Treasury Management Annual Report for 2013/14 which set out the key areas of performance during the year. The report also included proposals to vary aspects of the Council's Investment Policy to enable

officers to take advantage of competitive two-year investment rates available from the Royal Bank of Scotland, as well as other amendments that may be required as a result of the Cabinet's consideration of the Gascoigne Estate (East) Phase 1 and Abbey Road Phase 2 Funding Proposals report later on the agenda.

The Cabinet Member for Education and Schools congratulated officers on achieving an interest return on investments of £1.32m during the year.

Cabinet **resolved to recommend the Assembly:**

- (i) To note the Treasury Management Annual Report for 2013/14;
- (ii) To note that the Council complied with all 2013/14 treasury management indicators;
- (iii) To note that the Council did not borrow in 2013/14 to finance its capital programme but utilised internal cash in line with its strategy;
- (iv) To agree an increase in the period the Council can invest with the Royal Bank of Scotland (RBS) from one year to a maximum of two years, as outlined in section 4.5 of the report;
- (v) To approve the actual Prudential and Treasury Indicators for 2013/14; and
- (vi) To delegate authority to the Chief Finance Officer, in consultation with the Cabinet Member for Finance, to approve appropriate amendments to the authorised and operational borrowing limits and proportionally amend the counterparty lending limits within the Treasury Management Strategy Statement, to reflect the decisions made in respect of the "Gascoigne Estate (East) Phase 1 and Abbey Road Phase 2 Funding Proposals" (item 18 on the agenda).

## **7. Council Housing Allocations Policy**

The Cabinet Member for Housing presented a report on proposals to amend some of the recent policy changes in respect of the Council's Housing Allocations Policy.

Two aspects had been reviewed, the first in relation to the length of the residential qualification requirement approved by Cabinet on 8 April 2014 (Minute 106 (i)(a)) and the second in relation to the allocation of Council homes let above social rent levels approved by Cabinet on 18 December 2013 (Minute 76(v)). The Cabinet Member explained that the 10-year residential qualification requirement due to be introduced from 1 September 2014 had been reviewed in the light of decisions taken by the neighbouring Councils of Havering, Newham and Redbridge to set their residential qualification at three years. The Cabinet Member also referred to the six key issues covered in paragraph 2.1 of the report that supported a reduction to a three-year qualification, which included reference to the Equalities Impact Assessment carried out as part of the original proposal that had indicated that a residential qualification requirement over five years could have disproportionate impacts within the local community.

In respect of the allocation of Council homes let above social rent levels, it was felt

appropriate to extend the criteria to enable working households from outside of the Borough to qualify in the event that there was insufficient demand from those in employment who currently lived in the Borough to, amongst others, help to promote social and economic regeneration.

**Cabinet resolved:**

- (i) To agree the following changes to the Council's Housing Allocations Policy, to take effect from 3 November 2014:
  - (a) A revised three-year residential requirement for all new applications to be placed on the Housing Register;
  - (b) Council homes with rents above social rent levels should be exclusively for working households and not restricted to borough residents if there is insufficient demand within the borough;
  - (c) That the policy be reviewed annually.
- (ii) To agree the revocation of the decision made by Minute 106 (i) (a) of the Cabinet on 8 April 2014 to implement, with effect from 1 September 2014, a 10-year residential requirement.

## **8. London Housing Zone Proposal**

The Cabinet Member for Regeneration presented a report on the opportunity for the Council to bid for funding towards new housing developments under the Greater London Authority (GLA) London Housing Zones (LHZ) programme.

The Cabinet Member referred to the GLA's criteria for applications and outlined the merits of potential bids in relation to Barking Town Centre, Barking Riverside, Chadwell Heath and Beam Park. Bids in relation to Barking Town Centre and Barking Riverside were considered to be the most viable at the current point in time and, to that end, draft vision documents for those projects had been developed and were included at Appendix 1 to the report.

Issues which arose during the discussions included:

- The detrimental impact on the Town Centre of the proposed sale by Barclays Bank of its lease on the landmark premises in the Town Square to a bookmaker. It was noted that the Local Government Association was lobbying the Government on behalf of local authorities to change the planning regime to give local authorities powers in respect of all new betting office premises, but the likelihood was that any changes would come too late to enable the Council to prevent the current proposal.
- The desire for Barking Railway Station to be categorised as a Zone 3 station in line with other re-categorisations approved by Transport for London, particularly in view of the £5m investment recently announced by National Express to implement an improvement scheme to the Grade II Listed station by 2017.

- The need to learn lessons from previous developments in the Borough to ensure that all new developments were of a high quality and were not compromised by third party deadlines. To that end, the Cabinet Member for Regeneration referred to the possibility of a visit being arranged to view an exciting development site managed by Grainger plc who were soon to be the first commercial private rented sector (PRS) company to operate a PRS scheme in the Town Centre.
- The need to deal with the ‘oppressive entrances’ leading into the Barking Riverside area through the Council’s regeneration plans.
- The role of the Adult College, the Technical Skills Academy and other upskilling initiatives in the Borough should be prominent in the Council’s applications to the GLA.

The Leader advised on a recent positive meeting with the Mayor for London and a number of his advisers to discuss the Council’s regeneration plans for Barking Riverside and a further meeting would take place during the week with the Deputy Mayor for Policy and Planning.

**Cabinet resolved:**

- To agree to the development of a London Housing Zone bid for Barking Town Centre and Barking Riverside, as referred to in Appendix 1 to the report; and
- To delegate authority to the Chief Executive, in consultation with the Cabinet Members for Regeneration and Housing, the Leader and the Head of Legal and Democratic Services, to approve the final bid for submission to the Greater London Authority.

## **9. Re-Procurement of the Construction Related Professional Services Framework**

The Cabinet Member for Regeneration introduced a report on proposals to procure a new Framework Agreement for Construction Related Professional Services as the current arrangements were due to expire in March 2015.

**Cabinet resolved:**

- To approve the procurement of a new Construction Related Professional Services Framework Agreement for the provision of the services, in accordance with the strategy set out in the report;
- To authorise the Director of Growth, in consultation with the Cabinet Member for Regeneration, the Chief Finance Officer and the Head of Legal and Democratic Services, to conduct the procurement and award the contract to the successful bidders; and
- That a report on the first year’s performance of the successful bidders and their use of local labour and local supply chains be presented to the Cabinet in respect of this Framework.

## **10. Re-Procurement of Housing Framework Agreements**

The Cabinet Member for Housing introduced a report on proposals for the procurement of separate Framework Agreements for housing refurbishment and new build.

Cabinet **resolved**:

- (i) To agree the procurement of new Housing Framework Agreements for the provision of the services, in accordance with the strategy set out in the report;
- (ii) To authorise the Director of Housing, in consultation with the Cabinet Member for Housing, the Chief Finance Officer and the Head of Legal and Democratic Services, to conduct the procurement and award the contract to the successful bidders; and
- (iii) That a report on the first year's performance of the successful bidders and their use of local labour and local supply chains be presented to the Cabinet in respect of this Framework.

## **11. Debt Management Performance and Write-Offs 2013/14 (Quarter 4)**

The Leader introduced the performance report for the final quarter period ending 31 March 2014 in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London, together with details of the debts written-off as uncollectable during the period and comparable information from previous years.

The Leader referred to the above-target performance in respect of Council Tax, rents, leaseholders and general income collection rates and the Chief Finance Officer elaborated on the significant improvement in the leaseholder collection rate over the past few years. The Chief Finance Officer also explained the background to the build-up of the former tenant arrears which made up the top 10 debts written-off during the final quarter, the process for pursuing arrears and circumstances which may be taken into account when dealing with those in arrears. In response to a question from the Cabinet Member for Children's Social Care, the Chief Finance Officer undertook to provide him with details of the processes relating to "Use and Occupation" cases.

Cabinet **resolved**:

- (i) To note the report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; and
- (ii) To note the debt write-offs for the fourth quarter of 2013/14 and that a number of those debts would be publicised in accordance with the policy agreed by Cabinet.

## 12. Care City

The Cabinet Member for Adult Social Care and Health presented a report on the Care City proposals being jointly progressed by the Council and the North East London Foundation Trust (NELFT).

Cabinet Members spoke in support of what was considered to be an exciting and ground-breaking initiative that was primarily aimed at improving the health outcomes of local residents. Other key outcomes included contributing to the regeneration of Barking Town Centre, creating a high quality research centre for dementia care and other long-term conditions and developing new opportunities for education and employment for local people who wanted to work in the health and social care sector.

The Cabinet Member for Education and Schools commented that the Adult College would be a willing partner in the Education and Skills Escalator. The Cabinet Member for Children's Social Care suggested that Unison should also be approached as a potential stakeholder in the project in view of its considerable work to enhance the care profession.

It was noted that the location and funding proposals for the project were covered in more detail in the "Abbey Sports Centre Site - Future Use" report later on the agenda.

Cabinet **resolved:**

- (i) To note the partnership agreement and initial funding arrangements entered into by the Health and Wellbeing Board in respect of Care City; and
- (ii) To support the further development of Care City in Barking and its contribution to the wider regeneration of the Town Centre.

## 13. Call-In of "Gascoigne Estate (East) Regeneration Proposals - Site Masterplan and Phase 1" report

(Prior to consideration of the matter, Councillor Worby left the meeting in view of her pecuniary interest as an employee of East Thames Group and took no part on the discussions.)

(The Chair agreed that a report advising on the outcome of the Living and Working Select Committee's (LWSC) consideration of the call-in could be considered at the meeting as a matter of urgency under the provisions of Section 100B(4)(b) of the Local Government Act 1972.)

The Cabinet Member for Regeneration reported on the call-in that had been submitted by Councillors Tarry and Young in respect of decisions made by the Cabinet under Minute 128 (30 June 2014) in relation to the Gascoigne Estate (East) Regeneration Proposals - Site Masterplan and Phase 1 proposals.

The Cabinet Member advised that the LWSC had upheld the call-in on both matters before it, which related to the proposed tenure mix of the housing redevelopment and the contribution of East Thames Group, the Housing

Association partner for the project, towards the provision of decant properties.

With regard to the proposed tenure mix, the LWSC had concluded that the new proposal was not in line with the Council's priority of "Invest in Council housing to meet need", on the basis that the 30 June 2014 report to Cabinet indicated that the overall tenure mix for all four phases of the entire Gascoigne Estate (East) redevelopment would now be 42% private, 33% shared ownership and 25% affordable rent, as opposed to indicative figures of 33% private, 33% social rented and 33% intermediate housing when the matter was considered by the Cabinet on 20 September 2011 (Minute 39). The Cabinet Member commented that the proposed tenure mix for Phase 1 of the project, which was the only phase of the project that the Cabinet on 30 June 2014 was asked to approve, had an indicative tenure mix of 12% private, 45% shared ownership and 43% affordable rent, which provided more affordable housing than that which the call-in was seeking to achieve. In respect of the Council's vision and priorities, the Cabinet Member referred to the vision and priorities document at page 1 of the Cabinet agenda which, in addition to the priority of "Invest in Council housing to meet need" also listed "Widen the housing choice" and "Invest in new and innovative ways to deliver affordable housing".

The Cabinet Member questioned, therefore, the validity of the LWSC's findings as he felt that the decisions taken by Cabinet on 30 June 2014 were entirely in line with those priorities and the main theme of "Create thriving communities by maintaining and investing in new and high quality homes". The Cabinet Member also referred to the five main objectives listed in the 30 June 2014 report which the Council had established for the delivery of new mixed tenures of housing and sustainable communities on sites in its ownership which, again, he felt were fully reflected in the Phase 1 proposals.

In relation to the decanting issue, the call-in had referred to an 'agreed commitment' that the Housing Association partner, East Thames Group, would contribute at least 20% towards the decanting of tenants in real terms. The issue of decanting was not a material consideration in the report to Cabinet on 30 June 2014 but the Cabinet Member confirmed that he would expect the East Thames Group to contribute a minimum of 20% towards the decanting operations and that would be the Council's position when negotiating the final, detailed terms of the agreement with East Thames Group.

The Leader advised that during the recent LGA Peer Review the inspectors had commented positively on the Council's success in attracting and building affordable housing in the Borough.

**Cabinet resolved:**

- (i) To note the outcome of the Living and Working Select Committee's consideration of the call-in of the Cabinet's decision in respect of the "Gascoigne Estate (East) Regeneration Proposals - Site Masterplan and Phase 1" report (Minute 128, 30 June 2014); and
- (ii) To confirm the decisions made at the last Cabinet meeting under Minute 128.



#### 14. Private Business

Cabinet **resolved** 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).

#### 15. Abbey Sports Centre Site - Future Use

Further to Minute 66 (19 November 2013), the Cabinet Member for Regeneration presented a report on the outcome of the initial tendering exercise for the sale of the Abbey Sports Centre site as a mixed use commercial leisure-led development and revised proposals for the site in the light of the desire for the Care City initiative to form part of any future development on the site.

Cabinet Members noted details of the bids received, via the initial tendering exercise, and considered two options for inviting revised tenders from the bidding companies which would include different degrees of provision for the Care City development in addition to commercial leisure uses, such as a cinema and restaurants. The Cabinet Member for Regeneration also alluded to the likelihood that any housing proposals which formed part of the revised bids would most likely be for private sale only, as a means of making the overall project financially viable from the developer's perspective, and he commented that the extent of affordable housing as part of other developments in and around the Town Centre may balance that aspect.

The Cabinet Member for Regeneration referred to the opportunity costs from a financial perspective of the new proposals and commented on the key decisions that needed to be taken by NELFT to enable the Care City project to proceed. In that regard, the Cabinet Member for Adult Social Care and Health confirmed NELFT's commitment to the project and suggested that the discussions with the bidders could run parallel with the progression of matters through NELFT's governance structures with a view to a report, giving a more informed position on both aspects, being presented to the Cabinet on 21 October 2014.

Cabinet **resolved**:

- (i) To agree to ask the three bidders to submit a revised bid on an amended brief which provides space for Care City, as set out in paragraph 6.7 of the report;
- (ii) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services and the Chief Finance Officer, to negotiate the sale terms and complete the necessary legal agreements associated with the Care City lease;
- (iii) To agree to enter a Memorandum of Understanding with the winning bidder to leaseback the Care City space to the Council, on the terms set out in the report;
- (iv) To agree to enter into a Memorandum of Understanding with the North East London Foundation Trust (NELFT) offering shell and core space within the

development on terms set out in the report, subject to NELFT having an acceptable business plan outlining the capital and revenue funding to establish and run Care City; and

- (v) To note that a further report will be presented to Cabinet on 21 October 2014, which shall include details of the revised bids for the site and an update on the NELFT position.

## **16. Gascoigne Estate (East) Phase 1 and Abbey Road Phase 2 Funding Proposals**

(Prior to consideration of the matter, Councillor Worby left the meeting in view of her pecuniary interest as an employee of East Thames Group and took no part on the discussions.)

Further to Minutes 123 (viii) and 128 (30 June 2014), the Cabinet Member for Regeneration presented a report on proposals for the financing of the Gascoigne Estate (East) Phase 1 and Abbey Road Phase 2 projects via a Special Purpose Vehicle(s) which would develop, own and be responsible for procuring the management of the new units.

The Cabinet Member referred to the delivery and funding options and the financial modelling which supported those options and advised that the European Investment Bank (EIB) option offered the most economically advantageous solution, acknowledging that alternative funding via the Public Works Loan Board (PWLB) was necessary for the development of private sale properties. In response to a question regarding the financial modelling, the Chief Finance Officer clarified issues relating to the net present value calculations and confirmed that a range of prudent assumptions had been made which underpinned the detailed modelling. To that end, the preferred model would realise long-term benefits for the General Fund.

The Cabinet Member for Regeneration commented that one of the other key advantages of funding the projects via the General Fund, rather than the Housing Revenue Account (HRA), was that it would free up funding for Decent Homes and other projects to be funded via the HRA to maintain the current Council housing stock. A further point clarified during the discussions related to the Council's current powers to restrict on-letting at a rental profit by Buy-to-Let investors and the Cabinet Member confirmed that appropriate notice would need to be given to prospective purchasers to make them aware of the fact.

### **Cabinet resolved:**

- (i) To agree to borrow £66m from the European Investment Bank within the General Fund to finance the development and ownership of the Shared Ownership and Affordable Rent tenures in the Gascoigne Estate (East) Phase 1 re-development project;
- (ii) To agree to borrow £4.5m from the PWLB to fund 50% of 51 private for sale units to be developed and sold jointly by the Council and East Thames Group via a limited company;

- (iii) To agree that £23m be borrowed from the EIB within the General Fund to finance the development and ownership of the Affordable Rent tenures in the Abbey Road Phase 2 development project;
- (iv) To agree the reallocation of £2m from the Budget Support Reserve to create an EIB Development Period Reserve to meet the costs of interest payment during the development period to enable taking the borrowing at the earliest opportunity and at the lowest rate;
- (v) To agree to develop and own Abbey Road Phase 2 within the Special Purpose Vehicle to be established for the redevelopment of Gascoigne Phase 1, pursuant to Minute 123 (viii) of the Cabinet on 30 June 2014;
- (vi) To delegate authority to the Chief Executive, in consultation with the Head of Legal and Democratic Services, the Chief Financial Officer and the Cabinet Members for Finance and Regeneration, to negotiate terms and agree the contract documents to fully implement and effect the projects; and
- (vii) To authorise the Head 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.

#### **17. Amendments to the Elevate Joint Venture Arrangements**

The Cabinet Member for Central Services advised that he had withdrawn the report pending further discussions on the future structure of Elevate East London. The Cabinet Member undertook to keep Cabinet colleagues updated on progress while a revised report to the next meeting was finalised.

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**CABINET****25 September 2014**

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| <b>Title:</b> Budget Monitoring 2014/15 - April to July 2014 (Month 4)  |  |
| <b>Report of the Cabinet Member for Finance</b>   |  |
| <b>Open Report</b>  | <b>For Decision</b>  |
| <b>Wards Affected:</b> All  | <b>Key Decision:</b> No  |
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| <b>Accountable Director:</b> Jonathan Bunt, Chief Finance Officer   |  |
| <p><b>Summary</b></p> <p>This report provides Cabinet with an update of the Council's revenue and capital position for the four months to the end of July 2014, projected to the year end.</p> <p>The Council began the current year in a better financial position than the previous year with a General Fund (GF) balance of £27.1m.</p> <p>The Council's approved budget of £165.3m for 2014/15 includes a budgeted drawdown of reserves of £1.0m, agreed by Assembly in February 2014. This budget gap forms part of the savings requirement for 2015/16.</p> <p>At the end of July 2014 (Month 4), there is a projected overspend of £3.5m, predominantly on the Children's services budget.</p> <p>The total service expenditure for the full year is projected to be £168.8m against the budget of £165.3m. The projected year end overspend coupled with the reserve drawdown will reduce the General Fund balance to £22.6m at the year end.</p> <p>The Housing Revenue Account (HRA) is projected to break-even, leaving the HRA reserve at £8.7m. The HRA is a ring-fenced account and cannot make or receive contributions to/from the General Fund.</p> <p>The Capital Programme has been updated to reflect changes approved at Cabinet on 30 June 2014, including roll forwards and re-profiles. The capital budget at 31 July stands at £154.9m. Capital budgets cannot contribute to the General Fund revenue position although officers ensure that all appropriate capitalisations occur.</p> <p>The report also presents a request for a new capital budget of £307k to upgrade the Environmental Asset Database, 'Confirm', to be funded from existing invest to save revenue sources.</p> |  |

## **Recommendation(s)**

The Cabinet is recommended to:

- (i) Note the projected outturn position for 2014/15 of the Council's General Fund revenue budget at 31 July 2014, as detailed in paragraphs 2.4 to 2.9 and Appendix A of the report;
- (ii) Request a report from the Corporate Director of Children's Services setting out in detail the reasons for the directorate's forecast overspend and options for eliminating the overspend;
- (iii) Require all Chief Officers and budget managers to authorise only essential expenditure relating to their service areas;
- (iv) Note the progress against the agreed 2014/15 savings at 31 July 2014, as detailed in paragraph 2.10 and Appendix B of the report;
- (v) Approve 2014/15 HRA savings as detailed in paragraph 2.11 and Appendix B and note progress on delivery at 31 July 2014;
- (vi) Note the position for the HRA at 31 July 2014, as detailed in paragraph 2.11 and Appendix C of the report;
- (vii) Note the projected outturn position for 2014/15 of the Council's capital budget as at 31 July 2014, as detailed in paragraph 2.12 and Appendix D of the report; and
- (viii) Approve the new capital budget of £307k to fund the upgrade to the Environmental Asset Database, 'Confirm', as detailed in paragraph 2.12 of the report.

## **Reason(s)**

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

## **1 Introduction and Background**

- 1.1 This report provides a summary of the Council's General Fund and HRA revenue and capital positions. It also provides an update on progress made to date in the delivery of the agreed savings targets built into the 2014/15 budget, setting out risks to anticipated savings and action plans to mitigate these risks.
- 1.2 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved within the Council by monitoring the financial results on a monthly basis through briefings to the Cabinet Member for Finance and reports to Cabinet. This ensures Members are regularly updated on the Council's overall financial position and enables the Cabinet to make relevant financial and operational decisions to meet its budgets.

- 1.3 The Budget report to Assembly in February 2014 provided for a target of £15.0m for the General Fund balance. The revenue outturn for 2013/14 led to a General Fund balance of £27.1m. The current projected position would mean a reduction in the General Fund balance to £22.6m, but still above the target general fund balance of £15.0m.
- 1.4 The additional level of reserves above the minimum level provides the Council with some flexibility in its future financial planning but, to take advantage of that, it is essential that services are delivered within the approved budget for the year. Overspends within directorate budgets will erode the available reserves and therefore limit the options that reserves could present in the medium term.

## 2 Current Overall Position

- 2.1 The following tables summarise the spend position and the forecast position of the General Fund and Housing Revenue Account (HRA) balances.

| <b>Council Summary<br/>2014/15</b> | <b>Net<br/>Budget<br/>£000</b> | <b>Full year<br/>forecast<br/>at end July<br/>2014<br/>£000</b> | <b>Over/(under)<br/>spend<br/>Forecast<br/>£000</b> |
|------------------------------------|--------------------------------|---|---|
| <b>Directorate Expenditure</b>     |                                |   |   |
| Adult and Community Services       | 55,576                         | 55,576  | -   |
| Children's Services                | 61,849                         | 65,749  | <b>3,900</b>  |
| Housing and Environment            | 24,085                         | 24,085  | -   |
| Chief Executive                    | 21,059                         | 20,625  | <b>(434)</b>  |
| Central Expenses                   | 3,795                          | 3,795   | -   |
| <b>Total Service Expenditure</b>   | <b>166,364</b>                 | <b>169,830</b>  | <b>3,466</b>  |
| Budgeted reserve drawdown          | (1,044)                        | (1,044)   | -   |
|                                    | <b>165,320</b>                 | <b>168,786</b>  | <b>3,466</b>  |

|                         | <b>Balance at<br/>1 April<br/>2014<br/>£000</b> | <b>Forecast<br/>Balance at<br/>31 March<br/>2015<br/>£000</b> |
|-------------------------|---|---|
| General Fund            | 27,138  | 22,628*   |
| Housing Revenue Account | 8,736   | 8,736   |

\*The forecast general fund balance includes the £3.5m projected overspend plus the £1m planned drawdown from reserves.

### 2.2 Chief Finance Officer's comments

The current Directorate revenue projections indicate an overspend of £3.5m for the end of the financial year, made up as follows:

- £0.4 underspend in the Chief Executive directorate mainly as a result of vacancies within the directorate and

- £3.9m overspend in Children's Services mainly due to demand pressures in the Complex Needs and Social Care division.

As noted above, the currently forecast overspend within Children's Services represents the greatest area of risk to delivering a balanced budget for 2014/15. Consequently it is recommended that a report be prepared by the Corporate Director of Children's Services for the November Cabinet setting out in further detail than is contained below the reasons for the overspend, including quantification of service demand and any changes in unit costs that have arisen since the budget was set. The report should also set out the options for significantly reducing or eliminating the adverse budget position currently being presented to Cabinet, both for this and future financial years.

Alongside the actions by Children's Services, in order to ensure that the Council's overall budget for 2014/15 does not overspend, it is recommended that Chief Officers and budget managers only authorise expenditure on areas that are essential to the delivery of their service. The effects of this measure should be reported in the budget monitoring report to the November Cabinet.

Whilst the currently forecast overspend would result in a reduction in the Council's General Fund balance, it would still remain above the budgeted target of £15.0m. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances.

The Chief Finance Officer, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003 and the other financial provisions and contingency budgets held by the Council, set a target GF reserves level of £15.0m. The General Fund balance at 31 March 2014 was £27.1m and the current forecast balance for the end of the financial year is £22.7m.

At the end of July 2014, the HRA is forecasting a balanced budget, maintaining the HRA reserve at £8.7m.

### 2.3 Directorate Performance Summaries

The key areas of risk which might lead to a potential overspend are outlined in the paragraphs below.

### 2.4 Adult and Community Services

| <b>Directorate Summary</b>  | 2013/14<br>Outturn<br>£000 | 2014/15<br>Budget<br>£000 | 2014/15<br>Forecast<br>£000 |
|-----------------------------|----------------------------|---------------------------|-----------------------------|
| Net Expenditure             | 55,191                     | <b>55,576</b>             | <b>55,576</b>               |
| Projected over/(under)spend |                            |                           | -                           |

The Adult and Community Services directorate is forecasting a balanced budget position for 2014/15. This reported position is after a number of pressures within the service, particularly for Mental Health and non-residential care budgets for all client groups. These pressures are being evaluated and appropriate management actions within the service will be implemented where necessary as well as drawing down on funding set aside to offset anticipated service pressures. The net budget



includes the full allocation of £4.185m social care funding transfer from NHS England; this is allocated by local Section 256 agreement and is part of the Council's Better Care Fund (BCF) as taken to the Health and Wellbeing Board (H&WBB) in March 2014.

A savings target of £2.438m is built into the 2014/15 budget. These are largely all in process of being delivered or necessary changes have already been made, any shortfalls will be covered within the directorate.

The Adult and Community Services budget includes Public Health, responsibilities for which transferred over to the Council in April 2013. The service is wholly grant funded, and the grant for 2014/15 is £14.213m. The grant contributes towards the Council's preventative agenda by promoting healthy outcomes for adults and children. At the end of the last financial year there was an underspend of £785k, which as a ring-fenced grant, has been carried-forward into the current financial year.

The future social care funding regime is becoming increasingly challenging with a number of existing funding streams being rolled together. A further BCF submission is due in September which will be taken for agreement at the next H&WBB, however it should be noted that national changes may reduce the amount of funding available for adult social care as the government seeks to direct more resources towards acute hospitals. There is also further work being undertaken on planned implementation and financial impact of the Care Act.

## 2.5 Children's Services

| <b>Directorate Summary</b>  | 2013/14<br>Outturn<br>£000 | 2014/15<br>Budget<br>£000 | 2014/15<br>Forecast<br>£000 |
|-----------------------------|----------------------------|---------------------------|-----------------------------|
| Net Expenditure             | 65,016                     | <b>61,849</b>             | <b>65,749</b>               |
| Projected over/(under)spend |                            |                           | <b>3,900</b>                |

The Children's Service delivered a balanced budget for 2013/14 through utilising Children's reserves of £1.5m but it was reported that this financial position was masking significant demand pressures within the Complex Needs and Social Care division and the demand continues into the financial year 2014/15.

The position was managed in 2013/14 through flexible use of government grants. For example, the change from Local Authority Central Spend Equivalent Grant (LACSEG) to Education Support Grant (ESG), the changes to the funding of statutory services to two year olds from General Fund to the Dedicated Schools Grant released £2.7m of ongoing funding to invest in social care demand pressures. Savings from other service areas within the directorate and utilising the Children's reserves of £1.5m enabled a balanced budget for 2013/14. The additional funding of £2.7m has now been included within the Children's Service base budget for 2014/15 in support of the social care demand pressures and an additional £3m included in the MTFs for 2015/16.

Overall the Service is forecasting in 2014/15 an over spend of £5.4m less the remaining Children's Service reserve of £1.5m equalling £3.9m net overspend. The other divisions within Children's Services are currently endeavouring to mitigate the

reported overspend using the existing resources and work is currently underway to review all costs to ameliorate the increase in demand within Social Care. Benchmarking analysis is being undertaken within East London Solutions with the use of additional capacity to assist.

Current levels of social care need due to the demographic growth has impacted on caseloads within the Assessment and Care Management teams and recruitment challenges has led to the use of agency staff resulting in a reported budget deficit of c£1.1m. There is an ongoing recruitment drive to reduce the agency spend by recruiting permanent staff to a redesigned structure. Various methods of recruitment such as visits to graduate fairs, a dedicated social work recruitment officer, exclusive social worker webpage and recruitment fairs are just some of the methods being explored.

An increase in Legal costs due to the complexities of cases and large sibling groups is forecasting a pressure c£900k, and a review of the legal costs and complexities is currently being undertaken.

Legislative changes in the 'No Recourse to Public Funds' (NRPF) has placed an additional budget pressure of c£2m. The expenditure on NRPF has seen a huge increase due to the rise in numbers of families and children being supported. Along with rise in subsistence payments for children, councils are now required to provide support payments to parents as well. Previously subsistence payments were for children only.

The whole process around payments is currently under review. Councils now have direct access to the Home Office database to assist in validating eligibility of payments and there is close working with Housing to seek alternative accommodation as opposed to the current hotel and bed and breakfast arrangements.

The Placements team is forecasting an overspend of c£600k that comprises of a number of small overspends within the adoption and fostering service. The small overspends within these two areas has saved significant costs to the other higher cost placements. SEN Transport is forecasting an overspend of c£300k due to high demand for pupil transport assistance.

In total there is a budget pressure of c£4.9m within the Complex Needs and Social Care division due to demand pressures from children in the borough. Despite the increase in numbers of Looked After Children subject to plans we remain below our statistical neighbour rates per 10,000 for Looked After Children. Our caseloads, whilst moving to acceptable levels remain well above the Munro recommendation and continue to lead to recruitment and retention challenges.

## **2.6 Dedicated School Grant (DSG)**

The DSG is a ring fenced grant to support the education of school-age pupils within the borough. The 2014/15 DSG allocation is £228.0m, covering Individual Schools Budgets, High Needs and Early Years services.

## 2.7 Housing and Environment

| <b>Directorate Summary</b>  | 2013/14<br>Outturn<br>£000 | 2014/15<br>Budget<br>£000 | 2014/15<br>Forecast<br>£000 |
|-----------------------------|----------------------------|---------------------------|-----------------------------|
| Net Expenditure             | 25,586                     | <b>24,085</b>             | <b>24,085</b>               |
| Projected over/(under)spend |                            |                           | -                           |

The projection to year end is to break even. Potential pressures have been identified within these budgets, however, it is expected that they will be managed within the service.

Environmental Services is forecast to breakeven at year end, however, there is risk of pressure in the region of £1.2m that will need to be managed by the department in order to deliver a breakeven position.

Potential risk is a combination of pressure on staffing budgets, income pressure, increased ELWA disposal costs and increasing fuel and utility costs. The single largest risk is the street lighting electricity budget with risk of £629k due to increasing energy costs. In previous years the pressure was managed through capping other service expenditure, however, the pressure is increasingly difficult to absorb as prices continue to rise and council budgets are further reduced. A significant element of risk is outside the services direct control, however, an action plan is being developed to support mitigation. Mitigating action includes reviewing income opportunities, holding vacant posts, ensuring recharges and income collection is up to date and maintaining spend restraint across the service. Alongside this, the service is reviewing budgets with a view to realigning and bringing allocation in line with requirement.

The Housing General Fund is currently forecast to breakeven at the year end. The main risk to this position is the level of temporary accommodation placements and in particular, the numbers within Bed and Breakfast. There were 105 Bed and Breakfast placements as at the 03<sup>rd</sup> August 2014 which is an increase from the end of July 2014 position of 84 placements. If the number of placements does not reduce this will create a budget pressure.

The impact of welfare reform continues to be monitored. Temporary accommodation arrears have increased by 8% this financial year, however, the current level of bad debt provision provides sufficient coverage. The position will be closely monitored throughout the year.

## 2.8 Chief Executive's Directorate

| <b>Directorate Summary</b> | 2013/14<br>Outturn<br>£000 | 2014/15<br>Budget<br>£000 | 2014/15<br>Forecast<br>£000 |
|----------------------------|----------------------------|---------------------------|-----------------------------|
| Net Expenditure            | 18,475                     | <b>21,059</b>             | <b>20,625</b>               |
| Projected (under)spend     |                            |                           | <b>(434)</b>                |

The Chief Executive (CE) department at this stage is reflecting a projected year end underspend position against its revised budget of (£434k). The underspend position

is mainly attributed to in year vacancies within Democratic Services and Strategy & Communications making some transitional arrangements to identify 2015/16 savings. There are also other savings achieved from the termination of two treasury management contracts which the Council no longer requires and an underspend expected against the 2014/15 audit fees.

The department had been set a savings target in 2014/15 of £1.2m, which have been achieved.

## 2.9 Central Expenses

| <b>Directorate Summary</b> | 2013/14<br>Outturn | 2014/15<br>Budget | 2014/15<br>Forecast |
|----------------------------|--------------------|-------------------|---------------------|
|                            | £000               | £000              | £000                |
| Net Expenditure            | 4,382              | <b>2,751</b>      | <b>2,751</b>        |
| Projected (under)spend     |                    |                   | -                   |

Central Expenses continues to project a break-even position for its budget at the end of July. It should be noted that a potential risk has materialised due to a recent fire incident at the ELWA owned waste management plant at Frog Island which impacts all ELWA boroughs. Work is currently underway to assess the extent of the cost/timeline for remedial works and there is scope for both disruption to service provision and large additional costs. While it is hoped that all legitimate costs will be claimed from insurance, there is potential for the ELWA levy payable by Barking and Dagenham to higher than budgeted for at the start of the financial year. This will be monitored closely in the coming weeks and mitigating actions identified where possible.

## 2.10 In Year Savings Targets – General Fund

The delivery of the 2014/15 budget is dependent on meeting a savings target of £8.7m. Directorate Management Teams are monitoring their targets and providing a monthly update of progress which is summarised in the table below. Where there are shortfalls, these will be managed within existing budgets and do not affect the monitoring positions shown above.

A detailed breakdown of savings and explanations for variances is provided in Appendix B.

| <b>Directorate Summary of Savings Targets</b> | Target<br>£000 | Forecast<br>£000 | Shortfall<br>£000 |
|---|----------------|------------------|-------------------|
| Adult and Community Services                  | 2,438          | 2,398            | <b>40</b>         |
| Children's Services                           | 2,964          | 2,964            | -                 |
| Housing and Environment                       | 1,129          | 659              | <b>470</b>        |
| Chief Executive                               | 1,219          | 1,219            | -                 |
| Central Expenses                              | 971            | 971              | -                 |
| <b>Total</b>                                  | <b>8,721</b>   | <b>8,211</b>     | <b>510</b>        |

## 2.11 Housing Revenue Account (HRA)

The HRA is currently forecast to breakeven.

## Income

Income is expected to be on budget. The main risk to this position is the impact of welfare reform. Some provision has been made within the budget through increased bad debt provision plus the availability of discretionary housing payments, and the position is being monitored closely. In addition to this, stock movements are being monitored as an increasing level of right to buy activity could impact on income levels.

## Expenditure

Expenditure is expected to be on budget. The main risk to this position is the delivery of in year savings of £6.1m, with current forecasts indicating delivery of £4.9m with a shortfall of £1.2m. This is primarily due to delays in commencing restructures, the ongoing review of energy billing within communal areas and non-receipt of income from Reside for the provision of Housing Management and Repairs and Maintenance services due to higher than expected void levels. Delayed or reduced delivery will be managed within the HRA to ensure a breakeven position. A detailed breakdown of savings is shown in appendix B.

## HRA Balance

It is expected that HRA balances will remain at £8.7m. There is a budgeted contribution to capital resources of £35.5m.

## 2.12 Capital Programme 2014-15

The Capital Programme forecast against budget as at the end of July 2014 is as follows:

|                                  | 2014/15<br>Revised<br>Budget<br>£'000 | Actual<br>Spend to<br>Date<br>£'000 | 2014/15<br>Forecast<br>£'000 | Variance<br>against<br>Budget<br>£'000 |
|----------------------------------|---------------------------------------|-------------------------------------|------------------------------|--|
| Adult & Community Services (ACS) | 10,056                                | 3,041                               | 10,347                       | 291                                    |
| Children's Services (CHS)        | 30,098                                | 5,808                               | 29,981                       | (117)                                  |
| Housing & Environment (H&E)      | 5,104                                 | 145                                 | 5,104                        | 0                                      |
| Chief Executive (CEO)            | 8,901                                 | 1,006                               | 8,651                        | (250)                                  |
| <b>General Fund subtotal</b>     | <b>54,159</b>                         | <b>10,000</b>                       | <b>54,082</b>                | <b>(76)</b>                            |
| Housing Revenue Account (HRA)    | 100,808                               | 12,725                              | 98,808                       | (2,000)                                |
| <b>Total</b>                     | <b>154,967</b>                        | <b>22,725</b>                       | <b>152,891</b>               | <b>(2,076)</b>                         |

The detail for individual schemes is in Appendix D.

## Summary

The capital programme for 2014/15 has a revised budget of £154.9m. Against this Directorates are currently predicting a net underspend of £2.0m

### **Adult & Community Services (ACS)**

Adult & Community Services has a 2014/15 budget of £10.0m, which includes £7.8m for the Barking Leisure Centre. There is currently a projected overspend of £291k, which is in respect of the Barking Park project, for costs that have been delayed from the previous year. This overspend will be financed using earmarked revenue sources. There are no predicted variances on any of the other current schemes.

### **Children's Services (CHS)**

Children's Services has a 2014/15 budget of £30.0m. The majority of this budget is to fund various school expansion projects.

An overall net underspend/slippage of £117k is currently forecast. This is due to a projected underspend of £218k on the Valance Halbutt Expansion, and a projected overspend of £100k on the Eastbury Primary Expansion against their respective original 2014/15 budgets.

### **Housing & Environment (H&E)**

Environmental Services has a 2014/15 capital budget of £5.1m which will fund various schemes such as the Street Lighting replacement, Highways Improvement programme and Parking schemes. At this stage, there are currently no pressures and officers are working to ensure all external funding is drawn down from funding bodies and that projects run to schedule.

This month Cabinet is asked to approve the additional new capital budget of £307k to upgrade the Environmental Asset Database, 'Confirm'. The budget will be funded from existing invest to save revenue sources. The Council currently uses two databases for managing its environmental assets: 'Symology' and 'Confirm'. As part of this upgrade, the service will move to use only a single database, for which Confirm has been chosen as the preferred option. This will enable more services to use the database, and increase the efficiencies therein supporting the delivery of savings in the future.

### **Chief Executive (CEO)**

The Directorate has a revised 2014/15 budget of £8.9m, and is currently reflecting an overall variance of (£250k), due to slippage on a Regeneration scheme.

Within Regeneration, slippage of £250k is forecast against the Bath House project. There has been a delay in the commencement of works due to a proposed partnership with an external organisation to deliver the project. It is expected that the majority of the costs will now be incurred in 2015/16.

Schemes within Asset Strategy and ICT and are currently forecast to spend to budget.

### **Housing Revenue Account (HRA)**

The HRA has a revised capital programme for 2014/15 investment programme totalling £100.8m and is currently forecasting an outturn of £98.8m.

### *Estate Renewal*

The estate renewal budget is currently expected to spend to budget.

### *New Build*

The new build programme is currently showing a £2m variance due to slippage on Ilchester Road (£1m) and North Street (£1m). This follows consultation with residents and the subsequent need to revise scheme deliverables.

### *Investment in own stock*

This programme is currently expected to spend to budget.

## 2.13 **Financial Control**

At the end of July, the majority of key reconciliations have been prepared and reviewed. Where they are outstanding, an action plan has been put in place to ensure that they are completed by the end of the financial year.

## **3 Options Appraisal**

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

## **4 Consultation**

- 4.1 The relevant elements of the report have been circulated to appropriate Divisional Directors for review and comment.
- 4.2 Individual Directorate elements have been subject to scrutiny and discussion at their respective Directorate Management Team meetings.

## **5 Financial Implications**

- 5.1 This report details the financial position of the Council.

