

SUPPLEMENTARY AGENDA 2

THE EXECUTIVE

Tuesday, 19 February 2008

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THE EXECUTIVE

19 FEBRUARY 2008

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Fees and Charges 2008/2009	For Decision
<p>Summary:</p> <p>Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils.</p> <p>This report concerns itself with recommending the appropriate level of fees and charges for 2008/09 for those traditional services where the Council has an obligation to set fee levels.</p> <p>In addition to those traditional income services, the Council also has the power under the Local Government Act 2003 to charge for other discretionary services that it may already or may wish to provide for in the future. In keeping with most other Local Authorities, the Council has not taken any significant advantage of these new powers.</p> <p>In preparing the proposed fees and charges for 2008/09, Departments have worked within the framework of the agreed Charging Policy.</p> <p>The Council's budget strategy for 2008/09 assessed the implication of inflationary pressures on the Council's budget by having regard to a basket of inflation indices. As a result it recommended that the overall inflation uplift for 2008/09 for fees and charges should be at least 2.5%, and these increases have been applied to all the 2008/09 income base budgets which were approved at the Executive meeting on the 22nd January 2008. In addition to this general 2.5% uplift, a number of the savings proposals for 2008/09 require increases in fees and charges to go beyond 2.5%. As a result, the recommended increases in fees and charges for 2008/09 contained within this report reflects the 2008/09 budget strategy, the 2008/09 base budget position and the 2008/09 savings proposals.</p> <p>The proposed charges for 2008/09 are detailed in Appendix A to this report.</p> <p>Wards Affected: This is an annual fees and charges report which applies to all services and to all wards.</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to agree to the proposed fees and charges for 2008/09 as set out in Appendix A and Section 4 of the report to be effective from the 1st April 2008.</p>	
<p>Reason(s)</p> <p>As a matter of good financial practise, the Executive should agree those fees and charges to be applied to services provided by the Council.</p>	

Implications:**Financial:**

The ability to charge for some services is a key funding source to the Council. The proposed fees and charges within this report reflect the 2008/09 budget strategy, the 2008/09 base budget position and the 2008/09 savings proposals, and are necessary in order for the Council to set a robust 2008/09 budget.

Legal:

There are no legal implications regarding this report.

Risk Management:

The potential risk in setting the proposed fees and charges is that these may have an adverse implication in demand and usage of services which may in turn impact on the achievement of the both community priorities and the Council's budget. The risk of these proposals will be monitored through the Council's various performance indicators, its service scorecards and the Budget Monitoring processes.

Social Inclusion and Diversity:

As this report does not concern a new or revised policy there are no specific adverse impacts insofar as this report is concerned.

Crime and Disorder:

There are no specific implications insofar as this report is concerned.

Options Appraisal:

There are no specific implications insofar as this report is concerned.

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1. Introduction and Background

- 1.1 Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils. The types of services provided by the Council where fees and charges are currently levied often fall into a broad category of traditional income services.
- 1.2 These traditional income services contain both statutory and discretionary services and where fees and charges apply to mandatory services, these are often set nationally e.g. planning fees. The majority of mandatory services are not funded directly from fees and charges but instead from the Council's main income sources being its Government grant and its Council Tax revenue for example, Highway Maintenance, Children's Services, Cleansing and Refuse services etc.

- 1.3 Those remaining traditional income services where the Council levy fees and charges, and which are of a discretionary nature, cover a whole range of services such as Care services, Libraries, Licensing, Pest Control, Commercial Waste, Drainage, Markets, Leisure and Recreation facilities, Parking, the Registrar etc. This report concerns itself with recommending the appropriate level of fees and charges for 2008/09 for these types of services.
- 1.4 In addition to those traditional income services, the Council also has the power under the Local Government Act 2003 to charge for other discretionary services that it may already or may wish to provide for in the future. This Act has opened two new and long-sought freedoms for local authorities – the power to trade, and discretionary charging powers.
- 1.5 These new powers under the 2003 Act are by way of a flexibility or freedom and the emphasis is towards Council innovation. There is no definitive list on what is included although the Government have provided limited examples of what could be included such as maintenance of older/disabled people's gardens, arboricultural work in private gardens, operating consumer protection approved lists, pre-application planning and development advice, highway services to private industrial estates, home energy advice, home security services, use of excess capacity in local authority services etc.
- 1.6 To date, in keeping with most other local authorities, the Council has not taken any significant advantage of these new powers but will be reviewing their potential in due course.