## **6 Legal Issues**

- 6.1 Local authorities are required by law to set a balanced budget for each financial year. During the year there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This does mean as a legal requirement there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

### **Background Papers Used in the Preparation of the Report:**

Oracle monitoring reports

### **List of Appendices**

- **Appendix A** – General Fund expenditure by Directorate
- **Appendix B** – Savings Targets by Directorate
- **Appendix C** – Housing Revenue Account Expenditure
- **Appendix D** – Capital Programme

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## GENERAL FUND REVENUE MONITORING STATEMENT

### July 2014/15

| Directorate                                  | Outturn<br>2013/14 | Revised<br>Budget | Forecast<br>Outturn | Forecast<br>Variance |
|--|--------------------|-------------------|---------------------|----------------------|
|  | £000               | £000              | £000                | £000                 |
| <b><u>Adult &amp; Community Services</u></b> |                    |                   |                     |                      |
| Adult Social Care                            | 45,354             | 27,554            | 29,439              | 1,885                |
| Commissioning & Partnership                  |                    | 10,583            | 9,970               | (613)                |
| Culture & Sport                              | 6,822              | 4,469             | 4,547               | 78                   |
| Mental Health                                | 3,803              | 3,422             | 4,044               | 622                  |
| Public Health                                | (786)              | 785               | 785                 | -                    |
| Management & Central Services                | (2)                | 8,763             | 6,791               | (1,972)              |
|  | <b>55,191</b>      | <b>55,576</b>     | <b>55,576</b>       | <b>-</b>             |
| <b><u>Children's Services</u></b>            |                    |                   |                     |                      |
| Education                                    | 6,576              | 5,635             | 5,578               | (57)                 |
| Complex Needs and Social Care                | 39,205             | 32,597            | 36,304              | 3,707                |
| Commissioning and Safeguarding               | 9,607              | 9,097             | 9,347               | 250                  |
| Other Management Costs                       | 9,628              | 14,520            | 14,520              | -                    |
|  | <b>65,016</b>      | <b>61,849</b>     | <b>65,749</b>       | <b>3,900</b>         |
| <b><u>Children's Services - DSG</u></b>      |                    |                   |                     |                      |
| Schools                                      | 169,101            | 176,960           | 176,960             | -                    |
| Early Years                                  | 13,226             | 19,329            | 19,329              | -                    |
| High Needs                                   | 22,920             | 26,874            | 26,874              | -                    |
| Non Delegated                                | 2,715              | 1,920             | 1,920               | -                    |
| Growth Fund                                  | 2,489              | 3,037             | 3,037               | -                    |
| School Contingencies                         | 590                | -                 | -                   | -                    |
| DSG/Funding                                  | (211,041)          | (228,120)         | (228,120)           | -                    |
|  | -                  | -                 | -                   | -                    |
| <b><u>Housing &amp; Environment</u></b>      |                    |                   |                     |                      |
| Environment & Enforcement                    | 22,425             | 20,499            | 20,499              | -                    |
| Housing General Fund                         | 3,161              | 3,586             | 3,586               | -                    |
|  | <b>25,586</b>      | <b>24,085</b>     | <b>24,085</b>       | <b>-</b>             |
| <b><u>Chief Executive Services</u></b>       |                    |                   |                     |                      |
| Chief Executive Office                       | (144)              | (85)              | (85)                | -                    |
| Strategy & Communication                     | (305)              | -                 | (145)               | (145)                |
| Legal & Democratic Services                  | 212                | 468               | 213                 | (255)                |
| Human Resources                              | (71)               | 45                | (30)                | (75)                 |
| Corporate Finance & Assets                   | 15,510             | 18,010            | 18,051              | 41                   |
| Regeneration & Economic Development          | 2,994              | 2,621             | 2,621               | -                    |
|  | <b>18,196</b>      | <b>21,059</b>     | <b>20,625</b>       | <b>(434)</b>         |
| <b><u>Other</u></b>                          |                    |                   |                     |                      |
| Central Expenses                             | (5,013)            | (7,636)           | (7,636)             | -                    |
| Levies                                       | -                  | 9,685             | 9,685               | -                    |
| Contingency                                  | 9,395              | 1,746             | 1,746               | -                    |
| Budgeted Reserve Drawdown                    |                    | (1,044)           | (1,044)             | -                    |
|  | <b>4,382</b>       | <b>2,751</b>      | <b>2,751</b>        | <b>-</b>             |
| <b>TOTAL</b>                                 | <b>168,371</b>     | <b>165,320</b>    | <b>168,786</b>      | <b>3,466</b>         |

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**Directorate Savings Targets: Progress at Period 4**

| <b>Ref:</b>       | <b>Detail</b>   | <b>Target<br/>£000</b> | <b>Forecast<br/>£000</b> | <b>Variance<br/>£000</b> | <b>Current Position</b>  |
|-------------------|---|------------------------|--------------------------|--------------------------|--|
| <b>ACS/SAV/09</b> | Adoption of a mixed economy approach for the library service: closure of Rush Green library, transfer of Robert Jeyes library into a community management arrangement and a wholly volunteer led service at Marks Gate library. | 593                    | 593                      | -                        | Cabinet resolution 23 July 2013 that the difference between the original budget saving of £593k and the anticipated saving of £400k will be managed by the application of corporate contingency in 2014/15, and that for 2015/16 the shortfall be addressed as part of the budget savings requirement. |
| <b>ACS/SAV/11</b> | Reduce funding for care packages  | 200                    | 200                      | -                        | Saving to be achieved from care budgets  |
| <b>ACS/SAV/12</b> | Management Reductions (reduce social care GM)   | 40                     | 40                       | -                        | Post deleted saving will be achieved   |
| <b>ACS/SAV/13</b> | Homelessness Prevention   | 120                    | 120                      | -                        | Budget and delivery of saving transferred to Housing   |
| <b>ACS/SAV/14</b> | Reduce Carers Contract  | 14                     | 14                       | -                        | Provider (Carers of Barking & Dagenham) informed of reduction  |
| <b>ACS/SAV/15</b> | Advocacy - reduce to statutory provision  | 42                     | 42                       | -                        | Plans to deliver this saving are in place  |
| <b>ACS/SAV/16</b> | Do not extend core funding for DABD   | 35                     | 35                       | -                        | Plans to deliver this saving are in place  |
| <b>ACS/SAV/19</b> | Reduce business support in Adult Social Care  | 16                     | 16                       | -                        | Post deleted saving will be achieved   |
| <b>ACS/SAV/20</b> | Delete Arts Team  | 96                     | 96                       | -                        | Deletion of Arts Development manager post in December 2013.  |
| <b>ACS/SAV/21</b> | Delete Events Team and end all directly delivered and commissioned arts events and programmes   | 68                     | 68                       | -                        | Deletion of Events team and programme scheduled before the end of the year.  |
| <b>ACS/SAV/23</b> | Valence House - Heritage Education Team   | 40                     | 40                       | -                        | Plan to deliver this saving in place.  |
| <b>ACS/SAV/25</b> | Delete Neighbourhood Crime Reduction Team   | 133                    | 133                      | -                        | Service redesign: savings to be achieved through utilisation of external funding streams   |

## Appendix B

|   |   |              |              |           |  |
|---|---|--------------|--------------|-----------|--|
| <b>ACS/SAV/26</b>                           | Delete Anti Social Behaviour Team   | 121          | 121          | -         | Service redesign: savings to be achieved through utilisation of external funding streams   |
| <b>ACS/SAV/28</b>                           | Reduce strategic commissioning posts  | 28           | 28           | -         | Post deleted saving will be achieved   |
| <b>ACS/SAV/29</b>                           | Reduce dedicated support to service users and carers  | 19           | 19           | -         | Post deleted saving will be achieved   |
| <b>ACS/SAV/30</b>                           | Metropolitan Police - Cease Funding Parks Team  | 160          | 160          | -         | Plans to deliver this saving are in place  |
| <b>ACS/SAV/31</b>                           | Youth Offending - Cessation of triage and prevention interventions                                | 200          | 200          | -         | Plans to deliver this saving are in place  |
| <b>ACS/SAV/33</b>                           | Supporting People Grant Changes   | 200          | 200          | -         | Steps to deliver this saving has been confirmed with Housing colleagues  |
| <b>Feb 2012 Assembly</b>                    | Remodelling homecare services in line with the principles of personalisation                      | 100          | 100          | -         | Saving achieved following choice & control restructure   |
| <b>Feb 2012 Assembly</b>                    | Revisions to pricing framework for Care Home Placements   | 24           | 24           | -         | Pricing framework revised - saving will be achieved  |
| <b>Feb 2012 Assembly</b>                    | Changes to in-house residential care service for adults with a learning disability (80 Gascoigne) | 50           | 50           | -         | To be achieved by moving service users currently in high cost external placements to 80 Gascoigne Rd   |
| <b>Feb 2012 Assembly</b>                    | Remodel of learning disability day, volunteering and employment services                          | 100          | 100          | -         | Plans to deliver this saving are in place  |
| <b>Feb 2012 Assembly</b>                    | Expanding commercial opportunities at heritage venues   | 40           | 0            | 40        | Income budget to be added to shortfall in current Eastbury House income generation so it is expected that this saving would add to this shortfall. However, the shortfall is expected to be absorbed within the wider Culture & Sport income targets |
| <b>Total Adult &amp; Community Services</b> |   | <b>2,438</b> | <b>2,398</b> | <b>40</b> |  |

## Appendix B

| Ref:          | Detail  | Target       | Forecast     | Variance | Current Position         |
|---------------|---|--------------|--------------|----------|--------------------------|
|               |   | £000         | £000         | £000     |                          |
| CHS/SAV/16    | Adult College –Saving in General Support      | 100          | 100          | 0        | On target to be achieved |
| CHS/SAV/17    | Education -Advisory Teachers                  | 200          | 200          | 0        | On target to be achieved |
| CHS/CS03      | Education -Borough Apprentice Scheme          | 50           | 50           | 0        | On target to be achieved |
| CHS/SAV       | Education - Attendance                        | 40           | 40           | 0        | On target to be achieved |
| CHS/SAV/17    | Education – Special Inclusion Team            | 50           | 50           | 0        | On target to be achieved |
| CHS/SAV/19    | Education                                     | 200          | 200          | 0        | On target to be achieved |
| CHS/SAV/20    | Education – Youth Services Central            | 460          | 460          | 0        | On target to be achieved |
| CHS/SAV/21    | Education – SSE Early Years and Childcare     | 50           | 50           | 0        | On target to be achieved |
| CHS/SAV/22    | Commissioning -SSE Children’s Centres Central | 1,614        | 1,614        | 0        | On target to be achieved |
| CHS/SAV/07    | Commissioning - CAMHS                         | 50           | 50           | 0        | On target to be achieved |
| CHS/SAV/CS07a | Commissioning – Performance and Information   | 55           | 55           | 0        | On target to be achieved |
| CHS/SAV/CS07b | Commissioning –Commissioning and Partnerships | 25           | 25           | 0        | On target to be achieved |
| CHS/SAV/13    | Commissioning – Performance and Information   | 70           | 70           | 0        | On target to be achieved |
| <b>Total</b>  |   | <b>2,964</b> | <b>2,964</b> | <b>0</b> |                          |

## Appendix B

| Ref        | Detail  | Target<br>£000 | Forecast<br>£000 | Variance<br>£000 | Current Position   |
|------------|---|----------------|------------------|------------------|--|
| H&E/SAV/13 | Environmental Services - Remove infrastructure and reduction in maintenance; and identify alternative community use for spaces where possible   | 195            | 195              | 0                | 20 GMO staff (0.5 FTE's) have been removed from the Grounds maintenance budget. Staff impacted have either left or are in other non-GMO roles.   |
| H&E/SAV/15 | Recharge GF works to the Parking Account  | 100            | 0                | 100              | Savings not achieved due to mitigating the loss of assets including Axe Street Car Park, Becontree Heath Car Park and areas of CPZ which were removed resulting in lost income from permits sales. Also decreases in income for Pay and Display as fees were not increased to take into account the convenience charge for telephone parking.  |
| H&E/SAV/16 | Housing Advice Service - Reduction in temporary Accommodation Costs   | 225            | 225              | 0                | Savings delivered through reduction in B&B use/Increased hostel and other housing options  |
| H&E/SAV/17 | Parking - increase the volume of enforcement activity delivered by surveillance cameras and cars; and implement paperless parking systems including online and telephone payments and automatic number recognition. | 300            | 225              | 75               | <p>-Generation of <b>£150k</b> for increased levels of enforcement and efficiencies within the service.</p> <p><b>-Paperless parking and enforcement by ANPR - £55k</b></p> <p>Paperless parking project is due to go live in April 2015; there has been a delay in this going live due to other IT issues that have occurred. To be rolled forward to 2015/16</p> <p><b>-Online permit sales</b></p> <p>This is in place and the footfall of customers is down by 10% since April 2014. As the on-line applications increase this has had an effect on resource in the back office. Savings is not achievable as it was taken by the one stop shop and not by parking.</p> <p><b>-Consultation - £20k</b></p> <p>A review of the service to be undertaken only part year saving to be delivered. Full year equates to</p> |

## Appendix B

| Ref                       | Detail  | Target<br>£000 | Forecast<br>£000 | Variance<br>£000 | £40k<br>Current Position   |
|---------------------------|---|----------------|------------------|------------------|--|
| <b>Feb 2012 Assembly</b>  | Making Parks more commercially sustainable  | 9              | 9                | 0                | Savings delivered through income received from Masts   |
| <b>FIN&amp;RES/SAV/19</b> | Facilities Management - Closure of buildings as part of the office accommodation strategy | 300            | 5                | 295              | Savings not yet achieved as both 2 & 90 Stour road buildings have not yet closed.                    |
| <b>ACS/SAV/13</b>         | Homelessness Prevention   | 120            | 120              | 0                | Savings delivered and affected staff have been retained due to Public Health grant funding obtained. |
| <b>Total</b>              |   | <b>1,129</b>   | <b>659</b>       | <b>470</b>       |  |

Page 33

| Ref:                      | Detail  | Target<br>£000 | Forecast<br>£000 | Variance<br>£000 | Current Position   |
|---------------------------|---|----------------|------------------|------------------|--|
| <b>FIN&amp;RES/SAV/01</b> | Regeneration - delete a post in the Transport Planning team from 2014/15                    | 53             | 53               | 0                | Savings achieved and post deleted.                         |
| <b>FIN&amp;RES/SAV/06</b> | Efficiencies through implementation of Oracle R12   | 200            | 200              | 0                | Savings achieved   |
| <b>FIN&amp;RES/SAV/18</b> | Merger of the Corporate Client and Capital Delivery Teams                                   | 125            | 125              | 0                | Restructure completed and savings achieved                 |
| <b>FIN&amp;RES/SAV/20</b> | Regeneration - Further savings on the Economic Development and Sustainable Communities Team | 240            | 240              | 0                | Savings achieved   |
| <b>FIN&amp;RES/SAV/21</b> | Regeneration - Further savings in the Employment & Skills Team                              | 307            | 307              | 0                | Savings achieved   |
| <b>FIN&amp;RES/SAV/22</b> | Regeneration - additional income from the increase in nationally set planning fees.         | 52             | 52               | 0                | Income target increased, savings on track to be delivered. |
| <b>CEX/SAV/09</b>         | Human Resources - Cost of Health and Safety Team  | 56             | 56               | 0                | Savings achieved, post deleted                             |

## Appendix B

|                          |  |              |              |          |   |
|--------------------------|--|--------------|--------------|----------|---|
| <b>CEX/SAV/10</b>        | Strategy & Communications - Further reduction and sharing of Service | 70           | 70           | 0        | Savings achieved and shared arrangement with Thurrock Council in place. |
| <b>Feb 2012 Assembly</b> | Merge Payroll and HR Support (within Elevate)                        | 116          | 116          | 0        | Achieved  |
| <b>Total</b>             |  | <b>1,219</b> | <b>1,219</b> | <b>0</b> |   |

### HRA Savings

| Detail  | Target | Forecast | Variance | Current Position  |
|---|--------|----------|----------|---|
| Cease Sheltered Housing warden service to London and Quadrant and closure of St Mary Sheltered Housing Unit | 103    | 103      | 0        | Service recharged to L&Q  |
| Efficiency savings for housing Repairs and Maintenance  | 490    | 490      | 0        | Expected to deliver saving  |
| Undertake a economic, technical and operational review of DLO   | 500    | 500      | 0        | On-going restructure expected to deliver saving   |
| Capitalisation of Voids   | 1,000  | 1,000    | 0        | Charged to appropriate capital budget   |
| Reduction in concierge due to demolition of blocks  | 300    | 300      | 0        | Service no longer in place following demolition of blocks   |
| Tenants Resource Centre   | 15     | 15       | 0        | Achieved via a reduction in discretionary spend   |
| Reduce provision for bad debts in HRA 2014/15   | 500    | 500      | 0        | Bad Debt provision level expected to be sufficient  |
| Increased commission on Water Services  | 251    | 251      | 0        | Achieved. Higher percentage negotiations ongoing  |
| Provide leasehold management services to Thurrock Council   | 50     | 50       | 0        | First quarter invoice to be submitted   |
| Reduction in Corporate Recharges to the HRA   | 743    | 743      | 0        | Achieved as part of recharge review   |
| CDC Reduction   | 126    | 126      | 0        | Achieved as part of recharge review   |
| Neighbourhood Management  | 92     | 69       | 23       | ACS expect to achieve 75% saving  |
| Additional rental income on Street Purchase   | 70     | 52       | 18       | A number of properties have not be occupied for the full year the expected rental income is therefore £52k        |
| Energy billing housing property communal areas  | 318    | 0        | 318      | Not currently expected to be achieved – review underway   |
| Tenants Participation Team restructure  | 40     | 40       | 0        | Budget saving achieved  |
| Housing and Neighbourhood Staffing Structures   | 510    | 150      | 360      | Not currently expected to be achieved in full. Current projection is £150k will be delivered if implemented in Q4 |



## Appendix B

|   |              |              |              |   |
|---|--------------|--------------|--------------|---|
| Repairs and Maintenance services provided to B&D Reside               | 190          | 0            | 190          | Due to the high level of Voids income will not be passed to the HRA   |
| Housing Management services provided to B&D Reside                    | 77           | 0            | 77           | Due to the high level of Voids income will not be passed to the HRA   |
| Reduction improvement team and fleet                                  | 226          | 0            | 226          | Six improvement staff and one quality assurance post transferred to R&M - staff are unbudgeted. Line management was transferred at the end of 13/14.                  |
| Vehicle contract hire   | 23           | 23           | 0            | This particular vehicle was removed, however, there remains a wider pressure on vehicle costs.  |
| Caretaking supplies   | 100          | 100          | 0            | This budget was reduced and spend is currently on track to be at the revised level.   |
| Reduction in caretaking and fleet                                     | 201          | 201          | 0            | 5 Staff positions across localities were removed and a further fleet reduction delivered.   |
| Ground Maintenance reduction  | 60           | 60           | 0            | 2 x Grounds maintenance operatives were removed from the structure. Saving delivered. There remains a significant pressure of establishment spend within the service. |
| Reduction of two working supervisor posts from Environmental Services | 66           | 66           | 0            | 2 x Working hands supervisors were removed from structure. Savings delivered. There remains a significant pressure of establishment spend within the service.         |
| Closure of Abbey Depot  | 40           | 40           | 0            | Depot was closed and no associated premises costs are to be incurred. Saving delivered.   |
| Quality Assurance Post  | 41           | 41           | 0            | Staff member has left. Saving delivered.  |
| <b>TOTAL</b>  | <b>6,132</b> | <b>4,920</b> | <b>1,212</b> |   |

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# HOUSING REVENUE ACCOUNT MONITORING STATEMENT

## July 2014/15

Appendix C

| HRA SOA Description                               | Full Yr Budget | Actual YTD          | Forecast       | Forecast Variance |
|---|----------------|---------------------|----------------|-------------------|
| A. Rents  | -87,000,000.00 | -29,123,534.36      | -87,000,000.00 | 0.00              |
| B. Non Dwelling Rents                             | -2,503,000.00  | -2,769,391.73       | -2,503,000.00  | 0.00              |
| C. Other Income                                   | -16,501,000.00 | -12,306,524.42      | -16,501,000.00 | 0.00              |
| D. Capitalisation of Repairs                      | -2,000,000.00  | 0.00                | -2,000,000.00  | 0.00              |
| E. Repairs & Maintenance                          | 19,205,000.00  | 8,508,156.44        | 19,205,000.00  | 0.00              |
| F. Supervision and Management                     | 37,868,100.00  | 6,845,511.93        | 37,868,100.00  | 0.00              |
| G. Rents, Rates & Other                           | 700,000.00     | 479,219.33          | 700,000.00     | 0.00              |
| H. Revenue Contribution to Capital & Depreciation | 35,453,000.00  | 146,654.90          | 35,453,000.00  | 0.00              |
| I. Bad Debt Provision                             | 4,669,900.00   | 2,001,257.19        | 4,669,900.00   | 0.00              |
| J. Interest Charges                               | 9,759,000.00   | -101,849.18         | 9,759,000.00   | 0.00              |
| K. Corporate & Democratic Core                    | 685,000.00     | 0.00                | 685,000.00     | 0.00              |
| L. Interest Received                              | -336,000.00    | 0.00                | -336,000.00    | 0.00              |
| <b>Grand Total</b>                                | <b>-</b>       | <b>(26,320,500)</b> | <b>-</b>       | <b>-</b>          |

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## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                                     | Project Name                           | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|---|--|--------------------------------|----------------------------|--------------------------|---------------------------|
| <b>Adult &amp; Community Services</b>           |  |                                |                            |                          |                           |
| <b>Adult Social Care</b>                        |  |                                |                            |                          |                           |
| FC00106   | Private Sector HouseHolds              | 574                            | 193                        | 574                      | 0                         |
| FC02888   | Direct Payment Adaptations Grant       | 385                            | 108                        | 385                      | 0                         |
| FC02913   | 80 Gascoigne Road                      | 4                              |                            | 4                        | 0                         |
| FC02976   | Community Capacity Grant               | 992                            | 4                          | 992                      | 0                         |
| <b>Culture &amp; Sport</b>                      |  |                                |                            |                          |                           |
| FC02855   | Mayesbrook Park Athletics Arena        | 212                            | 12                         | 212                      | 0                         |
| FC02870   | Barking Leisure Centre 2012-14         | 7,889                          | 2,434                      | 7,889                    | 0                         |
| FC02266   | Barking Park Restoration & Improvement | -                              | 291                        | 291                      | 291                       |
| <b>Total For Adult &amp; Community Services</b> |  | <b>10,056</b>                  | <b>3,041</b>               | <b>10,347</b>            | <b>291</b>                |

## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                | Project Name  | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|----------------------------|---|--------------------------------|----------------------------|--------------------------|---------------------------|
| <b>Children's Services</b> |   |                                |                            |                          |                           |
| <b>Primary Schools</b>     |   |                                |                            |                          |                           |
| FC02736                    | Roding Primary School (Cannington Road Annex)                 | 137                            | 6                          | 137                      | 0                         |
| FC02745                    | George Carey CofE (formerly Barking Riverside) Primary School | 300                            | 6                          | 300                      | 0                         |
| FC02759                    | Beam Primary Expansion  | 81                             |                            | 81                       | 0                         |
| FC02784                    | Manor Longbridge (former UEL Site) Primary School             | 320                            | 7                          | 320                      | 0                         |
| FC02786                    | Thames View Juniors - Expansion & Refurb                      | 29                             | 5                          | 29                       | 0                         |
| FC02787                    | Cambell Junior - Expansion & Refurb                           | 18                             |                            | 18                       | 0                         |
| FC02790                    | St Georges - New Primary School                               | 25                             |                            | 25                       | 0                         |
| FC02799                    | St Joseph's Primary - expansion                               | 21                             |                            | 21                       | 0                         |
| FC02800                    | St Peter's Primary - expansion                                | 34                             |                            | 34                       | 0                         |
| FC02860                    | Monteagle Primary (Quadrangle Infill)                         | 81                             |                            | 81                       | 0                         |
| FC02861                    | Eastbury Primary (Expansion)                                  | 275                            | 67                         | 375                      | 100                       |
| FC02862                    | Gascoigne Primary (Expansion)                                 | 45                             |                            | 45                       | 0                         |
| FC02863                    | Parsloes Primary (Expansion)                                  | 35                             |                            | 35                       | 0                         |
| FC02864                    | Godwin Primary (Expansion)                                    | -                              | 1                          | 1                        | 1                         |
| FC02865                    | William Bellamy Primary (Expansion)                           | 2,500                          | 903                        | 2,500                    | 0                         |
| FC02867                    | Southwood Primary (Expansion)                                 | 1                              |                            | 1                        | 0                         |
| FC02900                    | Becontree Primary Expansion                                   | 24                             |                            | 24                       | 0                         |
| FC02918                    | Roding Cannington   | 39                             | 1                          | 39                       | 0                         |
| FC02919                    | Richard Alibon Expansion                                      | 772                            | 521                        | 772                      | 0                         |
| FC02920                    | Warren/Furze Expansion  | 50                             | 9                          | 50                       | 0                         |
| FC02921                    | Manor Infants Jnr Expansion                                   | 1,850                          | 990                        | 1,850                    | 0                         |
| FC02922                    | Valence Halbutt Expansion                                     | 233                            | 11                         | 15                       | -218                      |
| FC02923                    | Rush Green Expansion  | 168                            |                            | 168                      | 0                         |
| FC02924                    | St Joseph's Primary(Barking) Extn 13-14                       | 95                             |                            | 95                       | 0                         |
| FC02955                    | City Farm Barking Riverside New School                        | 288                            | (181)                      | 288                      | 0                         |
| FC02956                    | Marsh Green Primary 13-15                                     | 200                            | 4                          | 200                      | 0                         |
| FC02957                    | John Perry School Expansion 13-15                             | 1,420                          | 754                        | 1,420                    | 0                         |
| FC02960                    | Fanshawe Primary Expansion                                    | 1,614                          | 41                         | 1,614                    | 0                         |
| FC02979                    | Gascoigne Primary -Abbey Road Depot                           | 1,998                          |                            | 1,998                    | 0                         |
| FC02998                    | Marks Gate Junior Sch 2014-15                                 | 497                            | 11                         | 497                      | 0                         |

## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                          | Project Name  | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|--------------------------------------|---|--------------------------------|----------------------------|--------------------------|---------------------------|
| <b>Secondary Schools</b>             |   |                                |                            |                          |                           |
| FC02932                              | Trinity 6th Form Provision                                | 153                            |                            | 153                      | 0                         |
| FC02953                              | All Saints Expansion 13-15                                | 3,884                          | 1,426                      | 3,884                    | 0                         |
| FC02954                              | Jo Richardson expansion                                   | 2,745                          |                            | 2,745                    | 0                         |
| FC02959                              | Robert Clack Expansion 13-15                              | 100                            | 3                          | 100                      | 0                         |
| FC02977                              | Barking Riverside Secondary Free School (Front Funding)   | 3,000                          | 158                        | 3,000                    | 0                         |
| <b>Other Schemes</b>                 |   |                                |                            |                          |                           |
| FC02723                              | Skills Centre   | 170                            | 160                        | 170                      | 0                         |
| FC02724                              | Basic Needs Funding (Additional School Places)            | 6                              | 15                         | 6                        | 0                         |
| FC02751                              | Kitchen Refurbishment 10/11                               | 11                             | 11                         | 11                       | 0                         |
| FC02826                              | Conversion of Heathway to Family Resource Centre          | 70                             |                            | 70                       | 0                         |
| FC02878                              | 512A Heathway (Phase 2) - Conversion to a Family Resource | 7                              |                            | 7                        | 0                         |
| FC02906                              | School Expansion SEN projects                             | 500                            | 21                         | 500                      | 0                         |
| FC02909                              | School Expansion Minor projects                           | 500                            | 82                         | 500                      | 0                         |
| FC02929                              | Schools Modernisation Fund 2012-13                        | 968                            | 142                        | 968                      | 0                         |
| FC02958                              | Fanshawe Adult College Refurb13-15                        | 144                            | 1                          | 144                      | 0                         |
| FC02972                              | Implementation of early education for 2 year olds         | 1,305                          | 266                        | 1,305                    | 0                         |
| FC02974                              | Robert Clack Artificial Football Pitch                    | 283                            | 23                         | 283                      | 0                         |
| FC02975                              | Barking Abbey Artificial Football Pitch                   | 630                            |                            | 630                      | 0                         |
| FC02978                              | Schools Modernisation Fund 2013-14                        | 804                            | 139                        | 804                      | 0                         |
| FC03010                              | SMF 2014-16   | 558                            |                            | 558                      | 0                         |
| 9999                                 | Devolved Capital Formula                                  | 1,097                          | 205                        | 1,097                    | 0                         |
| <b>Children Centres</b>              |   |                                |                            |                          |                           |
|                                      | John Perry Children's                                     | 10                             |                            | 10                       | 0                         |
|                                      | William Bellamy Children Centre                           | 6                              |                            | 6                        | 0                         |
| <b>Total For Children's Services</b> |   | <b>30,098.27</b>               | <b>5,808</b>               | <b>29,981</b>            | <b>-117</b>               |

## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No. | Project Name | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|-------------|--------------|--------------------------------|----------------------------|--------------------------|---------------------------|
|-------------|--------------|--------------------------------|----------------------------|--------------------------|---------------------------|

### Housing and Environment

| Environmental Services                     |   |              |            |              |          |
|--|---|--------------|------------|--------------|----------|
| FC02764                                    | Street Light Replacing                      | 1,418        | 75         | 1,418        | 0        |
| FC02873                                    | Environmental Improvements and Enhancements | 95           | 10         | 95           | 0        |
| FC02964                                    | Road Safety Impv 2013-14 (TFL)              | 328          | 3          | 328          | 0        |
| FC02886                                    | Parking Strategy Imp                        | 91           |            | 91           | 0        |
| FC02887                                    | Frizlands Wkshp Major Wks                   | -            | 3          | -            | 0        |
| FC02930                                    | Highways Improvement Programme              | 2,450        | 52         | 2,450        | 0        |
| FC02981                                    | Parkmap (Traffic Management Orders)         | 57           |            | 57           | 0        |
| FC02982                                    | Controlled Parking Zones (CPZ's) 2013-15    | 255          |            | 255          | 0        |
| FC02999                                    | Rippleside Cmtry prov 2014-15               | 63           | 2          | 63           | 0        |
| FC03011                                    | Structural Repairs & Bridge Maintenance     | 250          |            | 250          | 0        |
| FC02567                                    | Abbey Green Park Development                | 9            |            | 9            | 0        |
| FC02817                                    | Mayesbrook Park Improvements (Phase 1)      | 11           |            | 11           | 0        |
| FC02911                                    | Quaker Burial Ground                        | 48           |            | 48           | 0        |
| FC02912                                    | Barking Park Tennis Project                 | 27           |            | 27           | 0        |
| <b>Total For Housing &amp; Environment</b> |   | <b>5,104</b> | <b>145</b> | <b>5,104</b> | <b>0</b> |



## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                  | Project Name   | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|------------------------------|--|--------------------------------|----------------------------|--------------------------|---------------------------|
| <b>Chief Executive (CEO)</b> |  |                                |                            |                          |                           |
| <b>Asset Strategy</b>        |  |                                |                            |                          |                           |
| FC02578                      | Asbestos (Public Buildings)                                  | 16                             | 1                          | 16                       | 0                         |
| FC02771                      | Automatic Meter Reading Equipment                            | 20                             |                            | 20                       | 0                         |
| FC02587                      | Energy Efficiency Programme                                  | 150                            | 15                         | 150                      | 0                         |
| FC02542                      | Backlog Capital Improvements                                 | 990                            | 46                         | 990                      | 0                         |
| FC02565                      | Implement Corporate Accommodation Strategy                   | 1,011                          | 248                        | 1,011                    | 0                         |
| FC02577                      | Legionella Works (Public Buildings)                          |                                | (11)                       | -                        |                           |
|                              |  |                                |                            | -                        | 0                         |
| <b>ICT</b>                   |  |                                |                            |                          |                           |
| FC02738                      | Modernisation and Improvement Capital Fund (formerly One B & | 2,041                          | 534                        | 2,041                    | 0                         |
| FC02877                      | Oracle R12 Joint Services                                    | 1,584                          | 181                        | 1,584                    | 0                         |
|                              |  |                                |                            | -                        |                           |
| <b>Regeneration</b>          |  |                                |                            |                          |                           |
| FC02458                      | New Dagenham Library & One Stop Shop Church Elm Lane         | 74                             | 41                         | 74                       | 0                         |
| FC02596                      | LEGI Business Centres  | 80                             | (8)                        | 80                       | 0                         |
| FC02969                      | Economic Development Growth Fund                             | 325                            |                            | 75                       | -250                      |
| FC02821                      | Robin Hood Shopping Parade Enhancement                       | 151                            | 2                          | 151                      | 0                         |
| FC02901                      | Creekmouth Arts & Heritage Trail                             | 171                            | 8                          | 171                      | 0                         |
| FC02902                      | Short Blue Place (New Market Square Barking - Phase II)      | 146                            | 7                          | 146                      | 0                         |
| FC02928                      | Captain Cook Site Acquisition and Public Realm Works (Abbey  | 316                            |                            | 316                      | 0                         |
| FC02891                      | Merry Fiddlers junction Year 2                               | -                              | (216)                      | -                        | 0                         |
| FC02898                      | Local Transport Plans (TfL)                                  | 67                             | 14                         | 67                       | 0                         |
| FC02962                      | Principal Road Resurfacing 2013-14 TfL                       | 532                            | 206                        | 532                      | 0                         |
| FC02963                      | Mayesbrook Neighbourhood Improvements (DIY Streets) 2013-14  | 48                             | 39                         | 48                       | 0                         |
| FC02994                      | Renwick Road/Choats Road 2014/15                             | 713                            | 10                         | 713                      | 0                         |
| FC02995                      | Ballards Road/ New Road 2014/15                              | 95                             |                            | 95                       | 0                         |
| FC02996                      | Barking Town Centre 2014/15 (TfL)                            | 238                            |                            | 238                      | 0                         |
| FC02997                      | A12 / Whalebone Lane (TfL)                                   | 48                             |                            | 48                       | 0                         |
| FC03000                      | MAQF Green Wall (TfL)  | 42                             | 3                          | 42                       | 0                         |
| FC02914                      | Barking Job Shop Relocation                                  | 46                             |                            | 46                       | 0                         |
| FC02775                      | BTC - links project  |                                | 1                          | -                        |                           |
| FC02819                      | London Road/North Street Site Acquisitions                   |                                | 3                          | -                        |                           |

## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                     | Project Name  | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|---------------------------------|---|--------------------------------|----------------------------|--------------------------|---------------------------|
| FC02841                         | Biking Borough Initiative (TFL)                             |                                | (1)                        | -                        |                           |
| FC02892                         | Cycling Greenways Year 2 (TFL)                              |                                | (34)                       | -                        |                           |
| FC02893                         | Thames Road Corridor Improvements                           |                                | 5                          | -                        |                           |
| FC02895                         | Chadwell Heath Station Impv (TFL)                           |                                | (1)                        | -                        |                           |
| FC02899                         | River Roding Cycle Link / Goresbrook Park Cycle Links (TFL) |                                | (93)                       | -                        |                           |
| FC02926                         | Outer London Fund Round 2                                   |                                | 18                         | -                        |                           |
| FC02965                         | Safer & Smarter Travel Plans 2013-14 (TfL)                  |                                | (10)                       | -                        |                           |
| <b>Total For CEO</b>            |   | <b>8,901</b>                   | <b>1,006</b>               | <b>8,651</b>             | <b>- 250</b>              |
| <b>Grand Total General Fund</b> |   | <b>54,158</b>                  | <b>10,000</b>              | <b>54,082</b>            | <b>- 76</b>               |

## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                | Project Name  | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|----------------------------|---|--------------------------------|----------------------------|--------------------------|---------------------------|
| <b>HRA</b>                 |   |                                |                            |                          |                           |
| <b>Estate Renewal</b>      |   |                                |                            |                          |                           |
| FC00100                    | Aids & Adaptations  |                                | 73                         |                          |                           |
| FC02820                    | Boroughwide Estate Renewal - Gascoigne Decants                | 6,680                          | 1,762                      | 6,680                    | 0                         |
| <b>New Builds</b>          |   |                                |                            |                          |                           |
| FC00104                    | Housing Futures   |                                | 3                          |                          |                           |
| FC02823                    | New Council Housing Phase 3                                   | 300                            | 220                        | 300                      | 0                         |
| FC02916                    | Lawns & Wood Lane Dvlpmnt                                     | 2,039                          | 1,468                      | 2,039                    | 0                         |
| FC02917                    | Abbey Road CIQ  | 5,458                          | 22                         | 5,458                    | 0                         |
| FC02931                    | Leys New Build Dev (HRA)                                      | 12,530                         | 1,574                      | 12,530                   | 0                         |
| FC02961                    | Goresbrook Village Housing Development 13-15                  | 7,684                          | 818                        | 7,684                    | 0                         |
| FC02970                    | Marks Gate Open Gateway Regen Scheme                          | 11,394                         | 464                        | 11,394                   | 0                         |
| FC02987                    | Stansgate New Build   | -                              | ( )                        | -                        | 0                         |
| FC02988                    | Margaret Bondfield New Build                                  | 5,119                          | 8                          | 5,119                    | 0                         |
| FC02989                    | Ilchester Road New Built                                      | 1,500                          |                            | 500                      | -1,000                    |
| FC02990                    | Abbey Road Phase II New Build                                 | -                              | 21                         | -                        | 0                         |
| FC02991                    | North St  | 1,300                          |                            | 300                      | -1,000                    |
| <b>Investment in Stock</b> |   |                                |                            |                          |                           |
| FC02933                    | Voids 12-14   | 1,000                          |                            | 1,000                    | 0                         |
| FC02645                    | Planning and Contingencies                                    | -                              |                            | -                        | 0                         |
| FC02726                    | External Enveloping Work                                      | -                              | 19                         | -                        | 0                         |
| FC02731                    | Colne & Mersea Blocks   | -                              | (167)                      | -                        | 0                         |
| FC02849                    | High Rise Surveys   | -                              | (231)                      | -                        | 0                         |
| FC02881                    | Kitchen , Bathroom, Central Heating and Re-wiring (Enh)       | -                              | (34)                       | -                        | 0                         |
| FC02934                    | Roof Replacement Project                                      | 2,400                          | 1,030                      | 2,400                    | 0                         |
| FC02935                    | Internal Works Multiple Elmnts                                | -                              | 22                         | -                        | 0                         |
| FC02936                    | Rewiring (incl Smoke Alarms)                                  | -                              | (395)                      | -                        | 0                         |
| FC02938                    | Fire Safety Works   | 1,600                          | 1                          | 1,600                    | 0                         |
| FC02940                    | Door Entry Project 13/14 Phase II                             | -                              | (5)                        | -                        | 0                         |
| FC02941                    | Renewable (PVs) & CESP's additional External Enveloping Works | -                              | 290                        | -                        | 0                         |
| FC02943                    | Asbestos Removal (Communal Areas only)                        | 420                            | 124                        | 420                      | 0                         |
| FC02949                    | External Enveloping incl. Walkways Phase II                   | -                              | 536                        | -                        | 0                         |

## 2014/15 CAPITAL PROGRAMME - as at the end of July 2014

| Project No.                          | Project Name  | 2014/15 Revised Budget (£'000) | Actual Expenditure (£'000) | 2014/15 Forecast (£'000) | Forecast Variance (£'000) |
|--------------------------------------|---|--------------------------------|----------------------------|--------------------------|---------------------------|
| FC02950                              | Central Heating Installation Inc. Communal Boiler Replacement | 2,000                          | 282                        | 2,000                    | 0                         |
| FC02951                              | Electrical Switchgear inc. Communal & Emergency Lighting      | -                              | 59                         | -                        | 0                         |
| FC02983                              | Decent Homes Backlog Programme                                | 5,750                          | 1,552                      | 5,750                    | 0                         |
| FC02984                              | Becontree Heath Enveloping Project                            | 2,880                          | (6)                        | 2,880                    | 0                         |
| <b>Capitalised Improvement Works</b> |   |                                |                            |                          |                           |
| FC02811                              | Capitalised Improvement Works                                 | 360                            | 17                         | 360                      | 0                         |
| FC02852                              | Adaptations - Housing   | -                              | 5                          | -                        | 0                         |
| FC02939                              | Riverside House Refurb  | 270                            |                            | 270                      | 0                         |
| FC02945                              | Street Properties Acquisition                                 | 400                            | 6                          | 400                      | 0                         |
| FC02971                              | Minden Gardens Playspace                                      | -                              |                            | -                        | 0                         |
| FC0100                               | Aids & Adaptations  | 800                            |                            | 800                      | 0                         |
| FC03001                              | Decent Homes (North)  | 10,544                         | 10                         | 10,544                   | 0                         |
| FC03002                              | Decent Homes (South)  | 9,705                          | 10                         | 9,705                    | 0                         |
| FC03003                              | Decent Homes (Blocks)   | 3,400                          |                            | 3,400                    | 0                         |
| FC03004                              | Decent Homes (Sheltered)                                      | 1,800                          | 84                         | 1,800                    | 0                         |
| FC03005                              | Decent Homes Small Contractors                                | 275                            |                            | 275                      | 0                         |
| FC03006                              | In Year Priorities  | 950                            |                            | 950                      | 0                         |
| FC03007                              | Windows   | 250                            |                            | 250                      | 0                         |
| FC03008                              | R&M Capitalisation/ Boiler Replacement                        | 2,000                          | 2,990                      | 2,000                    | 0                         |
| FC02813                              | Estate Improvement Project                                    | -                              | 95                         | -                        | 0                         |
| <b>Grand Total HRA</b>               |   | <b>100,808</b>                 | <b>12,725</b>              | <b>98,808</b>            | <b>-2,000</b>             |
| <b>TOTAL CAPITAL PROGRAMME</b>       |   | <b>154,967</b>                 | <b>22,725</b>              | <b>152,891</b>           | <b>-2,076</b>             |

## CABINET

25 September 2014

|   |   |
|---|---|
| <b>Title:</b> Barking Town Centre Strategy 2014-18  |   |
| <b>Report of the Cabinet Member for Regeneration</b>  |   |
| <b>Open Report</b>  | <b>For Decision</b>   |
| <b>Wards Affected:</b> Abbey and Gascoigne  | <b>Key Decision:</b> Yes  |
| <b>Report Author:</b> David Harley, GM Economic Development and Sustainable Communities   | <b>Contact Details:</b><br>Tel: 020 8227 5316<br>E-mail: <a href="mailto:david.harley@lbbd.gov.uk">david.harley@lbbd.gov.uk</a> |
| <b>Accountable Divisional Director:</b> Jeremy Grint, Divisional Director Regeneration,   |   |
| <b>Accountable Director:</b> Steve Cox, Director of Growth  |   |
| <p><b>Summary</b></p> <p>Barking Town Centre is identified as one of the five Growth hubs in the Council's new Vision and Priorities and forms a key part of the adopted Growth Strategy. A revised draft Barking Town Centre Strategy (<b>Appendix 1</b>) has been produced in order to establish a shared way forward and set out how partners can work together to realising Barking's full potential.</p> <p>Over the last decade Barking has seen substantial investment in new facilities which drive growth and footfall – these include the Technical Skills Academy, Barking Enterprise Centre, a new leisure centre and the mixed used development around Town Square. Alongside this the Council has established a strong reputation for delivery of high quality public realm and new housing developments as part of a co-ordinated programme and long term vision. This has been reinforced by being included as a case study on long term stewardship in a recent GLA publication – Learning from London's High Streets (Appendix 2). The completion of the London Road/North Street development with major new supermarket and 360 space car park next year will be a further milestone in Barking's regeneration. Whilst major public sector investments are highly unlikely to continue into the future (with some important exceptions such as Care City), the private sector is just awakening to Barking's superb potential as a housing location and a new strategy is needed to reflect an ambitious but achievable package of measures to realise the full potential in the light of changed circumstances.</p> <p>The new Strategy has been developed alongside a bid for Barking to become a London Housing Zone. Delivery of new homes plays a critical role in the future of Barking town centre as an increase in working residents can help deliver a broadening of Barking's range of shops and services and in particular help the nascent cafe, restaurant and evening economy.</p> <p>The Draft Barking Town Centre Strategy has five strategic objectives which together aim to ensure Barking realises its full potential and establishes its own unique position in East London as a place to live, work, learn and spend time. The five objectives are:</p> |   |

1. **Housing Delivery:** Provide a wider choice of quality housing
2. **Places of Work:** Increase the town centre's profile as a place to do business, enable the creation of attractive workspaces and create more jobs
3. **Barking as East London's Cultural hub:** Increase creative industries and participation in arts and culture
4. **Accessibility:** Improve the transport infrastructure and provide convenient access to the town centre
5. **Place making:** Continue to improve the quality of buildings, spaces and to value the heritage and diversity. Plus engaging Barking's diverse communities in delivering the vision.

The strategy sets out the detail of numerous development opportunities and includes an action plan of deliverables.

### Recommendations

The Cabinet is asked to:

- (i) Approve the draft Barking Town Centre Strategy (Appendix 1) for public consultation;
- (ii) Authorise the Director of Growth to make any non-substantial amendments to the Strategy following the public consultation and, in consultation with the Cabinet Member for Regeneration, to approve the final version for publication, subject to the proviso that any proposed substantial amendments to the Strategy are presented to the Cabinet for decision.

### Reason(s)

The recommendation is very aligned to four elements of the new vision and priorities namely:

- Build high quality homes and a sustainable community
- Support investment in housing, leisure, the creative industries and public spaces to enhance our environment
- Enhance the borough's image to attract investment and business growth
- Work with London partners to deliver homes and jobs across our growth hubs

Barking Town Centre is one of the Growth hubs and the Strategy aims to set out how growth will be achieved.

## 1. Introduction and Background

- 1.1 Barking Town Centre is identified in the London Plan as a 'Major Town Centre'. It is a large retail and commercial centre with a range of shops, businesses, offices, civic buildings and leisure facilities, a bustling four day a week market, a successful library and a theatre. The main traditional high street frontage is located along East Street and Station Parade. East Street caters for an outdoor street market whilst Station Parade provides access to the purpose built indoor shopping centre, Vicarage Field. The town centre is well served by train, tube and bus services offering superb accessibility to the City, Stratford, Canary Wharf in 15-20 minutes.

- 1.2 The town centre is located in the most deprived areas of Barking. Some neighbourhoods in the Abbey and Gascoigne wards are within the top 10% most deprived in the country (2010 Index of Multiple Deprivation). Over the years, Barking town centre has struggled to compete with nearby centres such as Stratford, Ilford and Romford, and suffers from a poor perception from visitors, retailers, businesses and investors. The problems currently faced by the town centre are evident from statistics which shows the wards suffer from low education, skills and income levels, a limited retailing sector concentrating on low value goods and low property rents and yields. Barking will not be able to compete with places like Stratford City in terms of retail offer however there remain opportunities for the town centre's offer to broaden from its dependency on fast food outlets and low value goods as it is short of specialist shops, restaurants and other leisure attractions. Raising local incomes, boosting footfall and changing perceptions of Barking (especially through culture) are critical to achieving this.
- 1.3 Town centres and High Streets across the country are facing significant challenges with the predominance of a number of key shopping destinations (Stratford City and Lakeside being most relevant to Barking), the rise of internet shopping, a loss of numerous High Street chains and stagnating disposable incomes. There is a recognition that the focus for town centres should not be solely on retail but on creating places where people want to live, work, meet people, learn, access leisure facilities, engage in arts activities amongst other things in a community hub.
- 1.4 The key aim of the strategy is to maximise the successful work that has already taken place in the town centre and continues to build on its key assets and create a distinctive place for people to enjoy. The development of the strategy requires a clear understanding of national and local trends and issues which are particularly significant to the centre.
- 1.5 Barking town centre will be heavily influenced by new residential development opportunities created in the area particularly Barking Riverside where 11,000 new homes will be provided over the next 15-20 years creating a new community of around 30,000 people. The potential for Barking town centre to be the primary commercial centre for this new community is therefore considerable particularly with a direct rail link and this is seen as a key driver for further development of the town centre. However it is essential that Barking's offer meets the needs of new and existing residents.