2. Budget Strategy 2008/09

- 2.1 The Council's budget strategy for 2008/09 assessed the implication of inflationary pressures on the Council's budget by having regard to a basket of inflation indices. As a result it recommended that the overall inflation uplift for 2008/09 for fees and charges should be at least 2.5% and this increase has been applied to all the 2008/09 income base budgets which were approved at the Executive meeting on the 22nd January 2008. However, there is an acceptance that the application of the standard increase to all fees may not always be practical and in the interests of services. Therefore when arriving at the proposed fees and charges for 2008/09, Corporate Directors would need to assess those services which warrant higher or lower increases whilst having regard to the achievement of the overall base budget.
- 2.2 The 2.5% increase was based upon the June 2007 Consumer Price Index (CPI) which is calculated by measuring the increasing costs of a sample of goods and services. The CPI excludes a number of mainly housing related costs e.g. council tax, mortgage Interest payments, house depreciation costs, building insurance etc. as these were not considered relevant to the operating costs of services, and therefore would not impact on the level of fees and charges required to be set.
- 2.3 In addition to the general 2.5% uplift of the fees and charges budgets as mentioned in paragraph 2.1, a number of the savings proposals for 2008/09 require further increases in fees and charges beyond the standard 2.5%. A full list of all these savings proposals are reported elsewhere on this agenda.

2.4 The recommended increases in fees and charges for 2008/09, which are detailed in section 4 of this report, therefore reflect the 2008/09 budget strategy, the 2008/09 base budget position and the 2008/09 savings proposals.

3. Charging Policy

3.1 The Council has an agreed Charging Policy which requires that all charges are reviewed annually as part of the budget setting process.

3.2 The Charging policy has three fundamental principles:

- Services should raise income wherever there is a power or duty to do so;
- The income raised should cover the full costs of providing the service including all overheads;
- Any departures from this policy must be justified in a transparent manner with reference to the Council's priorities and policies.

3.3 In preparing the proposed fees and charges for 2008/09 departments have worked within the framework of the Charging Policy.

As mentioned in paragraph 1.6, the Council has not taken any significant advantage of the new powers for discretionary charging under the Local Government Act 2003.

4. Proposed Fees and Charges for 2008/09

4.1 Attached to this report at Appendix A are the proposed fees and charges for 2008/09 which will be effective from the 1st April 2008. This Appendix details the following information:

- Description of Service provided;
- Current 2007/08 Charge;
- Proposed 2008/09 Charge;
- Proposed Increase.

4.2 A summary of the services that Appendix A relate to are listed below along with relevant supporting information:

4.2.1 Adult & Community Services

The majority of fees within the Adults & Community Services department have been increased in line with the recommended 2.5% inflation index, although for rounding purposes it has been necessary to increase/ decrease some fees slightly above/ below this level. Most charges in the Adult Social Care area are means tested, so regardless of the level of charge if clients are assessed as not having sufficient disposable income they will not be required to pay towards their care.

Some charges contained within Appendix A reflect decisions made earlier in this agenda in regard to proposals to deliver savings of £350,000 through generating additional Income and Charges within the Adult & Community Services.

Charges for both the Heritage and Libraries services are also the responsibility of the Adult & Community Services department, and although numerous and detailed, these broadly average out at an overall 2.5% increase. Again some areas have had a slightly larger increase with others slightly lower, due to judgements on affordability and take-up.

Fees and Charges for the new facilities at the Barking Learning Centre have been included for the first time in this report and these will be subject to a further review after a full year of operation. This will enable an assessment of the facilities offered including their popularity etc, together with associated costs and charges.

4.2.2 Children's Services

Currently the Children's Department only charge for services in relation to the Nurseries and Children's Centres. Whilst the Council has the power under Schedule 3 of the Children's Act 1989 to charge for Children's Care Services, at present, and in line with the vast majority of Boroughs, the Council does not charge for these services but retains the option to charge in appropriate cases.

In regard to the Nurseries and Children's Centres, these charges were increased in January 2008 from £160 to £175. This increase covers a 15 month period and will be reviewed in April 2009.

4.2.3 Customer Services

Environmental and Enforcement Services

- **Environmental Management**
The fees for Environmental Management have been assessed in line with the requirements of the Council's Charging Policy, and as a result all proposed fees are set on the basis that charges will recover the full cost of the service, including all overheads.
- **Waste Disposal**
There have been increases in Landfill Tax and charges from the East London Waste Authority (ELWA) to the Council in order to sustain the new waste disposal infrastructure developments. The proposed increased charges reflect the increase in cost of disposal of waste.
- **Class 5, Class 7 and motor cycle MOT tests**
These tests are charged at a rate determined by the Ministry of Transport and are in line with charges made by local garages. The suggested rate for class 4 is £45, which offers good value when compared to other commercial providers.

- **Licensing**

Some of the charges levied for licences are outside the control of the Council, being specified by Central Government. However, there is a wide range of licences with discretionary fee structures. The proposed increases reflect the administrative burden placed by the licensing structure on the Council and includes the costs of compliance inspection.

- **Pest Control**

The proposed increased charges reflect both the current market conditions and make an allowance for increases in the cost of specialist materials.

- **Graffiti Removal**

The charges for Graffiti removal were amended via a report to the Executive on 25th September 2007. This report agreed a new set of charges for graffiti removal and the introduction of an Anti-Graffiti Charter which Small and Medium sized Enterprises (SMEs) can sign up to in order to reduce the costs. There are several levels of charges depending on the circumstances of the removal and whether the recipient of the service has signed up to the Charter or not. As the charges were only recently reviewed it is proposed that they continue to remain at the existing levels.

Careline Service

The Careline service provides vulnerable residents with speedy telephonic assistance for emergency situations and aids independent living. The service is provided to all clients judged eligible under Fair Access to Care criteria. For 2008-09 the full cost of the services will continue to be recovered through a combination of Supporting People Grant, recharges to Housing and Adult Services and a charge to those clients whose income is broadly in line with Fairer Charging statutory guidance. It is recommended that for 2008-09 the charge for the social alarm scheme should be increased by inflation only. The effect of this will be to increase the existing charge from £196.95 per annum (£3.79 a week) to £202 per annum (£3.88 a week).

Registrars

The Registration Service provides functions including the statutory requirements of Births, Deaths, Marriages and Civil Partnerships, the issue of copy certificates, non-statutory services of Renewal of Vows, Baby Naming ceremonies, the Nationality Checking Service (NCS) and Citizenship ceremonies.

It is proposed that a change is made to the way in which charges are levied for the Nationality Checking Service. Charges are currently varied depending on the type of application made and this does not take into account the full administration cost of processing each document. Therefore, to bring the Council in line with other Local Authorities, it is proposed that a flat charge of £35 per document is charged to take into account the additional time and administration.

The fees charged for all the non-statutory services have remained unchanged for two years. Inflation and benchmarking with neighbouring Borough's charges have indicated that increases should be made to the current fees for 2008-09. Whilst some of these increases may seem high, the proposed charges are in line with those set by other neighbouring Local Authorities and the Council remains highly competitive.

With regard to the Approved Premises, the Council has not increased its fee for 2 years and the proposal is for an increase of just under 12% to bring the fee up to a more reasonable level when compared with other authorities. In addition, it is proposed that renewals should be the same price as the initial application since exactly the same amount of administration is required for both services.

Traveller Site

The increase in site costs can be attributed to the costs of additional infrastructure to the site as well as increased costs associated with the ongoing maintenance of the site.

4.2.4 Regeneration

Barking Market

The volume of trade between the various streets changes constantly. However, as a whole, it is proposed that fees should be increased on average by 5.2% which will generate an additional £36,400, assuming that a turnover of £700,000 remains constant. However, the arrival of East London Transit in February 2009 will potentially have an adverse effect on market turnover to a level that cannot yet be determined and this will need to be kept under review.

On and Off-Street Parking Issues

In order to create a consistent structure of fees and charges which meet Council objectives and ensure fees and charges are comparable with other providers, a number of changes have been made to the structure of fees, and to the rates themselves. Some charges have been deleted, and replacement and revised charges are now proposed.

- **On-street Pay & Display**

For On-street there is the introduction of shared business bays within on-street pay and display bays in order to make use of existing on-street pay and display parking resources. Business permit holders are allowed to share with ad-hoc on-street pay & display customers in order to ensure economic viability of the town centre and provide for the needs of businesses for an increasing level of parking demand. This should also encourage businesses to further increase investment in the locality. Operational timing for the above bays has also been reviewed in order to keep Barking Town centre competitive, to maintain uniformity with all off street car parks and also keep rates and times of operation comparable with parking tariffs and operations in neighbouring Boroughs. The proposed times of operation is from 7am to 7pm Monday to Saturday.

- **Off-street Pay and Display**
The London Road multi-storey, the Axe Street off street car parks in Barking Town centre and the Heathway Multi-storey car park were all identified as where members would be allowed to make use of the yellow parking permits. All off-street car parks within the Barking Town centre will now have the same level of tariff and timing in order to prevent ambiguity across the parking provisions in the town centre.
- **Suspension of Parking Places**
Where dispensation is required for the suspension of on-street parking places a scale of charges is proposed depending on the number of parking places and the length of time required. A maximum period is proposed for continuous suspension of the same bay in order to minimise disruption to business or resident users of the bays.
- **Street Naming & Numbering**
The Executive (29 November 2007) agreed in principle to a new charge to developers to improve the service and recover the costs involved in naming streets and numbering properties. The fees set out are designed to recover the anticipated costs.

Events Charges

Over the past couple of years there has been an increase in the number of community events taking place within the Borough's Parks. In order to ensure that these events meet the required standards on issues such as Health and Safety, it is necessary for the Events Team to meet with organisers to offer advice and support.

The current charge for non commercial events in parks of £52.50 has proved to be prohibitive for some small charity events, such as fundraising sponsored walks etc. Therefore it is proposed to bring in a sliding scale of charges for non commercial events which is based on the estimated numbers that will attend the event and also the amount and level of support and meetings required from the Events Team to assist the organisers.

There has also been an increase in the number of commercial operators who wish to utilise the Borough's parks. A number of the boroughs parks have premises licences and if commercial operators wish to use the council's premises licence to stage an event, it is appropriate that the operator pays, not only a fee for use of the park, but also a fee for using the council's own licence.