## 2. **Responding to Challenges and Opportunities**

- 2.1 The significant investment made in the form of the Town Square, public realm at Short Blue Place and new affordable homes at William Street Quarter and at Ice House Quarter has helped to maintain Barking's position as a vibrant and competitive town centre. Vacancy rates are comparatively low although footfall is steadily decreasing year on year as difficult trading conditions remain (mirroring the national picture). The starting point for this work was based around the current policy and strategy framework that has served the Town Centre well and recognises the strengths to build on such as Barking's vibrancy, varied shops and businesses, and strong performance allied to its distinctive character. Consultancy support funded through the LGA provided an external view of how Barking's potential could be achieved which has informed the strategy.

- 2.2 In order to meet the challenges and opportunities some key issues from the strategy are highlighted below:
- 2.3 **London Housing Zone** – Well designed new housing is seen as a key way of improving the town centre – bringing underutilised or vacant sites back into use, boosting footfall and spending power and providing associated facilities. The LHZ bid provides a co-ordinated package working with partners and is central to Barking’s regeneration. The bid brings together delivery partners to improve perceptions of Barking as a place to live. The Evening Standard’s recent ‘Spotlight on Barking’ is the type of publicity required to encourage Barking to become a destination of choice for residents and visitors.
- 2.4 **Retail quantity:** Detailed studies have been carried out as part of the Local Plan review regarding the quantum of retail space required over the next 20 years – the Strategy is not the forum for making planning changes – many of the most vibrant retail units are actually in stretches of retail frontage on the periphery which have no planning protection however they provide affordable accommodation for start up businesses. The key issue for residents and stakeholders is quality of the retail offer over quantity which is not a planning issue.
- 2.5 **Barking Market/East Street Public Realm:** The market is identified as both a key strength of Barking’s offer but also a weakness. Detailed proposals have been developed and consulted on for how an improved layout and public realm for East Street/the market could address the market’s weaknesses and enhance its strengths. These are set out in brief in the Strategy and funding is being sought for a phased implementation of the proposals starting in 2015/16. The market offers a good opportunity to enable a ‘ratcheting up’ of the retail/catering offer as residents require it without damaging the current footfall boost the market generates with its ‘value’ offer. Therefore any changes to the market’s offer are likely to be incremental rather than wholesale change which would risk the market’s viability. A report on the future management arrangements for Barking Market looking at how it can deliver the Strategy’s objectives alongside providing a cost effective operation will be brought to October’s Cabinet.
- 2.6 **Barking as East London’s Cultural Hub:** The role of culture and arts in changing perceptions of an area are well documented. The Strategy seeks to further define how the objective of making Barking East London’s Cultural hub can be achieved.
- 2.7 **‘Ground up’ regeneration:** To date town centre engagement has focussed on the Barking Town Team – a meeting of people with an interest in the town centre (Council, Police, retailers, TSA, theatre, BEC, market operators etc). It is recognised however that it is critical that residents (including active new ones) are involved in supporting the implementation of the strategy and supporting nascent independent businesses which improve Barking’s offer. Up! Barking and the Pallet Pavilion have been an initial start on this activity with the aim of establishing a Residents Town Team.
- 2.8 **Image and perception changers:** Up! Barking and the Barking Town Centre App will be utilised as marketing tools for Barking’s offer whilst things like Pallet Pavilion and The Bath House, Barking help change perceptions. It is accepted that more work is needed in this area.



- 2.9 **Future of Vicarage Field:** With the loss of Asda from Vicarage Field shopping Centre in 2015, there are serious concerns regarding the viability of the centre. Recent ownership changes mean the new owners are reviewing their options and the Council will seek to engage with them as soon as possible. There is significant scope for redevelopment which includes residential development and a consolidated retail hub focussed on the Ripple Road/station parade frontages.

### **3. Consultation**

- 3.1 A BTC Workshop was held on 15 July with relevant Ward and Cabinet Members to look at the future of Barking Town Centre's vitality and viability over the next four years and how it can continuously prosper.
- 3.2 The members of the Barking Town Centre Team, made up of Council Members and officers, retail and businesses, investors, leisure and entertainment operators, was set up in 2011. The Group help to manage and promote the town centre and ensure that every opportunity to invest and increase the town centre's popularity is engaged. The Group will lead overseeing the implementation of the Barking Town Centre Strategy to address many of the concerns regarding retail, the night time economy, marketing and publicity, housing demand and supply, businesses and where it stands in the marketplace. A Residents' Town Team is proposed to be established to support community based improvements and engagement.
- 3.3 It is proposed to carry out public and stakeholder consultation on the draft Strategy in order to establish a strong shared vision and sense of ownership between the Council, residents, businesses and other town centre stakeholders.

### **4. Financial Implications**

Implications completed by: Carl Tomlinson, Finance Group Manager

- 4.1 The costs of producing the Town Centre Strategy and the subsequent public consultation can be met from existing Regeneration and Economic Development budgets. A sum of £5,000 has been received from the LGA and this funded some consultancy support that has informed the strategy.
- 4.2 The Town Team is strongly supported by the Authority but incurs no costs.
- 4.3 The production and finalising of the strategy document does not commit the Authority to any of the individual projects to be supported. These would need to be the subject of individual reports where the business cases and full financial implications would need to be separately assessed.
- 4.4 In general, there will be significant financial benefits to the Authority if the proposed Town Centre Strategy is successfully implemented. These include increases in Council Tax as a result of the rise in the number of housing units and increases in the level of NNDR as a result of expanding the business potential of the Town Centre area.

4.5 In addition to these potential increases in revenue, there will also be income in respect of New Homes Bonus, Community Infrastructure Levies and Section 106 agreements.

4.6 At this early stage in the process and with insufficient details available on the individual proposals it is not possible to accurately assess the actual amounts of income that will be forthcoming.

## 5. Legal Implications

Implications completed by: Evonne Obasuyi, Senior Lawyer

5.1 The report seeks Cabinet approval of the revised strategy for Barking Town Centre to promote the regeneration of the area as detailed in the report. Section 1 Localism Act 2011 provides Local Authorities with a general power of competence enabling them to do anything individuals generally may do. Legal implications may arise in the future delivery of the strategy and will be considered in more detail at that stage.

## 6. Other Implications

6.1 **Risk Management** - At this stage in the development of the strategy a detailed risk management assessment has not been carried out. A full risk management assessment will be carried out as each project progresses in the delivery plan.

6.2 **Contractual Issues** - There are no contractual issues related to the Strategy as a whole. Individual projects within the Strategy which may have contractual issues will be addressed through their own approval processes.

6.3 **Staffing Issues** - There will be more jobs created as part to support the construction of new housing. An increase of residents in the town centre will have both positive and negative impacts on local resources and this will need to be addressed at early stages of planning.

The Strategy sets out a comprehensive and extension programme of activities to deliver the vision set out in the strategy. It is important that sufficient staff resources are available to work with partners and co-ordinate the activities.

6.4 **Customer Impact** - The impact on retail, leisure, health service and schools will be significant as new communities move into the borough to access new housing.

No equality impact assessment has been undertaken to date, but will be conducted alongside public consultation of the strategy recognising the important role of learning lessons from past schemes and appropriate consultation including with disabled people.

6.5 **Safeguarding Children** - No direct issues arising but each action will ensure that there are no barriers for creating a safe area to live and play for example through Designing out Crime measures.

6.6 **Health Issues** - New housing, schools, leisure and retail will have a positive impact on increasing good quality housing and amenities for the local community, visitors

and businesses relocating to the town centre. Specific projects such as Care City will have significant benefits.

- 6.7 **Crime and Disorder Issues** - More town centre housing and facilities will increase surveillance and make the centre more active helping to reduce crime and disorder. Increasing town centre prosperity will also help address crime and disorder issues.
- 6.8 **Property / Asset Issues** - The Strategy involves significant property/asset issues however this will be assessed on a project by project basis and necessary approval secured. The Strategy will align with the Council's Accommodation and Assets strategy.

**Background Papers Used in the Preparation of the Report:** None

**List of appendices:**

- **Appendix 1:** Draft Barking Town Centre Strategy
- **Appendix 2:** Learning from London's High Streets

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**DRAFT**

2014/18

**Barking Town Centre Strategy**  
Realising Barking's full potential





Councillor Cameron Geddes  
Portfolio Holder for Regeneration

Town centres everywhere continue to play a key role in people's quality of life, providing economic opportunities, employment and places to meet, relax and enjoy. Barking will become East London's new cultural hub, provide a wide choice of good value homes, great places to meet and relax with significant new opportunities for work.

With superb accessibility, a growing diverse population and development potential Barking is extremely well placed to continue its transformation over the coming years. We will work with partners to co-ordinate and drive the changes required to ensuring Barking becomes a town centre more people actively choose to live, work, learn and spend time in.

High streets and town centres across the country are facing new challenges and there is a strong recognition that Barking will have to carve its own identity with a broader mix of functions based on retail and culture, but offering so much more. Barking Riverside, a new 11,000 home community will be served by a direct rail link to Barking - this is a superb opportunity for Barking but only if it offers the facilities and quality of environment which will attract and retain people. This Strategy aims to ensure the quality of development achieved over recent years continues and that the town centre's offer is broadened to meet the needs of existing and new residents.

I will work tirelessly with the Barking Town Team and others to deliver the vision set out in this strategy.

**Cameron Geddes**

**Cabinet Member for Regeneration**

**London Borough of Barking and Dagenham**

## Our Vision

The Council's vision and key priorities are:

One borough; one community; London's growth opportunity by:

- Encouraging civic pride
- Enabling Social Responsibility
- Growing the borough.

Barking Town Centre is one of five growth hubs which will help to deliver a wide range of new jobs, housing across the borough and make a significant impact to the Council's vision because it:

- Is 15 minutes from Central London
- Is East London's cultural hub
- Is a vibrant and culturally rich community
- Has space for creative industries
- Has superb accessibility
- Will have at least 4,000 more homes
- Is the major town centre for the borough.

The Strategy sets out how Barking's full potential will be realised to deliver jobs, homes, a wide range of uses which attract visitors and fulfil residents' needs with a strong identity and sense of place. Implementing the Strategy aims to finally bury outdated negative perceptions or lack of awareness of Barking.

The Council's Growth Strategy sets out how it will work with its partners to help support the growth of the local economy, attract investment, develop a highly skilled workforce able to access jobs in the wider sub region, regenerate places and deliver housing growth. The strategy supports the delivery to regenerate the town centre which is identified as a key focus for future economic growth, development and investment to address past decline and successfully position it as the first choice shopping destination for residents.

It is essential this strategy is implemented in a way that it is robust, provides flexibility to adapt to future national and regional as well as local policy changes whilst still continuing to drive and co-ordinate change with a strong focus on quality.



## Introduction

Over the last decade Barking has seen a massive change through regeneration (see page 7). There has been major public sector investment in facilities for residents which drive footfall in the town centre, including Barking Learning Centre, the Technical Skills Academy, Barking Enterprise Centre, the Broadway theatre and a new Leisure centre. There has also been substantial investment in the public realm. This strategy aims to build on the foundations of that investment to ensure Barking becomes a place people want to live, work, learn and spend their leisure time. Central to this is place making activity and our vision to make Barking the town centre for the borough and East London's new cultural hub.

Despite the progress many people's perceptions and awareness of Barking remain unchanged. We need to work with development partners on improving and promoting Barking's residential offer and work with businesses and residents to improve the commercial, community and arts offerings. Barking's full potential has yet to be realised and this Strategy aims to set out how it can be unlocked.

Population and demographic changes play a critical role in Barking. The borough has the highest birth rate in the country and rapidly changing ethnicity alongside substantial housing growth. This offers a range of opportunities for the town centre which the Strategy aims to address.



Barking Town Centre plays an important role in the life of the local community in which it serves. The town centre has proved to be resilient to the recent economic shocks, with low vacancy rates, shops that cater for a local niche market and services that are convenient and accessible. The demand for value goods is here to stay as consumers look for best quality at lowest cost items as economic circumstances limit the amount of money people spend. However it is critical that the town centre offers the shops, services, environment and activities people want

## History and Highlights

- The town centre is set within a conservation area where elements of the historic past remain and contains many ancient monuments and old buildings of interest.
- Barking Abbey was founded around 666AD, and stood for almost 900 years until it was destroyed by Henry VII. During that time it was one of the most important nunneries in England, and home to William I after the Battle of Hastings until the Tower of London was built.
- The Short Blue Fishing Fleet, based in Barking was once the largest in England, supplying fresh fish to London and leading the way with new fishing techniques such as 'fleeting' which used different ships to catch and transport the fish, and a huge icehouse stocked with ice collected from nearby marshes.
- Captain Cook married at St Margaret's Church in 1762.

*Valuing and enhancing Barking's heritage assets is a key element of the Strategy.*



East Street - Courtesy of Creative Commons Corporation

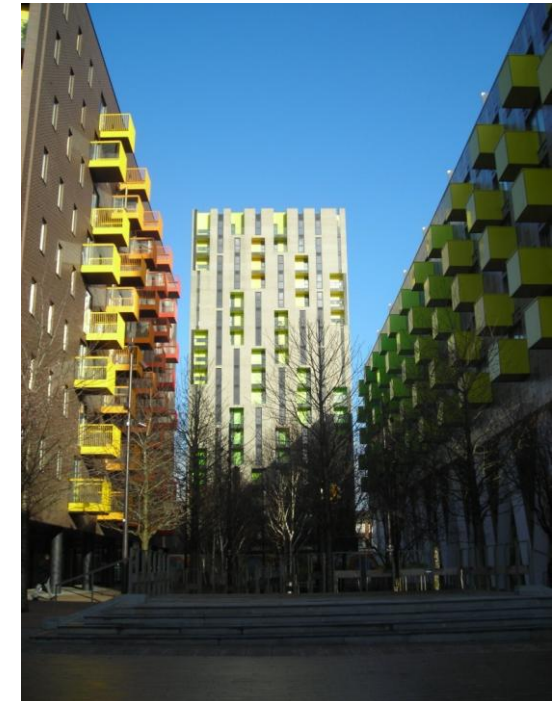


which will make Barking a place which attracts people to live, work and visit.

Barking Riverside development will, over the next 10-15 years, have around 30,000 residents. It is critical Barking becomes a desirable destination for these residents - this will be significantly helped by a direct rail link to Barking, however Barking's offer to new residents is as critical.

The town centre needs to become a more desirable destination for shopping and leisure with a more interesting

mix of brands and non retail uses to foster an enjoyable community life throughout the day and an evening economy to attract people from all backgrounds and those who live and work here. Barking needs to strengthen its role in the sub regional context through marketing and continuously promoting it's unique offer and working with partners and new and existing residents realise the full potential of the town centre.



## The Partnership Approach

A coordinated and comprehensive approach to the improvement of the town centre can only be achieved by a strong town centre partnership approach which is supported by the council, private landlords, local businesses, service providers, developers, residents and other stakeholders.

The town centre is supported by the Barking Town Team which is made up of local businesses, Council staff and Members, leisure, the Police, education and hotel providers. A community led team will also be established which will help to deliver the objectives of the strategy. To develop and influence the effectiveness of these teams successful collaboration is required on developing and implementing the Town Centre Strategy. The Town Teams will play a key role in coordinating this process and ensuring the action plan is reviewed and updated on a regular basis.

## BARKING TOWN CENTRE KEY DRIVERS



# The Changing Face of Barking Town Centre – some highlights from last eight years

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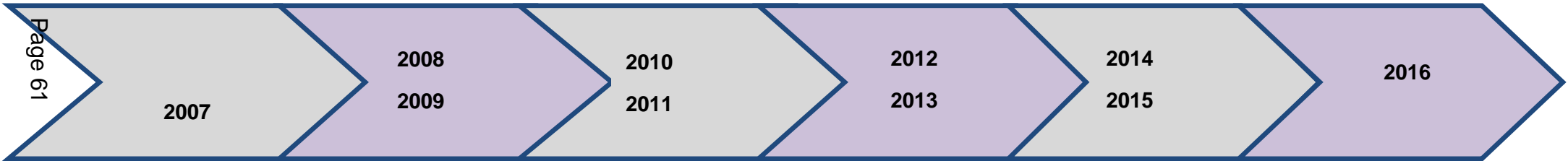
- The Lintons, a 1960s housing estate is demolished
- First phase of Barking Central completed
- The Malthouse opens at the Icehouse Quarter offering studio space

- Travelodge opens in the town centre
- Town Square opens winning numerous awards
- Foyer opens offering temporary accommodation to 16-24 year olds
- Lemonade building built offering 1-2 bed flats
- Child and Family Centre opens

- Barking Bathhouse pop up spa
- Housing Estate Renewal Programme works start at Gascoigne
- The Granary reopens with modern extension

- WSQ Phase 2 complete
- Pallet Pavilion
- Ice House Quarter Phase 1 housing complete
- New Abbey Leisure Centre opens

- Barking Station internal improvements underway
- Abbey Retail Park redevelopment commences
- Phase 2 of Ice House Quarter new housing complete
- Initial London Housing Zone schemes underway



- Barking Central/Barking Learning Centre opens
- Equinox House opens – new housing
- The Lighted Lady art sculpture unveiled

- Axe Street housing complete
- Tanner Street housing complete
- Secret Garden public art unveiled

- Tesco Express opens at Longbridge Road/Ripple Road
- ELT1a Phase 1 complete
- The Arboretum public space unveiled
- Barking Enterprise Centre opens

- Barking Station Forecourt works complete
- Short Blue Place (Phase 1) public space complete
- Technical Skills Academy opens
- Construction of new Asda underway
- William Street Quarter (WSQ) housing Phase 1 complete

- East Street works commence
- Magistrates Court complete
- London Road/North Street mixed use development including ASDA complete
- The Bath House Barking/Cambri dge Rd starts



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## Strategic Objectives

The aim of the strategy is to continue and extend the successful work that has already taken place in the town centre and building on its key assets to deliver the vision. The town centre strategy has five objectives which will drive delivery and transform the town centre:



### HOUSING DELIVERY

Provide a wider choice of quality good value homes

By providing, through a London Housing Zone, a range of affordable and convenient sites for development and making Barking a desirable place to live which further supports town centre prosperity

### PLACES OF WORK

Increase the town centre's profile as a place to do business, enable the creation of attractive workspaces (incl shops and market stalls) and create more jobs

By focusing on creating a stronger business, leisure and retail offer in the town centre's core area

### EAST LONDON'S CULTURAL HUB

Promote the creative industries and participation in arts and culture

By offering a range of affordable spaces and empowering people to boost their creative skills

### ACCESSIBILITY

Improve the transport infrastructure and provide convenient access to the town centre

By investing in making travel, movement and the street scene in and around the town centre more attractive, safe, convenient and enjoyable

### PLACE MAKING

Continue to improve the quality of buildings, spaces, valuing heritage, engaging people and its diverse communities in Barking's future

By making places more attractive for a wide range of people and creating new reasons to visit

## *Housing Delivery: Provide a wider choice of quality good value homes*

The Council has a very strong track record and reputation for delivering new housing – directly and in partnership with others. The Council has utilised its land, its expertise (including extensive use of compulsory purchase powers), its financial freedoms, its innovative thinking and its partnerships to deliver award winning schemes in a co-ordinated way with a clear focus on quality.

Given Barking's accessibility, the private sector is only just awakening to the potential for new housing and, as part of a London Housing Zone bid, the Council has proposed over a dozen sites where new housing can be brought forward as part of a co-ordinated programme. New town centre housing will focus on one and two bedroom apartments recognising the superb accessibility and the opportunity to house people in work looking for more affordable properties to buy or rent. The bid includes a range of tenures including private rented sector where new developments are rented out and well maintained by a single management company. The bid recognises the importance of ensuring Barking's offer to residents improves if Barking is to become a destination of choice. The nascent restaurant and evening economy in particular can be improved by co-ordinated new housing development.

Delivery of the London Housing Zone proposals for Barking Town Centre with a wide range of partners will have a major impact on delivering the strategy's objectives helping to

increase the range of shops and services on offer so spending can be retained in the town centre to help boost the economy.

The transformation of the Gascoigne Estate will have a major impact on the town centre. The regeneration programme will see the Council's housing stock replaced with new mixed tenure homes of high quality.





With the changing landscape the retail environment has had to adapt since the economic instabilities commenced. It is recognised Barking cannot compete with centres such as Stratford City in terms of retail offer. It can however position itself as a good place to live, work and spend time and provide a local retail catchment meeting residents' needs. The Strategy focuses on consolidating and enhancing the retail offer but also supporting growth of employment sectors in the town centre.

#### Key Issues

- Despite the economic climate vacancy rates in Barking are low compared to the national average and neighbouring town centres.
- There is a strong presence of independent shops which make Barking Town Centre a desirable location for retailers and do not fit the "clone town" image of other high streets.
- Dominance of low value goods and services has helped the town centre during tough economic times however it is important to support the widening of the offer to make Barking a more desirable place to live, work and spend time.
- Barking has one of the highest business start up rates in the country which makes it a desirable location for trading.
- One of the Barking's unique selling points is the lively street market which operates four days a week selling goods at reasonable prices to meet local demand – however there is significant scope to improve the market and utilise it as the easiest means of 'ratcheting up' the offer over time.

The completion of the London Road/North Street development in 2015 will provide a key anchor supermarket for the town centre and act as a catalyst for further development.

The future of Vicarage Field Shopping Centre is critical to the retail offer and the Council and partners will work closely with the new owners to secure a viable future in line with this strategy. This is likely to involve broadening the mix of uses.

Planning policy reviews will determine the extent of primary retail frontages however it is recognised non protected frontages remain active in retail uses given they provide affordable space for start-ups.

The strategy focuses on delivering and improving a wide range of places of work in the town centre to help bring vitality, footfall and spending power to Barking. Key places of work include Barking Enterprise

#### Improving the Evening Economy

The evening economy provides a cultural and leisure opportunity where people can relax and enjoy the catering and entertainment offer in a safe and secure atmosphere. A thriving night time economy can bridge the gap between the retail core hours during the day to the evening activities making the town centre continuously vibrant and lively. It encourages the extension and promotion of the town centre as an early evening destination with arts, culture, entertainment and catering provision..

Currently the town centre would benefit from more quality restaurants, cafes, a cinema and holding events to improve the evening entertainment.

**A specific evening economy workplan will be established to ensure the leisure centre, theatre and new cinema are coordinated with private sector offers.**



Centre, the Ice House Quarter, existing office space, Council buildings and Care City (see right hand panel).

Through improving the creative industry space, office stock through good public relations and signage to promote available workspace and office space can attract artists and suppliers looking to relocate to affordable and quality space that meets their requirements. We will also look at supporting pop-up and meanwhile uses where possible to reduce vacant units and promote the arts.

Skilled labour is needed to support the growth of the local economy. This can be delivered through the Technical Skills Academy and the Adult College both with town centre locations. These can be supplemented by Care City and Barking Enterprise Centre focussing on more specific sectors.

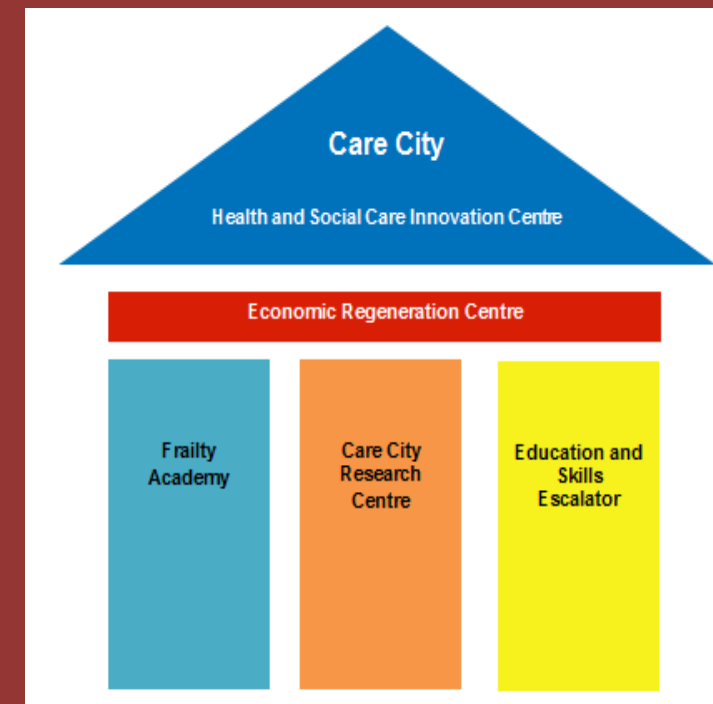
Barking town centre will be the key office focus for Barking and Dagenham ensuring office workers support the town centre. New developments such as schools will generate significant numbers of new jobs.



## Care City

Care City is a new concept in urban health and community care led by North East London Foundation Trust and LBBB. Through integration and innovative partnerships with industry, social enterprises and the academic and charitable sectors Care City will stimulate economic growth, investment and regeneration in B&D.

Care City will consist of five core components shown below. These components will work together as a health and social care innovation centre to build a sustainable model to improve employment opportunities and quality of life for the local community and to drive education and research into practice.



A key focus for raising Barking's profile, changing perceptions and providing a vibrant, interesting place to live, work and visit is the ambition to make Barking East London's new cultural hub.

The Broadway theatre is critical in this working in a new partnership with the Barbican and the Guildhall alongside Barking & Dagenham's College's Performing Arts school.

The Ice House Quarter is establishing itself as a superb location for creative industries with the recent completion of Creative Square and the opening of The Boathouse riverside venue. There is ample scope for more creative industries to join the growing collection of innovative and exciting artists, furniture makers, fashion designers, caterers, theatre companies and film makers.

Roding Riverside's cultural focus can be further enhanced through proposals for community moorings and floating gardens on Barking Creek enhancing the already very creative community for wider economic benefits.

The Barking and Dagenham Creative People and Places programme is raising arts participation through small scale grants and support through to landmark commissions. Up! Barking has already produced bold artwork on hoardings whilst engaging local young people in the designs. The striking Pallet Pavilion project involving the creative engagement of local people to bring vibrancy and quirkiness to Barking will continue with other initiatives.

The borough's reputation for public art is strong. The Secret Garden was in the Observer's Top 10 public art works whilst Town Square and the arboretum have won numerous awards. Short Blue

Place and The Catch reflect Barking's fishing heritage in a modern attractive way. These add visual interest and identity to Barking. Events and activities can raise Barking's profile as a cultural hub alongside attracting footfall to support local businesses.

Delivery of a cinema is key action for the strategy.

An improved Barking market offers the potential for stalls which showcase Barking's creative talents. The permanent venue for the Bathhouse Barking will provide cultural venue furthering improved perceptions of Barking.



### **The Bath House Barking and Cycle Hub**

The Bath House Barking, which is currently operating out of bespoke rooms in the Barking Learning Centre, is to be rebuilt at a site on Cambridge Road in partnership with Swan Housing, subject to planning permission. The Barking Bathhouse was a great success as a temporary 'pop-up' bar and spa facility at Axe Street car park during the London Olympics 2012, but was demolished to make way for the new leisure centre that is currently being built. The new facility will retain most of the original Bathhouse features, including spa and sauna facilities, as well as a larger bar area and event space and become a strong destination and clear part of Barking's offer.





## Accessibility- Improve the transport infrastructure and provide attractive convenient access to the town centre

One of Barking's assets is its accessibility by road and public transport – its status as East London's second busiest transport hub needs to be promoted widely known.

The gateways into the town centre play an important role for the image of the area and impact on how visitors and the local community perceive the place. The council has been embarking on an improvement programme of works in the physical environment to promote civic pride.

Barking station's forecourt has been improved with new public realm improvements but the internal layout still remains outdated, unattractive and confusing to visitors and commuters. The Council will be working with C2C to implement the improvements proposed as part of their franchise and seeking to ensure a high quality gateway into Barking is achieved.

The town centre is easily accessible by bus and car but lacks a network of cycle paths. Two cycle routes exist and a secure cycle shed at London Road Car Park with significant cycling parking around the town centre but there are further plans to extend the routes and facilities around the town centre.

Car parking is affordable and has one of the cheapest charges compared to its neighbouring boroughs. Parking spaces are available at London Road, Vicarage Field Shopping Centre, Axe Street and parking bays around the town centre.

Improvement schemes to help improve connectivity and accessibility are:

- Improving Barking Station by 2017 which will include new lifts on each platform and a new layout of the concourse with better designed retail units to create a more customer friendly environment.
- New cycling routes in and around the town centre to help not only people who are going to their destinations but also to help with ease of movement.
- Improving the gateways and key entry points from Ripple Road, London Road and Longbridge Road and from the station.
- Creating attractive walking routes to new developments are critical to enhance the area for residents and the public who use these walkways.



Improved design and an enhanced public realm will make the town centre a more pleasant and enjoyable experience for people living, working and visiting the town centre to the benefit of business. The public realm should be robust, visually exciting and of a high quality. It should be accessible to people of all age and physical abilities. If the town centre is to become more attractive to investors, visitors and residents it should have a high quality environment which people feel safe, relaxed, and legible for all and be able to enjoy the purpose built public spaces created to enhance their experience.

Our aim is to increase visitors to the town centre and ensure that they return and stay longer. This can be achieved by strengthening the town centre's credibility, promoting a positive image and changing people's perceptions. Good marketing and publicity is essential to raise the profile of the town centre to a wider and larger catchment area. Special events, promotional activities, launching a new facility, a building or providing newsletters, articles and media releases are all targeted to increase the number of visitors. Improving public relations helps to communicate the town centre's existence, why people should visit and how it can contribute to creating an enjoyable shopping experience with what it has to offer.

The shop front improvements called Paint the Town funded by Outer London Fund Round 2 helped to change the safety and appearance of the town centre at night with artistic designs on shop security shutters and new enhanced signage and internal makeovers. Further intervention in public realm will be required to change the current perceptions of the town centre and improve the commercial performance of occupiers or the quality of the building stock.

Engaging Barking's diverse communities in delivering the Strategy is key and UP! Barking will be utilised as a key engagement tool actively involving local people in town centre activities and helping support a widening of the offer.

### KEY ISSUES

- Improving gateways (arrival points) into the town centre are critical in changing people's perceptions and attracting visitors.
- A new car parking strategy is required to ensure parking needs are met.
- Improved cycle routes and facilities.
- Legible London signage to improve wayfinding and attract more visitors.



- Quality green spaces around the retail core can provide attractive places for retail and office workers during their breaks and free time. Barking Town Centre includes two superb parks - Abbey Green including the attractive ruins and Barking Park which has seen Heritage Lottery Fund investment to transform it to its Victorian heyday. The green open space provides a distinct asset which underpins the health of the town centre. The area is under-exploited and opportunities to provide events and activities can increase its use. The council aims to nurture and improve historic sites allowing more accessibility for public use and improving the historic understanding of its present and future.
- Awareness of the River Roding is extremely limited yet it provides a distinct asset and significant development potential. Further development at Roding Riverside will enable developments along the River Roding to reach their full potential and strengthen the current weak relationship between the town centre and the river. The Council will work with the Ice House Quarter Community Interest Company and others to ensure Roding Riverside fulfils its potential.
- The physical design and management of the public realm should be well maintained and visually attractive at all times.
- The town centre is set within a conservation area where elements of the historic past remain and contains many ancient monuments and buildings of interest. Building partnerships with private landlords and leaseholders to improve the quality of the buildings and shop fronts will help to deliver a high quality town centre based public realm.
- Events will continue to facilitate a variety of activities for all the family. The Arts Strategy and the Creative People and Place Programme will help to promote a programme of events and

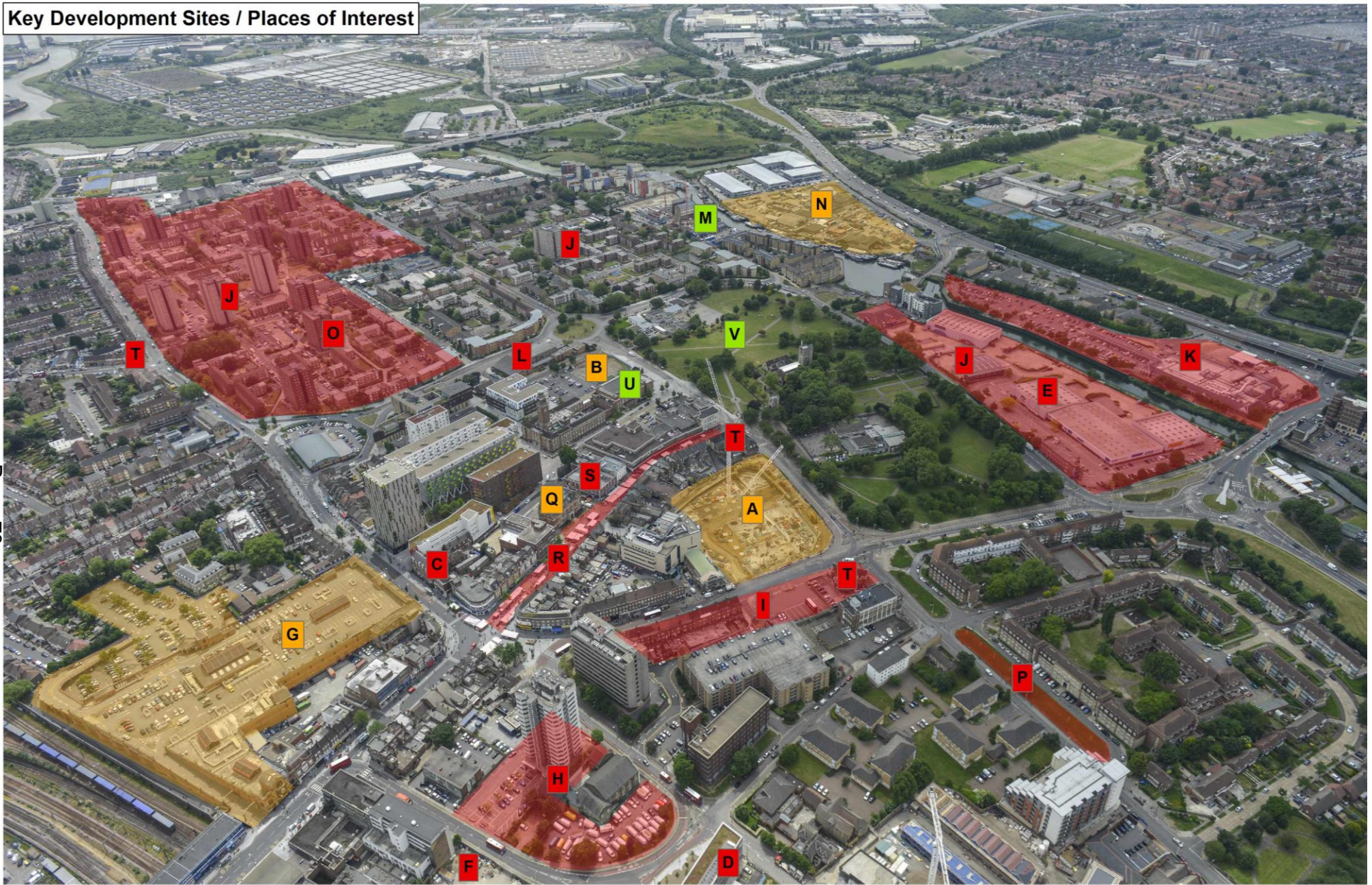
activities to attract new visitors to the town centre. This could form part of the new entertainment and leisure offer which are being planned and help celebrate the culture of the town's increasingly diverse population.

- Publicity is a very valuable tool and can clearly promote the arts, culture, entertainment and retail offer. Clearly there are many uses in the town centre with their own publicity and marketing and the scope for seeking to maximise more united promotion of the whole Barking town centre should be explored.
- Town centres and local businesses need to stay in touch with the rapid rise of new technologies introduced as people not only shop online in the comfort of their homes but increasingly on their smartphones. Retailers need to be more creative and can offer collecting points for shoppers or introduce QR codes to download which takes the customer directly to their discounts and promotional offers. The Town Guide App and loyalty scheme can assist and local business support agencies can help small businesses and retailers with suitable training to up skill their staff and provide a unique customer experience.
- [www.UpBarking.co.uk](http://www.UpBarking.co.uk) and associated social media pages will be utilised as a key tool in promoting Barking's improved offer.





# Key Development Sites / Places of Interest



- A. London Road/North Street: new supermarket, café, car parking and housing
- B. Investment in a new Leisure Centre
- C. Police Station Redevelopment
- D. Barking Enterprise Centre Phase II
- E. Abbey Retail Park Redevelopment
- F. Health and Well Being at The Bathhouse Barking
- G. Vicarage Field Shopping Centre: refurbish, remodel or redevelop

- H. Cambridge Road/ Linton Road
- I. London Road Redevelopment
- J. Potential new schools development
- K. Tesco supermarket, Highbridge Road
- L. Care City/Cinema/residential mixed use scheme
- M. Ice House Quarter
- N. Redevelopment of Freshwharf
- O. Gascoigne Estate Renewal

- P. Development Opportunity - North Street
- Q. Magistrates Court Residential / Commercial Use
- R. East Street / Barking Market Improvement
- S. Development opportunity
- T. Redevelopment of public houses
- U. The Broadway Theatre
- V. Abbey Green

- Key**
- planning application approved
  - development opportunities
  - places of interest



## Site A



### London Road and North Street Redevelopment – Asda Supermarket and housing

- **Planned uses**
  - Phase 2 sees the construction of a new 40,000 sq ft Asda supermarket which will deliver 100 privately rented residential apartments, small number of retail units on the ground floor and 350 parking spaces. The Asda will employ around 350 staff which will boost the local economy. See indent of the completion of Phase 1 - Short Blue Place.
- **Progress to date**
  - Construction has started on site with Phase 1 complete.
- **What happens next**
  - Phase 2 - completion due in 2015.

## Page 71 Site B



### Investment in a new Leisure Centre

- **Planned uses**
  - A new state of the art leisure centre is being built on Axe Street which will provide a range of health and fitness activities. The centre will boast a modern and contemporary feel to the building which will help improve the night time economy and make the town centre a vibrant place.
- **Progress to date**
  - Building works have commenced.
- **What happens next**
  - Completion in early 2015.

## Site C



### Police Station Redevelopment

- **Planned uses**
  - Mixed used development
- **Progress to date**
  - Police relocated to Barking Learning Centre.
- **What happens next**
  - Building has been sold.
  - The Edwardian police station in Ripple Road – designed by Metropolitan Police architect John Dixon Butler (many of whose police stations in the capital are now Grade II listed), and completed in 1910 is a key heritage asset so any proposals should be sympathetic to this.

## Short Blue Place

A new public space has been created to improve the links in the town centre for the new state of the art Technical Skills Academy and the new Asda supermarket which opens in 2015. Short Blue Place has created a relaxing space for students, residents visiting the church and local people enjoying the new café and seating space.



## Site D Barking Enterprise Centre

A particularly important element of the town centre's offer is the Barking Enterprise Centre which opened its doors in 2011 offering 'easy-in, easy-out' accommodation for around 50 small businesses. The building provides high environmental standards with a courtyard garden for external business events as well as a large training/meeting room. The centre manages the borough's business start-up and support services offering one to one counselling and starting a business course for local entrepreneurs which is proving successful. Subject to funding there is scope for the enterprise centre to expand as it is working nearing full capacity. This will help maximise the current demand for small business space.



Site  
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### Abbey Retail Park Redevelopment – Residential and / or Commercial Use

- **Planned uses**
  - Existing uses include Halfords. Proposals to provide a mix of retail, residential and a primary school
- **Progress to date**
  - Sainsbury's supermarket has applied for permission on part of site. Agents are also in discussion with the Council to look at feasibility of a school/residential opportunities
- **What happens next**
  - In discussions with a range of stakeholders to move the redevelopment forward.

Site  
F



### Cambridge Road: Health and Well Being at the Bath House Barking

- **Planned uses**
  - 200 homes plus permanent home for The Bath House Barking becoming a key destination and perception changer for Barking as part of a mixed use development.
- **Progress to date**
  - Temporary facilities available at Barking Learning Centre whilst the new site is being negotiated at Cambridge Road.
- **What happens next**
  - Working with Swan Housing and their architects, Studio Egret West submitting a planning application in late 2014.

Site  
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### Vicarage Field Shopping Centre

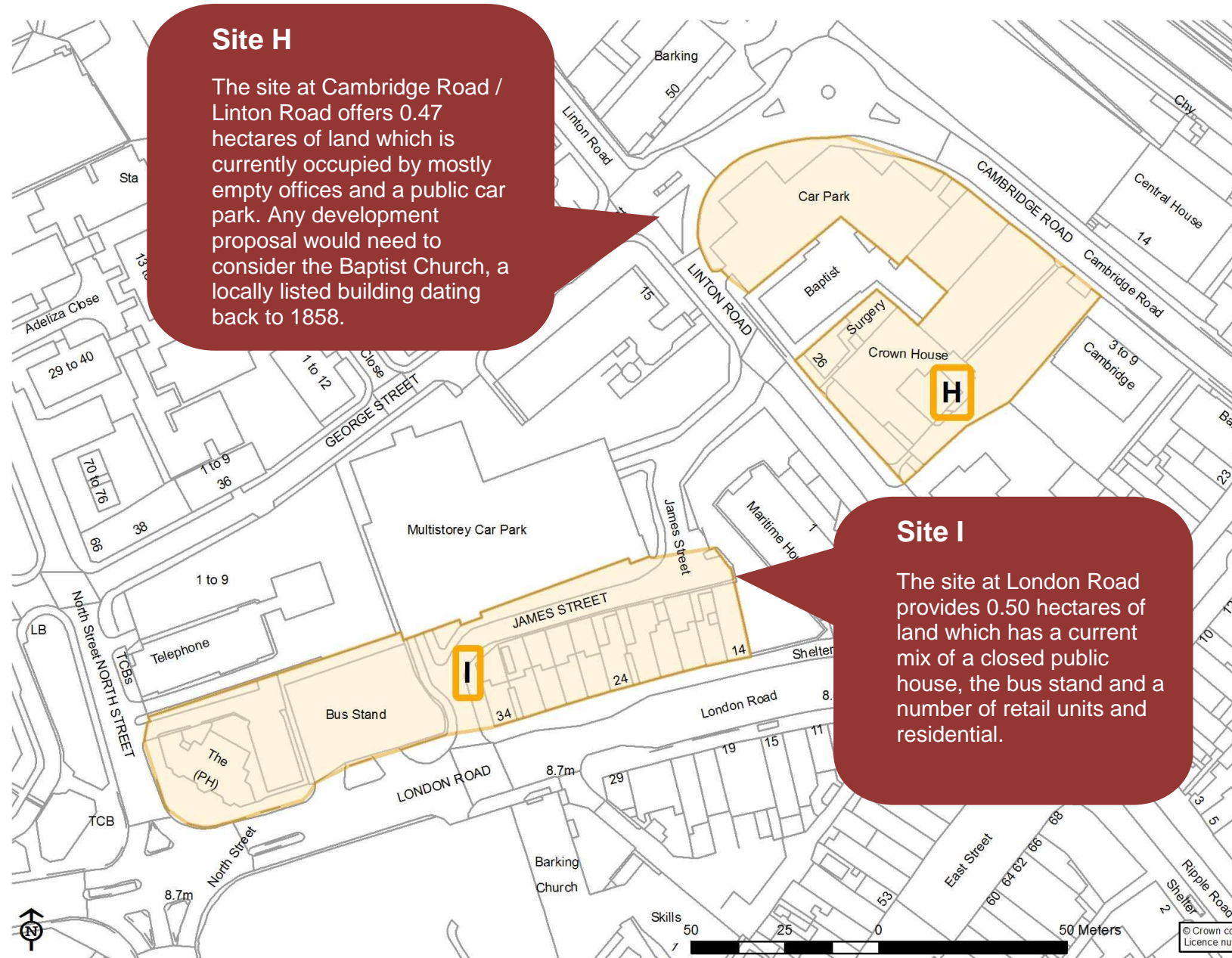
- **Planned uses**
  - 2.4 hectares of additional retail space and residential planning permission secured
- **Progress to date**
  - Economic instabilities halted implementation of approved plans. New owners are considering options.
- **What happens next**
  - Working with new owners on supporting a long term future for the site including additional housing.