The charge will again be on a sliding scale dependent on the number of people expected at the event as this correlates to the amount of risk associated with the licence and the costs that would be associated with the operator obtaining their own licence. These fees will range from £500 for an event of up to 5,000, up to £5,000 for an event of up to 20,000 people. Officers will evaluate the suitability of any event or indeed operator before agreeing that the Council licence can be used.

Cemeteries

Following a bench-marking exercise the proposed fees and charges are designed to bring the level of fees up to the average level of charge imposed by other providers.

Car Park Fees – Dagenham Town Show

The current charge for parking at the Dagenham Town Show is £4. It is proposed that this fee should not be increased, as increasing the sum by 10p would cause delays at the gate when giving change. The alternative would be to increase the fee by 50p but this would represent an increase of 12.5% and would dissuade people from using the car park (and potentially attending the show) as well as increasing traffic congestion in the surrounding roads creating a nuisance for local residents.

Leisure Activities

In general the proposed charges for leisure activities have been increased by the minimum inflation index. However, where benchmarking and knowledge of the market indicates, prices have been adjusted to reflect market conditions. Across the Active Memberships – the opportunity has been taken to standardise charges based on type of users and activities. In respect of Images it should be noted that there is built-in flexibility within the charging mechanism to take into consideration if the product from the supplier used in the beauty process increases in price and that this will need to be passed onto the customer.

Barking Park- Cricket Net Charges

This service is not yet provided as the recent external bid to the London Marathon Trust to fund the installation of cricket practice nets and pitch at Barking Park was not successful. A further bid is planned and if and when the pitch and nets are available the charge will be implemented. After discussions with local cricket clubs, a charge of £6.50 per hour has been agreed for those who are keen to use this proposed new facility.

Allotments

The cost per acre of usable allotment land leased to Allotment Associations has been reviewed and increased to reflect inflation over the three year period since the last review in 2005/06.

Parks Sports

Some charges have increased in excess of inflation to improve the recovery of costs and to reflect the market level of charges.

Local Land Charges

In line with current government regulations, Local Land Charge fees are requested to be set at levels which recover the full cost of providing those services (including any deficits or surpluses from previous years). The proposed 2008/09 fees for the service have been calculated taking into account both the projected demand on the service in 2008/09 and the average time spent dealing with each search activity.

Charges in respect of personal searches are currently set by the Lord Chancellor's Department at £11.

Following an investigation of Land Charges fees in 2006 by the Office of Fair Trading, it was agreed to deregulate personal search fees. Guidance on how Local Authorities should calculate personal search fees, following deregulation, are pending, and once issued, it will require a further review of all Land Charge fees to be undertaken.

Right to Buy

A comparison of the Council charges and those charged by adjoining authorities and local firms of solicitors was carried out in 2007, and the results showed our charges to be in line with the average. As a result of this review, the proposed charges for 2007/08 have been set to levels which are competitive and fair. In addition the repayment of discount fee was recently increased by 25% and it therefore proposed this remains unchanged.

5. Consultees

5.1 The members and officers consulted on this report are:

Councillor Bramley
Corporate Management Team
Relevant Service Departments
Relevant Portfolio Holders
Group Managers - Finance

Background Papers Used in the Preparation of the Report:

- 2008/09 Budget Strategy
- Oracle reports
- Working Papers
- Local Government Act 2003
- Benchmarking Information