# Potential areas for mixed use development as part of Housing Zone

A key part of making the town centre livelier and safer will be ensuring that more people can live and work here. Maximising opportunities for new housing to be built in and around the town centre will provide an environment within which businesses can thrive. Below are specific key opportunity sites identified which the Council will work with investors to consider the potential of mixed use schemes for development.

The redevelopment of Site I would require active ground floor frontage on London Road to enhance the current redevelopment of the Asda development site. It would create a livelier outlook to the town centre for passing traffic and the existing bus route which enters and leaves the town centre. As the town centre has a good mix of comparison and convenience shops the core frontage on the main high streets in the centre will be retained. Any proposals would be supported if there is a positive addition to its mix, would attract more people, encourage more spending and help support a more pleasant shopping environment. Good design is essential to complement the existing new buildings.



Page 73

**Site J**



**New Schools**

- **Planned uses**
  - Three potential sites identified to cater for additional school provision due to new housing developments, increase in population and rising birth rates.
- **Progress to date**
  - Working with Government and investors to create new facilities which will help meet growing demands whilst attracting parents and children into the town centre to create a lively community atmosphere.
- **What happens next**
  - In discussions with relevant parties to move the opportunity forward.

**Site K**



**Tesco Supermarket, Highbridge Road**

- **Planned uses**
  - Retail expansion/alternative uses for surplus parking.
- **Progress to date**
  - Planning permission approved but turned down at judicial review.
- **What happens next**
  - No further plans as yet, relatively good footfall which may be sufficient to sustain a viable edge of town convenience store with retail in current market conditions.

**Site L**



**Care City, Residential and Cinema**

- **Planned uses**
  - Care City (see page 11), cinema and residential apartments as part of a mixed use development.
- **Progress to date**
  - Mix of uses have been agreed and bids being sought.
- **What happens next**
  - Planning application expected early 2015.

**Site M**

**Ice House Quarter**

The two phase Abbey Road scheme is well under way after delivery of the first phase of 134 residential units, 52 allocated car parking spaces and a creative and commercial hub.

Phase 2 involves Bouygues Development providing a further 144 residential units and 900sq m of creative and retail space for LBB. The housing will complement the existing Ice House Quarter by providing a living space with creative and commercial opportunities.





**Site N**



**Redevelopment of Fresh Wharf**

- **Planned uses**
  - Planning consent approved for circa 1000 units predominately private for sale.
- **Progress to date**
  - Economic instability has delayed the scheme.
- **What happens next**
  - Site forms part of London Housing Zone application.

**Site O**



**Gascoigne Estate Renewal**

- **Planned uses**
  - 1,800 units – 40% private sale, 40% affordable rent and 20% shared ownership
- **Progress to date**
  - Phase 1 under construction and Phase 2 decanting in progress
- **What happens next**
  - Total of four phases with Phase 1 of 403 units completing in 2016. Whole scheme will take up to 2020 to deliver.
  - Gascoigne West forming part of London Housing Zone bid.

**Site P**



**Development Opportunity – North Street**

- **Planned uses**
  - Area of land adjacent to existing housing for further housing opportunity
- **Progress to date**
  - Proposals for 16 striking new low rise homes
- **What happens next**
  - Planning application and funding proposal.

**Site Q**

**Magistrates Court Residential / Commercial Use**

The Grade II listed Barking Magistrates Court designed by CJ Dawson is a grand Flemish-Renaissance style late Victorian landmark which dates from 1893. The building on East Street was originally used as public offices and a library until the 1950s. It then became a courthouse which ceased operation in 2011.

The building, which has impressive architecture and character will be converted into 37 flats and 609 sq m of commercial floorspace for restaurant/café and/or retail units at ground level including a modern rear extension.

Works are underway to restore and extend the historic building which will increase residential use and help contribute to the evening economy by providing a key focal point in the town centre.

## Site R

### Improving East Street and its thriving Street Market

East Street is a commercial, pedestrianised street in the town centre. As well as being Barking's main high street, it is a key East-West connection linking Barking Station to the historic Abbey Green and onwards to the River Roding. East Street is also home to Barking Market, a vibrant street market which plays an important role in bringing footfall to the town centre and reflects the rich ethnic diversity of the local community in Barking.

East Street lies in a conservation area with many architectural buildings of some art-nouveau style dated back from the early 20th Century which gives the street a distinct character above the parade of retail shops. The main roads into the town centre have seen some remedial works whilst East Street has remained unchanged.

There is a need to improve the quality and appearance of East Street by upgrading the existing public realm and seeking ways to enhance the appearance and layout of Barking Market. This will ensure that East Street is brought up to the high standard of recent developments and regeneration schemes in Barking Town Centre to support existing businesses, attract inward investment and improve the quality of life for local people.

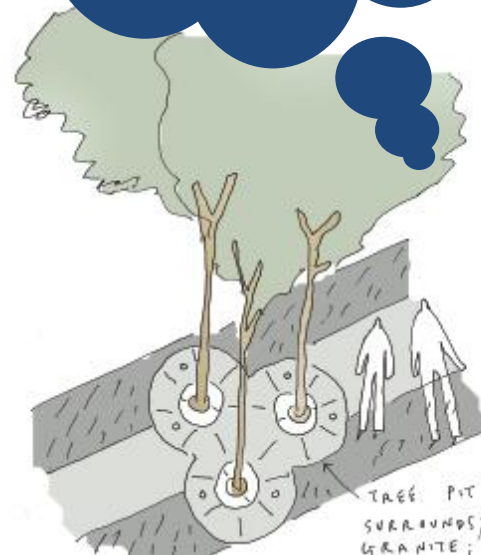
Introducing a greater choice and quality is a key challenge for Barking Market. The 2012 Consumer Survey found that people liked the street market and felt it was a valuable asset for the town centre. There were strong concerns about the cleanliness and safety of the market itself, particularly during setting up and dismantling the stalls.

The redesigns will offer a more attractive, accessible and contemporary space. The street will see new lighting, trees, signage, paving and a new market layout to compliment the changes. The Street market offers an ideal opportunity for the 'ratcheting up' of the offer to meet residential requirements. It is much easier to change the offer at market stalls compared to retail units.



Increasing the greenery of East Street by grouping trees in clusters in key locations along East Street, with appropriately placed benches and bins. Replacing the existing lighting with high quality catenary lighting and feature uplighting.

Placing market stalls back-to-back down the centre of the high street, facing outwards, will allow wider pedestrian footways and better interaction with shop fronts. Better placed benches and bins.

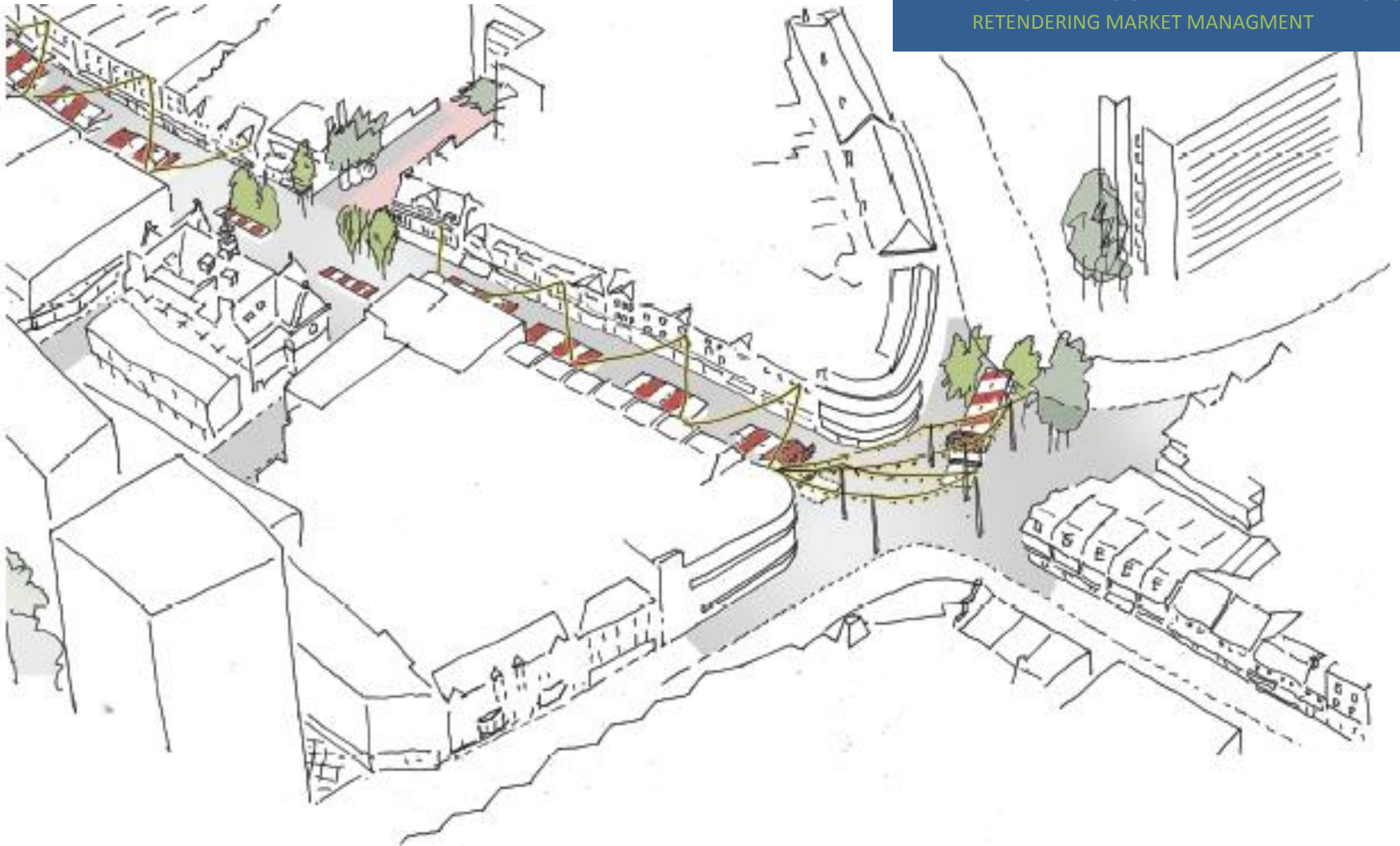




# New East Street/Barking Market proposals

## NEXT STEPS:

- ATTRACT AND SECURE FUNDING
- PHASED IMPLEMENTATION
- IMPROVEMENTS CAN BE IMPLEMENTED ALONGSIDE RETENDERING MARKET MANAGEMENT



## Barking Town Centre Strategy Deliverables

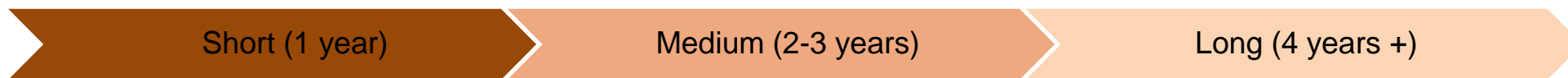
### Objective One – Housing Delivery

| Short (1 year)   | Medium (2-3 years)  | Long (4 years +)   |
|--|---|--|
| London Road and North Street redevelopment PRS scheme (first in Barking) complete      | Start on site at :London Road, Former Police Station redevelopment, Crown House, North Street, Cambridge Road, Fresh Wharf, Abbey Retail park | Intensification and redevelopment around the station         |
| Formulation of Roding Riverside aspiration zone  | Gascoigne Estate Renewal Phase 1 complete – 400 homes   | Gascoigne Estate Renewal Phase 2 underway                    |
| Approval of Barking Town Centre London Housing Zone and establishment of Board.        | North Street housing development planning application underway  | Cambridge Road / Linton Road commence land assembly complete |
| Cambridge Road, North Street, Axe Street, former Police Station applications submitted | Former Magistrates Court residential complete – 37 homes  | Fresh Wharf development complete                             |
| Improved place marketing of Barking Town Centre  | Ice House Quarter Phase 2 and riverside open space complete   | Further Abbey Road development underway                      |
| Start on site at L&Q Abbey Road, Ice House Quarter Phase 2, former Magistrates Court   | Gascoigne West land assembly and masterplanning   | Amended Vicarage Field development commenced                 |

## Objective Two – Places of Work

|   | Short (1 year) | Medium (2-3 years)  | Long (4 years +)  |
|---|----------------|---|---|
| Future of Barking Enterprise Centre established   |                | East Street / Barking Market improvements delivered and market stalls diversified | Deliver Phase 2 of Barking Enterprise Centre  |
| Working with the Greater London Authority (GLA) to ensure opportunities from their landholdings are maximised (Places of work fund)         |                | Start on site once planning application approved to build the Bathhouse Barking   | Provide continued support for apprenticeships, including through major capital projects                                       |
| Marketing and promotion of the Barking Town Centre App and other social media   |                | Care City and Cinema planning approved and development commences                  | Secure funding to deliver added value job brokerage service through the Job Shop and other programmes                         |
| Support promotion of former Magistrates Court commercial space  |                | Market creative space and retail units at Ice House Quarter (Phase 2)             | Seek to increase skills funding to widen participation at the new Barking campus of the Adult College of Barking and Dagenham |
| Maximising the effectiveness of the Town Teams  |                | Maximise local residents leaving Technical Skills Academy with vocational skills  | Year and year increase in number of businesses  |
| Evening Economy workplan produced. Conduct surveys and questionnaires to understand the diversity mix and whether their needs are being met |                | Start on site for Sainsbury's   | Conduct surveys and questionnaires to understand the diversity mix and whether their needs are being met                      |
| Market creative space and retail units at Ice House Quarter (Phase 1)   |                |   | Care City established and recognised as ground breaking new way of working  |
| Where possible supporting and enabling pop-up and meanwhile uses to enhance Barking's offer   |                |   |   |

**Objective Three - Promote the Creative Industries and Participation in Arts and Culture**



|  |   |  |
|--|---|--|
| New Leisure Centre opens   | Delivery of new cinema  | Ice House Quarter fully occupied and recognised as East London's most creative hub                                   |
| Improve the profile for arts and culture and Ice House Quarter as East London's cultural hub. Opening of The Boathouse riverside venue.  | The Bath House Barking permanent space built and open   | The Bath House Barking established as innovative health and well being centre and significant town centre attraction |
| Continue to offer diverse and flexible spaces that are attractive to creative industries, including providing innovation hubs, community spaces, meeting and event facilities. | Promote the Broadway Theatre and offer a range of activities to get people involved   |  |
| Establishment of Roding Riverside group and promotion of opportunities   | Working with local creative businesses to develop ideas for 'meanwhile' spaces, these might be for young people to try out a business idea. |  |
| 2015 One Borough programme of events and activities  | Barking Creek Community Moorings and floating Gardens established   |  |
| Continuation of Up! Barking initiative including fully utilising scope of website  | Subject to HLF success, implement Townscape Heritage project  |  |

Promotion of Barking Walks

Creative People and Places programme delivering objectives

**Objective Four - Accessibility**

|   | Short (1 year) | Medium (2-3 years)   | Long (4 years +)   |
|---|----------------|--|--|
| New Legible London signage  |                | Improve Barking Station with new lifts and new internal layout   | Complete roll out of Legible London around the Town Centre                         |
| Produce and implement a BTC Car Parking Strategy  |                | Improving the gateways and key entry points from Ripple, London and Longbridge Road and at the station | Delivery of the extension from Barking to Barking Riverside on the Gospel Oak Line |
| New cycling routes and facilities in and around the town centre   |                | Reconfigure London Road Car Park to meet future development needs                                      | Tackle accessibility at junction at the old Malthouse                              |
| Secure approval for GOBLIN extension  |                | Improving pedestrian linkages and accessibility  |  |
| New Car park at London Road/North Street  |                | Improving parking and access to available parking  |  |
| Devise proposals for BTC gateways   |                | Implement gateway proposals  |  |
| Lobbying for Crossrail to Barking and/or Barking to Stratford direct rail link  |                |  |  |
| Lobby for Barking to be a Zone 3 station and for Hammersmith and City line to be renamed Hammersmith to Barking line. |                |  |  |

**Objective Five – Place making**

|  | Short (1 year) | Medium (2-3 years)   | Long (4 years +)   |
|--|----------------|--|--|
| Short Blue Place Phase 2 completed   |                | Improving East Street and Barking Market   | Reducing the number of hot food takeaways and betting shops                          |
| Maximising the full potential of Roding Riverside  |                | Improving the streetscape and tackling maintenance issues  | More meanwhile uses in the town centre   |
| Delivering the Heritage Lottery Fund bid if successful to improve shop frontages above ground level and those dominated by poor quality frontages and a lack of character. |                | Tackling vacant buildings and public houses that blight the high street  | Barking Market a recognised East London attraction with significantly enhanced offer |
| Promoting the rich heritage and fostering a sense of pride   |                | Improving more shop fronts and security shutters under the Paint the Town project if funding found for additional remedial works |  |
| Changing people’s perceptions by promoting more events and activities to engage the community and attract more visitors  |                | Working with leaseholders to improve the building opposite Barking Station   |  |
| Tackling unsightly public realm that still exist in the town centre including Linton Road, Broadway and London Road.   |                |  |  |
| Establishment of Residents Town team and expansion of role of Up! Barking  |                | Using funding streams /public grants to aid development  |  |





Earlier borough-led investment created new spaces in the area – Philipp Ebeling, 2013

# 1

## BARKING TOWN CENTRE HOW LONG-TERM STEWARDSHIP HAS ENSURED COORDINATED CHANGE

### Borough

Barking and Dagenham

### Client/partners

Barking and Dagenham, Mayor of London

### Consultants

Creatmosphere, Lucentia Design, muf architecture/art, Patel Taylor, Project Centre, Remarkable Productions

### Duration

September 2011 – April 2012

### Funding

Mayor of London £650,000, TfL £500,000, Barking and Dagenham £418,459

### Headline figures

£1,350,000 public space improvements and preparatory work, £125,000 events, £87,000 employment training



With a wide range of businesses, a regular street market, a library, theatre, health centre, technical college, and large public square, Barking town centre has all the ingredients to be full of social, civic and economic life. But putting those ingredients together to make the town centre a destination in its own right takes careful coordination, and a blend of permanent and temporary measures.

The borough's been hard at work to bring significant improvements to the area through a decade of enabling high quality development and investing in new public spaces, underpinned by *The Barking Code for the Public Realm*, 2006. This document sets out principles for design and development shaping the area as it evolves.

The borough was particularly keen to use the Outer London Fund support to create safer and more attractive places for people to shop and socialise, as improved accessibility and visual appeal was identified as fundamental to supporting the area's growth.



**1,000**  
visitors attended  
the Molten  
Festival

Much of the investment was used to improve Barking station forecourt, a gateway to the town centre, which had become run-down, cluttered and difficult to navigate. In line with *The Barking Code*, the forecourt was pedestrianised by relocating buses and taxis. It was also decluttered, while new paving and 'Barking Benches' were installed. This improved access around the station, creating a more welcoming entrance to the area. The borough also used funding to commission feasibility studies and designs for a new public space off the high street. This preparatory work fed into their successful round two submission.

As well as the station improvements, a complementary events programme helped create a reason to visit. The Molten Festival was held during the festive period, drawing people to the town centre and increasing opportunities for local trade. It featured a week of performances, spectacles, and street entertainment, attracting some 1,000 visitors. The festival focused on the theme of 'light' during the dark winter days, and included community activities like lantern making, plus immersive attractions like a digital forest installation.

1



- 1 Spectators enjoying the Molten Festival – Franck Allais, 2011
- 2 Molten Festival performers in Barking Town Square – Franck Allais, 2011



**80%**

have improved perceptions of area



**76%**

feel that the investment has made the area more attractive



**48%**

are more satisfied with the shopping area

Improved user perceptions resulting from town centre improvements  
Base: 99 people  
Source: Regeneris Consulting



2

The UP!Barking project, run by a local organisation, was a six-week programme that worked with young people aged 16 to 25 to create designs for construction site hoardings, including the Westbury Arms pub (which had been burnt down in the August 2011 disturbances).

At a series of workshops, participants learned a range of design techniques, building knowledge and confidence. The result was a bold and bright set of designs installed throughout Barking. Those who took part were also given practical skills to help them find employment in design-related businesses. Many have since taken up space in the local Enterprise Centre to start testing out their business ideas.

**60**

young people took part in the UP!Barking project



## LEARNING FROM BARKING TOWN CENTRE

Long-term and carefully stewarded investment in Barking town centre has improved both public spaces and the health of local businesses. *The Barking Code for the Public Realm*, which outlines project proposals, design guidance and a material and furniture palette, has been instrumental in helping the borough secure funding and make sure that the result of investment is consistent, coordinated and of high quality.

Barking's regeneration team led the Outer London Fund project consulting early and often with colleagues in different departments. This collaborative, interdepartmental approach is a firm framework for delivering a lasting vision for the area.

Page 85



2



58%

report that the town centre felt more vibrant



50%

feel the area has a better cultural offering



67%

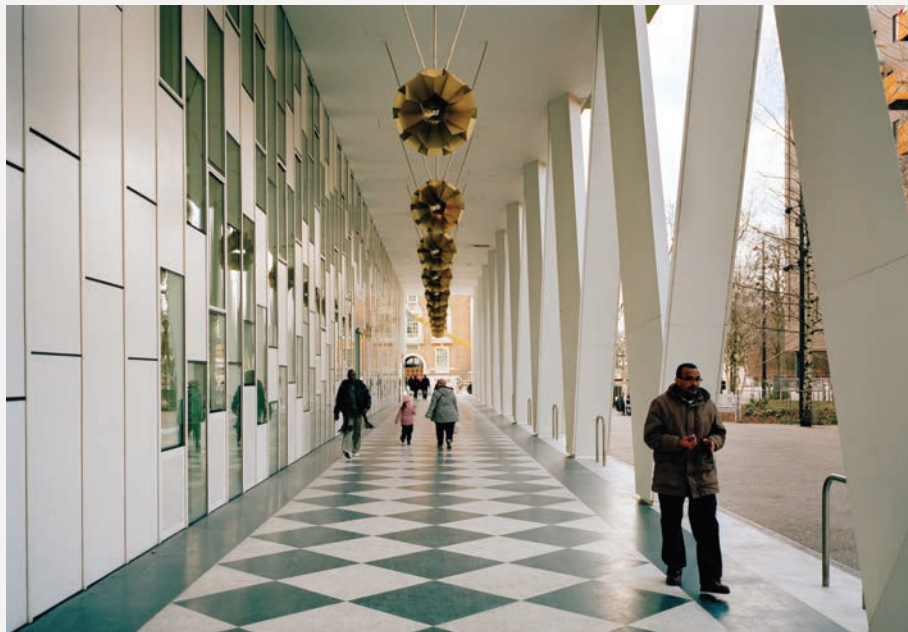
appreciate the town centre more

Improved user perceptions resulting from town centre events  
Base: 12 people  
Source: Regeneris Consulting

1

1 A carefully designed colonnade provides cover in Barking Town Square – Philipp Ebeling, 2013

2 Improving the station forecourt was a major focus of the project – Unknown, 2012



Understanding what could be achieved in the tight programme was essential. Up-front agreement of timescales for approvals, permissions and work with third-party companies allowed the borough to plan out what was feasible, and maximise the impact of the funding.

The borough used the first round of funding to commission designs and feasibility studies, so new projects would be ready to start when further funding became available. This is an intelligent way of using small pots of funding to attract further investment and development.

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## CABINET

25 September 2014

|  |   |
|--|---|
| <b>Title:</b> London Overground Gospel Oak to Barking Line - Extension to Barking Riverside  |   |
| <b>Report of the Cabinet Member for Regeneration</b>   |   |
| <b>Open Report</b>   | <b>For Decision</b>   |
| <b>Wards Affected:</b> Thames  | <b>Key Decision:</b> Yes  |
| <b>Report Author:</b> Peter Remedios, Principal Regeneration Officer   | <b>Contact Details:</b><br>Tel: 020 8227 3019<br>E-mail: peter.remedios@lbbd.gov.uk |
| <b>Accountable Divisional Director:</b> Jeremy Grint, Divisional Director Regeneration,  |   |
| <b>Accountable Director:</b> Steven Cox, Director of Growth  |   |
| <p><b>Summary:</b></p> <p>The proposed new vision of “One borough; one community; London’s growth opportunity” is expected to be adopted by the Assembly shortly. An essential element of the growth opportunity relates to Barking Riverside.</p> <p>The delivery of a rail link to Barking Riverside is a key infrastructure requirement to deliver much of the anticipated growth over the next 10 years including new housing and jobs of importance for the Borough and London. Transport for London (TfL) is to start to seek powers in 2015 to construct the extension of the Gospel Oak to Barking Line London Overground extension to Barking Riverside. These powers will be secured under the Transport and Works Act and a preferred route for the scheme is being proposed by TfL following extensive technical studies on route options.</p> <p>This report sets out the broad details of the scheme and asks Members to support the rail proposal as integral to the Council’s regeneration and development plans for the Borough, and Barking Riverside in particular. Agreement is sought on the preferred route alignment option being proposed by TfL. It is necessary for the Council to take a view on the scheme to support the Transport and Works Act application. Public consultation will take place regarding the route between now and March 2015.</p> |   |
| <b>Recommendations</b>   |   |
| The Cabinet is recommended to:   |   |
| <ul style="list-style-type: none"> <li>(i) Strongly support, in principle, the proposal to extend the London Overground line to Barking Riverside and the action of making a Transport and Works Act Proposal;</li> <li>(ii) Support the broad route alignment as detailed in the report;</li> <li>(iii) Support the continued safeguarding of the Docklands Light Railway line through Barking Riverside;</li> </ul>  |   |

- (iv) Support any designs which provides for a second rail station near Thames View East;
- (v) Support the proposal to extend the London Overground line to Abbey Wood Station in Bexley; and
- (vi) Note that a further report will be presented to Cabinet setting out the financial implications of any proposed contribution by the Council towards the London Overground line to Barking Riverside.

**Reason(s)**

The recommendations are very aligned to the three elements of the proposed new vision and, in particular, the Growth Priority to:

- Build high quality homes and a sustainable community
- Develop a local, skilled workforce and improve employment opportunities
- Support investment in housing, leisure, the creative industries and public spaces to enhance our environment
- Work with London partners to deliver homes and jobs across our growth hubs
- Enhance the borough's image to attract investment and business growth

One of the growth hubs of 'Growing the Borough' is Barking Riverside and it sets out that the Council is committed to working with the Mayor, GLA, other London partners, with neighbouring boroughs, businesses and communities to extend the Gospel Oak to Barking line to Barking Riverside

**1. Background**

1.1. Barking Riverside is the largest brownfield housing site in London. The site is owned by Barking Riverside Limited (BRL) which is a joint venture partnership between the Greater London Authority (GLA) and Bellway Homes Ltd. It will eventually provide 10,800 homes together with four primary, one secondary and a special school alongside 65,000 square metres of commercial, retail, community and social facilities, creating a distinctive new neighbourhood of circa 30,000 people. The regeneration of Barking Riverside is part of the London Riverside Opportunity Area (as defined in the Mayor's London Plan) which is focussed on maximising housing potential and job creation for the benefit of the Borough and London as a whole.

1.2. To support this growth, the original Masterplan, which was granted planning consent in 2007, was designed around the extension of the Docklands Light Railway (DLR) from Gallions Reach to Dagenham Dock, via Barking Riverside. It was estimated that the cost of delivering the DLR as consented would cost approximately £700m. Following the Mayoral election in 2008 the new Mayor felt the proposed DLR extension was too expensive and cancelled it as a project

- 1.3. The 2007 planning consent imposed a planning condition that only 1,500 residential units can be built and occupied before a Transport and Works Act Order (TWAO) application is required (based on a proposal of a DLR extension to Dagenham Dock) and only 4,000 homes can be occupied before the DLR extension is operational.
- 1.4. The DLR or an alternative suitable transport solution is critical to enable the density of development consented to be built and provide confidence that the required land values to deliver a viable scheme on the site are achievable. This would make the financing and construction of new roads, strategic infrastructure and housing possible. Currently, transport links to the site are limited to two bus services. Essentially the development of this site will stall without significant transport investment and it is unlikely that any more than 1,451 homes will be built.
- 1.5. Following the DLR proposal being rejected by the Mayor, officers and TfL considered alternative solutions to secure delivery of the site.
- 1.6. About a year ago funding was allocated to enable the electrification of the Gospel Oak to Barking Overground line to proceed. Officers have been working with Transport for London (TfL), Barking Riverside Limited (BRL) and the Greater London Authority (GLA) to promote an extension of the London Overground extension with a new station being built at the end of the route in the heart of Barking Riverside alongside the River Thames. Support for the scheme was confirmed by the Chancellor in the Budget 2014 when the report set out that the Government would work with the Mayor and GLA on bringing forward the scheme, though no figures were mentioned at the time.
- 1.7. The report now sets out the benefits of supporting the London Overground extension and the route proposed along with the funding required to deliver the scheme.

### **Delivering Growth**

- 1.8. The Council's proposed new Vision and Priorities (to be considered by the Assembly on 17 September 2014) and its Growth Strategy 2013-2023 acknowledge the importance of supporting the rail extension to Barking Riverside. The delivery of the rail extension and realisation of new homes, jobs and improved connectivity with Barking Riverside will play a major role in achieving these objectives, which include to:
  1. Build high quality homes and a sustainable community
  2. Develop a local, skilled workforce and improve employment opportunities
  3. Support investment in housing, leisure, the creative industries and public spaces to enhance our environment
  4. Work with London partners to deliver homes and jobs across our growth hubs;
  5. Enhance the borough's image to attract investment and business growth
- 1.9. With the rise in London's population and the pressure on affordable family housing, the case for investment in transport to support the delivery of homes in London is very strong.

- 1.10. Barking Riverside has some of the lowest land values in London and the regeneration of Barking Riverside will provide not just for the Borough, but also wider parts of London. There is an opportunity to provide both low cost private for sale homes and subsidised rented homes which is critical to ensuring that key workers and other persons with a modest income can afford a decent new home in London which is critical to the running of London's economy
- 1.11. The quality and contribution of the initial Barking Riverside development has been recognised various design awards and it is expected that the rail extension will further unlock development of this quality.
- 1.12. The wider economic case for the extension is compelling. The investment in the rail link will see land values increase with the value growth reinvested in the development to provide the wider site infrastructure.
- 1.13. It is estimated that around 6,000 jobs would be generated as a result of the rail extension and development that follows which includes up to 3,500 temporary construction jobs created to build the railway, housing and associated infrastructure and around 2,500 permanent jobs in servicing the area including the 65,500 sq.m retail, commercial and leisure development, which provides significant opportunities for local labour. The full build out of homes is estimated to increase local retail spend by around £47m per year by 2031.
- 1.14. The delivery of Barking Riverside is expected to maximise employment opportunities for local residents and help improve skills, making Barking and Dagenham a place where people want to move to and stay. The percentage of residents in managerial categories is one of the lowest in the country and so it is expected that the new aspirational homes near to London's strategic employment centres will help create a more mixed and balanced community. The new station at Barking Riverside holds the key to unlocking the area's potential.
- 1.15. The rail extension would provide a link to a wide range of destinations within central London, via interchange at Barking to the existing c2c Fenchurch Street line, the District and Hammersmith & City lines, as well as onwards connections on to the Gospel Oak to Barking line itself. The new station will allow persons to reach Barking Town Centre in 7 minutes, the City (Fenchurch Street) in 20-25 minutes, Canary Wharf in as little as 25-30 minutes and Stratford in 22 minutes. Details about which zone the station will be located in will be addressed as part of the TWAO. It is considered that in order to improve perception about the proximity and links to central London, the new station (along with Barking Station) should be allocated within zone 3 or 4 of TFL's London rail and tube map.
- 1.16. The scheme will benefit the existing communities and businesses at Barking Riverside Stage 1, Thames View, Barking Reach, and Great Fleete with enhanced pedestrian, cycle, rail and bus connections to the new station. The Council will be consulted on these proposals and further detail will be included as part of the TWAO and revised masterplan for the site.
- 1.17. Alongside the housing and employment opportunities, a host of community and leisure facilities are to be provided to support the growing population as a result of the new station. Four additional schools will provide almost 3,300 additional school places, alongside a new leisure centre, play and sports provision and such



essentials as doctor's surgeries, community space, library, police facilities and 3 additional places of worship to support the new community of almost 30,000 residents. Existing and new residents in the borough will benefit from the large amount of new amenity green space, parks and riverside access, with 40% of the site designated as open space, which will benefit borough residents and visitors alike.

- 1.18. The delivery of the overground extension will act as catalyst to re-connect Barking and Dagenham residents with over 2km of Thames waterfront which at the moment is largely inaccessible due to the intervening industrial uses, lack of pedestrian and public transport access and permeability. It is expected that the scheme will place Barking Riverside 'on the tube map' improving perceptions of the area, and attracting and sustaining development interest. The rail extension will help transform the borough's image and how the waterfront is perceived. It would help link and improve services to the communities at Thames View, Great Fleete and the more recent developments at the Thames View East. TfL are exploring how the design of the London Overground extension can be future-proofed to allow for a future station near Thames View East should funding become available..
- 1.19. Barking Town Centre will benefit from the new station(s) and connections to Barking Riverside. The growth expected will support a strong and resilient economy and increase spend in the Town Centre, making an evening economy more viable, and improve the investment potential for shops, offices and services servicing the expanded and skilled population. A new draft Barking Town Centre Strategy elsewhere on this agenda will set out how opportunities will be supported. The new station, new residents and jobs will improve the Borough's competitiveness thereby making Barking and Dagenham a better investment proposition, support local labour and deliver supply chain opportunities for local businesses
- 1.20. Without investment in the new station at Barking Riverside, no more than 1,451 homes will be built in Barking Riverside and an opportunity will be lost to deliver an additional 9,361 homes for the Borough and London. A substantial amount of investment has been spent on this project to date, but if funding for the rail infrastructure is not secured the future of the development will be put in jeopardy thereby stunting the momentum of development that has been achieved to date. It may be another generation before activity starts again thereby creating a major stall for the level of investment in regeneration made to date in this part of London. This happened with the Great Fleete development in Barking Reach and it is important that the mistakes of the past are not repeated.

### **The Route**

- 1.21. The Barking Riverside site has very limited highway, public transport, pedestrian and cycle access. This is due to the barriers to movement created by the A13, rail lines, waterways and industrial sites. All road connections link directly to the A13, a route subject to peak hour congestion. The public transport provision comprises of bus links to local centres and interchange points, specifically Barking, Ilford, and Dagenham Dock.

- 1.22. The rail extension would help overcome these barriers and provide a basis from which a more localised network of buses, cycle and pedestrian routes will be delivered. The rail link between Barking Riverside and Barking town centre is proposed to extend via the existing Essex Thameside Tilbury Loop and then via a new section of railway to be built as a raised viaduct, heading south after the railway passes underneath Renwick Road bridge, running parallel to Renwick Road and ending up at a terminus near the junction of Renwick and River Road. Rather than three new stations included in the DLR proposal, there would be just 1 station connecting Barking Riverside to Barking Station and beyond. In order to ensure that the planning permission quantum of development can be provided at the minimum a 5 minute bus service will serve the rest of the development and connect to the new station.



**Figure 1: Route (in orange) of London Overground Rail Extension**

- 1.23. In reaching the preferred option of the rail extension, several alternative routes for improving accessibility of the site were explored. This included the consented scheme with three new DLR stations, and various approaches from the east for the C2C and bus routes but due to more limited housing and regeneration benefits, demand and capacity, and their associated engineering complexities along with funding and design challenges with these routes, these options have not been taken forward by TfL.
- 1.24. The rail extension to Barking Riverside will initially operate up to 4 (4 car) trains per hour in both directions on fully electrified lines. The route has an indicative capacity to transport around 1,600 passengers per hour towards Barking Town Centre which would meet the estimated morning peak demand. TfL will be consulting those with properties affected by the rail line as part of the consultation of the TWAO.
- 1.25. Changes to the transport strategy as a whole are being explored in discussions between TfL, GLA, BRL and Council officers. The current safeguarded route of the DLR is expected to initially be used as a part segregated bus route and a decision regarding the safeguarded area for the DLR extension will be determined as part of any future changes to the Masterplan. The decision to extend the DLR

to Barking Riverside at a future date will be based on whether funding becomes (or is likely to become) available. Further works is also being undertaken to assess whether the Gospel Oak to Barking Riverside rail extension can be 'future-proofed' to allow for an extension of the London Overground line across the Thames to Bexley in order to connect up with Abbey Wood Crossrail Station. This is identified in the Mayor's London Infrastructure Plan 2050

- 1.26. The new rail strategy will necessitate some changes to the approved Framework Plan for Barking Riverside. The changes will focus on a new transport strategy (addressing the delivering of an integrated rail, bus, cycle and walking network), relocating housing densities to more appropriate locations, and changes to the landscape, public realm and block layouts, particularly around the new station.
- 1.27. Consultation on the route will be taking place between now and March 2015 with a TWAO submission expected in Autumn 2015. In all probability there will be a public inquiry before such powers are (or are not) granted. It is important, therefore that the Council takes a view on the scheme and the proposed alignment in order that its position is clear in the run up to and during the powers granting process. Not least this will inform any final decision as to whether or not to grant such powers. If agreed, TFL would be in a position to begin construction in 2017 with completion in 2019.

#### **Funding for the London Overground Extension and Other Matters**

- 1.28. The rail extension is estimated to cost £190m. It is envisaged that the GLA and TfL will provide the largest of around £80m+. In addition, the GLA are expecting Bellway Homes Limited to contribute some funding and have requested that the Council put £9m towards the cost of the scheme. Any shortfall is likely to be provided by Central Government (there have been monthly discussions with the Treasury over the last 6 months regarding this). Currently, the GLA would expect the contributions from the Council to be provide on the following basis - £3m in 2017; £3m in 2018; and £3m in 2019.
- 1.29. The aim of the GLA is that by the completion of the whole development (i.e. the occupation of 10,800 homes), the GLA, the Government, Bellway Homes, and the Council would get their contributions returned as part of the final surplus. Any mechanisms for repayment, risks, conditions and financial implications of repayment will be set out in a future report to Cabinet. The 10,800 homes are currently programmed to be delivered by 2028, which means that about 800 homes will have to be completed annually from 2016/17.
- 1.30. This is at least three times the current completion rate and would involve the participation of other house builders and affordable housing providers. In order to achieve the completion of 800 homes per year an additional type of home such as commercial private rented would be essential. It will also involve a revision of the consented tenure mix. In order to return the contributions made by various parties to the cost of the rail extension, the consented affordable housing figure will have to be altered from 41% of habitable rooms (roughly 35% of homes) across the development to 27% of habitable rooms (roughly 23% of homes) across the remaining development. It should be noted that the GLA model takes a relatively cautious view of the increase in values as a result of the rail extension.

- 1.31. Any revisions to the masterplan and consented affordable housing arrangements will need a revised planning application. This will be considered by the Council's Development Control Board in due course.
- 1.32. A further report will be made to the Cabinet regarding how the £9m contribution could be funded and will set out all the associated financial implications.

### **Other Matters**

- 1.33. The Joint Venture partnership made up of the GLA and Bellway Homes is currently assessing whether to offer the Council a place on the Board of the Joint Venture Vehicle (JVV). The Council was offered the non-Executive Chair of the JVV in 2004 (Cabinet Minute 293 of 17 February 2004) but this was rejected by the Council in favour of an informal "Observer" role due to the suggested liabilities and potential for conflict of interest on planning matters. A further report will go to Cabinet when a formal offer is received.

### **Timetable for Delivery**

- 1.34. The following timetable is expected for delivery of the rail extension.

| <b>Time</b>               | <b>Activities</b>  |
|---------------------------|--|
| November/December 2014    | Budget announcement  |
| Now – Autumn 2015         | TfL internal approvals, Network Rail working agreement, GRIP 1 – 4, TWAO preparation |
| Now/Autumn 2014           | Public consultation  |
| Autumn 2015               | TWAO submission  |
| Autumn 2015 – Spring 2017 | Detailed design, contractor procurement  |
| Summer 2017               | Contract award   |
| 2017 – Autumn 2019        | Construction   |
| 2019                      | Scheme opens   |

## **2. Consultation**

- 2.1. Consultation has taken place with the GLA, Barking Riverside Limited, members of Children's services, legal services and finance departments at the Council.

## **3. Financial Implications**

Implications completed by: Carl Tomlinson, Finance Group Manager

- 3.1 The provision of the rail link is essential to facilitate the full development of the Barking Riverside development. Without this new rail infrastructure it is unlikely that more than 1,451 homes will be constructed which is 9,361 homes less than the fully developed site would allow.
- 3.2 The loss of these 9,361 homes would have financial implications in terms of lost New Homes Bonuses, Council Tax and Business Rates which, although will not impact on existing levels of revenue being received, should be viewed as a lost

opportunity to significantly enhance the social and economic viability of the area. This obviously assumes the New Homes Bonus and Business Rates retention schemes will continue to be supported by the next and subsequent Governments and there are no guarantees this will be the case.

- 3.3 As far as funding the new rail infrastructure is concerned, the report states that the GLA have requested that the Council invests £9.0m over the three year period from 2017 to 2019. There is currently no provision for this expenditure in the current capital programme or the medium term financial strategy therefore a further report will need to be made to the Cabinet outlining whether this contribution can be funded and setting out the associated financial implications.
- 3.4 Paragraph 1.30 mentions the need to revise the consented tenure mix of the proposed development. The lower number of affordable homes will result in a reduced new homes bonus receipt but there will be an increase in the ongoing amount of Council Tax revenue to be received as a result of the higher proportion of more expensive housing.

#### 4. **Legal Implications**

Implications completed by: Paul Field, Senior Governance Lawyer

- 4.1 The Transport and Works Act 1992 (TWA) is the principal legislation route for the construction or operation of railways, tramways, trolley vehicle systems. A Transport Works Act Order (TWAO) is made under part 1 of the TWA by the Secretary of State for Transport enabling the applicant to exercise
- powers to construct, alter, maintain and operate a transport system;
  - powers to compulsory purchase land;
  - the right to use land (for access or works);
  - the closure or alteration of roads and footpaths;
  - provision of temporary alternative routes;
  - safeguards for public service providers and others; and
  - powers for making bylaws.
- 4.2 The Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006, (the Rules) prescribes the procedure which must be followed in applying for a TWAO.
- 4.3 The Rules permit a period of 6 weeks from the application date during which objections may be made, following which a Public Inquiry into those objections may be held. The Council is a 'statutory consultee' for the purposes of the Rules, as is anyone whose land, or rights in land, may be compulsorily purchased under a TWAO.
- 4.4 The Department of Transport's (non-statutory) Guide to the Transport and Works Act procedure states that, "Prospective applicants [for a TWAO] should...be wary of proceeding unless they are reasonably confident that the proposals are supported (in principle at least) by local authorities and other key bodies" and that, "Before embarking on the statutory pre-application procedures, all prospective applicants are advised to consult thoroughly on their proposals with relevant statutory

authorities, with statutory utilities whose services may be affected and with all other persons likely to be affected by the proposals.