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
Adults & Community Services				
Adult Care, Residential And Day Care Services				
1 Home Care Services - Up to 2 hours per week of service	17.50	18.00	0.50	2.86%
2 Home Care Services - Between 2 and 10 hours of service per week	20.00	20.50	0.50	2.50%
3 Home Care Services - Over 10 hours of service per week	22.50	23.00	0.50	2.22%
4 Home Care Services - Full cost payers (ie , clients with in excess of £22,000 savings) - Charge per hour	8.50	10.00	1.50	17.65%
5 Residential -Elderly Residential Homes (Charge to Other Local Authorities and full cost payers) per week	559.00	570.00	11.00	1.97%
6 Residential -Learning Disability Residential Home (Charge to Other Local Authorities & full cost payers) per week	795.00	815.00	20.00	2.52%
7 Day Centres -Mental Health Day Centre (Charge to Other Local Authorities) Per Day	32.00	33.00	1.00	3.13%
8 Day Centres - Learning Disability Day Centres (Charge to Other Local Authorities) Per Day	56.00	57.50	1.50	2.68%
9 Day centres - Heathlands Day Centres (Charge to Other Local Authorities) * Up to 3 sessions Per Day	132.00	135.60	3.60	2.73%
10 Supporting People -Housing related Support Schemes for Vulnerable People - (Minimal number	£2 to £47	£2 to £48		
11 Meals on Wheels - Welfare Meal Charge (Current meal cost = £4.30 to Council)	2.60	3.10	0.50	19.23%
12 Residential - Externally purchased (Benchmark price i.e. maximum normally payable	442.00	450.00	8.00	1.81%
13 Nursing Care - Externally purchased (Benchmark price i.e. maximum normally payable	559.00	570.00	11.00	1.97%
Heritage Services - Eastbury Manor House (PART of YEAR- CLOSED TO PUBLIC 2008/09)				
14 Eastbury Manor House - Commercial - Standard Room hire	16.90	17.40	0.50	2.96%
15 Eastbury Manor House - Commercial - Hire of long gallery	33.80	34.80	1.00	2.96%
16 Eastbury Manor House - Commercial - Hire of whole house	50.70	52.20	1.50	2.96%
17 Eastbury Manor House - Commercial - Hire of equipment	10.55	10.85	0.30	2.84%
18 Eastbury Manor House - Commercial - Hire of PowerPoint	15.85	16.35	0.50	3.15%
19 Eastbury Manor House - Commercial - Catering tea/coffee	0.80	0.80	0.00	0.00%
20 Eastbury Manor House - Commercial - Catering tea/coffee/biscuits	1.05	1.10	0.05	4.76%
21 Eastbury Manor House - Commercial - Catering menu A	4.65	4.80	0.15	3.23%
22 Eastbury Manor House - Commercial - Catering menu B	6.00	6.70	0.70	11.67%
23 Eastbury Manor House - Commercial - Catering menu C,D,E	7.50	7.70	0.20	2.67%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
24 Eastbury Manor House - Commercial - Catering menu F	13.00		13.30		0.30	2.31%
25 Eastbury Manor House - Non Commercial - Room hire	12.60		13.05		0.45	3.57%
26 Eastbury Manor House - Education LBBB school hire up to 35 childrer	160.00		170.00		10.00	6.25%
27 Eastbury Manor House - Education LBBB school hire up to 75 childrer	210.00		225.00		15.00	7.14%
28 Eastbury Manor House - Education Non LBBB school hire up to 35 childrer	210.00		225.00		15.00	7.14%
29 Eastbury Manor House - Education Non LBBB school hire up to 75 childrer	265.00		280.00		15.00	5.66%
30 Eastbury Manor House - Civil marriage and partnership ceremony Fridays	165.00		170.00		5.00	3.03%
31 Eastbury Manor House - Civil marriage and partnership ceremony Saturdays Oct- Apri	190.00		200.00		10.00	5.26%
32 Eastbury Manor House - Civil marriage and partnership ceremony Saturdays May- Sep	240.00		250.00		10.00	4.17%
33 Eastbury Manor House - Civil marriage and partnership ceremony Fridays with drinks receptor	330.00		340.00		10.00	3.03%
34 Eastbury Manor House - Civil marriage and partnership ceremony Saturdays Oct- with drinks receptor	380.00		400.00		20.00	5.26%
35 Eastbury Manor House - Civil marriage and partnership ceremony Saturdays May- Sept with drinks receptor	430.00		450.00		20.00	4.65%
36 Eastbury Manor House - Admission charges Adult - Saturday	2.50		2.50		0.00	0.00%
37 Eastbury Manor House - Admission charges Adult - Monday/Tuesday	1.25		1.25		0.00	0.00%
38 Eastbury Manor House - Admission charges concessions	1.25		1.25		0.00	0.00%
39 Eastbury Manor House - Admission charges Child aged 5-15	0.65		0.65		0.00	0.00%
40 Eastbury Manor House - Admission charges family (2 adults with up to 3 children)	5.00		5.00		0.00	0.00%
41 Eastbury Manor House - Admission charges special events - minimum	3.00		3.00		0.00	0.00%
42 Eastbury Manor House - Admission charges special events - maximum	15.00		15.00		0.00	0.00%
Heritage Services - Valence House- CLOSED TO PUBLIC 2008/9						
43 Valence House - Commercial - Activities room hire	16.75		n/a		n/a	n/a
44 Valence House - Commercial - River room hire	16.75		n/a		n/a	n/a
45 Valence House - Commercial - Industry room hire	16.75		n/a		n/a	n/a
46 Valence House - Commercial - Equipment hire	14.20		n/a		n/a	n/a
47 Valence House - Commercial - Catering tea/coffee/bottled water	1.00		n/a		n/a	n/a

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
48 Valence House - Commercial - Catering plate of biscuits	1.55	n/a	n/a	n/a
49 Valence House - Education LBBB School hire half day with facilitators up to 35 childrer	80.00	n/a	n/a	n/a
50 Valence House - Education LBBB School hire half day with facilitators up to 70 childrer	105.00	n/a	n/a	n/a
51 Valence House - Education LBBB School hire full day with facilitators	210.00	n/a	n/a	n/a
52 Valence House - Education Non LBBB School hire half day with facilitators up to 35 childrer	128.00	n/a	n/a	n/a
53 Valence House - Education Non LBBB School hire half day with facilitators up to 70 childrer	153.75	n/a	n/a	n/a
54 Valence House - Education Non LBBB School hire full day with facilitators	265.00	n/a	n/a	n/a
55 Valence House - Education Heritage Officer session /talk	27.00	n/a	n/a	n/a
56 Valence House - Education loan box per week	10.50	n/a	n/a	n/a
57 Valence House - Workshops Children's half -day	2.50	n/a	n/a	n/a
58 Valence House - Workshops Adults full -day	5.00	n/a	n/a	n/a
59 Valence House - Workshops Talks	2.50	n/a	n/a	n/a
60 Valence House Reprographics - A4 b/w	4.30	n/a	n/a	n/a
61 Valence House Reprographics- A3 b/w	11.90	n/a	n/a	n/a
62 Valence House Reprographics - A4 colour	9.25	n/a	n/a	n/a
63 Valence House Reprographics - A3 colour	21.00	n/a	n/a	n/a
64 Valence House Reprographics- Digital scan for e-mail	3.70	n/a	n/a	n/a
65 Valence House Reprographics- Cutting to CD	1.50	n/a	n/a	n/a
66 Valence House Reprographics- Recorded post and packing	2.00	n/a	n/a	n/a
67 Valence House Reprographics - Photocopies A4	0.10	n/a	n/a	n/a
68 Valence House Reprographics - Photocopies A3	0.20	n/a	n/a	n/a
69 Valence House Reprographics - Microfilm printout A4	0.35	n/a	n/a	n/a
70 Valence House Reprographics - Minimum cost for non-visitor	1.50	n/a	n/a	n/a
71 Valence House Reproduction fees for publications- books/ periodicals one country one language b/w	50.00	n/a	n/a	n/a
72 Valence House Reproduction fees for publications- books/ periodicals one country one language in colour	75.00	n/a	n/a	n/a
73 Valence House Reproduction fees for publications- books/ periodicals world one language b/w	80.00	n/a	n/a	n/a

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
74 Valence House Reproduction fees for publications- books/ periodicals world one language in colour	95.00	n/a	n/a	n/a
75 Valence House Reproduction fees for publications- books/ periodicals world multi language. b/w	100.00	n/a	n/a	n/a
76 Valence House Reproduction fees for publications- books/ periodicals world multi language in colour	120.00	n/a	n/a	n/a
77 Valence House Reproduction fees for publications- book jackets, CD video cases one country one language b/w	85.00	n/a	n/a	n/a
78 Valence House Reproduction fees for publications- book jackets, CD video cases world one language b/w	120.00	n/a	n/a	n/a
79 Valence House Reproduction fees for publications- book jackets, CD video cases world multi language colour	150.00	n/a	n/a	n/a
80 Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission one country	75.00	n/a	n/a	n/a
81 Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission one country with one repeat	105.00	n/a	n/a	n/a
82 Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission world	100.00	n/a	n/a	n/a
83 Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission world with one repeat	140.00	n/a	n/a	n/a
84 Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, 5 year unlimited licence	300.00	n/a	n/a	n/a
85 Valence House Reproduction fees for stills for TV/films and exhibitions - Postcards, greeting cards, posters and other advertising material	150.00	n/a	n/a	n/a
86 Valence House Reproduction fees for stills for TV/films and exhibitions - CD rooms, Photo CD and commercial web pages	75.00	n/a	n/a	n/a
87 Valence House Reproduction fees for stills for TV/films and exhibitions - Personal web pages	35.00	n/a	n/a	n/a
Library Service				
88 Libraries - Adult Fines per day	0.15	0.16	0.01	6.67%
89 Libraries - Maximum fine per item	5.00	5.50	0.50	10.00%
90 Libraries- Hire of video/DVD children's/NF- per week	1.00	1.00	0.00	0.00%
91 Libraries- Hire of video/DVD adults- per week	2.00	2.00	0.00	0.00%
92 Libraries- Hire of video/DVD fines per day	0.50	0.55	0.05	10.00%
93 Libraries - Language courses - 3 weeks	1.00	1.00	0.00	0.00%
94 Libraries - Language courses - fines per day	0.15	0.16	0.01	6.67%
95 Libraries - Hire of CD singles	1.00	1.00	0.00	0.00%
96 Libraries - Hire of CD box sets	1.50	1.50	0.00	0.00%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
97 Libraries - Hire of CD fines per day	0.15		0.16	6.67%	0.01	
98 Libraries - AV annual subscription	30.00		30.00	0.00%	0.00	
99 Libraries - AV 6 month subscription	15.00		15.00	0.00%	0.00	
100 Libraries - AV 3 month subscription	10.00		10.00	0.00%	0.00	
101 Libraries - Reservations-non stock items	1.20		1.20	0.00%	0.00	
102 Libraries - Photocopying A4	0.10		0.10	0.00%	0.00	
103 Libraries - Photocopying A3	0.20		0.20	0.00%	0.00	
104 Libraries- Managed room hire per hour- minimum charge	4.65		4.80	3.23%	0.15	
105 Libraries- Managed room hire per hour- maximum charge	21.20		21.50	1.42%	0.30	
Barking Learning Centre						
106 Small meeting room (2-15 people)- hourly hire rate- Council/ public/ voluntary and community secto	10.00		25.00	150.00%	15.00	
107 Small meeting room (2-15 people)- hourly hire rate- Commercial	20.00		50.00	150.00%	30.00	
108 Large meeting room (16-28 people)- hourly hire rate- Council/ public/ voluntary and community secto	25.00		35.00	40.00%	10.00	
109 Large meeting room (16-28 people)- hourly hire rate- Commercial	35.00		70.00	100.00%	35.00	
110 Conference centre (28-120 people)-hourly hire rate- Council/ public/ voluntary and community secto	30.00		45.00	50.00%	15.00	
111 Conference centre (28-120 people)-hourly hire rate- Commercial	40.00		90.00	125.00%	50.00	
112 Small meeting room projector per day- Council/ public/ voluntary and community secto	10.00		15.00	50.00%	5.00	
113 Small meeting room projector per day- Commercial	15.00		30.00	100.00%	15.00	
114 Small meeting room PC/laptop per day- Council/ public/ voluntary and community secto	10.00		20.00	100.00%	10.00	
115 Small meeting room PC/laptop per day- Commercial	15.00		40.00	166.67%	25.00	
116 Use of china/ glass for refreshments per person per session- Council/ public/ voluntary and community secto	1.00		1.00	0.00%	0.00	
Children's Services						
Childcare Services						
117 Early Years -Day Nurseries and Children's Centres	175.00		175.00	0.00%	0.00	