- 4.5 By supporting the proposal in principal the Council will be assisting in the proposals being taken forward though it will still be able to make details observations as the details become clearer as a statutory consultee.

## 5. Other Implications

- 5.1 **Risk Management** - There is another risk that residents and businesses affected by the works will object to the scheme. However, alternative routes have been assessed and TFL has identified the current scheme as being the most cost effective and least disruptive scheme. For example, the focus during the option development was to establish a feasible track alignment whilst ensuring sufficient clearance to existing structures (e.g. electric pylons) is provided. The need to provide sufficient headroom was to ensure the functionality of existing operations is maintained (Freightliner terminal, existing railway lines and Choats Road) and allowing for possible future development, i.e. access road for the proposed secondary school and OLE provision beneath the existing 400kV power lines. The setback from nearby development was also taken into consideration along with ground conditions and environmental impact.

The rail extension is to be developed, procured and implemented by TFL and as such, there are no further risk implications for the Council. The Council's role will be to support the scheme's implementation and use all powers and influence to assist. This report is a further step in that process and agreement to the recommendations will assist in eventual delivery of this project.

- 5.2 **Staffing Issues** - There are no direct implications but there will be significant new employment and training opportunities during the rail extension's construction and in the final development. A new community of up to 30,000 residents will inevitably result in the need for additional staff to deal with the range of customer concerns ranging from public highways maintenance to children and adult and community services.
- 5.3 **Customer Impact** - The impact on customers/borough residents would be significant as they would have quick public transport access between the River Thames, Barking Town Centre, Central London and Essex.

No equality impact assessment has been undertaken to date, but will be part of the submission from the developers to the TWAO. The rail extension and station is expected to be fully accessible.

- 5.4 **Safeguarding Children** - As part of the Masterplan for the Barking Riverside development, several new schools (Riverside School Campus) are proposed to the north-east of the Renwick Road and River Road junction. Construction of the schools is planned for completion in September 2016, and will be finished prior to any construction of the rail extension.

The proposed schools will be sited directly adjacent to the rail corridor, currently anticipated to be the full structure width plus 10m working space each side of the structure (5m required for permanent works and 5m temporarily for during

construction). Access to the school during the initial stages of the Masterplan will be via Renwick Road, and as such constraints on access to this location during construction maybe imposed throughout the school term times, but a clearance of 5.7m from Renwick Road level to the proposed viaduct soffit level has been allowed to allow future vehicular servicing to the site.

By the time the school opens in 2016, it is also expected that Crown Street will be complete and this will run towards Choats Road and along the eastern boundary of the school site, which will provide a secondary access for the school.

The design of the school has been informed by details and proximity of the rail line so it is not expected to cause considerable disruption. The trains are intended to be electrified and boundary treatments will be provided to further reduce any impact from noise and vibrations.

- 5.5 **Health Issues** -The rail extension is expected to have a positive impact on the health of individuals by getting people out of the cars and into more sustainable forms of transport. With a reduced need to drive brings less vehicle emissions. And, with the integration of bus, pedestrian and cycle routes and infrastructure, Barking Riverside is expected to provide a model for sustainable development.
- 5.6 **Property / Asset Issues** - The rail extension and new station falls within Barking Riverside and sits wholly within an area owned by Barking Riverside Limited.

#### **Background Papers Used in the Preparation of the Report:**

- Cabinet report and minutes (12 February 2013): Riverside Secondary School: Temporary and Permanent School Sites
- Cabinet report and minutes (21 May 2013): Barking Riverside: Riverview Secondary School Infrastructure Front Funding
- Cabinet report and minutes (17 February 2004): Barking Reach Company Agreement: New Joint Venture Vehicle

**List of Appendices:** None

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## CABINET

25 SEPTEMBER 2014

|   |   |
|---|---|
| <b>Title:</b> Supporting Ildoneast-uk Business and Technical Park   |   |
| <b>Report of the Cabinet Member for Regeneration</b>  |   |
| <b>Open Report</b>  | <b>For Decision</b>   |
| <b>Wards Affected:</b> Eastbrook  | <b>Key Decision:</b> Yes  |
| <b>Report Author:</b><br>David Harley, Group Manager Economic Development and Sustainable Communities   | <b>Contact Details:</b><br>Tel: 020 8227 5316<br>E-mail: <a href="mailto:david.harley@lbbd.gov.uk">david.harley@lbbd.gov.uk</a> |
| <b>Accountable Divisional Director:</b> Jeremy Grint, Divisional Director Regeneration  |   |
| <b>Accountable Director:</b> Steve Cox, Director of Growth  |   |
| <p><b>Summary</b></p> <p>In November 2011 Sanofi announced they would be closing their Dagenham plant on Rainham Road South in 2013 ending nearly 80 years of history on the site. Many of Sanofi's jobs were filled by local people and the company had a strong local supply chain supporting local businesses. However due to patents ending on specific drugs and the fact that new lines had started elsewhere Sanofi took the strategic decision to withdraw from the site.</p> <p>Sanofi have been working closely with the Council to deliver an employment-led legacy for the site including the retention and reuse of the company's laboratory and scientific manufacturing facilities as Business-east Science and Technology (BeST) Park. The facilities would cost tens of millions to build from scratch and offer scope for a wide range of science sectors as well as other industries (eg food) that benefit from controlled conditions. Their reuse as a multi-occupation science park would secure a much stronger future for skilled jobs in the borough as well as helping change perceptions of the local economy and linking the borough with growth sectors. The site forms one of the 5 key developments in the Borough set out in the Growth strategy recognising the critical role it can play in delivering jobs, businesses and physical regeneration.</p> <p>Despite a number of false starts in relation to determining the ownership of the science facilities, the current position is that Sanofi have signed a deal with SOG Limited to take ownership of the site and run it as a business and technical park. SOG Ltd have successfully operated The Heath Business and Technical Park transforming the former ICI Plant at Runcorn into a vibrant facility providing a home for over 170 businesses in a wide range of sectors and having a strong regeneration impact on the locality. The Heath regeneration project has been responsible for the creation of 1,800 jobs. SOG Ltd would run the site as a sister facility to The Heath and are proposing to rebrand the site Ildoneast-uk business and technical park. The site could become the UK international centre for science, technology and business firmly repositioning LBBB within London as a major player. SOG Ltd are bidding for the site to become a location for a Stem Cell manufacturing Catapult which would significantly raise the profile of the park.</p> |   |

The early years of the project are critical to its success and SOG Ltd recognise the importance of working closely with numerous local partners including the Council given a shared desired for delivering economic regeneration. This report therefore sets out a number of ways the Council can pro-actively support the development and to help give it the strongest start possible.

### **Recommendations**

The Cabinet is recommended to:

- (i) Confirm the Council's support for SOG Ltd establishing a science and technology park utilising Sanofi's science facilities at their Dagenham East plant;
- (ii) Approve the means by which the Council shall support the project as set out in section 3 of the report; and
- (iii) Approve the grant of full discretionary business rate relief for londoneast-uk for two years to assist with early occupation of the site.

### **Reason(s)**

The recommendation contributes towards the Council's priority to grow the borough by retaining high quality laboratories and sterile manufacturing facilities and creating a multi-occupation science park in one of the five Growth hub helping drive the local and regional economy.

## **1 Introduction and Background**

- 1.1 In November 2011 Sanofi announced they would be closing their Dagenham pharmaceutical manufacturing plant - not due to any issues with the plant itself as it was one of their most efficient and productive – but that the specific patents used at the site were ending and it was more cost effective for new lines to be included in existing plants elsewhere. Sanofi ceased manufacturing operations in June 2013 with most employees leaving at this time. A small number of senior executives and staff have remained in place to complete the land remediation, infrastructure works and site closure process and to maintain the management of the sales and marketing of the site.
- 1.2 Since the closure announcement the company have worked extremely closely with the Council and other stakeholders on developing an employment led legacy for the site. The plan includes a Sainsburys supermarket with petrol station and Marstons pub/restaurant at the front of the site both of which have detailed planning consent. Marstons are due to start construction shortly and be operational by May 2015 whilst Sainsburys are awaiting the completion of infrastructure works prior to commencing construction. It also involved the transfer of the sports pitches and club house to the Council for a new Trust to run the facilities for the community. It was planned to include a new health care facility however despite subsidised land it has not been possible to secure agreement with the NHS for the funding required although SOG Ltd with Council support are seeking to reenergise this opportunity and are re-opening discussions with the NHS. There remains significant further employment land on the site which is being marketed – discussions are taking place

with a Data Centre developer. However the key focus has always been on trying to retain and reuse the superb laboratory and sterile manufacturing facilities that are extremely rare with nothing of this scale of available sterile/clean room manufacturing space anywhere in the UK.

- 1.3 Early in the process Sanofi engaged SOG Ltd, Runcorn-based regeneration specialists, who operate 'The Heath', the former ICI chemicals HQ, which closed in 2000. Over the past decade SOG has transformed the 60 acre site into the UK's most successful independently-run business and technology park which today is home to around 170 businesses, employing over 1,800 people. They recognised that a similar approach could be followed in Dagenham given the significant investment in facilities made by Sanofi in recent years.
- 1.4 The Council and SOG Ltd submitted a bid to the London Enterprise Panel for London Growth Fund monies to purchase the site and deliver a multi-occupation science park. After an extremely long process of bidding and negotiations with the Mayor of London and the London Enterprise Panel (LEP), only in late November 2013 did Deputy Mayor Kit Malthouse confirm that the GLA/LEP would not be providing the loan sought for SOG Ltd to purchase the site.
- 1.5 Following the GLA's rejection, the Council entered into discussions with SOG Ltd and Sanofi about possibly acquiring the space. However no firm decision was taken. Sanofi and SOG Ltd are now pursuing a final opportunity to save the science facilities through SOG Ltd's purchase of the site.

## **2 What is londoneast-uk?**

- 2.1 A film advertising BeST Park (former name for londoneast-uk) can be found at <http://www.business-east.co.uk/#/downloads/4573297842> along with marketing material. Appendix 1 consists of one of the marketing brochures.
- 2.2 londoneast-uk would be approximately a 15 acre campus style environment with circa 409,000 sq ft of quality business space available to let (Net lettable area c. 340,000 sq ft). There is also a 650 space car park. It would be ideal for existing businesses looking to expand or for start-up companies engaged in scientific research, innovation and development. londoneast-uk's facilities are available to be re-used as they stand for immediate occupancy but also have the flexibility for bespoke redesign – with the capability to meet requirements from a wide range of industry sectors including:

- Health/medical
- Scientific R&D
- Forensic
- IT
- Automotive and aerospace
- Medical devices
- Test laboratories
- Food industries
- Film and media
- Sterile or scientific manufacturing and distribution

Recent GLA research has been found that London has a significant lack of growth space for companies that have outgrown the incubator/start up stage. In particular stem cell therapy pharmaceutical companies are showing good interest in the opportunities at londoneast-uk.

2.3 The site would be divided into 5 traditional lease buildings and 3 licenced areas for multi-occupancy. Given the quantum of leased floorspace, the key to a successful business plan is that the traditional leased buildings are let. The flexibility of the buildings and facilities at londoneast-UK would support a wide number of innovation companies. It would be ideal for those seeking start-up R&D laboratory space or growing space for expansion with bioscience, chemistry, microbiology and sterile laboratories available together with sterile manufacturing facilities and associated support space. The space does not have to be restricted to such sectors and The Heath is a good example where other service companies are keen to locate and it could provide good move on space from the Barking Enterprise Centre and CEME – both of which are at or nearing capacity.

2.4 The accommodation consists of the following types of space within a campus style environment:

- Laboratory space equipped with de-mineralised and high-performance liquid chromatography (HPLC) grade water, fume cupboards inlets for various gases.
- Sterile/clean room manufacturing space which has numerous regulatory approvals (saving companies time and money in getting complicated approvals). Extensive specialist heating, ventilation, and air conditioning units and Building Management system.
- Cold storage warehousing
- Conference facilities (up to 200 delegates), restaurant, meeting rooms and offices
- Office space and warehouse unit
- In addition there is cleared land suitable for new buildings as companies wish to expand and occupy their own building - this follows the model adopted at The Heath where growing tenants rather than leave the site would build a new facility.
- The site has already featured in what will be one of next year's block buster Hollywood movies providing a useful interim revenue stream.

There is very limited space of this type available in London today. Rapidly expanding businesses in the UK need these facilities now as well as international inward investing companies who wish to reside in Europe. The Heath offers flexible licences and leases meeting occupiers requirements and this successful model would be applied to londoneast-uk.

2.5 Highlighting science facilities and employment within the borough and establishing a high profile science park will help improve the image and change perceptions of Dagenham and support the ambitions of young people in relation to STEM (Science, Technology, Engineering and Maths) subjects which facilities like the new STEM centre at B&D College aim to help encourage young people into those sectors. The Growth Strategy for the borough identified londoneast-uk as a critically important project for unlocking growth.

- 2.6 In terms of location, londoneast-uk's proximity to Dagenham East station with very frequent services offering access to most parts of Central London in under an hour is a strong advantage alongside good road links including to Cambridge. This therefore addresses the requirement for larger scale scientific manufacturing than is possible / affordable in Central London labs. Dagenham would not be the destination for such companies were it not for the presence of facilities which would cost many millions to build from scratch – however once established a beneficial cluster effect would occur generating a spiral of growth for the local economy.
- 2.7 Dagenham's relatively good road links to Cambridge via the A406 and M11 are seen as a particular advantage to the site and the delivery of londoneast-uk would strengthen the case for the borough to form an explicit part of the London, Stansted, Cambridge corridor furthering funding opportunities and raising profile.
- 2.8 Another strength of londoneast-uk's offer is the database held regarding Sanofi staff who were made redundant. Most have agreed to be contactable to firms locating on the site. This strong skills base is a particular benefit to companies alongside the availability of skilled labour and the training opportunities at local colleges.

### **3 Opportunities for the Council to support londoneast-uk**

- 3.1 LBBB has worked closely with Sanofi on their plans to ensure a strong employment legacy for the site and in particular to provide a long term future for the science facilities. The site forms one of the 5 key developments in the Borough set out in the Growth Strategy and the Council is committed to use a range of tools at its disposal to facilitate the progress of the growth hubs. There are a number of ways in which LBBB can work with the SOG Ltd to support the success of the project particularly in the critical initial years. Economic Development Group Manager, David Harley has been identified as a 'champion' for the project helping co-ordinate the Council's support. Support can include:

#### **A) Flexibility on Planning**

- 3.2 In determining the outline application, LBBB was extremely proactive, flexible and responsive in supporting the proposals and this has been acknowledged by Sanofi. The Council is implementing proposals for a Local Development Order (LDO) for industrial areas elsewhere in the borough which would allow certain extensions, alterations and signage to be carried out without need for planning permission. There would be scope for the Council to look at an LDO for londoneast-UK to enable minor adaptations and extensions to be carried out without need for planning approval to maximise the operator's scope for meeting occupiers' demands quickly. This would therefore make the Park's offer to occupiers more comparable to Enterprise Zone planning giving the operator more flexibility to secure tenants. In relation to land uses which were not part of the planning approval (eg a crèche, catering offer) the Council would look favourably on any uses which clearly complemented and added to the site's offer as Science and Technology Park where they did not conflict with other policies (eg not fast food takeaway).

#### **B) Relations with the GLA/LEP**

- 3.3 Relations between the Council and the GLA at Deputy Mayoral level have been boosted through the establishment of the London Riverside Strategic Board and

post election meetings. Whilst londoneast-uk falls outside the London Riverside area, the Council can use its contacts to help forge relations between different elements of the GLA and SOG Ltd. This includes exploring opportunities for involvement in MED-CITY and the Oxford-Cambridge-London triangle and the associated marketing and profile raising. Establishing good relationships with London's inward investment agency, London & Partners is also critical. Barking and Dagenham College's Principal, Cathy Walsh's appointment to the LEP is a good opportunity to promote the site given her strong support for londoneast-UK. This is a critical role for the Council given SOG Ltd's extensive experience in the north west but limited London networks.

### **C) Local Relationships**

- 3.4 The Council can assist in forging strong relationships and, where necessary, agreements with organisations like Barking & Dagenham College (BDC), the Adult College, CEME (Centre of Manufacturing and Engineering Excellence) and North East London Foundation Trust (NELFT). BDC's recently completed STEM Centre will help raise the profile of STEM (Science, Technology, Engineering and Maths) skills and aspirations for young people in those subjects whilst CEME offers scope to work together including a supply of potential tenants given their lettable space is at full capacity. The proposal NELFT are developing with LBBD and other partners for Care City offers growth potential for the social care sector and within that there could be opportunities for growth for numerous businesses who would be suited to londoneast-uk.

### **D) Recruitment**

- 3.5 The Council through its Job Shops and through partners such as Barking and Dagenham College can offer job brokerage services and support with securing apprentices to new tenants. There are good case study examples where such services have been invaluable to businesses and can go alongside the premises marketing to tenants.

### **E) Business Support**

- 3.6 Barking and Dagenham has one of the highest percentages of growth in the number of businesses in the country. The Council currently offers a package of business support open to every business in the borough. Specifically the Council funds the operators of Barking Enterprise Centre to provide free one-to-one and one-to-many business support for both start-ups and existing businesses. They also run a 'boot camp' course for new businesses. As part of planning ahead there could be scope to ensure some element of onsite support at londoneast-uk if funding can be secured. This could form part of an EU funded scheme. The Council can also encourage people to utilise londoneast-uk as a key venue for business related events.

### **F) Marketing**

- 3.7 LBBD has a marketing/inward investment campaign to highlight Barking and Dagenham as London's Newest Opportunity ([www.lbbd.gov.uk/londonsnewestopportunity](http://www.lbbd.gov.uk/londonsnewestopportunity)) with londoneast-uk forming one of the 5 key development opportunities. This promotion would continue as the park's offer develops. The Park can also feature heavily in the annual BOLD publication

and associated website and regular newsletters. A significant inward investment event is proposed for early 2015 which could feature londoneast-uk. The Council would ensure londoneast-uk continues to play a prominent role in our promotion activity.

- 3.8 Working with Sanofi we have established good relations with London & Partners staff to raise awareness of the site internationally. There has been a hiatus during the uncertainty over the site's future but the Council would actively promote londoneast-UK and push L&P and UKTI to do the same once certainty has been achieved.
- 3.9 Completion of the infrastructure works creating a new road and tree lined footways to the site and roundabout give the opportunity for a publicity event showing progress with the development. In addition there is significant opportunity to improve signage at both entrances and within Dagenham East station.

### **G) Other Facilities**

- 3.10 Whilst the Sport Trust running the adjacent green belt land and Social Club will be independent of the Council, it will be important to ensure the facilities and services the Trust offers are of benefit to future londoneast-uk tenants and a strong mutual beneficial relationship is established.

### **H) Conference Facilities**

- 3.11 One of the buildings offers superb potential as a conference facility aligned to the large car park which could be a strong source of early income for londoneast-uk. Events held here can promote the facility. The Council can help support the marketing of this and know of numerous groups who would wish to utilise the space.

### **I) Securing Funding**

- 3.12 The Council would be willing work with the operators to bid for funding streams which help support londoneast-UK. From material available to date it would appear funding for capital works at londoneast-uk is extremely aligned to European Structure and Investment Fund (ESIF) priorities however such funding is primarily focussed on public sector bidders. We would explore the potential to access any Local Enterprise Panel (LEP) funding for londoneast-uk. As with the London Growth Fund, State Aid issues are likely to be the biggest hurdle. In relation to EU funding, the timing is ideal as funding programmes are currently being established for expenditure from April 2015 onwards. The scope to involve a university or scientific organisation is also available. There may also be scope for other funding streams with less rigid restrictions such as the proposed GLA places of work funding.

### **J) Transport**

- 3.13 The Council is working closely with TfL on how accessibility can be further improved at Dagenham East Station and can consider options for further improvements via Local Implementation Plan funding. In addition the Council has secured S106 contributions from the Pub/restaurant to fund the provision of count down facilities at the bus stops serving londoneast-uk.

## **K) Discretionary Business Rate Relief**

- 3.14 The key business plan challenge for SOG Ltd is the initial two years of operation when costs are at their highest yet occupation levels are at their lowest. Business rates (National Non Domestic Rates) are a significant cost for the operator and as such SOG Ltd have asked the Council to explore the scope for reductions for the first two years – having the twin benefit of firstly reducing the running costs whilst investment is made in the Park and secondly providing a strong incentive for new occupiers. The role of NNDR incentives in attracting occupiers is well known and provides a very strong and clear marketing tool. It is one of the key incentives offered by Enterprise zones to attract new businesses. Since 1 April 2013 the Council has the power to offer discretionary business rate relief to any property and there is Government encouragement to utilise them as a stimulation to achieving growth and longer term financial benefits. Unfortunately the power to offer reductions came alongside the severe reduction in Government grant.
- 3.15 The whole Sanofi site currently has a rateable value of just over £1m given that the majority of buildings have been demolished, generating £290K for the Council. Business rates do not apply to vacant land but they do apply to empty buildings and clearly the Council wants to see Sanofi's superb laboratories and sterile manufacturing facilities retained. SOG Ltd make the point that if the project does not go ahead then Sanofi would demolish the facilities resulting in no NNDR income at all until redevelopment occurred whilst a reduction for 2 years would act as a strong initial boost to get the Park's profile raised, secure first tenants and once established and successful the Park would then continue to generate a strong NNDR stream for the Council alongside other regeneration benefits.
- 3.16 The Sainsburys supermarket planned for the wider site is predicted to have a rateable value of £2.45m and generate income of £350K for the Council. This site alone would offset the loss of the current income of £290K that the Sanofi site delivers making the 2 year award of discretionary relief affordable. The pub/restaurant would generate a further small amount and there is potential to generate significant amounts from the remaining employment land.
- 3.17 Although the business rates income the new site would generate is difficult to predict it is estimated it could provide between £280K and £580K a year. Therefore over a two year period the cost to the Council of providing relief would be £560k to £1,160K if full relief was granted. This should be balanced with the possibility of no income if the site was demolished and the medium to long term gains from a successful start to londoneast-uk support through discretionary relief and acting as a strong example of the Council utilising its powers to deliver growth.

## **4. Options considered**

- 4.1 The proposals above set out a range of ways the Council can support SOG Ltd to ensure londoneast-uk is a success. No alternative options have been considered.

## **5. Consultation**

- 5.1 Throughout the process Sanofi have been extremely good at public engagement with regular newsletters and three extremely well attended public meetings. This



was reinforced by Sanofi winning the Best Public Participation award at the 2013 Brownfield Briefing awards.

- 5.2 The concept of the londoneast-uk has been very well supported by local residents and key stakeholders as offering a wider range of jobs and helping raise local young people's employment aspirations. This can be particularly linked to Barking & Dagenham College's STEM (Science, Technology, Engineering and Maths) Centre which aims to support young people's educational choices – complementing it with a local facility which can showcase real world science and technology jobs.

## **6. Financial Implications**

Implications completed by: Carl Tomlinson, Finance Group Manager

- 6.1 The ways in which the Council can support londoneast-uk as set out in section 3 of the report can all be funded by existing Regeneration and Economic Development budgets.
- 6.2 The Local Development Order (LDO) mentioned in paragraph 3.2, whereby certain alterations and signage could be carried out without the need for planning permission, will have a negligible affect on the levels of potential planning income. The LDO would be put in place as a means of expediting the development of the site, as delays in receiving detailed planning permission in respect of relatively minor amendments could be avoided.
- 6.3 The transport works referred to in paragraph 3.13 will be funded by TfL and, where necessary, the section 106 payments to be received from the developers.
- 6.4 The entire Sanofi site has a potential rateable value of around £1m per year. However, as the majority of buildings have been demolished the council only receives £290k in business rates from the existing SOG Ltd site. This income is also likely to disappear due to demolition if a buyer is not found.
- 6.5 To incentivise the purchase and full development of the site, SOG Ltd has asked the Council to reduce its business rate charges for two years, which at full relief would cost the Council £580k over the two years at the current rates. However if the remaining buildings on the site where demolished the Council would not receive this income either.
- 6.6 If the SOG Ltd site was fully occupied by a technical park it is estimated it would generate in the region of £580k a year ongoing.
- 6.7 Other parts of the Sanofi site are already undergoing development with the new Sainsbury's anticipated to generate £350k a year. This additional income would offset any loss due to the granting of relief on the site.

## **7. Legal Implications**

Implications completed by: Evonne Obasuyi, Senior Property and Regeneration Lawyer

- 7.1 The report seeks agreement to Council providing support to the proposals to establish a science and utility park within the borough as set out in the report.

7.2 The Council has a general power of competence pursuant to section 1 Localism Act 2011 enabling the Council to do anything individuals generally may do. In addition, section 111 of the Local Government Act 1972 enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property. The Council have powers to support or facilitate the project as outlined in the report.

## 8. Other Implications

### 8.1 Risk Management

SOG Ltd have their own risk management plan for the development and the Council's role is partly to assist them in mitigating some of the risks identified as part of a 'can do' council seeking to help grow the borough.

| <b>Risk</b>            | <b>Issue</b>   | <b>Rating</b> | <b>Mitigation</b>   |
|------------------------|--|---------------|---|
| Loss of business rates | Proposal will involve business rate relief with aim of securing medium term growth | Amber         | Demolition of site would result in no NNDR. This proposal seems best opportunity to generate long term NNDR stream.   |
| Reputational issues    | Scheme failure would impact on LBBD's reputation                                   | Green         | Both parties working together to maximise likelihood of success.  |
| State Aid              | Threat of State aid challenge  | Green         | Current proposal no State Aid issues arise – any specific funding proposal where external funding is sought will need to take legal advice on State Aid implications. |

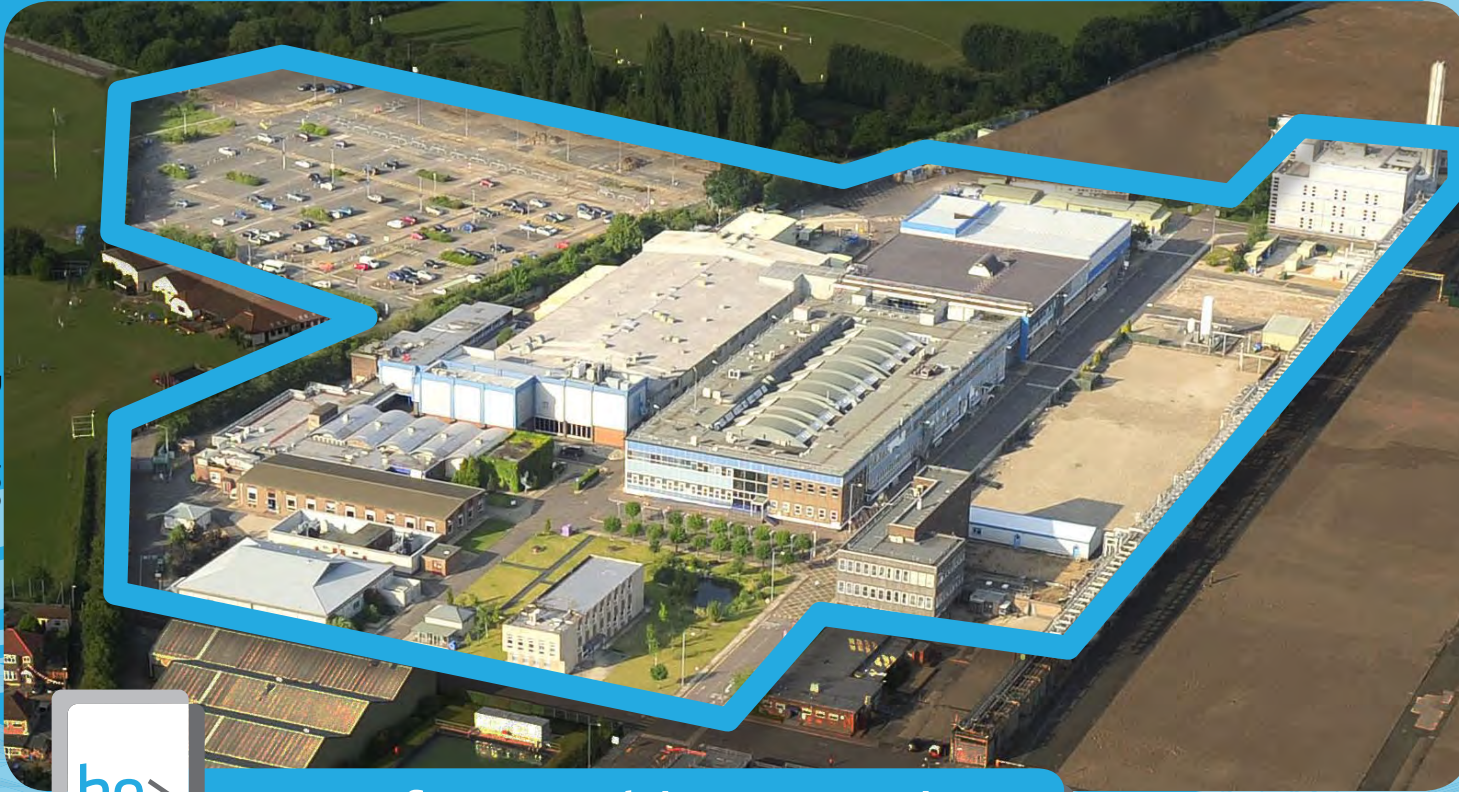
**Public Background Papers used in the preparation of the Report:** None

#### List of appendices:

- Appendix 1: BeST Park brochure

# business-east Science and Technology Park

London's premier location for science and technology



be>

part of something amazing

business-east Science and Technology Park is London's newest and most exciting hub for business. Offering world class facilities for R&D, sterile manufacturing, laboratories, offices (including serviced space) and warehousing, BEST is ideal for business.

be>

science and technology



science and technology

## Welcome to business-east science and technology park - a thriving business and science park that is the perfect home for businesses of all sizes.

Set within a 17 acre campus style environment, 'business-east science and technology park' (BEST) has approximately 450,000 sq ft (41,800 sq m) of quality business space available to let. Ideal for existing businesses looking to expand or for start-up companies engaged in scientific research, innovation and development. BEST is the centrepiece of a wider 108-acre complex. BEST's facilities are available to be re-used as they stand for immediate occupancy but also have the flexibility for bespoke redesign - with the capability to meet requirements from a wide range of industry sectors including:

- Health/medical
- Scientific R&D
- Forensic
- IT
- Medical devices
- Test laboratories
- Sterile or scientific manufacturing and distribution

The flexibility of the buildings and facilities support a wide number of innovation companies. BEST is ideal for those seeking startup R&D laboratory space or growing space for expansion with bioscience, chemistry, microbiology and sterile laboratories available together with sterile manufacturing facilities and associated support space.



The origins of the business-east business park stretch back to 1934. The site has been a pioneer in chemical manufacturing for a worldwide market – producing pharmaceutical ingredients and products, veterinary medicines, aromatic chemicals, photographic chemicals, plastics, industrial and fine chemicals and agrochemicals. Most recently the site has been home to global and leading pharmaceutical company, Sanofi.

Situated on the edge of a pleasant Green Belt environment, the site is located just two minutes walk from the District Line Tube. London City and Southend Airports are easily accessible and it has excellent road links with the A12, A13 and M25.

The site also has excellent conference facilities ideal for use as a venue for Academic, Scientific, R&D events and meetings.

BEST is an associate member of the UK Science Park Association.

To find out more information on business-east and BEST visit:  
[www.business-east.co.uk](http://www.business-east.co.uk)  
or contact the BEST marketing team on 0208 099 5715



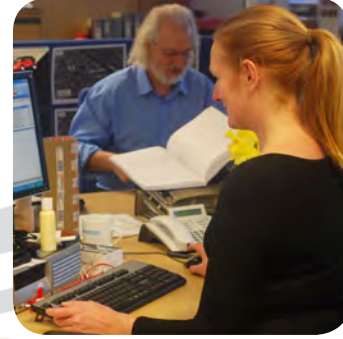


## The People

The BEST complex has historically been home to some of the UK's most diligent and highly trained workers. As such there is an existing pool of talent which will enable businesses to source a competent skill base from scratch or to be in a position to expand their operations quickly.

Current on-site expertise includes:

- Highly trained Sterile Manufacturing Operatives
- Qualified Inspection & Packing Operatives
- In-House Qualified Engineers / Workshop Technicians
- Chemists, Microbiologists
- Quality Assurance
- Stores Operatives
- Supply Chain
- Technical Support / Validation
- Finance, HR, IS, Payroll
- New Product Introductions
- Product Transfers (process, technology, regulatory etc)
- Artwork Studio
- Product Development / R&D
- Lean Sigma
- Continuous Improvement
- Statistical Process Control





## Laboratory Space

BEST offers chemistry laboratories which are equipped with de-mineralised & HPLC grade water, fume cupboards, inlets for nitrogen, argon, compressed gas & vacuum, heavy goods lift at rear of building and Isolator technology. Also available are microbiology labs. The laboratories can be designed/changed/fitted out to suit the bespoke requirements of your business e.g. biotech companies, academic institutions. Laboratories are available on either a traditional lease or serviced basis.



## Sterile/Clean Room Manufacturing

All the buildings are flexible, reconfigurable & capable of supporting many scientific and life science based activities. The sterile manufacturing space currently benefits from various global regulatory approvals including MHRA & FDA. The largest sterile building comprises in excess of 100,000 sq ft (9,290 sq m) and includes plant room above, WFI stills, clean steam generation and Grade B & Grade C suites. Individual HVAC units and a building monitoring system complete the specification. A range of unit sizes are potentially available.



## Office Space

Choose from a range of office sizes to suit your business requirements. Whether you require a small modular office, a large open plan space or even a bespoke new building, BEST is dedicated to providing value for money and offers an environment to enable your business to succeed. Traditional and serviced office space are available. Serviced office space benefits from 24/7 access and a manned security control, cleaning, maintenance of the building and grounds and inclusive utility costs such as business rates, water and electricity charges.

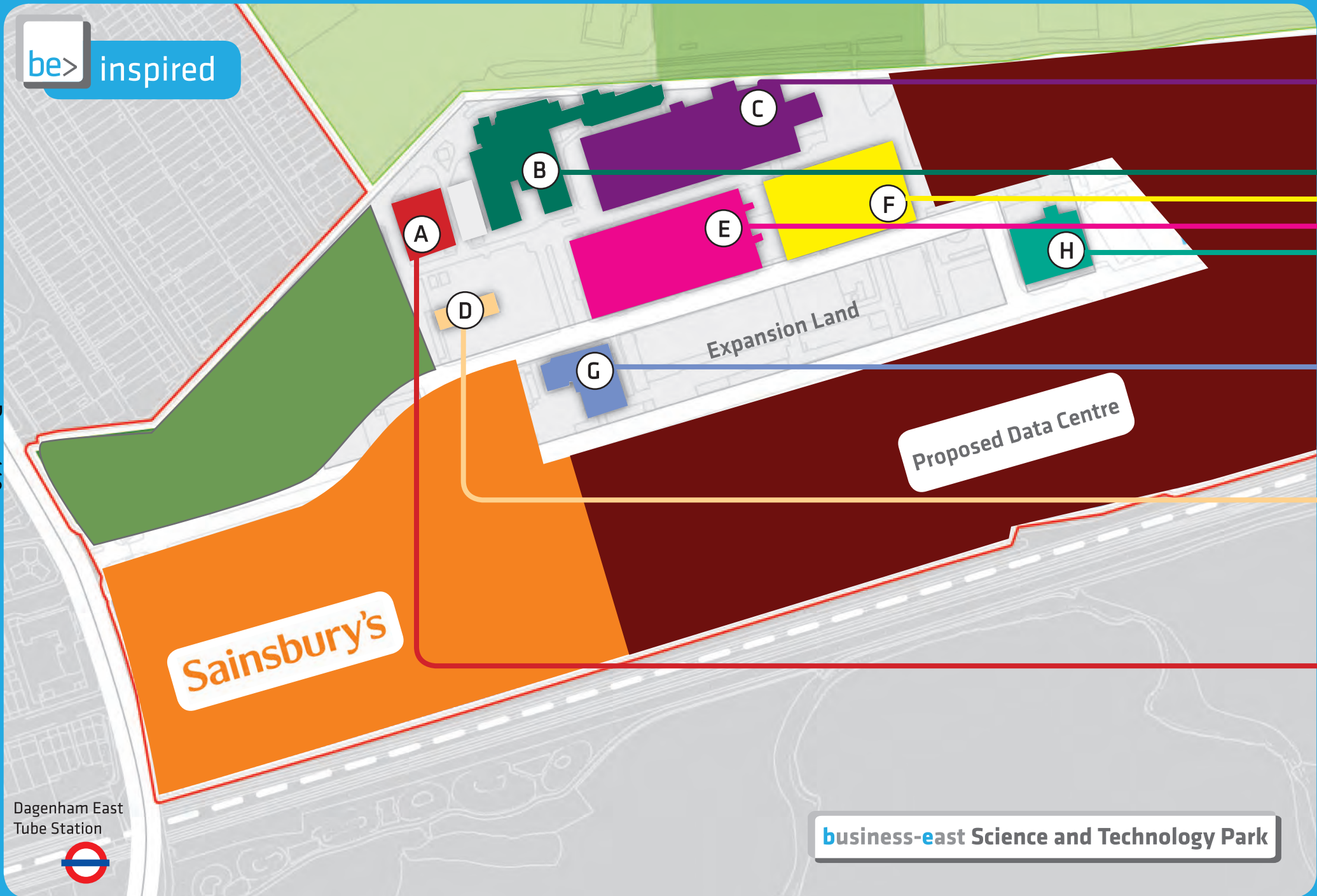


## Meeting, Conferencing and Catering Facilities

BEST is able to offer fully equipped meeting rooms either by the hour or on a half or full day basis. If you are planning a larger meeting or presentation, the conference facilities can seat up to 200 delegates together with a stage and full audio/visual link up. Full catering and canteen facilities are available to both existing tenants and visitors.







Dagenham East  
Tube Station



business-east Science and Technology Park

**Building 'C' - Ground Floor**  
Currently used as Sterile Products manufacture and filling including Grade B (Class 100) Clean Rooms  
Fully reconfigurable for multiple uses such as; Sterile Manufacturing, Contract Pharmaceuticals, Electronics Manufacture, Cosmetic Manufacture, Biotechnology Manufacture, Clean Room Use, Nanotechnology, IVF Clinic, Private Hospital

**Building 'B' - Ground & First Floors**  
Restaurant, meeting and conferencing centre together with additional offices

**Building 'G' - Ground Floor, First & Second Floors**  
Currently used as offices and may be suitable for a number of other uses subject to planning

**Building 'H' - Ground, First & Second Floors**  
Custom built building currently used as a Quality control Laboratory  
Fully reconfigurable to provide various sized laboratory spaces for multiple uses such as; Bioscience, Start up Incubation space, Training Laboratories, General laboratories, Biotechnology and Biopharmaceuticals, Forensics, and Chemistry Laboratories

**Building 'E' - Ground Floor**  
Currently used as Pharmaceutical Inspection and Packaging facility  
Fully reconfigurable for multiple uses such as; Packing and Distribution, Testing and Contract Laboratories, Offices and Associated Support Space, Biotechnology Research, Drug Research - Medical device manufacturing

**Building 'F' - Ground Floor**  
Currently used as a warehouse storage facility including cold storage  
Fully reconfigurable for multiple uses such as; Storage & Distribution - Multi Sectors Scientific Equipment Manufacture, R&D Supplies, Medical Devices Manufacture, High Throughput Robotic equipment

**Building 'D' - Ground Floor & First Floors**  
Currently used as offices and may be suitable for a number of other uses subject to planning

**Building 'E' - First Floor**  
Currently used as offices and storage  
Fully reconfigurable for multiple uses such as; Offices, Call Centre, Conference & Meetings, Digital uses, Laboratories, Private Hospital/ Clinic

**Building 'F' - First Floor**  
Currently used as a warehouse storage facility including cold storage  
Fully reconfigurable for multiple uses such as; Storage & Distribution - Multi Sectors Scientific Equipment Manufacture, R&D Supplies, Medical Devices Manufacture, High Throughput Robotic equipment

**Building 'A' - Ground Floor**  
Custom built building currently used as a Microbiology Laboratory  
Fully reconfigurable for multiple uses such as; Microbiology, Test Lab, Forensics, General Bioscience, Sterile Laboratory Activities, Nanotechnology and Food Technology



## In the Area

Dagenham has a thriving community with a skilled workforce, making this a great opportunity for any company wanting to grow their business near central London.

business-east is situated adjacent to Dagenham's local nature reserve 'The Chase', which covers 48.5 hectares of shallow wetlands, woodland, grassland and the River Beam.

As well as the nature reserve, business-east is conveniently located in the South East ideally positioned for easy access to the motorway and air networks, opposite bus and underground stations for public transport and rail links to the city of London, Canary Wharf and the rest of the country.

As well as easily accessible transport networks in close proximity is 'the Brewery', a shopping and leisure centre located in nearby Romford. Leisure facilities include bowling, cinema and a number of restaurants. Other shopping and leisure facilities in the area include Lakeside, Bluewater, Gallions Reach and London's Westfield.

Furthermore the neighbouring and associated May & Baker Eastbrook Community Club offers further social and sporting amenities. Memberships will be open to BEST Occupiers.

DAGENHAM EAST

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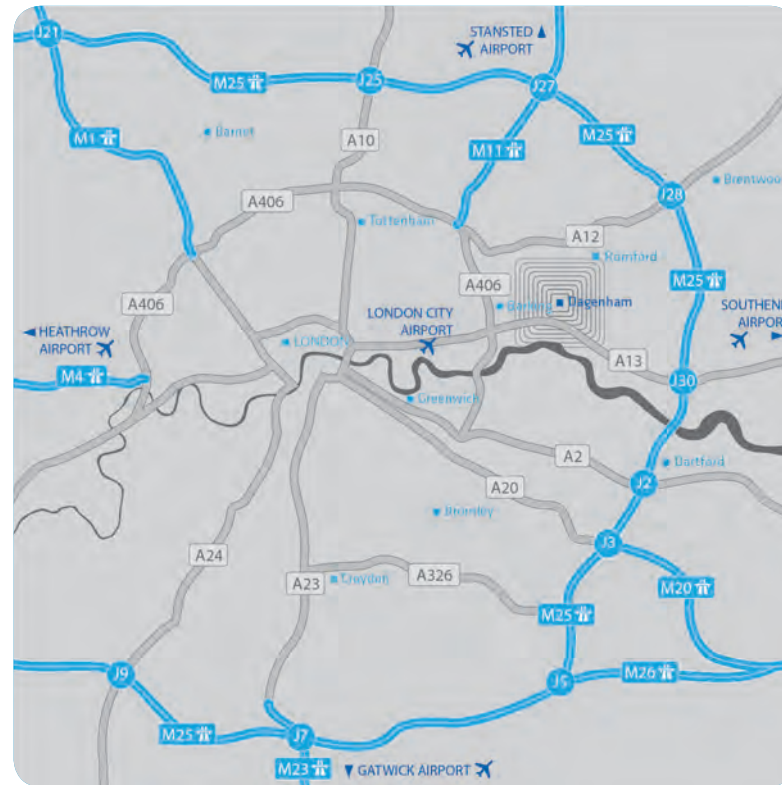
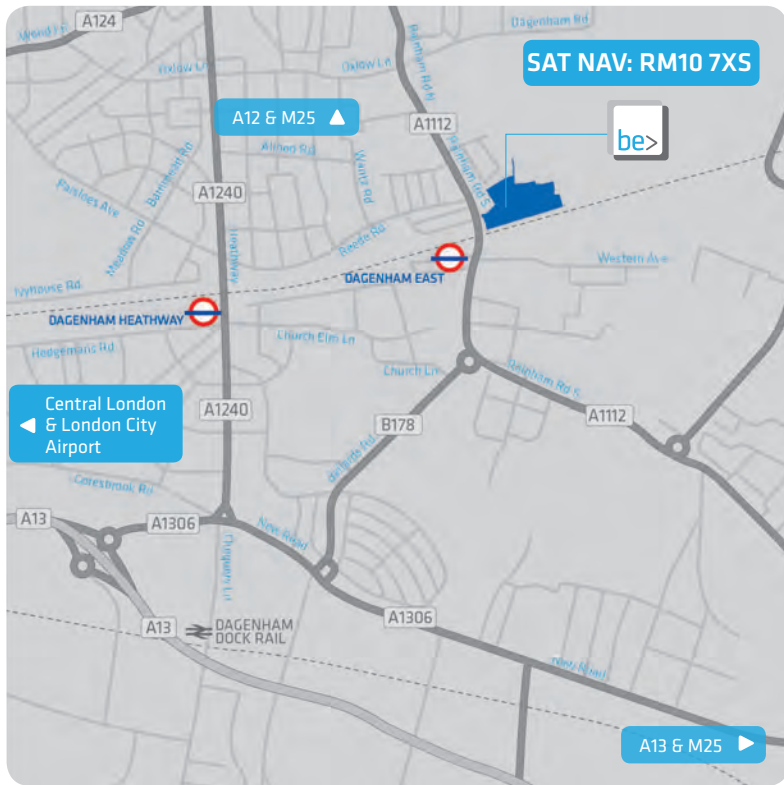
at the centre of it all

Disclaimer: business-east Science and Technology Park; 'BEST' (or their joint agents) for themselves and for the Vendors or Lessors of the property who's agents they are give notice that: 1) these particulars are given without responsibility of BEST (or their joint agents) or the Vendors or Lessors as a general outline only for the guidance of prospective purchasers or tenants, and do not constitute the whole or any part of an offer or contract; 2) BEST cannot guarantee the accuracy of any description, dimensions, references to condition, necessary permissions for use and occupation and other details contained herein and any prospective purchaser or tenant should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the accuracy of each of them; 3) No employee of BEST has any authority to make or give any representation or warranty or enter into any contract whatsoever in relation to the property; 4) VAT may be payable on the purchase price and/or rent, all figures are quoted exclusive of VAT, intending purchasers or lessees must satisfy themselves as to the applicable VAT position, if necessary by taking appropriate professional advice; 5) Except in respect of death or personal injury caused by the negligence of BEST its employees or servants, BEST will not be liable, whether in negligence or otherwise howsoever, for any loss arising from the use of these particulars save to the extent that any statement made in these particulars has been made fraudulently by BEST.