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
CUSTOMER SERVICES				
Environmental Services				
118	2.75	3.78	1.03	37.45%
119	13.75	18.91	5.16	37.53%
120	9.65	13.30	3.65	37.82%
121	74.40	102.51	28.11	37.78%
122	144.00	180.32	36.32	25.22%
123	500.00	625.00	125.00	25.00%
124	310.00	343.21	33.21	10.71%
125	6.20	6.86	0.66	10.65%
126	6.20	6.86	0.66	10.65%
127	165.00	183.96	18.96	11.49%
128	25.00	25.62	0.62	2.48%
129	30.00	30.75	0.75	2.50%
130	40.00	45.00	5.00	12.50%
131	48.00	49.20	1.20	2.50%
132	68.00	69.74	1.74	2.56%
133	48.00	49.20	1.20	2.50%
134	190.00	209.00	19.00	10.00%
135	330.00	363.00	33.00	10.00%
136	610.00	671.00	61.00	10.00%
137	1,110.00	1,221.00	111.00	10.00%
138	2,110.00	2,321.00	211.00	10.00%
139	3,350.00	3,685.00	335.00	10.00%
140	300.00	330.00	30.00	10.00%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
141 Licences - Special treatment premises- health and safety at work (b1) Renewal	300.00		330.00		30.00	10.00%
142 Licences - Special treatment premises- health and safety at work (c1) Variator	300.00		330.00		30.00	10.00%
143 Licences - Special treatment premises- health and safety at work (d1) Transfer	300.00		330.00		30.00	10.00%
144 Licences - Animals (a) Dog Breeders	160.00		176.00		16.00	10.00%
145 Licences - Animals (b) Riding Establishments	430.00		473.00		43.00	10.00%
146 Licences - Animals (c) Animal Boarding	300.00		330.00		30.00	10.00%
147 Licences - Animals (d) Pet Shops	240.00		264.00		24.00	10.00%
148 Licences - Animals (e) Dangerous Wild Animals	300.00		330.00		30.00	10.00%
149 Licences - Sex shop Licence	12,300.00		19,500.00		7,200.00	58.54%
150 Licences - Safety at sports ground Act- fees charged on officer time spent processing applicator	80.00		150.00		70.00	87.50%
151 Licences - Poisons Act -entry	90.00		99.00		9.00	10.00%
152 Licences - Poisons Act -Retention or alteration	50.00		55.00		5.00	10.00%
153 Licences - Auction Rooms Registration	390.00		429.00		39.00	10.00%
154 Licences - Occasional Sales- up to 50 stalls/vehicles/pitches	80.00		88.00		8.00	10.00%
155 Licences - Occasional Sales- 51-150 stalls/vehicles/pitches	130.00		143.00		13.00	10.00%
156 Licences - Occasional Sales- over 150 stalls/vehicles/pitches	220.00		242.00		22.00	10.00%
157 Licences - Motor Salvage Operators	90.00		150.00		60.00	66.67%
158 Licences - Motor Salvage Operators certified copy of single register entry	30.00		33.00		3.00	10.00%
159 Licences - Game Dealers	30.00		33.00		3.00	10.00%
160 Other income - Pollution - Seizure of Equipment by Noise Patrol -Fee for reclamation of property (NON-BUSINESS)	160.00		176.00		16.00	10.00%
161 Trespassing Animals - Reclamation of Animal (NON- BUSINESS)	60.00		66.00		6.00	10.00%
162 Trespassing Animals - Kennelling Fees (NON-BUSINESS)	20.00		22.00		2.00	10.00%
163 Micro chip implants - Implant and registration with national pet register per animal (VARIABLE)	40.00		44.00		4.00	10.00%
164 Booking Office - Grant- annual fee - License for Betting Shop, Bingo, Halls (Gambling Act)	490.00		539.00		49.00	10.00%
165 Booking Office - Transfer- per application - License for Betting Shop, Bingo, Halls (Gambling Act)	330.00		363.00		33.00	10.00%
166 Graffiti & Deep Cleaning - First removal of graffiti - In Default (per sqm)	35.25		35.25		0.00	0.00%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
167 Graffiti & Deep Cleaning - Subsequent removal of graffiti - In Default (per sqm)	35.25		35.25		0.00	0.00%
168 Graffiti & Deep Cleaning - First removal of graffiti - Subsidies (per sqm)	17.63		17.63		0.00	0.00%