# The site is located within the East London Borough of Barking and Dagenham, part of Greater London

The site is accessed via the A112 (Rainham Road South) which connects to the A1306 and A13, which in turn provides access to Central London and major motorway networks.



## Driving Distances

| Location            | Miles | Minutes |
|---------------------|-------|---------|
| A12                 | 2.8   | 8       |
| M25 Junction 30     | 7     | 15      |
| London A406         |       |         |
| North Circular      | 5     | 12      |
| M11                 | 10.2  | 20      |
| M20                 | 15.6  | 27      |
| Central London      | 15.2  | 40      |
| London City Airport | 8.5   | 25      |

Source: Google Maps

## Rail Journeys

| Destination  | Minutes |
|--|---------|
| Dagenham East (Zone 5) to London Victoria (Zone 1) | 50      |

London Victoria provides access to the National Rail Network

## By Road - via M25, M11, A13

- > At the end of the M11 continue on the A406 extension to the A13.
- > At the large roundabout at the end of this road turn left onto the A13 (left filter lane).
- > Travel along the A13 over two flyovers.
- > Continue for one and a half miles, passing Goresbrook Leisure Park on the left-hand side.
- > Filter left following signs for Dagenham East.
- > Turn left at the traffic lights (which have a filter) onto B178 Ballards Road (just before McDonalds).
- > Pass through traffic lights to the next roundabout and take the first exit left (Bull public house on left) onto Rainham Road South.
- > Over Station Hill: business-east is on the right (station on left).

## By London Underground

- > The nearest tube station is Dagenham East on the District Line.
- > On exiting the station the main entrance to business-east is opposite and to your left.

## By Road - via M25 (Dartford Tunnel)

- > From the Dartford Tunnel continue onto the M25 for about a mile before taking the slip road to junction 30.
- > Take the dual carriageway towards Dagenham (A13).
- > Leave at the third exit (sign posted Dagenham East), turn right at the roundabout, up and over the bridge to junction with the A1306.
- > Turn left and travel for about half a mile.
- > Turn right at the next junction (keeping McDonalds on your right).
- > Pass through traffic lights to the next roundabout and take the first exit left (Bull public house on left) onto Rainham Road South.
- > Over Station Hill: business-east is on the right (station on left).

To find out more information on business-east and BEST visit: [www.business-east.co.uk](http://www.business-east.co.uk) or contact the BEST team on 0208 099 5715

scan QR code on a smart phone for directions



from a to **be**

**CABINET****25 September 2014**

|  |  |
|--|--|
| <b>Title:</b> Review of Planning Policy for South Dagenham   |  |
| <b>Report of the Cabinet Member for Regeneration</b>   |  |
| <b>Open Report</b>   | <b>For Decision</b>  |
| <b>Wards Affected:</b> River and Thames Wards  | <b>Key Decision:</b> Yes   |
| <b>Report Author:</b> Daniel Pope, Development Planning Group Manager  | <b>Contact Details:</b><br>Tel: 020 8227 3929<br>E-mail: daniel.pope@lbdd.gov.uk |
| <b>Accountable Divisional Director:</b> Jeremy Grint, Divisional Director of Regeneration  |  |
| <b>Accountable Director:</b> Steve Cox, Director of Growth   |  |
| <b>Summary</b>   |  |
| <p>Combined Chequers Corner, the Ford Stamping Plant and Beam Park sites are one of East London's largest regeneration opportunities, one of the borough's five growth zones and a major brownfield site with great potential for housing and commercial activity with 2,500 new homes and over 1,000 new jobs. A plan of these sites is provided at Appendix 1.</p> <p>This report explains the history of these sites, their current status and recommends an option for their future development. The preferred option is for a mixed use residential development on Beam Park and the Ford Stamping Plant with a new centre at Chequers Corner incorporating the existing stores at Merriellands Crescent, the Premier Inn hotel and Brewers Fayre restaurant, a potential Ford Heritage Centre and some of the new community facilities necessary to support the new housing.</p> <p>If Members agree with this strategy, a review of the Local Plan will be necessary to rezone the Ford Stamping Plant site which is currently designated as Locally Significant Industrial Land and to designate Chequers Corner as a District Centre.</p> |  |
| <b>Recommendation(s)</b>   |  |
| <p>The Cabinet is recommended to endorse a residential-led mixed use scheme at South Dagenham incorporating Beam Park and the Ford Stamping Plant with a new District Centre focused at Chequers Corner.</p>   |  |
| <b>Reason(s)</b>   |  |
| <p>This will help deliver one of London's major growth opportunities and one of the borough's five growth hubs. It will therefore help deliver the "growing the borough" priority by building high quality homes and sustainable communities and enhance the borough's image to attract investment and business growth. It also has the potential to deliver the priority "encouraging civic pride" by promoting a welcoming, safe and resilient community.</p>  |  |

## **1. Introduction and Background**

1.1 Combined Chequers Corner, the Ford Stamping Plant and Beam Park sites are one of East London's largest regeneration opportunities, one of the borough's five growth zones and a major brownfield site with great potential for housing and commercial activity with 2,500 new homes and over 1,000 new jobs. A plan of these sites is provided at Appendix 1. These sites are south of New Road and north of the C2C and Channel Tunnel rail lines. They are bounded to the west by Chequers Lane but include the Merrieland's Crescent retail park, and to the east by the borough boundary in Havering. The Beam Park site continues into Havering across Marsh Way to the height of Askwith Road. The Beam Park site is owned by the Greater London Authority (GLA). The Ford Stamping Plant site is currently owned by the Ford Motor Company. A significant amount of land between New Road and the Ford Stamping Plant is also owned by the GLA. The land between the Ford Stamping Plant and the railway is owned by Network Rail. Havering are advancing proposals for a new train station near Marsh Way to support new housing on Beam Park. This report explains the history of these sites, their current status and recommends an option for their redevelopment.

### **Ford Stamping Plant and Beam Park history**

- 1.2 Following the cessation of car assembly and the sale by Ford's of the Beam Park and 45 acre sites (now called Orion Park) to the London Development Agency in 2002 the Heart of Thames Gateway Single Regeneration Budget partnership held a masterplanning competition for South Dagenham. Four emerging practices were selected to create their individual visions for the 80 hectare site. The brief, from the Heart of Thames Gateway Partnership, asked the practices to 'explore scenarios for urban change' and 'create a new heart' for South Dagenham.
- 1.3 Around the same time the stakeholders involved in the regeneration of London Riverside launched the London Riverside Urban Strategy which for the first time provided a coherent narrative for the various regeneration opportunities within the Thames Gateway areas of Barking and Dagenham, Havering and Newham (Beckton). This was adopted as Interim Planning Guidance by both boroughs and embodied the masterplan proposals for South Dagenham. The first London Plan was published in 2004 and for the first time formally identified London Riverside as an opportunity area by the Greater London Authority and incorporated the proposals in the London Riverside Urban Strategy. Today London Riverside is identified by the Mayor of London as having the potential for 14,000 jobs and 25,000 homes.
- 1.4 In 2007 the Channel Tunnel Rail Link opened, construction involved closing the Chequers Lane level crossing and replacing this with a new link road from Dagenham Dock to the A13 Goresbrook Interchange further separating functionally and physically the industrial areas to the south from the areas of change to the north which had begun with the cessation of car production, the realignment of the A13 and the subsequent detrunking of the old A13 in 2000.
- 1.5 In July 2010 the Council adopted new planning policy which allocated Beam Park for the following uses:
- 2000 homes
  - Health

- Education
  - Car parking facilities for the Ford Pressing Plant
  - Light industrial on the Western side fronting Ford.
- 1.6 Between Beam Park and Chequers Lane is the Ford Stamping Plant. The Network Rail Land separates the Stamping Plant from the railway. These are designated in the Local Plan as Locally Significant Industrial Land and therefore appropriate for light industrial, general industrial and storage and distribution uses of less than 1000 square metres.
- 1.7 Further west on the other side of Chequers Lane is ASDA, Orion Park and the retail warehouse stores at Merrilands Crescent. Here the Council's planning policies encourage employment generating uses, new housing and community uses and new retail and leisure facilities focused at Merrilands Crescent and Chequers Corner within a more traditional pedestrian focused layout.
- 1.8 In 2012 a new Premier Inn Hotel and Brewers Fayre pub restaurant opened at Chequers Corner and Kuehne and Nagel have recently relocated to a new warehouse south of the ASDA superstore within Orion Park. Planning permission, granted in 2011, exists for other employment uses south of Merrilands Crescent on Orion Park.
- 1.9 On 20 March 2012 the Council approved the Beam Park Planning Prospectus. This was prepared in response to interest shown for major leisure uses on the site including a Snowdome and separately a pleasure park. Therefore the prospectus considered that a major leisure led project could provide the essential catalyst to secure regeneration and deliver growth in the wider South Dagenham and Rainham area within which the site is situated. The prospectus recognised that Beam Park is a unique proposition because of its scale, location and single ownership and that there was an opportunity to capitalise on market and development interest in strategically significant leisure proposals which, in conjunction with transport improvements and further appropriate development, could provide the catalyst to delivering the potential of this growth hub. Snowdome found an alternative site and the GLA are not pursuing the pleasure gardens proposal which has prompted the refocus on a residential mixed use scheme.
- 1.10 More recently the London Borough of Havering instructed Urban Initiatives to prepare a residential scheme for their part of the Beam Park site as a new garden suburb with a focus on family housing, new jobs and commerce, better public transport and improved access to nature. This links the development of Beam Park to both its historic and natural environment south through the Green Grid to historic Rainham Village and the Rainham Marshes Wildspace and north through the Washlands to the Beam Valley Country Park. This proposes densities of 70-90 homes per hectare with smaller homes at higher densities suited to couples and single people around the proposed new Beam Park Station.
- 1.11 In October 2012 Ford announced the sad news that production would stop at the Ford Stamping Plant and the plant closed in July 2013. Ford plan to dispose of the site early 2015 once all the equipment has been removed.
- 1.12 In November 2013 the GLA published the Draft London Housing Strategy 2013 which identified the potential for Beam Park to be a 21<sup>st</sup> century garden suburb. It

also emphasised that the GLA would prioritise and accelerate the development of the 33 Opportunity Areas and seek to designate new Housing Zones within them.

## **Proposal and Issues**

- 2.1 The regeneration of South Dagenham has reached a critical point due to the closure of the Ford Stamping Plant and the renewed focus of the Boroughs and the GLA in delivering residential development on the Beam Park site.
- 2.2 It is critical for the Council, the GLA and other stakeholders including Havering to agree a clear land use strategy for these sites to accelerate delivery to deliver essential homes and jobs in these key growth zone within London's next opportunity.
- 2.3 As explained earlier the Council's planning policies zone the Beam Park site for residential development with supporting community facilities. Currently the GLA in partnership with the two Councils is preparing a development brief for the site. The aim of the brief is to transform Beam Park from a brownfield site into an attractive, well connected, sustainable place for people to live, work and socialise. The first step in this work is identifying site constraints especially ground conditions, flood risk, noise, services and utilities infrastructure and land ownership so the extent of the developable area can be defined and implications for the type and form of housing can be understood. This will also test the viability of residential, the desired tenure mix, and confirm whether other complimentary non residential uses are necessary other than the necessary supporting infrastructure such as schools and neighbourhood shops and services.
- 2.4 Officers are concerned that Beam Park should not be looked at in isolation. Whilst the Council, the GLA and Fords are involved in separate discussions on the future of the Ford Stamping Plant site officers consider that their destinies are inseparable.
- 2.5 The Ford Stamping Plant is currently designated as Locally Significant Industrial Land due to its previous use which has now ceased. Due to its industrial use this site has not been considered in the efforts to regenerate the sites to the east and west. The site was purposefully excluded from the original masterplanning competition for South Dagenham for as long as Ford's remained there was no need to envision a different future for it. Now standing vacant this site divides Beam Park from Dagenham Dock Station which remains an underutilised asset. A mile long detour is necessary to access Beam Park from Dagenham Dock station. Given the investment being sought by Havering for a new Beam Park Station and by the Council for a new rail link to Barking Riverside it is imperative that this opportunity to maximise development around an existing station is fully utilised.
- 2.6 The closure of the Ford Stamping Plant resulted in a significant loss of skilled manufacturing jobs in a community with high levels of unemployment. The Council is aware that there remains demand for industrial uses, particularly logistics, in Dagenham, and there is strong interest in this site for these uses. It is understood these could provide work for around 600 people a similar number to those that were lost. The progress being made in developing out Orion Park to the west of the site demonstrates the attractiveness of the area for logistics uses. In addition to the south of the Ford Stamping Plant site is a rail freight terminal and this is leased by

Network Rail to Freightliner. Demand is likely to exist for this use for the foreseeable future due to the demand for aggregates from London construction sites including those in Barking and Dagenham. This site is also designated as Locally Significant Industrial Land and the London Plan seeks to safeguard rail terminals such as this. The Council's recently published Economic Development Study evidences that there is anything between a 50 hectare surplus and a 12 hectare shortfall of employment land in the borough depending on which employment projections are used. Therefore before releasing land from employment use the Council would need to be satisfied that the needs of business and their job creation potential could be met locally on other sites.

- 2.7 At the same time the recently published further alterations to the London Plan increase the Council's housing target to 1236 new homes per year and retaining the Ford Stamping Plant's and Network Rail land's current industrial designation would not only remove the possibility of housing delivery on this site but may reduce the attractiveness of housing on the Beam Park site.
- 2.8 In light of the above officers consider that there is now the opportunity to plan the future of South Dagenham comprehensively. Officers consider that the Ford Stamping Plant and Network Rail land should be de-designated as a Locally Significant Industrial Location thereby completing the de-designation of industrial land along New Road which began with the ceasing of car production 15 years ago. This would be consistent with the de-trunking of New Road and the designations to the north, east and west. Whilst the rail terminal may remain in active use there is potential to significantly improve its appearance. Currently it transports scrap metal which is stockpiled outside, but there are plans for it to be a cement depot which could be concealed within warehouse buildings similar in appearance to those built and planned on Orion Park.
- 2.9 The Council's existing Local Plan promotes the delivery of an improved retailing and leisure hub at Merriellands Crescent provided it does not harm the vitality and viability of Dagenham Heathway. To understand whether this is possible it is necessary to have regard to the Council's Economic Development Study. This identifies a need for 6000 sqm of retail floorspace in Dagenham by 2032 taking into account existing commitments. This does not take into account the possibility of clawing back the significant amount of local retail expenditure on comparison goods (over 60%) which is lost to other centres such as Romford (27%), Lakeside (19%), and Gallions Reach (5%).<sup>1</sup> There is little scope for accommodating this extra floorspace at Dagenham Heathway due to its tight confines. Therefore officers consider this additional floorspace could be provided within a New Heart for Dagenham at Chequers Corner. This would be an opportunity to reinforce the Dagenham Heathway/Chequers Lane axis between the two public transport nodes of Dagenham Dock Rail Station and the Heathway underground station. The New Heart could therefore be formed either side of Chequers Lane incorporating Merriellands Crescent, the Premier Inn and Brewers Fayre and the surrounding land. The opening up of the Stamping Plant site would allow Dagenham Dock station to serve the site and the western part of Beam Park. Commercial uses could also be provided along the New Road frontage. This is faithful to the high street concept in the London Riverside Opportunity Area Planning Framework and the Council's own planning policies. The New Heart could be complimented by other

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<sup>1</sup> Comparison goods include clothes, furniture, electrical appliances, books, hardware etc but not food.



town centre uses, including a primary/secondary school to serve existing and new communities, and subject to agreement with Ford's a more prominent Ford heritage centre.

- 2.10 The current Ford collection is within the Ford Dagenham Estate and generally not accessible to the public and the archives are in Dearborn USA and Beaulieu with limited material available at Valence House. The opportunity to bring the cars and archives under one roof similar to the Centro Storico FIAT in Turin should be explored. The centre could tell the story of Ford in Dagenham from when Edsel Ford cut the first sod of earth on 17 March 1929, to the first Model AA truck running off the production line in 1931, the production of vehicles to support the war effort and the use of the Dagenham jetty in evacuating local residents and the expansion in the 1950s to accommodate demand for the Consul and Zephyr models when employment peaked at 40,000, the pivotal role of workers in the trade union movements during the 60s, 70s and 80s especially the struggle for women's equal pay, which could form the cornerstone of the display, the ending of car production in 2002 after 10,980,368 cars, trucks and tractors including best sellers such as the Fiesta and Cortina and its position today as Ford's global centre for diesel engine production producing over 1 million engines each year. Most families in Britain will have at some time relied on a Ford built at Dagenham and many models and variants have a cult status, equally many families will have been touched directly or indirectly by the outcome of the trade union disputes at the plant. There is therefore significant potential for this to be a major visitor attraction and one which ensures that the pivotal role that the Ford plant and its workers have had in shaping not only Dagenham but Britain and vice versa can be explained to future generations thereby instilling civic pride locally.
- 2.11 Whilst the New Heart could incorporate a new primary and secondary school it is important to understand that the distance from Chequers Lane to Marsh Way is over a mile which is further than the distance from the Heathway to Chequers Lane. So social infrastructure such as primary schools, community space, health care and local shops and services will need to be planned within the new communities of South Dagenham.
- 2.12 The housing capacity of the Beam Park and Ford Stamping Plant sites cannot be confirmed until site constraints, especially flood risk, utility infrastructure and contamination are understood. Beam Park (Dagenham) is 20 hectares and the Ford Stamping Plant (excluding the Network Rail land) is 17.5 hectares. Even applying relatively conservative densities it is estimated that combined both sites have the capacity for over 2500 homes. GLA research has found that every 100 homes generates 23 jobs. On this basis the two sites have the potential to generate up to 575 jobs indirectly in addition to the new jobs created within the District Centre. They therefore have the potential to make a significant contribution to the target of 24,000 homes and 18,000 jobs within London Riverside. Whilst this report focuses on the principal of housing in this location a site of this size provides the opportunity to establish thriving communities with a wide choice of new and high quality aspirational homes of all sizes, including homes for sale, shared ownership, private rented, affordable rented and social rent homes.
- 2.13 Defining a new District Centre at Chequers Corner and de-designating the Ford Stamping Plant and Network Rail sites as Locally Significant Industrial Sites will require a review of the Local Plan where these changes can be tested with regard

to competing uses, site constraints, development viability, subject to public consultation and if suitably robust approved by the Planning Inspectorate and adopted by the Council. At this stage therefore members are being asked to endorse the strategy outlined in this report in advance of its inclusion in the Local Plan.

2.14 Officers are currently mapping out the changes that need to be made to the Local Plan to make sure amongst other things that it:

- is compliant with the National Planning Policy Framework;
- is in general conformity with the London Plan and in particular the new housing supply target;
- assists in the delivery of the Council's five growth hubs;
- ensures the floorspace requirements identified in the Council's Economic Development Study are planned for;
- opportunities to green the borough are maximised.

2.15 A limited review of the Local Plan would take between 18-24 months to complete.

### **3. Options Appraisal**

3.1 Options appraisal will be necessary as part of the Local Plan Review. This is due to the requirement for the Local Plan to be subject to Strategic Environment Assessment/Sustainability Appraisal. This requires the development and testing of Local Plan options including reasonable alternatives.

### **4. Consultation**

4.1 The review of the Local Plan will be subject to comprehensive consultation in line with the Council's Statement of Community Involvement and the Town and Country Planning (Local Planning) (England) Regulations 2012.

### **5. Financial Implications**

Implications completed by: Carl Tomlinson, Group Finance Manager

5.1 The costs in respect of the review of the Local Plan and subsequent public consultation can be funded from existing Regeneration & Economic Development budgets.

5.2 If any interested parties were to mount a High Court legal challenge following the adoption of the revised Local Plan, the costs incurred by the Authority would also need to be met from existing budgets.

5.3 Paragraph 2.3 indicates that the GLA in partnership with the Barking & Dagenham and Havering Councils is preparing a development brief for the site. This work will identify site constraints such as ground conditions, flood risk, noise, services and utilities infrastructure and land ownership. The extent of the developable area can then be defined and implications for the type and form of the development can be understood.

- 5.4 Until this work is complete, the financial implications of the proposal obviously cannot be fully assessed.
- 5.5 Paragraph 2.13 does, however, indicate that the sites under consideration have the capacity for over 2,500 new homes. For every net new home constructed the Authority will currently receive a new homes bonus of £7,500 and for affordable housing this sum is increased to £9,600. An increase in homes of this order would also represent a significant increase to the Council Tax base.
- 5.6 There will be various revenue implications in terms of the direct services to these properties, such as refuse collection and street lighting; as well as impacts/demands on existing infrastructure such as schools. These costs will be partially offset by the additional Council Tax generated.
- 5.7 A series of section 106 and/or Community Infrastructure Levy payments will be due from the developers as a contribution towards the cost of the increased demands on the local infrastructure this development will create. The actual sums to be levied will be determined once the developments have received planning approval and, therefore, cannot be accurately estimated at this early stage.

## **6. Legal Implications**

Implications completed by: Paul Feild Senior Governance Lawyer

- 6.1 The Planning and Compulsory Purchase Act 2004 sets out specific matters to which the local planning authority must have regard when preparing a Local Plan. The Town and Country Planning (Local Planning) (England) Regulations 2012 prescribe the general form and content of Local Plans and adopted policies map, and states what additional matters local planning authorities must have regard to when drafting their plans. The draft Local Plan will be eventually examined for soundness after submission to the Secretary of State. There are various potential risks to the plan being found sound, and it may be vulnerable to a legal challenge by way of judicial review on grounds such as procedural defect or flaw, or failure to take into account any relevant material consideration.
- 6.2 To counter the risk of judicial review, It is essential that the Council can show with an evidenced audit trail that in developing the draft local plan it has observed the procedural steps and requirements set out in the relevant regulations. These include not only the Town and Country Planning (Local Planning) (England) Regulations 2012, but also the Environmental Assessment of Plans and Programme Regulations 2004 and taking into account the riverside location, also the Conservation of Habitats and Species Regulations 2010 (as amended) which requires a Habitats Regulation Assessment, if it is considered likely to have significant effects on European habitats or species, located in the Council's area or vicinity.
- 6.3 The Council must show it has had due regard to the current National Planning Policy Framework (NPPF) and the 2014 Planning Practice Guidance, as well as creating and maintaining an up to date and proportionate evidence base to inform its policy decisions. The evidence base will include the documents that show objectively assessed needs within the borough.

- 6.4 The Local Plan must be informed and accompanied by a Sustainability Appraisal. This allows the potential environmental, economic and social impacts of the proposals to be systematically taken into account, and should play a key role throughout the plan-making process. The Sustainability Appraisal plays an important part in demonstrating that the Local Plan reflects sustainability objectives and has considered reasonable alternatives. The Sustainability Appraisal should incorporate a Strategic Environmental Assessment to meet the statutory requirement for certain plans and programmes to be subject to a process of 'environmental assessment'.
- 6.5 In developing the revised Local Plan the Council will need to identify and engage at an early stage with all those that may be interested in the development or content of the Local Plan, including those groups who may be affected by its proposals but who do not play an active part in most consultations. Those communities contemplating or pursuing a Neighbourhood plan will have a particular interest in the emerging strategy, which will provide the strategic framework for the neighbourhood plan policies. Furthermore the Planning and Compulsory Purchase Act 2004 requires local planning authorities to produce a Statement of Community Involvement, which should explain how they will engage local communities and other interested parties in producing their Local Plan and determining planning applications. The Statement of Community Involvement must in due course be published on the local planning authority's website
- 6.6 Until we have adopted a revised Local Plan, saved policies from the current Local Plan will carry diminishing weight, as it will be increasingly out of date. There is also a risk that in the interim those applications not fitting with the revised plan could be refused and allowed on appeal by Inspectors would apply the presumption in favour of sustainable development set out in the NPPF unless there are significant adverse impacts as provided in the NPPF.
- 6.7 If the Cabinet agrees to this proposal officers will then consider the various options. There is a duty to cooperate which requires local planning authorities and certain other public bodies to cooperate with each other in preparing a Local Plan, where there are matters that would have a significant impact on the areas of two or more authorities, which could include working with other authorities including the GLA and Havering Council. There is a minimum prescribed list of specific bodies or persons that a local planning authority must notify and invite representations from in developing its Local Plan. The Council must take into account any representation made, and will need to set out how the main issues raised have been taken into account. It must also consult the Strategic Environmental Assessment consultation bodies on the information and level of detail to include in the sustainability appraisal report.
- 6.8 Appropriate and proportionate evidence is essential for producing a sound Local Plan. The NPPF sets out the types of evidence that may be required, but it is not a prescriptive list; the evidence should be focused tightly on supporting and justifying the particular policies in the Local Plan. Evidence of cooperation and considering different options for meeting development needs will be key for this process.
- 6.9 The evidence needs to inform what is in the plan and shape its development rather than being collected retrospectively. It should also be kept up-to-date. For example when approaching submission, if key studies are already reliant on data that is a

few years old, they should be updated to reflect the most recent information available (and, if necessary, the plan adjusted in the light of this information and the comments received at the publication stage).

- 6.10 While the process proceeds the Council should publish documents that form part of the evidence base as they are completed, rather than waiting until options are published or a Local Plan is published for representations. This will help local communities and other interests consider the issues and engage with the authority at an early stage in developing the Local Plan.

## 7. Other Implications

- 7.1 **Risk Management** - The preferred strategy set out in this report will need to be tested through a review of the Local Plan. There are two main risks, the deliverability of the proposal and risk of challenge. Both these risks will be addressed in the Local Plan review.

The National Planning Policy Framework requires Local Plans to be viable and deliverable and therefore this will need to be demonstrated by the Council.

The review of the Local Plan will give interested parties the opportunity to object to the Council's strategy and if dissatisfied with the outcome of the independent examination they have the right to mount a High Court legal challenge following the adoption of the Plan. It will be incumbent on the Council to minimise this risk by ensuring that the relevant legal requirements are met in undertaking the review of the Local Plan.

- 7.2 **Staffing Issues** - Based on current staffing levels a limited review of the Local Plan would take between 18-24 months to complete.

- 7.3 **Corporate Policy and Customer Impact** - This will help deliver one of London's major growth opportunities and one of the borough's five growth hubs. It will therefore help deliver the "growing the borough" priority by building high quality homes and sustainable communities and enhance the borough's image to attract investment and business growth. It also has the potential to deliver the priority "encouraging civic pride" by promoting a welcoming, safe and resilient community.

The Community Strategy identifies the most important local issues as housing, employment, education and health. The scale of development provides an opportunity to create a place:

- with high quality energy efficient new homes where people from all backgrounds aspire to live
- where walking and cycling (healthy forms of travel) are viable alternatives to the car and where public transport is no less convenient with easy access to Dagenham Dock station so people can access job opportunities.
- with a network of green spaces linking into the Beam Valley allowing people to keep active locally
- with the necessary schools and other community facilities to meet the needs of new and existing communities

- with a new District Centre creating new jobs for local people and incorporating a new Ford heritage centre with potential to be a significant visitor attraction instilling civic pride.

7.4 **Safeguarding Children** – Due to the number of new homes proposed it will be necessary to plan new schools as an integral part of the new development. The proposal to create a new district centre at Chequers Corner provides an opportunity to create a critical mass of commercial and social activities including education. The number, type, location and funding of new schools within these sites will need to be developed and tested through the Local Plan Review and any subsequent planning application.

7.5 **Health Issues** – In line with the National Planning Policy Framework the Local Plan review will need to take account of and support local strategies to improve health, social and cultural wellbeing for all, and deliver sufficient community and cultural facilities and services to meet local needs. The proposed strategy aims to create thriving communities on former industrial sites, remediating contaminated land, reducing flood risk, and providing sustainable communities with the pre-requisite infrastructure to ensure people's needs are met locally and to ensure they can lead active lifestyles.

7.6 **Crime and Disorder Issues** – In line with the National Planning Policy Framework any development on these sites will need to create safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion.

#### **Background Papers Used in the Preparation of the Report:**

- Barking and Dagenham Economic Development Study, Nathaniel Lichfield and Partners, 2013

#### **List of appendices:**








- **Appendix 1:** Plan of South Dagenham sites

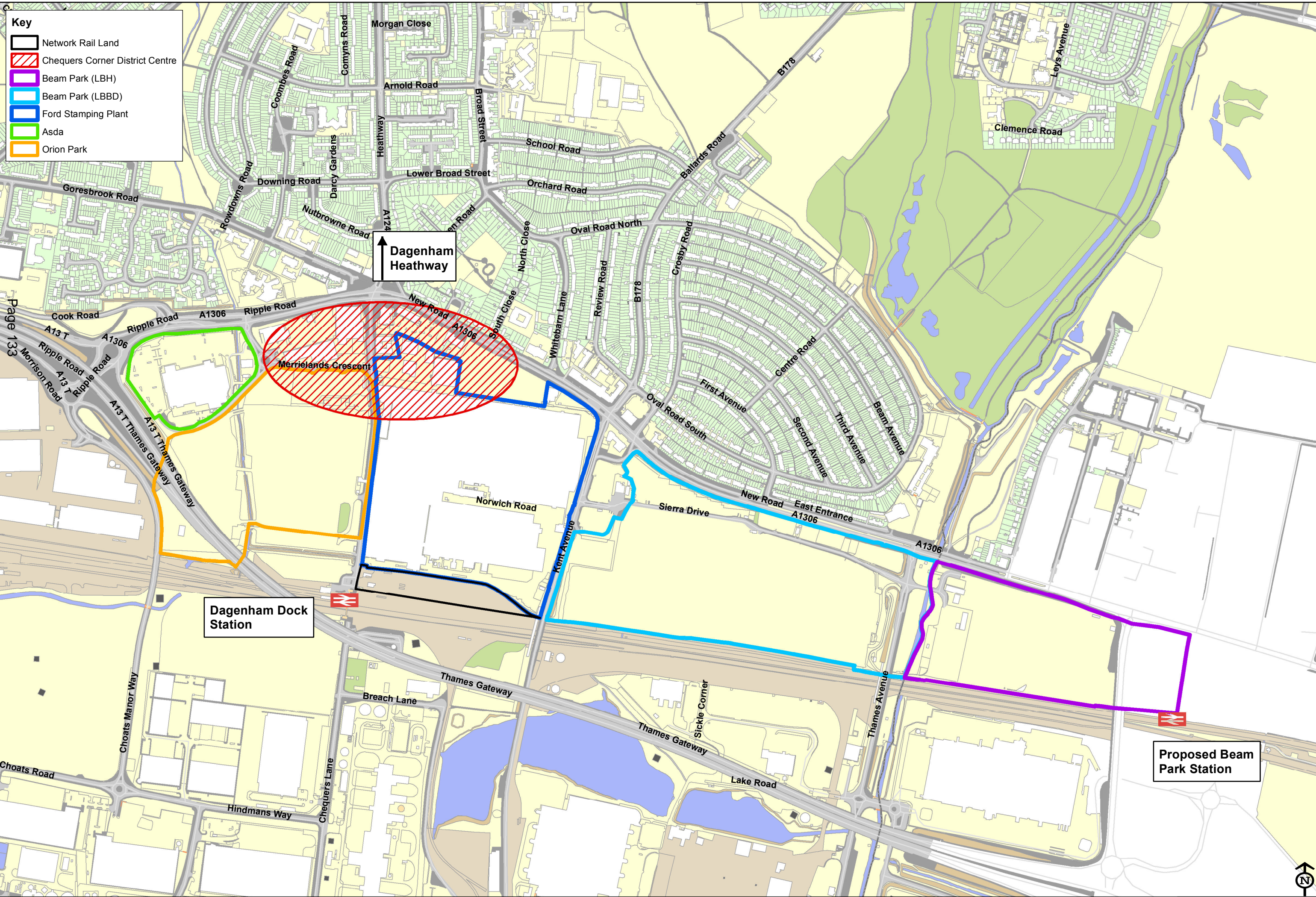


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**Key**

-  Network Rail Land
-  Chequers Corner District Centre
-  Beam Park (LBH)
-  Beam Park (LBBD)
-  Ford Stamping Plant
-  Asda
-  Orion Park



Page 133

**Beam Park**

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**CABINET****25 September 2014**

|   |   |
|---|---|
| <b>Title:</b> People Strategy 2014/15   |   |
| <b>Report of the Cabinet Member for Central Services</b>  |   |
| <b>Open Report</b>  | <b>For Decision</b>   |
| <b>Wards Affected:</b> None   | <b>Key Decision:</b> No   |
| <b>Report Author:</b> Martin Rayson, Divisional Director of Human Resources and Organisational Development  | <b>Contact Details:</b><br>Tel. 020 8227 3113<br>Email: martin.rayson@lbbd.gov.uk |
| <b>Accountable Divisional Director:</b> Martin Rayson, Divisional Director HR & OD  |   |
| <b>Accountable Director:</b> Graham Farrant, Chief Executive  |   |
| <p><b>Summary</b></p> <p>The People Strategy, which we review annually to ensure it remains “fit for purpose” seeks to ensure that we are a “well run” organisation from a people management point of view i.e. that people are well-managed, developed and engaged with the Council. High levels of engagement are essential to sustain well-being and productivity during this period of change.</p> <p>The People Strategy is based around an accepted process for managing change. We focus on the agreed vision and values of the Council and identify what needs to be done to deliver them against a backdrop of financial, demographic and other change. In the Strategy we review what has been delivered and achieved and where gaps remain. We identify the actions necessary to close the gaps and how we will know if we have been successful. We draw on evidence from the staff surveys we undertake, other KPIs and external assessments, such as Investors in People and the Peer Review to assist us.</p> <p>We have revised our values to reflect the new proposed vision and the kind of organisation that we need to become (our style or culture). Embedding those values is at the heart of the new People Strategy for the 2014/15 financial year and beyond.</p> |   |
| <p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to adopt the People Strategy 2014/15 at Appendix A to the report.</p>   |   |
| <p><b>Reason(s)</b></p> <p>The Council refreshes its People Strategy each year to ensure it is fit for purpose and incorporates an action plan to address the gaps between where we are and where we wish to be. Sustaining staff engagement, well-being and productivity is fundamental to being able to achieve our Council vision and priorities.</p>  |   |

## **1. Introduction**

- 1.1 Having staff in the organisation who are engaged with us is fundamental to well-being and productivity levels and therefore our ability to deliver on our vision and priorities. We strive to be a “well-run” organisation and from a people management point of view that means having staff who are well managed and developed and are engaged with us.
- 1.2 A People Strategy is produced each year which sets our ambitions in terms of being “well-run”, identifies the gap between where we are and where we want to be and the actions which will enable that gap to be filled. The purpose of the Strategy is set out in Section 1.
- 1.3 The Strategy does not cover staff employed by schools, where the governing bodies are legally responsible for staff development and management. The Strategy makes reference to both the use of volunteers in the Council and to Members, although other documents describe in more detail the actions being taken to enable them to fulfil their role effectively. The Strategy relates to our own employees and not those of partner organisations, such as Elevate, but we do seek to ensure through dialogues, that there is an alignment of our own values and those of our partners.

## **2. How Is the Strategy developed?**

- 2.1 We are in a period of significant business change and therefore the Strategy is structured around key elements of change (as shown in a diagram included on page 11 of the document attached). These are:
- Skills and ways of working
  - Workforce supply
  - Leading and managing through change
  - The deal for our workforce
- 2.2 We utilise data from the staff surveys, other KPIs and external assessments, such as Investors in People and the LGA Peer Review to identify where the gaps are in these areas between where we need to be in terms of being “well-run” and where we are. There are issues and actions that role forward from previous years, which need to be picked up. We seek the views of staff, Trade Unions and managers (through the officer People Board) on the actions that are included in the Strategy for 2014/15.
- 2.3 The analysis undertaken to develop the Strategy is set out in Sections 2 through 6.

## **3. Our organisational style or culture**

- 3.1 There is reference to the “culture” of the Council that will enable us to be successful in delivering our vision and priorities in the recent Peer Review and this underpins the overall business change programme. We have reviewed our organisational values to define that new style. We have developed these” bottom-up” involving about 1,000 staff through a series of events at the turn of the year and then through a “task and finish” group comprising a cross-section of staff. The values they

developed reflected issues raised by staff and were intended to be more memorable than the old ones.

3.2 The proposed values are:

**Deliver our best** every day – and do what we promised

**Respond in a prompt, positive way** to our community's needs

**Inspire others** with our attitudes and actions

**Value people** for who they are and what they can do

**Engage with others** to improve our resilience and flexibility

These have been tested against the vision and priorities and fit well. They reflect the Nolan principles of public service, which underpin the way public servants should act.

3.3 Statements on paper are of course of limited value and we need them to actually influence what happens on a day-to-day basis. Actions to embed the values are included in the People Strategy Action Plan. Some of the most important actions relates to the Staff Charter, set out in Section 3. This defines the “deal” we can offer our staff going forward and relates both to issues around pay and benefits, but more broadly, what it means to be working for the Council.

#### **4. Ensuring Compliance**

4.1 More broadly, it is important that the policies, practices and initiatives which we are proposing through the People Strategy (and our people policies and procedure framework) are complied with. Managers are responsible for managing their resources, including staff resources, but doing so within the framework of initiatives and policies that we provide. We specifically set out what our expectation of managers is in the 13-point checklist. Managers should be held accountable for their management role as part of appraisal. Our policies and procedures are reviewed regularly in light of experience and new legislation with managers and Trade Unions.

4.2 HR staff will support managers and address issues as and when they arise. We seek to resolve issues that arise on an informal basis, but we have recourse to both the grievance procedure and performance management arrangements if necessary.

#### **5. Measuring Success**

5.1 We measure success through the review of a number of performance indicators, some of which are related to the regular staff temperature check surveys. The indicators that we use are set out in Appendix 2. We will agree new targets for those indicators with the Portfolio Holder over the next month.



## 6. Financial Implications

Implications completed by: Carl Tomlinson, Group Manager

- 6.1 All actions set out in the Strategy can be funded from the budgets allocated to the Human Resources and Organisational Development Teams in 2014/15. Staff costs comprise a significant proportion of the Council's overall revenue budget, therefore, effective people management is essential.

## 7. Legal Implications

Implications completed by: Paul Feild Senior Governance Solicitor

- 7.1 The Council as a major employer and public service provider is expected to manage its staff and their relations with the community to the highest standards. The public sector duty under the Equality Act 2010 requires that the Council shall to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.
- 7.2 Establishing a culture that maintains the highest standards in terms of ethical behaviour and treatment of service users can only be successful if those values are entrenched within the organisation and demonstrated by its leadership. A suite of people policies that ensure that our staff are employed and managed in accordance with employment law and best practice is a significant step in achieving this objective.

## 8. Other Implications

- 8.1 **Risk Management** – There is a corporate risk relating to staff morale and its impact on organisational success. The People Strategy includes the actions necessary to bolster engagement levels during this time of change and thereby manage that risk
- 8.2 **Staffing Issues** – The staffing issues are fully explored within the main body of the text
- 8.3 **Health Issues** – Around 50% of the Council's staff live in the borough. The action we therefore take to manage their health and well-being does impact on the overall health of the Borough.

**Background Papers Used in the Preparation of the Report:** None

**List of appendices:**

- **Appendix A** – LBBB People Strategy 2014/15

# **LONDON BOROUGH OF BARKING & DAGENHAM**

## **PEOPLE STRATEGY**

**2014/15**

## 1. Introduction

- 1.1 The current People Strategy was agreed at the beginning of the 2013/14 financial year. The Strategy is focused on the people management aspects of being a “well-run” organisation, which underpins the delivery of the Council’s vision and priorities. The proposed vision for the Borough (to be considered by Assembly in September) is “**One borough; one community; London’s growth opportunity**”.
- 1.2 The three corporate priorities that will support the vision are:
- Encouraging civic pride
  - Enabling social responsibility
  - Growing the borough
- 1.3 The People Strategy is about ensuring we have a workforce that is equipped to deliver the Council’s vision in ways which reflect our values. Being a “well-run organisation” in people management terms is about ensuring that *we have the right people, with the right skills in the right places, with the right kinds of management and leadership, motivated to perform well.*
- 1.4 The Council of course faces the tremendous challenge of identifying £50m+ of savings (or additional income) by 2017/18, whilst continuing to make an impact on the issues and problems within the Borough and achieve our overall vision. We have recognised that to achieve this, the operating model of the Council needs to change significantly and we have created a Business Change programme to achieve this, as well as delivering the savings required by the start of the 2015/16 financial year to ensure we have a balanced budget.
- 1.5 Within the Business Change programme, there is a real focus on workforce issues that will underpin the changes required. In the 2013/14 People Strategy we adopted an identified model of best practice around change. We have continued to utilise that model for this year’s Strategy, which is focused on supporting change in the short, medium and long-term.
- 1.6 As part of that work to develop a vision for the Council, we have reviewed the Council’s values and adapted them to reflect the challenges of the future and the appropriate organisational style that will enable us to be successful.
- 1.7 Following sessions attended by around 1000 of our staff, we set up a “task and finish” group to look again at the values of the Council and to ask the question, “do they remain fit for purpose, in the context of the changes that are taking place.” The group also explored whether the values of the Council could be made more memorable for staff. What they have developed is a set of values based around the acronym DRIVE, as follows:

**Deliver our best** every day – and do what we promised

**Respond in a prompt, positive way** to our community’s needs

**Inspire others** with our attitudes and actions

**Value people** for who they are and what they can do

## **Engage with others** to improve our resilience and flexibility

In Appendix 2, there is a further explanation of the values, what they mean and why they feel right for the present moment. Promoting and embedding the values provides an opportunity to shape our culture to be fit for purpose going forward.

- 1.8 As demonstrated in the values above, the Council has a strong commitment to equalities and diversity. It is through recognising the qualities everyone brings to the workplace and the strength in the diversity in the community that we serve, that we can be most successful. We will continue to take actions to ensure we recruit and progress talented people and create a workplace that is fair and inclusive.

## **2. What We Have Achieved To Date**

- 2.1 It has not been possible to deliver a number of the identified projects in the 2013/14 People Strategy, in part owing to resource constraints, but also because of the timing not quite being right. A number of those are rolling forward into this year's People Strategy as they remain important in terms of delivering Business Change.
- 2.2 Appendix 1 shows actual performance against target for the performance indicators in the People Strategy. Many of the performance indicators are moving in a positive direction. In terms of the staff survey questions, we have been slightly restricted by running a full survey which, as a consequence of our partnership with Thurrock, has different questions to the staff temperature check, which was the source of our data at the beginning of the year and on which targets were based. Nevertheless, overall the staff survey was more positive than we expected, with a significantly higher participation rate (69%, compared to 45% in 2006). We have noted that a high percentage of respondents were neither negative nor positive in their responses and our focus will be on tipping these people into feeling more positive.
- 2.3 We are also two-thirds of our way through the liP reassessment process and are striving for the bronze award. To date the feedback has been generally positive and the third and final review element is due in November. We have used the evidence from the staff survey and liP process to complete Section 8.
- 2.4 In July, the Council had a LGA Peer Review, looking at whether the Council was equipped to meet the challenges ahead. Key issues raised included:
- The extent to which the Council acted as a corporate organisation
  - The level of staff engagement with the future direction of the Council
  - Ensuring we get our core services right
  - Integrating change, savings and effective service delivery into one plan
  - Clarity on roles between members and officers
  - Getting a culture which is less traditional and more about innovation, creativity, managed risk-taking and commercial acumen.

This People Strategy and particularly the work on values, will address some of the issues referred to above.

### 3. Staff Charter

3.1 The Staff Charter was developed as a follow-up to the work we undertook to review the Employee Value Proposition (EVP), or “Deal” at the Council. The key issues that emerged from the EVP survey that we undertook were:

- Concerns about the economic side of the deal – job security, levels of pay
- Huge commitment to the job and the community served
- A feeling of detachment from senior managers and a sense that they were not being supported as they strive to deliver good services to the community
- A lack of a true “employee voice”
- Some poor management practices that meant that “negative” issues were suppressed and not properly addressed.

3.2 The Charter seeks to describe a two-way deal which acknowledges the importance of “fairness” in pay and reward, but tries to focus also on the non-economic aspects of the deal that we can more easily influence. The Charter was launched in 2013, but we need to continue to focus on it to underpin our work to reshape the Council through the Business Change programme. The Charter is set out below:

#### ***The Place to Work***

*If you work at Barking and Dagenham, you can expect the following:*

- ***To be valued and respected by all, regardless of your background***
- ***A competitive pay package that is fair, a decent pension for the future and employee benefits that make life just that little bit easier.***
- ***A positive approach to flexible working, supporting the need for everyone to have decent work/life balance.***
- ***Commitment to your well-being: we'll keep you safe and healthy while at work and help you stay that way.***
- ***If you become unwell, we'll give you the support you need to get back on your feet again.***
- ***To receive an effective and well put together induction that lets you get to know about working with us.***
- ***Regular supervision with your line manager, six month reviews and an annual appraisal that celebrates your success and gives you pointers to improve, grow and develop.***
- ***Investment in your learning and development – to build your skills in the short-term and to help you reach your career goals.***
- ***To be kept informed: through team briefings, the staff magazine and on the intranet; all designed to keep you up-to-date.***
- ***A clear vision: we'll set out what we do, why we do it and what our goals for the future are – and get you involved to help shape and deliver on each.***
- ***To be consulted when change happens, because it always does and because your views really do count.***

- *A workplace where those who fail to **perform are challenged** and poor performance is tackled.*
- *There won't be blame when **honest mistakes are made** – especially if you learn from them.*
- *To be appreciated – we'll say '**thank you**' when you achieve, no matter how big or small your contribution. We will jointly celebrate our successes*
- *We will provide you with the right tools to do the job*
- *Staff friendly policies and procedures, used by managers to support your welfare*

*And what we expect of you:*

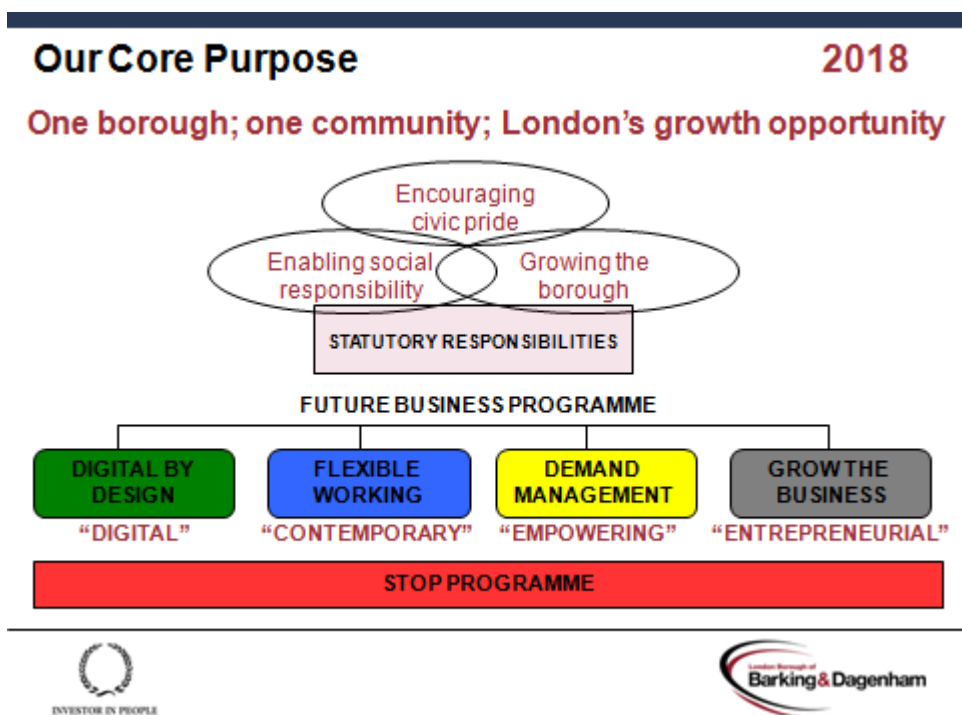
- *To **value our customers and those we serve** – each and every day, in everything we do: we're here for them.*
- *To be a positive ambassador for the London Borough of Barking and Dagenham – inside and outside of work.*
- *To treat your colleagues with respect: Challenge bullying and harassment. To **tell us when things go wrong** – **constructively** and with care for the opinions of colleagues.*
- *To **learn from mistakes**, to build on lessons learned and never blame others.*
- *Take responsibility for health and safety of yourself, customers and colleagues*
- *To get involved and **stay informed** – so you know what's going on around your team and across the Council.*
- *To work with your supervisor or manager, **agreeing objectives together**.*
- *To identify where you can **develop and learn** – and work positively with your manager or supervisor to achieve even better.*
- *To **strive for continuous improvement** in everything you do and to access the training and information you need to grow.*
- *To **challenge poor performance** – in a way that's transparent, firm and fair.*
- *Own service issues; do not see it as someone else's responsibility*
- *To acknowledge resources are stretched and recognise that we need to **make the most out of every penny that's spent**.*
- *To **thank others** for the contribution they make.*
- *To **embrace change** when and where it happens – because it isn't always bad and it often turns out for the better.*
- *To **recognise that not every day is great** – no job is perfect, work with us to build on the good and tackle what needs to improve.*
- *To **have fun**, now and again!*



- 3.3 We have taken opportunities to promote the charter and bring it to life to ensure it does underpin our future relationship with our staff.
- 3.4 Our relationship with the Trade Unions underpins the way in which we manage people at the Council. We recognise a number of Trade Unions and fund a number of full-time officials so that they are able to play their part in creating a positive employment climate and sustaining staff engagement. The Trade Unions act on behalf of staff individually and collectively and work in partnership with managers and Members both informally and through more formal bodies such as the Employee Joint Consultative Committee.
- 3.5 The Council seeks to be “firm but fair” in the way that it deals with employee relations issues. The Trade Unions have worked with us to review and implement new employment policies and procedures and have contributed, as an example, to our success in reducing levels of staff sickness across the Council.

#### 4. Business Change Programme

- 4.1 We are undertaking work at the moment to form a view on the shape of the Council in 2017/18 and beyond (when we will have had to take at least a further £50m out of the budget). We do recognise that the Council will have to be very different, with a different focus, doing less and facilitating more. The diagram below sets out our current thinking on the Council of the future and the elements of the Business Change Programme which is seeking to shape it:



- 4.2 In the above diagram, the Council of the future is described as digital, contemporary, empowering and entrepreneurial. These have been further defined as:

A **digital** Council will:

- Have its residents online and be delivering more public services online.

- This commitment is based on the belief that to be sustainable in the long term digital self-service options need to be the contact channels or first resort for a resident or business accessing public services.
- Be arranged around the following key principles:
  - Identifying and Targeting Specific Opportunities for efficiency from a shift to digital self-service
  - Creating a Proposition that works for the Resident – attractive and easy to use
  - Promoting Uptake and Managing Demand – communicating the availability and benefits to residents
  - Matching Customers, Processes and Communication Strategies – profiling residents and processes

A **contemporary** Council will:

- Be a connected workplace – no longer a static physical place that employees travel to in the morning and leave in the evening
- Have a working environment where any employee can work at any time, in any place
- Operate within modern flexible workspaces
- Have an integrated, respectful workforce, that come together in an agile manner to work effectively in teams to tackle greatest need
- Be a safe and efficient data and information manager

An **empowering** Council will:

- Irreversibly change the relationships between the Council, community and residents to reduce or stop current demand and prevent future demand.
- Create a fundamental shift in mindset for the Council from actively seeking demand to actively repelling demand. It will enable a similar scale of shift in the users and potential users of Council services

An **entrepreneurial** Council will:

- Be a Council that minimises costs and maximises income
- Focus on developing future business that enables us to:
  - Drive out costs through new delivery models e.g. shared services
  - Building our entrepreneurial capability to generate income
  - Generate income from growth e.g. NNDR and NHB income

4.3 There is a “workforce” strand to the business change work and we have identified actions that we need to take in the “short”, “medium” and “long” term. These actions are incorporated in the People Strategy, so we have one document and one action plan integrated as “business as usual” and helping to drive the organisation forward.

4.4 Staff morale and staff resilience are already highlighted as risks with the corporate risk register. There are significant risks going forward through this period of change. These are:

- Significant drop in morale
- Lack of capacity in key areas, adding to levels of risk
- Inadequate systems to support programmes and lack of quality data
- Lack of capacity to drive HR programme
- Skills in leadership and contracting not well-developed
- Lack of capacity in the community and potential partner organisations
- Ability to sustain services and drive through change.

The People Strategy will take account of this in the actions that are proposed.

## **5. Analysis – Development of a People Change Programme**

5.1 We have limited resources and much that could be done. In determining the priority actions for the People Strategy, we will take account of the following:

- The vision and priorities of the Council
- The new values and the style of the Council they represent
- The initiatives we have taken to date and their success
- Evidence from the staff survey
- The views of the liP assessor
- The Peer Review
- Our Health Needs Assessment and the Health, Safety and Wellbeing initiatives identified
- The emerging Business Change Programme and the different elements within it.
- The risks we have identified which have a people focus.

5.2 The diagram on page 11 reflects the key areas that need to be addressed around the “people” aspects of change. It represents best practice and is the framework adopted for the People Strategy. We are beginning to get a clearer picture of the elements in the top right of the diagram, what we will do and how we will be organised. The tables below set out the progress we have made in addressing the key elements of change and the priorities that therefore need to be addressed.

5.3 One of our key sources of insight is the staff survey. We have been running regular “temperature check” surveys of a representative cross-section of staff. In March 2014 however, we have undertaken a full staff survey. We were very pleased to see a response rate of 69% (up from 45% when we last ran the survey in 2006).

5.4 We have set up some focus groups where we can discuss with staff what actions they believe we need to take to address the concerns the results suggest, (and we will also seek to unpick some of the issues presenting). The questions the focus group will concentrate on are:

### **I am well informed about big Council-wide changes**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 11%            | 48%   | 26%                       | 12%      | 3%                | 59%        | 2305                |

### **Communication between different departments in the council works well**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 4%             | 22%   | 37%                       | 27%      | 10%               | 26%        | 2304                |

### **I feel able to speak up and challenge the way things are done in the Council**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 6%             | 25%   | 35%                       | 23%      | 11%               | 31%        | 2291                |

**Considering my duties and responsibilities, I feel my pay is fair**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 7%             | 36%   | 22%                       | 24%      | 12%               | 42%        | 2303                |

**Senior management are open and honest in their communications with staff**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 8%             | 32%   | 38%                       | 14%      | 9%                | 39%        | 2220                |

2013

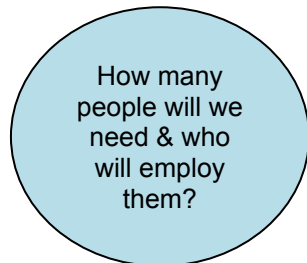
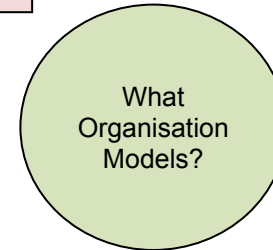
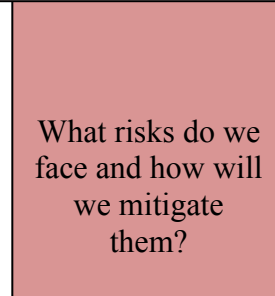
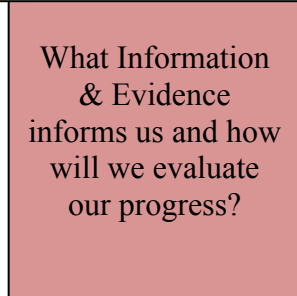
2015

'As is' Council  
(See sections 3 to 6)

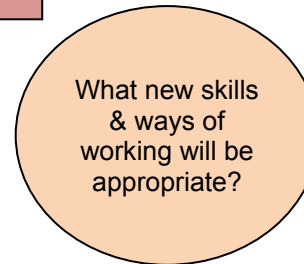
How will we need to behave?



What will we do and how will we be organised?



How will we get the right people with the right skills?



Future Vision



People Change Plan  
'People Strategy'



Strategic Narrative



Budget strategy  
Organisational Model(s)

**When changes are made they are usually for the better**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 4%             | 21%   | 45%                       | 21%      | 9%                | 25%        | 2252                |

**Where I work there are enough staff to get the job done**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 7%             | 31%   | 23%                       | 27%      | 13%               | 38%        | 2281                |

**I believe that the quality of service to customers is improving**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 9%             | 45%   | 31%                       | 12%      | 3%                | 54%        | 2302                |

**I receive the appropriate support to develop my skills for the future**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 15%            | 44%   | 26%                       | 10%      | 4%                | 59%        | 2267                |

**Poor performance is dealt with effectively in my team**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 14%            | 41%   | 29%                       | 10%      | 6%                | 55%        | 2205                |

**Senior management are sufficiently visible in the Council**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 9%             | 41%   | 29%                       | 14%      | 6%                | 50%        | 2234                |

**I believe senior management has a clear vision for the future of the Council**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 9%             | 38%   | 38%                       | 10%      | 5%                | 47%        | 2228                |

**Change is managed well in the council**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 4%             | 27%   | 43%                       | 19%      | 7%                | 31%        | 2248                |



**Where I work there are enough staff to get the job done**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 7%             | 31%   | 23%                       | 27%      | 13%               | 38%        | 2281                |

**The council motivates me to go the extra mile when required**

| Strongly Agree | Agree | Neither Agree or Disagree | Disagree | Strongly Disagree | % positive | Number of Responses |
|----------------|-------|---------------------------|----------|-------------------|------------|---------------------|
| 14%            | 38%   | 34%                       | 11%      | 3%                | 53%        | 2267                |

5.5 You will already see in the action plan actions that address the above issues and these will be supplemented as the focus group reports back.

**6. Progress to Date**

6.1 The progress we have made to date in the key areas of the change diagram are set out below:

| <b>People Strategy – Skills and Ways of Working</b> |  |  |
|---|--|--|
| <b>Key Issues</b>                                   | <b>What We Have In Place</b>   | <b>Areas To Address</b>  |
| <b>Attributes to behaviours</b>                     | <ul style="list-style-type: none"> <li>- Competency framework, revised in 2011 was included in Appraisal 2014 but not fully embedded. IIP review indicates that even at manager appraisal level the use of competencies is patchy. Needs to be included as part of recruitment. Review of values means that competency framework will need to be tweaked. Also need to ensure that the management competencies required (as set out in 13-point checklist) are brought out in competency framework.</li> </ul> | <ul style="list-style-type: none"> <li>- Review of values means that competency framework will need to be tweaked. Also need to ensure that the management competencies required (as set out in 13-point checklist) are brought out in competency framework.</li> <li>- Competencies do need to reflect direction of travel as set out in the Business Change Programme and the values.</li> <li>- Need to fully-integrate competencies in performance management framework at all levels in the Council.</li> </ul> |
| <b>Numbers of staff</b>                             | <ul style="list-style-type: none"> <li>- Do not systematically assess numbers of staff required now and in the future. This is left to managers as part of business planning process. Lack of generic roles also</li> </ul>  | <ul style="list-style-type: none"> <li>- Explore how other organisations have undertaken workforce planning from a numbers perspective</li> <li>- Need to review redundancy scheme from an affordability</li> </ul>  |

## Departmental structures and service design

- inhibit this.
- Where we are downsizing, we do have a valued 'Supporting Staff in Tough Times' programme in place.
- Need to address sense of staff being too stretched
- We have delivered over 25% savings on 2010 budgets, but have largely done so through making more efficient the existing operating model.
- Staff do not feel that changes made are always for the better, nor that change is always managed well.
- Evidence that staff still do not understand the difference between vision and values. There is a need to promote them and their purpose more widely.
- Business Change programme will be looking to fundamentally re-design services using the principles of "digital by design". Need to ensure skills are in place to support this.
- Delivering £35m savings for 2015/16 may mean job losses. We need to support the process of downsizing.

## Job design

- Currently a plethora of different jobs and job designs underpinned by job evaluation.
- Current presumption that we should employ people on permanent contracts
- Move to more generic roles within job families to increase flexibility/agility
- Consider the appropriateness of the perm/temp mix and the use of casual contracts.

## Flexible working patterns

- MWOW review underway. Variety of flexible working arrangements already available to managers and staff.
- Review in light of overall direction and accommodation strategy.
- Are we maximising opportunities to work flexibly as part of the overall deal for our staff?
- Have our managers got the skills they need to manage a flexible workforce?

## Skills

- L& D Plan in place
- Leadership and Management Development Programme in Place
- E-Learning strategy in place.
- Potential new skills required around:
  - Community capacity building
  - Collaboration
  - Use of technology and data
  - Digital by design
  - Operating in flexible environment
  - Innovation/entrepreneurship

- New values/behaviours

| <b>People Strategy Review – Workforce Supply (How Many People &amp; Whom)</b> |   |   |
|---|---|---|
| <b>Key Issues</b>   | <b>What We Have In Place</b>  | <b>Areas To Address</b>   |
| <b>Make up and dynamics of existing workforce</b>                             | <ul style="list-style-type: none"> <li>- We have data relating to the age and ethnic breakdown of the workforce. We know we have an older workforce than many organisations, but we also have more young people than most London Boroughs.</li> </ul> | <ul style="list-style-type: none"> <li>- We need to know the skill mix in our workforce, to help us look at transferable skills to maximise deployment opportunities.</li> <li>- We know we need a better mix in terms of younger people, BME representation and more people with disabilities.</li> </ul>  |
| <b>Skills gaps</b>  | <ul style="list-style-type: none"> <li>- Current difficulties in recruiting to social work positions.</li> <li>- Movement in London does mean risk of high turnover in professional groups.</li> </ul>  | <ul style="list-style-type: none"> <li>- Ability to attract skills for the future – commissioning, step change, commercialism, innovation. Can we work collaboratively to fill the gaps?</li> <li>- Ability to grow our own talent.</li> <li>- Need for career paths</li> <li>- Focused investment on learning and development</li> <li>- What more could we do around Social Worker recruitment?</li> <li>- Potential of losing knowledge when experienced people leave – knowledge transfer.</li> </ul> |
| <b>Untapped talent</b>  | <ul style="list-style-type: none"> <li>- Recruitment audits to ensure fairness in our recruitment procedures.</li> <li>- Putting in place an approach to succession planning for more senior roles in the organisation.</li> </ul>                    | <ul style="list-style-type: none"> <li>- Need to consider the potential for succession planning in an organisation which is much leaner</li> </ul>  |
| <b>Employer brand</b>   | <ul style="list-style-type: none"> <li>- Links to EVP/Deal</li> <li>- Staff charter defines the brand</li> <li>- Projection of the brand through our external job vacancy sites at the initial scoping stage.</li> </ul>                              | <ul style="list-style-type: none"> <li>- Review of the information on our recruitment sites – we need to project the Council as a dynamic, challenging place to work.</li> </ul>  |
| <b>Opportunities to redeploy staff</b>  | <ul style="list-style-type: none"> <li>- Redeployment process and panel in place, mainly though to minimise redundancies rather than achieving a greater degree of flexibility in the workforce.</li> </ul>   | <ul style="list-style-type: none"> <li>- Reviewing effectiveness of redeployment panel. Problem is that skills required are in a number of specialist areas – this limits</li> </ul>  |

the scope for redeployment.

**Increasing reliance on volunteers**

- Policy on managing volunteers
- Complete review of volunteering policy

**Skills development**

- We have a Learning & Development Plan based on the following priorities: Management effectiveness, and using tools to manage performance, give constructive feedback, consult and engage with staff. Consistent management style and application of policies and procedures. Role models for teams. Service redesign, improvement and partnership working Professional training to support implementation of national and local priorities such as Health and Social Care and legislative change (such as the Care Bill). Compliance to support a well run organisation Political awareness Self sufficient manager Managing self – resilience and managing change. Support for supervisors and new managers. Succession Planning
- Professional skills training takes place in services.
- Need to think through the skills that will be needed in the future to support the Business Change Programme
- Need to review the way in which Learning and Development is commissioned, funded and delivered.
- Need to be clearer on the skills we have amongst our staff in the Council.

**People Strategy – Leading and Managing Through Change**

| Key Issues                               | What We Have In Place  | Areas To Address  |
|--|--|---|
| <b>Gaps between intent and behaviour</b> | <ul style="list-style-type: none"> <li>- We measure the impact of what we do through the temperature checks.</li> <li>- We hold regular meetings with TU's, formal and informal.</li> <li>- We produce a regular 'you said, we did' report for sharing with staff</li> </ul> | <ul style="list-style-type: none"> <li>- We need to look at the way we consult with staff and the extent to which they feel they can influence what happens (and put forward ideas – see staff survey). We need to find ways to monitor this</li> <li>- Staff do not feel that senior managers are visible enough nor open and honest in their communications.</li> <li>- Raise the profile of the</li> </ul> |

whistleblowing procedures

## Performance management

- Appraisal system in place. High compliance rate.
- Corporate Plan refreshed
- Focus on reducing sickness absence
- Creating productive workplace training in place
- Leadership and Management Development Programme has a focus on performance and productivity.
- New Oracle R12 solution to be in place by August 2014.
- Need to tackle poor performance.
- Need to consider how we must adapt training for managers to reflect productivity and service delivery through new models, e.g. contract management
- Need to ensure compliance with HR policies in all parts of the organisation.

## Sustaining performance through change

- Performance levels have, on the whole, been maintained
- Levels of sickness absence have increased.
- Our change management policies are well-established.
- We have mechanisms in place for cascading messages to employees
- We have held the values sessions to talk about the future
- Sickness levels have reduced from an average of 9.76 days to 8 days, but sickness due to stress remains high (although falling)
- Real focus on staff engagement through this period of change
- Needs to be clearer internal communications plan
- Review the way we engage staff in change – provide more opportunities for them to contribute their ideas and see the impact their views have.
- Reinforce the narrative at all opportunities.
- Need to continue to focus on reducing sickness to achieve our target of an average of 8 days by Dec 2014 (+ set new target)

## Leadership at all levels

- Defining roles – managers checklist
- Competency framework
- Leadership & Management Framework and Development Programme
- Coaching and other modules in place
- Need to better hold managers and leaders to account for their performance
- Review the Leadership and Management Development programme to ensure it is aligned with the Business Change Programme.

## Sustaining customer service

- I-Learn modules being developed around customer service
- Helping staff have the right dialogue with our customers and communities.
- Address the problem that

staff feel that the quality of service is diminishing.

## People Strategy – The Deal for our Workforce

| Key Issues                        | What We Have In Place   | Areas To Address   |
|-----------------------------------|---|--|
| <b>EVP/psychological contract</b> | <ul style="list-style-type: none"> <li>- We have already sought to measure this (EVP Survey) and the Staff Charter is an attempt to define the new deal.</li> <li>- We have promoted different aspects of the Charter at different times</li> <li>- Values review by staff gives them the opportunity to define the Council of the future.</li> </ul> | <ul style="list-style-type: none"> <li>- Continue to promote the Charter as our continued commitment to staff through change</li> <li>- Senior managers are not thought to be sufficiently visible in the Council (according to staff survey)</li> <li>- Staff still do not feel able to challenge what happens in the organisation (see staff survey results).</li> </ul>   |
| <b>Reward and recognition</b>     | <ul style="list-style-type: none"> <li>- Comply with nationally negotiated positions</li> <li>- Pay LBBB minimum wage of £9 per hour</li> <li>- Star Awards recognition scheme.</li> <li>- Salary structure as set through single status agreement.</li> <li>- Reward Strategy developed</li> <li>- Star Awards successfully re-launched.</li> </ul>  | <ul style="list-style-type: none"> <li>- Look at options for reducing costs of employing staff, as a contribution to the savings proposals for 2015/16.</li> <li>- Address particular reward issues which may be holding services back e.g. Leisure.</li> <li>- We do not differentiate our offering to reflect the differences in the workforce, notably around age, which will become increasingly important in the future.</li> <li>- We need to better promote the broad reward package and avoid an over-emphasis on rates of pay.</li> </ul> |
| <b>Work/life balance</b>          | <ul style="list-style-type: none"> <li>- Have taken part in work/life week</li> <li>- The results from the staff survey suggest that staff do not feel they can achieve their goals without working additional hours.</li> </ul>  | <ul style="list-style-type: none"> <li>- Need to encourage innovation and ways of achieving more with less to ensure people can sustain a good work/life balance</li> </ul>  |



## Talent attraction and retention

- Relying on informal succession planning arrangements and the suppressed state of the job market to keep our talent.
- Turnover is going up, so need to be aware of the potential to lose our best talent.
- Have a clear strategy for talent retention based on attractiveness of role and career prospects.
- Ensure mentoring and shadowing opportunities are provided, to support talent development for everyone with talent in the Council.

## 7. Proposed People Strategy Priority Actions

7.1 In looking specifically at the Business Change Programme, we have identified actions that will have an impact in the:

- Short-term – the actions need to manage well a large-scale reduction in the workforce
- Medium-term – equipping people with the skills needed to bring about change and develop the new operating model
- Long-term – developing a new culture to reflect the new organisation and to reflect other changes in the world of work, (notably, managing an age-diverse workforce).

7.2 The proposed actions are set out below and follow on from the analysis in Section 6

### Skills & Ways Of Working

- Ensure that the process of down-sizing is handled well and in accordance with the Council's values.
- Review the Supporting Staff in Tough Times Programme, building on the support available to people at risk and focusing on career transitioning (but still including redundancy counselling/advice, financial and benefits advice).
- Build a culture where:
  - Poor performance is dealt with
  - Managers take full responsibility for the resources they manage and are compliant with agreed policies
  - Employees take full responsibility for their conduct and behaviour
  - Managers and staff work together to resolve issues at the earliest stage/move away from a "complaints culture"
  - There is a greater acceptance of risk
  - More commercial approach
  - Decision making is slicker and decisions are taken at the right level
  - There is a focus on continual improvement of processes and performance (where staff think all the time about ways in which we can improve service delivery)

- We are clearer on the services levels we can expect, internally and externally and so are our customers
- There is compliance in all parts with policies and procedures
- Support the adoption of flexible working for as many staff as possible and the development of a culture which embraces it. Consider becoming a “timewise” council
- Undertake a skills audit, so we better understand the skill-mix we have within the current workforce, where the gaps are and how we need to fill those gaps. Develop a new Learning & Development Plan which addresses the issues raised
- Promote the new set of values to staff, explaining why they are important, how they underpin the Council of the future and the actions we will take to bring them to life.
- Review the competency framework to ensure it reflects the values, the style of the organisation going forward and the management disciplines that we need to be successful.
- Revamp our approach to customer care to ensure it is reflective of the new operating model and style. Equip staff to deliver difficult messages into the community.
- Support the work programme to assess the implications of forthcoming legislation on Adult Social Care and Children, identifying the workforce implications and linking into the overall Business Change programme.

### **Workforce Supply**

- Equip staff with the skills they need to be most productive in the new operating environment:
  - Flexibility – multi agency working
  - Resilience
  - Project management
  - Digital skills
  - Analytical skills – horizon scanning and working with data
  - Contract management skills.
 Ensure everyone has a PDP.
- Explore the way in which the Council as an employer can support people who struggle in the jobs market, into employment
- Ensure our workforce is representative of the community that we serve and that our recruitment practices are fair.
- Review the Council’s volunteering policy, so that it supports a much greater involvement in the provision of service.

- Review our employment brand, so that we are clear on our offer which will attract talent e.g. innovative place to work, rewarding job. Review the material on our recruitment websites, ensuring that they are fit for purpose.
- Develop a plan for building greater capacity in the community to help themselves and capacity in the voluntary sector to support the community.
- Reflect the potential greater age-mix in the workforce, review our reward package to ensure it differentiates the workforce and promotes maximum productivity in all groups.
- Review our use of permanent, temporary and casual employees and agency casual staff, ensuring we have the most efficient mix in place
- Ensure we continue to have a talent pipeline, demonstrating how talented people can build their careers with the Council. Promote the idea that we value everyone and want to unlock the potential in everyone. Use mentoring, shadowing and other tools to underpin talent management.
- Explore the potential of job families and generic role profiles to increase agility in the workplace and create career pathways.
- Continue to focus on achieving our sickness target of 8 days by December 2014. Explore further ways of addressing the increased proportion of sickness attributed to stress.
- Continue to enhance our approach to appraisal to take account of changes in Oracle R12, the agreement of the new values and to promote effective two-way conversations to support productivity improvements and talent management.

### **Leading & Managing Through Change**

- Develop a communications plan for staff which ensures they understand the rationale for change and feel they have the opportunity to contribute their ideas on shaping the future (plus provide these opportunities).
- Promote the outcome of the work around organisational values and the new vision and priorities of the Council (post election), so that staff have a good understanding of both, utilising a visual road-map approach.
- Extend the leadership and management development programme to cover skills needed to embed a future operating model:
  - Being a “project” rather than “resource” manager
  - Being more of a “generic”, rather than “specialist” manager
  - Collaboration skills (including collaboration with the community)
  - Resilient – operating in a chaotic environment/new approach to risk
  - Digital designs

- Doing “more with less” – clearer work specifications, redefining standards, being innovative
  - Commercial skills
  - Managing flexible resources
- Audit internal communication to ensure managers are cascading internal messages effectively.
  - Look at how we can utilise tools such as Yammer (web chat) to enhance communications and the profile of senior managers (see below). Encourage greater challenge by staff to make consultation feel more genuine.
  - Run mandatory “change management” workshops for managers to ensure they are equipped to manage change effectively.
  - Provide HR support managers through the “change” process.
  - Ensure visibility of CMT in promoting the key messages of change consistently into the organisation.
  - Engage with our staff networks to ensure that the voice of all groups of staff is heard.

### **The Deal For Our Workforce**

- Continue to focus on the Staff Charter as the basis for the future “deal” with staff. Ensure that the response to the Staff Survey is focused on the Charter.
- Review terms and conditions (including redundancy) on the basis of affordability and appropriateness, going forward.
- Reflect the potential greater age-mix in the workforce, review our reward package to ensure it differentiates the workforce and promotes maximum productivity in all groups.
- Ensure that we still have a reward package that enables us to recruit and retain the quality staff we need, generally in specific “hard to recruit” areas. Promote the package in its broadest sense, emphasising the fairness element and encouraging high performance.
- Run the Star Awards once again as the cornerstone of our overall recognition programme.

## **8. How We Will Measure Success**

- 8.1 We appreciate that having a sound policy framework and an extensive range of HR and OD interventions is of no value, unless they are having the desired impact. We

will measure the success of the People Strategy therefore, through a similar range of indicators as have been used in previous years and will be similar to those set out in Appendix 1 of this report. These include both hard and soft measures, the latter drawing on our regular staff temperature check survey. These will be agreed with the portfolio holder.

- 8.2 Fundamentally though, success will be measured by the extent to which we have effectively changed as a Council, able to deliver our savings, continue to deliver services that people value, are a Council who stakeholders wish to do business with and that we are fulfilling our vision.

## PERFORMANCE INDICATOR PERFORMANCE

| Indicator   | Performance at Beginning of 2013/14 | Target   | Performance at End of 2013/14 |
|---|-------------------------------------|--|-------------------------------|
| Average sick days per employee (excluding schools)  | 9.76 days at March 2013             | Av of 8 days per person (non-schools staff) by December 2014 | 8.32 days at March 2014       |
| % of sickness absence due to stress, depression, anxiety, neurasthenia, mental health and fatigue (excluding schools) | 17.01% at March 2013                | Declining over next 12 months                                | 14.95% at March 2014          |
| Number of grievances at stage 3 (new and still open)  | 19                                  | Lower  | 1                             |
| Number of open disciplinarys  | 20 at April 2013                    | 18 by March 2014   | 12                            |
| Turnover (excluding redundancies)   | 11.24% at March 2013                | 11% by March 2014  | 16.21% at March 2014          |
| % of people leaving within 12 months of appointment   | 10.45%                              | Reduce to 7.5% by March 2014                                 | 10.68% at March 2014          |



**Staff Survey Measures:**

|  |   |   |   |
|--|---|---|---|
| % of staff who are satisfied with their working relationship with their line manager | 80.8% at Spring 2013  | Maintain at 80% at Spring 2014                  | Not asked in 2014 survey  |
| % who have a clear understanding of what is expected in their job                    | 80.4% in Spring 2013  | Maintain at 80% at Spring 2014                  | 85% in Spring 2014  |
| My team has clear targets to achieve   | 80.4% at Spring 2013  | Maintain at 80% at Spring 2014                  | Not asked in 2014 survey  |
| I have had the opportunity to give my views on how to improve                        | 54.8 at Spring 2013   | 60% at Spring 2014                              | 47% in Spring 2014  |
| Change is well managed in the council  | Understand the reasons for change<br>89.2% agree<br>Well informed about changes in my service area<br>64.3% agree<br>My line manager supports me through change<br>75.2% agree<br>I feel positive about the future<br>39% agree | Positive movement in range of survey indicators | Understand the reasons for change<br>70% agree<br>Well informed about changes in my service area<br>53% agree<br>My line manager supports me through change<br>- Not asked<br>I feel positive about the future<br>39% agree |
| I have been a victim of, or witnessed offensive behaviour to staff                   | 60.5% disagree in Spring 2013   | 70% disagree by Spring 2014                     | 89% in Spring 2014  |

|   |                      |                               |   |
|---|----------------------|-------------------------------|---|
| I am satisfied in my present job  | 65.1% in Spring 2013 | 70% by Spring 2014            | My work gives me a feeling of personal accomplishment – 72% in Spring 2014                                |
| I feel valued and recognised for the work I do  | 58.7% in Spring 2013 | 60% by Spring 2014            | My line manager recognises and acknowledges when I have done a job well – 75% in Spring 2014              |
| I would speak positively about the Council as an employer                               | 58.7% in Spring 2013 | 65% by Spring 2014            | Great place to work – 56% in Spring 2014  |
| I feel proud to work for The London Borough of Barking and Dagenham                     | 60.5% in Spring 2013 | 65% by Spring 2014            | 71% in Spring 2014  |
| % of staff agreeing that the council is committed to providing learning and development | 64.1% in Spring 2013 | 70% by Spring 2014            | I have received the learning and development I need to do my current job effectively – 69% in Spring 2014 |
| I achieve the correct balance between my work and home life                             | 70.5% in Spring 2013 | Sustain at 70% by Spring 2014 | 63% in Spring 2014  |
| I am provided with regular feedback on my performance                                   | 76.5% in Spring 2013 | 80% by Spring 2014            | I have regular one to one meetings with my line manager – 72% in Spring 2014                              |

## **New Values – What Do They Mean?**

Deliver our best every day – and do what we've promised:

- Working as a team to improve the whole organisation
- Showing we are fair in the way we deal with people
- Seeing "being the best" as something we can all work towards
- Being honest with the community and each other about what we can do
- Seeking creative ways to help when resources are limited

Respond in a prompt, positive way to our community's needs:

- Understanding we cannot do everything, and tailoring what we offer to meet changing needs
- Signposting people to services we cannot provide – and helping them find their own solutions
- Flexible working to support our staff and make us more adaptable in how we serve the community
- Providing core services that people value - meeting our legal obligations

Inspire others with our attitudes and actions:

- Showing pride in our organisation, our community and the people in them
- Being part of a single team (acting corporately) and supporting colleagues so we can all perform at our best
- Setting a positive example to build a better climate of work
- Recognising and celebrating others' success and achievements
- Being entrepreneurial – innovating on new revenue sources, managed risk-taking

Value people for who they are and what they can do

- Working together to build a more welcoming and respectful community we can all be proud of
- Championing equalities and understanding that everyone has an important role to play. Understanding the different roles we play (Members/Officers)
- Giving our residents the tools and encouragement to take care of themselves and where they live
- Keeping each other safe and healthy, and protecting vulnerable people in the borough
- Treating people with respect and decency
- Valuing the views of all – everyone has a part to play in shaping the future

Engage with others to improve our resilience and flexibility:

- Creating a contemporary council with modern working practices
- Understanding that we are changing as an organisation and that we all need to be adaptable

- Identifying poor performance quickly and learning from mistakes
- Developing better relationships with partner organisations
- Helping people to help themselves, unlocking their full potential and strengthening families and communities
- Promoting positive mental health

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**CABINET****25 September 2014**

|   |   |
|---|---|
| <b>Title:</b> Contract for Asbestos Removal Works in Residential, School and Corporate Buildings  |   |
| <b>Report of the Cabinet Member for Housing</b>   |   |
| <b>Open Report</b>  | <b>For Decision</b>   |
| <b>Wards Affected:</b> All  | <b>Key Decision:</b> No   |
| <b>Report Author:</b> Rob Wood, Head of Repairs and Maintenance   | <b>Contact Details:</b><br>Tel: 0208 724 8831<br>E-mail: <a href="mailto:robert.wood@lbbd.gov.uk">robert.wood@lbbd.gov.uk</a> |
| <b>Accountable Divisional Director:</b> Rob Wood, Head of Repairs and Maintenance   |   |
| <b>Accountable Director:</b> Steve Tucker, Interim Director of Housing  |   |
| <b>Summary:</b>   |   |
| <p>This report requests the Cabinet to approve the commencement of a tender exercise for the provision of asbestos removal works in residential council properties, schools and corporate buildings.</p> <p>The current provision is not compliant with recently implemented internal Council rules, and has therefore been reviewed. The new contractual arrangements are expected to bring about continued efficiency, elimination of waste and improved value for money through market-competitive pricing, contractual improvements and process redesign.</p>   |   |
| <b>Recommendation(s)</b>  |   |
| <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> <li>(i) Agree the procurement of a contract for the provision of asbestos removal works in residential council properties, schools and corporate buildings in accordance with the strategy set out in this report; and</li> <li>(ii) Indicate whether Cabinet wishes to be further informed or consulted on the progress of the procurement and /or the award of the contract, or is content for the Director of Housing, in consultation with the Cabinet Member for Housing, the Chief Finance Officer and the Head of Legal and Democratic Services, to conduct the procurement and award the contract to the successful bidder.</li> </ul> |   |
| <b>Reason(s)</b>  |   |
| <p>To assist the Council to achieve the objectives “Create thriving communities by maintaining and investing in existing homes” and “Maximise growth opportunities and increase the household income of Borough residents through aspiring to engage local suppliers”.</p>  |   |



## **1. Introduction and Background**

- 1.1 The Council currently sub-contracts the provision of work as it is a specialist technical requirement in a high risk environment with significant health and safety requirements. These suppliers are not in a contractual relationship. Spend is not forecast and distributed on the basis of the contractor's areas of specialism and on a per-job estimate basis against the agreed but instead through informal pricing.
- 1.2 The provision has run in an ad-hoc fashion since the re-establishment of the Direct Labour Organisation (DLO), and there will be an ongoing requirement as properties become vacant and require asbestos removal, as well as where there is judged to be a risk in occupied properties. In addition, on occasion, schools, council properties and other properties may require similar removal works however this work is managed by a separate business unit. Housing spend is with three suppliers, totalling approx. £300,000 per annum. Schools and corporate is currently issued on an ad-hoc quotes basis and the total of all the projects total a maximum of £200,000 per annum.

## **2. Proposed Procurement Strategy**

### **2.1 Outline specification of the works, goods or services being procured.**

The Contract Value is estimated to be approximately £500k per annum for the foreseeable future. The value may vary dependent upon the results of Asbestos Surveys that are currently occurring in the properties; however it is not likely that the value of the work will exceed the OJEU limit. The category of the works under EU legislation is 45262660. Procurement recommend that the solution be three individual contracts with three suppliers for provision, which will enable division of work by size, specialism, and performance, as well as ensure that variations in demand can be spread across multiple suppliers. There will be no set guarantee of any work to any supplier. Work will include (but not be limited to):

- Scheduling of works to minimize disruption to occupation (or working) demands
- Safe Removal Of Asbestos
- Make safe and restoration of affected areas to required standard
- Short Notice Works requirements relating to unexpected Asbestos Incidents

### **2.2 Estimated Contract Value, including the value of any uplift or extension period.**

£2m. It is likely that, following completion of a full Asbestos Survey programme additional work will be required, however the exact size of this is unpredictable and not expected to exceed more than 20% of the original value. It is intended for the contract to be of fixed price for the initial duration, and therefore any potential RPI / CPI uplift (of a minimum of 2.7% per annum) be negated.

### **2.3 Duration of the contract, including any options for extension.**

It is proposed for the contracts to have a four year duration

**2.4 Is the contract subject to the (EU) Public Contracts Regulations 2006? If Yes, and contract is for services, are they Part A or Part B Services.**

No. The requirement is under the category of Works which has a £4.32m threshold.

**2.5 Recommended procurement procedure and reasons for the recommendation.**

Single stage Procurement in compliance with LBBB Contract Rules for requirements. This will enable ease of access to suitable parties : all current suppliers will be invited to tender as well as other potentially suitable suppliers based inside the M25 Area. The tender documentation will include minimum quality thresholds and require all successful bidders to meet a set standard of professional competency. The award process will include a financial and qualitative evaluation, with interviews and site visits where necessary.

**2.6 The contract delivery methodology and documentation to be adopted.**

The proposal is to establish a set of legally compliant contracts, with performance controls on a strong commercial basis, with a set of suppliers that are able to deliver the requirement efficiently, on time, at competitive pricing, and with a local presence where possible. The recommendation is for contracts as follows:

- 4 Year Contracts with three suppliers
- National Housing Federation M3 v6.1 2011 Schedule Of Rates with %age discount
- Provision of Labour, Materials, and Variations (“Works”) as complete package
- KPI’s and SLA’s, linked to liquidated damages. Could include:
  - Treatment within set timescales
  - Successful removal of asbestos in agreed timescales
  - In event of need to decant occupied property, target timescales for inconvenience
- Performance related award of work
- Fixed pricing for contract length, removing RPI / CPI uplift

**2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.**

The expected outcomes are:

- Compliant and best practice contractual arrangements that remove risk of challenge and reputational damage
- Suppliers that meet LBBB standards that can be appointed promptly
- Achieve transparent, market-competitive pricing that is fixed for contract duration
- Removal of risk of RPI / CPI-linked uplift in costs which is currently minimum 2.7% per annum, giving some budget surety.
- Delivery managed through the use of KPI’s, SLA’s, Liquidated Damages, and contractual controls
- Prompt provision of works as contractually agreed with cost certainty
- Standardisation of outputs and materials

- Savings against Schedule Of Rates (potentially NHF M3 v6.1).
- Cost certainty and potential savings against current pricing

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

The proposed split is:

Quality – 30%

Price – 70%

Both areas will have a minimum acceptable threshold, meaning an acceptable price and minimum quality standard to ensure a good balance is achieved between quality and price. An E-Auction may be used.

The Qualitative Element will include Method Statements; and if appropriate, Interviews and Site Visits. Evaluation will be weighted towards successful, timely, local delivery of the programme, quality of performance, acceptable working practices, and proximity to the area of delivery. Quality thresholds include being members of desirable professional bodies, and other accreditations.

## **2.9 How the procurement will address and implement the Council's Social Value policies.**

The procurement process considers the investment of council money inside the Borough wherever practicable as desirable. Given the nature of the work and size of spend, there are many potentially suitable local suppliers for the more specialist trades of smaller values including current suppliers.

Using some basic financial assessments, the minimum turnover per annum required for each lot will be as follows, set at the annual value in Section 2.1, divided by the number of potential suppliers x 3 times the resultant annual value of the work.

- Asbestos Control Works : maximum of 3 suppliers : £150k pa min T/O

These turnover levels will encourage local suppliers to participate and open the opportunity to SME's and specialist operators. .

In addition, the provision of the service will improve the economic, social and environmental well being of the Council's area, by maintaining and improving the quality of the living environment for Council residents and reducing the risk of Asbestos in properties.

## **3. Options Appraisal**

Continue Existing Arrangement: This is not recommended. The existing arrangements are non-compliant, and to extend or continue them would be in breach of Council Rules, with risk of reputational damage.

Utilise Existing Framework: This is not recommended. Given the size of spend, there are a number of options, however, none of the existing Frameworks

(particularly SEC) offer any contracts that are able to provide the degree of local flexibility that LBBB desires due to the cost of access, which would be circa £5,000.

An LBBB compliant procurement process: Recommended. This is the most practical route to take. The recommended process is a single stage OJEU Tender. The ITT will be designed so suppliers will be required to meet minimum qualitative thresholds that meet the legal and performance requirements of LBBB. An E-Auction may be used.

#### 4. Equalities and other Customer Impact

As part of the procurement process, potential suppliers will be assessed for adherence to the necessary legislation and regulations. Their equality policies will be assessed to ensure they meet council requirements.

#### 5. Other Considerations and Implications

##### 5.1 Risk and Risk Management

| Challenges and Risks   | Opportunities and Mitigating Factors  |
|--|---|
| Uncompetitive / Unsustainable bids by large suppliers                          | Design Tender Process to emphasise need for high quality service as well as right to rule out financially unsustainable bids  |
| Risk of poor workmanship by unsuitable suppliers, exposure to toxic substances | Set minimum quality threshold to include membership of, and adherence to the regulatory and legislative requirements, acceptable standards and professional bodies. |
| Over-reliance upon suppliers   | Risk controlled through multiple suppliers  |
| Lack of Local Supplier Interest  | Contact potential suppliers proactively and advertise appropriately   |
| Internal Resource Issues   | Recruit and plan workload accordingly   |

There is some risk associated with contracting externally for a service. These risks are mitigated by ensuring the correct levels of insurance and liability cover are held by the contractor and that Key performance indicators encourage good performance. Legal shall ensure the contract documents do not make the council liable for any issues that may arise from this service.

Failure to remove asbestos where discovered would present a serious health and safety risk and expose residents and the Council to risk.

5.2 **Health Issues** - This service will reduce the risk of resident exposure to harmful Asbestos, it therefore reduces the incident of health issues related to Asbestos exposure.

5.3 **Property / Asset Issues** - The proposal will have a positive impact upon the property or assets, raising the standard and value of the properties, reducing the need for remedial work at a later date, and making sale and letting of the properties in future more attractive. The Council assets will be protected from, and reduce the risk of, asbestos exposure, protecting the property assets functionality and value.

## **6. Consultation**

6.1 The proposals have been presented to and approved by the Procurement Board.

## **7. Corporate Procurement**

Implications completed by: Francis Parker – Category Manager

7.1 This service does not fall under the OJEU requirements and will not need to be advertised in the OJEU.

7.2 This procurement will likely be a single stage open tender, depending on how much method statement information we request, the tender is likely to last for 30 days.

7.3 If this tender process is approved, it will be advertised by 1<sup>st</sup> July and will likely be awarded by early September.

7.4 There is likely to be a lot of interest in this contract from suppliers and based upon market knowledge we expect there to be a good level of competition.

## **8. Financial Implications**

Implications completed by: Carl Tomlinson – Group Manager – H&E/CE Finance

8.1 The expected value of the contract is £2m over 4 years based upon £500k per annum. This is to fund works within the HRA stock, schools and corporate buildings.

8.2 Works on HRA stock are to be funded as part of the Decent Homes scheme within the Housing Capital Programme which includes an indicative allocation for asbestos removal of £725k per annum from 2015/16 and £420k in 2014/15.

8.3 In respect of schools and corporate building works, all refurbishment projects will need to fund asbestos removal works as part of the project budget. It is expected that project managers factor these costs into the project plan and that no pressure is placed on generic budgets.

## **9. Legal Implications**

Implications completed by: Daniel Toohey, Principal Corporate Solicitor

9.1 The proposed procurement is to be in the form of three contracts to three separate suppliers. It is anticipated that the value of the proposed contracts will be below the EU thresholds for works contracts (currently set at £4,322,012) meaning that there is no legal requirement to tender the contract using an EU procedure for competitive tendering.

9.2 However, under the Council's Constitution, (Contract Rule 28.5), contracts above £50,000 should be subject to a competitive tendering process. Further there is a general requirement to comply with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in conducting the procurement

exercise. The process described by the report author above, should comply with these requirements.

- 9.3 Contract Rule 28.8 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval.
- 9.4 In line with Contract Rule 47.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 9.5 The report author and responsible directorate are advised to keep Legal Services informed during the proposed tender exercise; Legal Services are on hand to advise and assist regarding any procurement compliance issues.

**Background Papers Used in the Preparation of the Report: None**

**List of appendices: None**



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## CABINET

25 September 2014

|  |   |
|--|---|
| <b>Title:</b> Contract for Electrical Repairs and Minor Works in Public Buildings and Schools  |   |
| <b>Report of the Cabinet Member for Finance</b>  |   |
| <b>Open Report</b>   | <b>For Decision</b>   |
| <b>Wards Affected:</b> All   | <b>Key Decision:</b> No   |
| <b>Report Author:</b> Martin Bell, Senior Building Services Officer  | <b>Contact Details:</b><br>Tel: 020 8227 3671<br>E-mail: <a href="mailto:martin.bell@lbbd.gov.uk">martin.bell@lbbd.gov.uk</a> |
| <b>Accountable Divisional Director:</b> Robin Payne, Divisional Director of Environment  |   |
| <b>Accountable Director:</b> Anne Bristow, Corporate Director, Adult and Community Services  |   |
| <p><b>Summary</b></p> <p>This report concerns the tender for a Term Contract for the Electrical Repairs and Minor Works in Public Buildings and Schools which covers day to day reactive electrical repairs and minor works.</p> <p>This report asks for authority to seek tenders using the Restricted Procedure in accordance with the European Procurement Directives, for a three year term contract with the possibility of a two year extension subject to satisfactory performance for the Electrical Repairs and Minor Works in Public Buildings and Schools. Work under the previous and current contracts involve day to day reactive repairs together with planned maintenance of portable appliances and Lightning Protection and minor works of a general nature.</p> <p>The work is currently carried out under the existing term contract which was extended for a further year on 10 March 2013 and expired on 10 March 2014. At present, the contractor AJS Limited are being used on an ad hoc basis with a letter of intent to carry on using the existing schedule of rates for small works until the new contract is awarded. Other electrical works above £5,000 will be procured using the Council's procurement rules.</p> |   |
| <p><b>Recommendations</b></p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> <li>(i) Agree the procurement of a new Term Contract for the Electrical Repairs and Minor Works in Public Buildings and Schools in accordance with the strategy set out in this report; and</li> <li>(ii) Indicate whether Cabinet wishes to be further informed or consulted on the progress of the procurement and /or the award of the contract, or is content for the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Finance, the Chief Finance Officer and the Head of Legal and Democratic Services, to conduct the procurement and award the contract to the successful bidder.</li> </ul>  |   |

**Reason**

To assist the Council in achieving its objective of a “well-run organisation”.

**1. Introduction and Background**

- 1.1 This contract enables the execution of breakdown repairs of Electrical hard wiring and equipment, minor works ,remedial works and the routine cyclical testing and maintenance of portable appliances and lightning protection systems within the Borough’s schools and public buildings expediting the council’s responsibility to comply with all current legislative requirements and Health and Safety law.
- 1.2 The Council has a statutory responsibility to comply with the, 17<sup>th</sup> Edition IEE Wiring and Testing Regulations 2008, Part P of the Building Regulations 2003 and the Health and Safety at Work Act1974 etc. The existing contract for the Electrical Repairs And Minor Works In Public Buildings And Schools expired on 10 March 2014.
- 1.3 The previous contract let to A.J.S Ltd was a combination of reactive and small works with a maximum individual order value of £50,000. The contract provided a 24 hour call out for repair and maintenance services to schools, operational and public buildings, with a pre-priced schedule of rates, which enabled users of the contract to control budgets.

**2. Proposed Procurement Strategy****2.1 Outline specification of the works, goods or services being procured.**

This contract would enable the execution of breakdown repairs of Electrical hard wiring and equipment, minor works ,remedial works and the routine cyclical testing and maintenance of portable appliances and lightning protection systems within the Borough’s schools and public buildings.

**2.2 Estimated Contract Value, including the value of any uplift or extension period.**

£750,000 over a 5 year period. 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.

**2.3 Duration of the contract, including any options for extension.**

A three year contract with the provision of extending on a yearly basis up to a maximum of two years subject to satisfactory performance of the appointed contractor.

**2.4 Is the contract subject to the (EU) Public Contracts Regulations 2006? If Yes, and contract is for services, are they Part A or Part B Services.**

This contract should be deemed to be mostly a works contract. However, some of the scope of the contract could be deemed a service. Therefore this contract will be treated as a Part A services contract.

## **2.5 Recommended procurement procedure and reasons for the recommendation.**

The value of the contract exceeds the European contract limit therefore tenders will be sought through a full European Restricted Procedure following an advertisement in the OJEU.

A three year contract will provide economy of scales and also reduce the time and cost to procure a new contract every year.

## **2.6 The contract delivery methodology and documentation to be adopted.**

This contract will be let as a Direct Contract under the model conditions of contract MF1 Rev 4. The contract will work on a "call off" basis from the priced Schedule of Rates for the duration of the contract. Council terms and conditions shall govern the contract.

## **2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.**

The successful contractor will be expected to maintain a full audit trail electronically of the work undertaken on behalf of the Council and this data must be accessible to LBBD Officers without additional data capture. 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. It will also ensure Health and safety legislation measures are met and reduce response times in emergency situations.

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

The contract will be awarded through a scoring matrix on the basis of 70% price and 30% quality. Minimum quality thresholds shall be implemented that will ensure a well rounded contractor is selected who is capable in all the required areas.

The quality score shall be obtained from the suppliers responses to a number of method statement questions. These questions will be relevant to the service, weighted according to their importance and scored out of 10. The total marks from these questions shall be totalled to give the suppliers overall quality score. There will be minimum score thresholds that suppliers must meet in order that their bid is accepted. This will reduce the risk of poor service provision.

## **3. Options Appraisal**

### **3.1 Option 1**

Tender for a three year term contract with the possibility of two 1 year extensions. 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 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 feasible for reactive and planned 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 the minimum single order value that exceeds LBBD standing order limit. 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.

### 4. **Equalities and other Customer Impact**

During the pre qualification questionnaire stage of the tender the contractor will be accessed with regards to their equalities policies ensuring they meet the council's standards. The contract covers a number of health and safety issues regarding the safe use of electrical equipment and installations, by using a contractor that will adhere to these will keep all customers as safe as possible. The successful contractor will be tasked to complete customer satisfaction surveys to monitor & reduce the impact on our customers.

### 5. **Other Considerations and Implications**

#### 5.1 **Risk and Risk Management**

##### Current Risks

- 1) Works carried out may not meet the appropriate health and safety standards or current legislation relating to the 17th Edition IEE wiring regulations.
- 2) Priority works may not be properly procured or delayed by procurement processes.
- 3) Inadequately maintained lightning protection systems and Portable appliance testing carried out.

##### How these risks are managed

- 1) The contract will be managed in accordance with the Health and Safety at Work Act 1974 and to the 17th edition IEE wiring regulations.
- 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 Services 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 700 to 1000 individual quotations / tenders per financial year which would not be considered cost effective or practical, especially in a reactive repair situation.

5.2 **TUPE, other staffing and trade union implications** - There is likely to be a TUPE implication as part of this contract. Those details shall be explored before the tender process begins.

5.3 **Safeguarding Children** - Well maintained electrical systems and equipment can assist greatly in 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/DBS checked (and in the case of those who will come into direct contact with children, enhanced CRB/DBS 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.

As this is a call off contract, schools are not obligated to sign up to this particular provision and are quite at liberty as with any Borough run term maintenance contract to "opt out" of the service provision. This particular contract as with all other term contracts will be offered to the schools as part of Asset Management's Traded Services package. In the financial year 2012/13, 22 schools out of 56 decided to "opt out" of all Asset Management's service provision.

5.4 **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 electrical systems and equipment are tested in accordance with their relevant regulations. Failure to comply with this requirement could result in unsafe assets and buildings.

**6. Consultation**

- 6.1 Consultation was carried out with the Head of Housing Repairs and Maintenance – Direct Labour Organisation (DLO) to ascertain the current position of the DLO with regards to undertaking the works contained within the Electrical small works Term Contract. The Head of Housing Repairs confirmed that he is happy for the tender to proceed with the DLO being included in the tender process.
- 6.2 These proposals have also been presented to and approved by the procurement Board.



## **7. Corporate Procurement**

Implications completed by: Francis Parker, Procurement Category Manager

- 7.1 This service will fall under the OJEU requirements and will therefore need to be advertised in the OJEU and the timescales adhered to.
- 7.2 This procurement will be a two stage restricted tender and will therefore need to be advertised for 70 days in total (30+40).
- 7.3 If this tender process is approved, it will likely be advertised by mid October and will likely be awarded in early January 2015.
- 7.4 There is likely to be a lot of interest in this contract with many local and regional suppliers being sufficiently sized and skilled to complete this work. Based upon previous tenders we expect there to be a good level of competition.

## **8. Financial Implications**

Implications completed by: Carl Tomlinson, Finance Group Manager

- 8.1 The precise contract value will depend on the amount and urgency of the work that is placed with the successful contractor, but is also dependent on service budgets; however, the estimated contract value is approximately £450,000 over the initial three (financial) year period rising to £750,000 for the full five year period (including the possible two year extension, as per section 2.3 above). This equates to £150,000 per financial year.
- 8.2 Provision may need to be made within capital Backlog maintenance budgets to carry out system replacement works in Council buildings (non-domestic), including schools. There is no Capital budget earmarked from 2015/16 onwards, hence any significant capital works will require a fresh capital bid.
- 8.3 As this is a call off contract there will be no guarantee given that the successful contractor will receive the full contract value. Budgets are held within services and building maintenance will oversee and coordinate the work; recharging back to the services 100%. Actual costs per annum will be based on actual consumption of the service and there will be no financial liability to the Council for entering into this contract and not consuming a minimum level of service.

## **9. Legal Implications**

Implications completed by: Daniel Toohey, Principal Corporate Solicitor

- 9.1 The Council is required to comply with the 17<sup>th</sup> Edition IEE Wiring Regulations, the Health & Safety at Work Act 1974
- 9.2 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 Electrical Safety practice with regard to all Electrical hardwiring and equipment is adhered to. Failure to comply with this requirement could result in unsafe assets and buildings, with the potential of causing ill health or even death to

the community, visitors, staff and contractors, which could result in criminal prosecution of officers and members under health and safety legislation. Failure to conduct work in accordance with this term contract will result in the council not complying with its legal responsibilities under current Electrical and health and safety legislation.

- 9.3 The type of procurement being considered by this report will result in a Public Services contract as defined by the Public Contract Regulations 2006 (as amended). The financial threshold at which EU procurement legislation will apply is currently, circa £172,514.
- 9.4 The value of the contract being considered is estimated at £750,000.00 over the lifetime of the contract. All options to extend a contract must be included for the purpose of valuation. Therefore, the fully compliant EU procurement tender exercise being proposed is the correct procedure to follow.
- 9.5 The report author and responsible directorate are advised to keep LBBB legal practice fully informed at every stage of the proposed tender exercise. The legal practice are on hand and available to assist and answer any queries that may arise.
- 9.6 Reference is made at 5.3 to “CRB” checks. Please note that Criminal Records Bureau (CRB) checks no longer exist as the process was replaced with the Disclosure and Barring Service (DBS) with effect from October 2012. The purpose and process of the checks, however, remain the same.

**Background Papers Used in the Preparation of the Report:** None

**List of appendices:** None

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## Cabinet

**25 September 2014**

|  |   |
|--|---|
| <b>Title:</b> Debt Management Performance and Write-Offs 2014/15 (Quarter 1)   |   |
| <b>Report of the Cabinet Member for Finance</b>  |   |
| <b>Open Report</b>   | <b>For Information</b>  |
| <b>Wards Affected:</b> None  | <b>Key Decision:</b> No   |
| <b>Report Author:</b> Steve Cooper,<br>Head of Revenues  | <b>Contact Details:</b><br>Tel: 07972003726<br>E-mail: steve.cooper@elevateeastlondon.co.uk |
| <b>Accountable Director:</b> Jonathan Bunt, Chief Finance Officer  |   |
| <p><b>Summary</b></p> <p>This report sets out the performance of the Council's partner, Elevate East London, in carrying out the debt management function on behalf of the Council and covers the first quarter of the year 2014/15. It also includes details of debt written off in accordance with the write off policy approved by Cabinet on 18 October 2011.</p>  |   |
| <p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> <li>(i) Note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of enforcement agents; and</li> <li>(ii) Note the debt write-offs for the first quarter of 2014/15 and that a number of these debts will be published in accordance with the policy agreed by Cabinet.</li> </ul> |   |
| <p><b>Reason</b></p> <p>Assisting in the Council's Policy aim of ensuring a well run organisation delivering its statutory duties in the most practical and cost-effective way. It will ensure good financial practice and adherence to the Council's Financial Rules to report on debt management performance and total debt write-off each quarter.</p>  |   |

### 1. Introduction and Background

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

- 1.2 This report sets out the performance for the first quarter of the 2014/15 municipal and financial year and covers the overall progress of each element of the service since April 2014. In addition it summarises the debts that have been agreed for write off in accordance with the Council's Financial Rules. Write offs in the first quarter have been processed in accordance with the Council's debt management policy agreed on 18 October 2011.

## 2. Proposal and Issues

- 2.1 Set out in table 1 below is the performance for quarter 1 of 2014/15 achieved by Elevate for the main areas of debt managed by the Revenues Service.

**Table 1: Collection Rate Performance – 2014-15 Quarter 1**

| Type of Debt          | Annual Target | Target for Quarter 1 | Performance | Variance | Actual collected £m |
|-----------------------|---------------|----------------------|-------------|----------|---------------------|
| <b>Council Tax</b>    | 94.0%         | 29.4%                | 29.5%       | +0.1%    | 16.938              |
| <b>NNDR</b>           | 98.1%         | 32.6%                | 32.8%       | +0.2%    | 19.924              |
| <b>Rent</b>           | 97.20%        | 96.75%               | 97.16%      | +0.41%   | 24.435              |
| <b>Leaseholders</b>   | 97.50%        | 26.50%               | 31.00%      | +4.50%   | 1.146               |
| <b>General Income</b> | 95.0%         | 57.00%               | 78.67%      | +21.67%  | 19.665              |

### Council Tax collection performance

- 2.2 Council Tax collection at the end of the first quarter was 0.1% above the target. Collection of Council Tax, from those in receipt of Council Tax Support (CTS) and with a sum to pay, so far this year stands at 31.4%. The Council has adopted the same CTS Scheme for 2014/2015 as it administered in 2013/2014. This means that the calculation for any working age claimant is based upon 85% of the relevant Council Tax liability. The Council also adopted the following discretionary areas within the CTS Scheme:

- i. The ability to backdate working age claims to a maximum of three months.
- ii. To disregard war widows and war disablement pension income.
- iii. To adopt the extended payment scheme and align it with the main Housing Benefit scheme

### Council Tax Arrears

- 2.3 By the end of the first quarter of 2014/15 £566,281 had been collected for previous years' arrears. The target is to collect £1.5m of arrears by 31 March 2015.
- 2.4 The collection of Council Tax arrears outstanding at the end of each financial year continues over subsequent years. The table below shows the percentage of collection since 2009/10. The charge year figure below is the in-year collection rate achieved by 31 March of each year.

| As at 31 March 2014                 |             |        |        |        |        |
|-------------------------------------|-------------|--------|--------|--------|--------|
| Council tax collection (percentage) |             |        |        |        |        |
| Year                                | Charge year | Year 1 | Year 2 | Year 3 | Year 4 |
| 2009/10                             | 92.9        | 95.0   | 95.7   | 96.1   | 96.4   |
| 2010/11                             | 92.9        | 95.0   | 95.6   | 96.0   |        |
| 2011/12                             | 94.1        | 95.7   | 96.3   |        |        |
| 2012/13                             | 94.6        | 96.2   |        |        |        |

### Changes and improvements

- 2.5 During the first quarter debt recovery action was initiated against non payers.
- 2.6 Enforcement action has been continued against those with arrears from 2013/14 and earlier years. Where appropriate, attachments to earnings or benefit are applied to a debtor's account. These are identified via a segmentation process prior to referral to enforcement agent action. The process identifies those debtors receiving benefit or where we hold employers details. This minimises the cases that are referred to the enforcement agent.
- 2.7 The payment arrangement procedure ensures that those requiring more time to pay are managed appropriately. Those that fail to adhere to the terms of the arrangement are quickly identified and recovery action is continued.

### Business Rates (NNDR) collection performance

- 2.8 The NNDR collection rate at the end of the first quarter was 32.8%, which was 0.2% above the profile target. The yearly target for 2014/2015 is 98.1% compared to 97.57% in 2013/2014.
- 2.9 The financial climate continues to have a detrimental effect upon businesses within the Borough making collection of Business Rates challenging.
- 2.10 We contact ratepayers as soon as they fall behind with payments in order to try and stop them slipping further into arrears and therefore avoid recovery action and additional costs.
- 2.11 Where recovery is required debts are now being placed with two enforcement agents compared to only one in 2013/2014. A third enforcement agent will also be used to try and effect recovery should the first placement of debts be unsuccessful.

### Rent collection performance

- 2.12 At the end of the first quarter collection reached 97.16% exceeding the profile target of 96.75% by 0.41%.
- 2.13 During the first quarter of 2014/15 various actions have been taken to improve performance in rent collection:
- i. The recovery processes have been improved to ensure that avoidable arrears are minimised with the procedures agreed between the Council and Elevate

now fully implemented. For example the procedures designed to ensure that rent accounts are closed more swiftly when tenants move out have just been revised by agreement to extend to further areas of Housing management activity.

- ii. Elevate proactively seeks to backdate housing benefit entitlement for tenants who have experienced a loss of entitlement due to vulnerability which prevents them being able to comply with the standard claim submission timescales. Elevate have included messages on rent statements and on-line reminding tenants to prioritise rent payments and of the possible consequences of non-payment.

### **Leaseholders' debt collection performance**

- 2.14 The leasehold collection target for 2014/15 is 97.5%, an increase of 5.7% on the 2013/14 target. At the end of the first quarter collection reached 31.00%, which is 4.50% above profile target. Elevate has achieved this ongoing improvement by maintaining a rigorous recovery timetable throughout the year ensuring late payers are consistently reminded to pay as early as possible.

### **General Income collection performance**

- 2.15 General Income is used to describe the ancillary sources of income available to the Council which support the cost of local service provision. Examples of areas from which the Council derives income include: penalty charge notices; social care charges; rechargeable works for housing; nursery fees; trade refuse; hire of halls and football pitches. The Oracle computer system is used for the billing and collection of these debts and is also used to measure the performance of Elevate for its activities across all lines of debt. During the first quarter preparation for the implementation of Oracle R12 took place. This included data cleansing in readiness for the go live of the new Oracle R12 system from 4 August 2014.
- 2.16 The collection target for 2014/15 is set at 95.00%. At the end of the first quarter collection reached 78.67%, which was 21.67% above the profile. It should be noted that monthly targets are based upon trends in previous years. However, in June 2014 an invoice was issued by the Council which was not accounted for in the target for the first quarter. This has resulted in the percentage of collection far exceeding the target.

### **ACS Homes and ACS Residential - Collection of social care charges (home and residential)**

- 2.17 The Council's Fairer Contribution Policy commenced from October 2011 and applies to home care. Residential care charges are covered by the Department of Health's *Charging for Residential Accommodation Guide* (CRAG).
- 2.18 Collection of debt for Home and Residential Care are reported separately. The agreed measure for 2014/15 is the amount collected against the in year debt that has been invoiced. Management information regarding the performance for Residential Care is provided at 2.21.



- 2.19 Residential care debt which the Council has secured with a charging order against the client's assets, usually their property, is not included in these figures.
- 2.20 The collection rate for Home Care for the first quarter was 63.25%, the calculation is shown below:

| <b>Annual target</b> | <b>Target for Quarter 1</b> | <b>Actual collection for quarter 1</b> | <b>Difference</b> |
|----------------------|-----------------------------|--|-------------------|
| 80%                  | 50%                         | 63.25%                                 | +13.25%           |

- 2.21 The collection rate for residential care debt for the first quarter was 68.17%.
- 2.22 The debt recovery process for these debts is similar to that of other debts, but with added recognition given to particular circumstances. In order to ensure that the action taken is appropriate and to maximise payments each case is considered on its own merits at each stage of the recovery process and wherever possible payment arrangements are agreed. In addition a further financial reassessment of a client's contribution is undertaken where there is extraordinary expenditure associated with the care of the service user.

### **Housing and Environment: Penalty Charge Notices**

- 2.23 This recovery work only includes debts due to Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements once a warrant has been obtained from the Traffic Enforcement Centre (TEC). Elevate enforce these warrants through enforcement agents and closely monitor the performance of these companies. Overall collection rates on PCNs will be reported by Environmental and Enforcement Services (Parking Services). Performance is measured once a batch of warrants has expired, i.e. after 12 months. Since April 2014 five batches of warrants have expired for which the collection rate was 13.98%.

### **Housing Benefit Overpayments**

- 2.24 For the first quarter of 2014/15 collection totalled £812,000. This is £124,000 above the profile target for the first quarter.

### **Enforcement Agent (Bailiff) Performance**

- 2.25 Enforcement agent action is a key tool for the Council to recover overdue debts but is only one area of collection work. The start of a local Council Tax Support (CTS) scheme has meant around 13,000 additional households became liable to pay Council Tax in 2013/14. The additional debt recovery action seen in 2013/14 as a result of CTS has been repeated in the first quarter of 2014/15, along with a growth in arrears. This is not a static group as residents move in and out of work. Elevate's ability to collect sums due on behalf of the Council continues to be made progressively harder as welfare reforms take effect alongside the cumulative yearly effect of CTS on arrears.
- 2.26 A report was made to the Public Accounts and Audit Select Committee (PAASC) meeting on 26 June 2013 clarifying the scale of the potential impact in 2013/14, and the recovery processes the Council uses. The key to the Council's approach is that

it encourages contact and payments as soon as possible, which maximises the opportunity for the taxpayer not to incur the added costs for being summonsed. The norm in 2011/12 and 2012/13 was for less than 25% of reminders to lead to action by enforcement agents. This was continued in 2013/14 although the actual number increased due to the recovery work required for CTS recipients.

- 2.27 Information on the performance of the enforcement agents is set out in the table below by type of debt for 2014/15. It should be noted the debt recovery process for in year collection does not reach the stage of enforcement action generally for Council Tax and Commercial rent until the second quarter.

| <b>Service</b>  | <b>Value sent to enforcement agents (£000)</b> | <b>Total collected by enforcement agents (£000)</b> | <b>Collection rate</b> |
|-----------------|--|---|------------------------|
| Council Tax     | No cases issued in 1 <sup>st</sup> quarter     | Nil   | NA                     |
| NNDR            | 85   | 5   | 6%                     |
| Commercial rent | No cases issues in 1 <sup>st</sup> quarter     | Nil   | NA                     |
| General Income  | 42   | 40  | 95%                    |

#### **Debt Write-off: Quarter 1 2014/15**

- 2.28 All debt recommended for write off is administered within the Council's policy. The authority to write off debts remains with the Council. The value of debt recommended to the Chief Finance Officer and subsequently approved for write off during the first quarter of 2014/15 totalled: £289,671. The value and number of cases written off in quarter 1 is provided in Appendix A.
- 2.29 Over half the debt written off in quarter 1, £148,992, related to Former Tenant Arrears. This is a result of the Rents team specifically targeting this area over the last year and reducing a backlog of aged debt.
- 2.30 530 debts were written off in quarter 1 for which the reasons are set out below. The percentage relates to the proportion of write offs by value:

| <b>Absconded/not traced</b> | <b>Uneconomic to pursue</b> | <b>Debtor Insolvent</b> | <b>Deceased</b> | <b>Other reasons</b> |
|-----------------------------|-----------------------------|-------------------------|-----------------|----------------------|
| (43) 26.3%                  | (149) 10.5%                 | (2) 0.5%                | (99) 10.2%      | (237) 52.4%          |

(The 'Other reasons' category includes examples such as: where the debt liability is removed by the Court or the debtor is living outside the jurisdiction of the English Courts and is unlikely to return).

- 2.31 The figures in Appendix B show the total write-offs for 2011/12, 2012/13 and 2013/14.

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

- 2.32 In line with Council policy established in 2007, due to the difficulties of finding absconding debtors, a list showing the details of some debtors who have had debts written off is attached to this report at Appendix C. The list has been limited to the ten largest debts only and can be used in the public domain.

### **3. Financial Implications**

Implications completed by: Carl Tomlinson, Group Finance Manager

- 3.1 Collecting all sums due is critical to the Council's ability to function. In view of this, monitoring performance is a key part of the monthly meetings with Elevate.
- 3.2 The monthly meetings between Elevate and the Council focus on the areas where the targets are not being achieved and discuss other possibilities to improve collection.
- 3.3 As at the end of Quarter one 2014/15, Elevate are exceeding collection targets for all debt types. The Council has written off debts of £289,671, with the majority of write offs attributable to former tenant arrears. More emphasis and resource is placed on pursuing newer collectable debts rather than older uncollectable debts. It is important that bad debts are written off promptly for budgeting purposes so the Council can maintain appropriate bad debt provision.

### **4. Legal Implications**

Implications completed by: Paul Feild, Senior Governance Lawyer

- 4.1 Monies owed to the Council in the form of debts are a form of asset that is the prospect of a payment sometime in the future. The decision not to pursue a debt carries a cost and so a decision not to pursue a debt is not taken lightly.
- 4.2 The Council holds a fiduciary duty to the ratepayers and the government to make sure money is spent wisely and to recover debts owed to it. If requests for payment are not complied with then the Council seeks to recover money owed to it by way of court action once all other options are exhausted. While a consistent message that the Council is not a soft touch is sent out with Court actions there can come a time where a pragmatic approach has to be taken with debts as on occasion they are uneconomical to recover in terms of the cost of process and the means of the debtor to pay. The maxim *no good throwing good money after bad* applies. In the case of rent arrears, the court proceedings will be for a possession and money judgement for arrears. However a possession order and subsequent eviction order is a discretionary remedy and the courts will more often than not suspend the possession order on condition the tenant makes a contribution to their arrears.
- 4.3 Whilst the recent use of Introductory Tenancies as a form of trial tenancy may have some impact as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy, the best approach is to maintain a dialogue with tenants and highlight the importance that payment of rent and Council tax

ought to be considered as priority debts rather than credit loans as without a roof over their heads it will be very difficult to access support and employment.

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

## **5. Other Implications**

- 5.1 **Risk Management** - No specific implications save that this report acts as an early warning system to any problems in the area of write offs.

**Public Background Papers Used in the Preparation of the Report:** None

### **List of appendices:**

**Appendix A** – Debt Write Off Table for Quarters 1 for 2014/15.

**Appendix B** – Debts written off in 2011/12 and 2012/13 and 2013/14.

**Appendix C** – Ten Largest Debts Written Off in Quarter 1, 2014/15

Table 1: Debts Written Off during Qtr 1 2014/15

|                         | Write-offs   | Housing Benefits | General Income Debts | Former Tenant Arrears | Rents      | Council Tax   | NNDR     | TOTAL          |
|-------------------------|--------------|------------------|----------------------|-----------------------|------------|---------------|----------|----------------|
| <b>Apr-14</b>           | Under 2k     | 5,683            | 3,502                | 0                     | 0          | 0             | 0        | 9,185          |
|                         | Over 2k      | 0                | 0                    | 0                     | 0          | 68,034        | 0        | 68,034         |
|                         | Over 10k     | 0                | 0                    | 0                     | 0          | 0             | 0        | 0              |
|                         | <b>Total</b> | <b>5,683</b>     | <b>3,502</b>         | <b>0</b>              | <b>0</b>   | <b>68,034</b> | <b>0</b> | <b>77,219</b>  |
| <b>May-14</b>           | Under 2k     | 5,357            | 338                  | 27,505                | 0          | 0             | 0        | 33,200         |
|                         | Over 2k      | 6,924            | 4,991                | 0                     | 0          | 0             | 0        | 11,915         |
|                         | Over 10k     | 0                | 0                    | 0                     | 0          | 0             | 0        | 0              |
|                         | <b>Total</b> | <b>12,281</b>    | <b>5,328</b>         | <b>27,505</b>         | <b>0</b>   | <b>0</b>      | <b>0</b> | <b>45,114</b>  |
| <b>Jun-14</b>           | Under 2k     | 24,839           | 17,317               | 121,487               | 211        | 0             | 0        | 163,854        |
|                         | Over 2k      | 3,483            | 0                    | 0                     | 0          | 0             | 0        | 3,483          |
|                         | Over 10k     | 0                | 0                    | 0                     | 0          | 0             | 0        | 0              |
|                         | <b>Total</b> | <b>28,322</b>    | <b>17,317</b>        | <b>121,487</b>        | <b>211</b> | <b>0</b>      | <b>0</b> | <b>167,337</b> |
|                         |              |                  |                      |                       |            |               |          |                |
| <b>Quarter 1 Totals</b> |              | <b>46,286</b>    | <b>26,148</b>        | <b>148,992</b>        | <b>211</b> | <b>68,034</b> | <b>0</b> | <b>289,671</b> |

**Number of accounts:**

| Write-offs       |              | Housing Benefits | General Income Debts | Former Tenant Arrears | Rents    | Council Tax | NNDR     | TOTAL      |
|------------------|--------------|------------------|----------------------|-----------------------|----------|-------------|----------|------------|
| <b>Apr-14</b>    | Under 2k     | 25               | 25                   | 0                     | 0        | 0           | 0        | 50         |
|                  | Over 2k      | 0                | 0                    | 0                     | 0        | 26          | 0        | 26         |
|                  | Over 10k     | 0                | 0                    | 0                     | 0        | 0           | 0        | 0          |
|                  | <b>Total</b> | <b>25</b>        | <b>25</b>            | <b>0</b>              | <b>0</b> | <b>26</b>   | <b>0</b> | <b>76</b>  |
| <b>May-14</b>    | Under 2k     | 20               | 1                    | 71                    | 0        | 0           | 0        | 92         |
|                  | Over 2k      | 2                | 2                    | 0                     | 0        | 0           | 0        | 4          |
|                  | Over 10k     | 0                | 0                    | 0                     | 0        | 0           | 0        | 0          |
|                  | <b>Total</b> | <b>22</b>        | <b>3</b>             | <b>71</b>             | <b>0</b> | <b>0</b>    | <b>0</b> | <b>96</b>  |
| <b>Jun-14</b>    | Under 2k     | 71               | 107                  | 178                   | 1        | 0           | 0        | 357        |
|                  | Over 2k      | 1                | 0                    | 0                     | 0        | 0           | 0        | 1          |
|                  | Over 10k     | 0                | 0                    | 0                     | 0        | 0           | 0        | 0          |
|                  | <b>Total</b> | <b>72</b>        | <b>107</b>           | <b>178</b>            | <b>1</b> | <b>0</b>    | <b>0</b> | <b>358</b> |
| Quarter 1 Totals |              | <b>119</b>       | <b>135</b>           | <b>249</b>            | <b>1</b> | <b>26</b>   | <b>0</b> | <b>530</b> |

Table 2: Debts written off during 2011/12

| Write Offs            | Housing Benefits | General Income Debts | Former Tenant Arrears | Rents  | Council Tax | NNDR     | TOTAL      |
|-----------------------|------------------|----------------------|-----------------------|--------|-------------|----------|------------|
| <b>2011/12 Totals</b> | £260,487         | £145,284             | £987,383              | £2,808 | £205,789    | £772,683 | £2,374,434 |

Table 3: Debts written off during 2012/13

| Write Offs            | Housing Benefits | General Income Debts | Former Tenant Arrears | Rents   | Council Tax | NNDR     | TOTAL      |
|-----------------------|------------------|----------------------|-----------------------|---------|-------------|----------|------------|
| <b>2012/13 Totals</b> | £110,876         | £141,896             | £886,890              | £23,360 | £1,015,408  | £569,842 | £2,748,272 |

Table 4: Debts written off during 2013/14

| Write Offs            | Housing Benefits | General Income Debts | Former Tenant Arrears | Rents  | Council Tax | NNDR     | TOTAL      |
|-----------------------|------------------|----------------------|-----------------------|--------|-------------|----------|------------|
| <b>2013/14 Totals</b> | £141,147         | £256,804             | £806,989              | £8,681 | £80,755     | £221,380 | £1,515,756 |

Table 5: Debts written off Quarter 1 2014/15

| Write Offs               | Housing Benefits | General Income Debts | Former Tenant Arrears | Rents | Council Tax | NNDR | TOTAL    |
|--------------------------|------------------|----------------------|-----------------------|-------|-------------|------|----------|
| <b>2014-15 Q1 Totals</b> | £46,286          | £26,148              | £148,992              | £211  | £68,034     | £0   | £289,671 |



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**APPENDIX C**

| <b>NAME</b>        | <b>AMOUNT</b> | <b>DEPARTMENT</b> | <b>REASON</b>  |
|--------------------|---------------|-------------------|--|
| Ms Amie Jammeh     | £5,825.61     | Council Tax       | <p>Account opened 04.04.2008</p> <p>Due to non payment a summons was issued for which an arrangement was made. This was not adhered to and the account was sent to bailiffs.</p> <p>The bailiff returned the account “no goods”.</p> <p>An arrangement was set up after numerous phone calls but that was defaulted on. Another arrangement was set up via the bailiffs. This was again defaulted on and we tried to continuously contact her via telephone and correspondence with no success.</p> <p>The account for Ms Jammeh was closed from the 04.05.2012 but no forwarding address was provided. Traces were conducted a number of times but were unsuccessful.</p> |
| Ms Adeline Jenkins | £4,122.82     | Council Tax       | <p>Account opened 01.04.2008.</p> <p>No payments or contact made so account went through recovery and was returned back “no goods” from the bailiffs.</p> <p>Four visits to property were all unsuccessful.</p> <p>The account was closed from 30.09.2011 Searches for tracing were conducted but with no success.</p>   |
| Mr Paschal Abanah  | £3,981.1      | Council Tax       | <p>Account opened 22.04.2008</p> <p>No payments were made, the case went through recovery action and the account was eventually returned “no goods” from the bailiffs.</p> <p>A visit was conducted but there was no response. Credit agency searches for Mr Abanah were carried out but no forwarding address</p>   |

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|                       |           |             | <p>was discovered.</p> <p>Another visit conducted and property was shuttered and 'for sale' signs were outside property. The property was repossessed 17.08.2011</p> <p>Further searches failed to establish a new address for Mr Abanah.</p>  |
| Mr Phillip Davies     | £3,707.33 | Council Tax | <p>Account opened 13.08.2010</p> <p>No payments made and recovery action proceeded and eventually account returned back "no goods" from bailiffs.</p> <p>System searches both internal and external completed but were unsuccessful.</p> <p>Account closed from 01.06.2012. Further searches for tracing were conducted but no new address was found.</p>  |
| Miss Speranta Botonog | £3,508.94 | Council Tax | <p>Account opened 08.12.2009</p> <p>No payments or contact made, recovery action commenced and eventually the account was returned "no goods" from the bailiffs.</p> <p>Visit conducted but there was no reply and a 'for sale' from Prime Lodge Estates was outside.</p> <p>Miss Botonog was evicted for rent arrears 30.11.2012. Internal and external searches were completed but failed to produce a new address for the debtor.</p> |
| Ms Nneka Ukpe         | £3,029.82 | Council Tax | <p>Account opened 12.05.2006</p> <p>Ms Ukpe was a student until 2009 and exempt from payment.</p> <p>No payments received once she became liable to pay, The case went through recovery action and the account was eventually</p>  |

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|                  |           |             | <p>returned "no contact" from the bailiffs.</p> <p>New tenant advised they moved in from the 20.02.2012 so account closed for Ms Ukpe.</p> <p>Contacted the landlord who claimed they had no information regarding this tenant. Searches were conducted but without success.</p>   |
| Mr Inderjit Khan | £2,949.08 | Council Tax | <p>Account opened 28.08.2009</p> <p>No payments made and recovery action continued. Visit conducted with no reply. Property looked lived in but had 'for sale' sign outside.</p> <p>Owner advised Mr Khan vacated on the 28.02.2012 and provided forwarding address. Post returned from forwarding address and credit search provided no results.</p> <p>Redbridge council confirmed that debtor was not liable at the forwarding address that had been provided. Further searches were carried out without success.</p> |
| Mr Marian Gyzl   | £2,914.7  | Council Tax | <p>Account opened 16.03.2008</p> <p>No contact or payments received.</p> <p>The property was repossessed on the 12.01.2011 so Mr Gyzl's account closed.</p> <p>Forwarding address found via credit checks but the bailiffs were unable to make contact.</p> <p>The Council also conducted a visit but got no response. Further tracing checks were completed without success.</p>  |

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| Mrs Layla Begum        | £2,657.67 | Council Tax | <p>Account opened 25.02.2010</p> <p>No payments made so recovery action continued and bailiffs eventually returned account back to council "no goods".</p> <p>New tenant informed that previous tenant moved out 29.05.2012, so Mrs Begum's account closed. No forwarding address known.</p> <p>Credit checks did not produce a forwarding address. Other internal checks also failed to produce a new address for Mrs Begum.</p> |
| Mr Lowll & Mrs Adeniji | £2455.59  | Council Tax | <p>Account opened 14.11.2009</p> <p>No payments made so recovery action commenced.</p> <p>Account closed 15.12.2011 as per information provided by new tenants.</p> <p>Owner confirmed no forwarding address known. Further internal and external produced no new address for the debtors.</p>  |

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