169 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Subsidies (per sqm)	17.63		17.63		0.00	0.00%
170 Graffiti & Deep Cleaning - First removal of graffiti - Parks (per sqm)	5.88		5.88		0.00	0.00%
171 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Parks (per sqm)	5.88		5.88		0.00	0.00%
172 Graffiti & Deep Cleaning - Anti-Graffiti Coating - Parks (per sqm)	5.88		5.88		0.00	0.00%
173 Graffiti & Deep Cleaning - First removal of graffiti is free when signed up to the Charter	0.00		0.00		0.00	0.00%
174 Graffiti & Deep Cleaning - Subsequent removal of graffiti - With Charter (per sqm)	11.75		11.75		0.00	0.00%
175 Graffiti & Deep Cleaning - Graffiti removal kit - With Charter	11.75		11.75		0.00	0.00%
176 Graffiti & Deep Cleaning - Graffiti removal kit refill - With Charter	5.88		5.88		0.00	0.00%
177 Graffiti & Deep Cleaning - Anti-Graffiti Coating - With Charter (per sqm)	5.88		5.88		0.00	0.00%
178 Graffiti & Deep Cleaning - First removal of graffiti - Without Charter (per sqm)	17.63		17.63		0.00	0.00%
179 Graffiti & Deep Cleaning - Subsequent removal of graffiti - Without Charter (per sqm)	17.63		17.63		0.00	0.00%
180 Graffiti & Deep Cleaning - Graffiti removal kit - Without Charter	17.63		17.63		0.00	0.00%
181 Graffiti & Deep Cleaning - Graffiti removal kit refill - Without Charter	9.40		9.40		0.00	0.00%
182 Graffiti & Deep Cleaning - Anti-Graffiti Coating - Without Charter (per sqm)	11.75		11.75		0.00	0.00%
183 Pest Control - Council Tenants Low risk insects	88.00		96.80		8.80	10.00%
184 Pest Control - Council Tenants Squirrels per trap per week	113.00		124.30		11.30	10.00%
185 Pest Control - Council Tenants- pigeons -per hour or part plus materials	63.00		69.30		6.30	10.00%
186 Pest Control - Owner occupiers- mice	63.00		69.30		6.30	10.00%
187 Pest Control - Owner occupiers- wasps	63.00		69.30		6.30	10.00%
188 Pest Control - Owner occupiers- fleas	81.00		89.10		8.10	10.00%
189 Pest Control - Owner occupiers- rats	31.00		34.10		3.10	10.00%
190 Pest Control - Owner occupiers- bedbugs	81.00		89.10		8.10	10.00%
191 Pest Control - Owner occupiers- cockroaches	88.00		96.80		8.80	10.00%
192 Pest Control - Owner occupiers- pharaoh ants	88.00		96.80		8.80	10.00%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
193 Pest Control - Owner occupiers- low risk insects	88.00		96.80		8.80	10.00%
194 Pest Control - Owner occupiers- squirrels per trap per week	113.00		124.30		11.30	10.00%
195 Pest Control - Owner occupiers- pigeons- per hour or part hour plus materials	63.00		69.30		6.30	10.00%
196 Pest Control - Owner occupiers on benefits- mice	38.00		41.80		3.80	10.00%
197 Pest Control - Owner occupiers on benefit -wasps	38.00		41.80		3.80	10.00%
198 Pest Control - Owner occupiers on benefit -fleas	50.00		55.00		5.00	10.00%
199 Pest Control - Owner occupiers on benefits- rats	19.00		20.90		1.90	10.00%
200 Pest Control - Owner occupiers on benefits- bedbugs	50.00		55.00		5.00	10.00%
201 Pest Control - Owner occupiers on benefits- cockroaches	50.00		55.00		5.00	10.00%
202 Pest Control - Owner occupiers on benefits- pharaoh ants	56.00		61.60		5.60	10.00%
203 Pest Control - Owner occupiers on benefits- low risk insects flies ants etc	50.00		55.00		5.00	10.00%
204 Pest Control - Owner occupiers on benefits- squirrels per trap per week	69.00		75.90		6.90	10.00%
205 Pest Control - Owner occupiers on benefits- pigeons- per hour or part plus materials	38.00		41.80		3.80	10.00%
206 Pest Control - Commercial including LBBD and private landlords- mice	94.00		103.40		9.40	10.00%
207 Pest Control - Commercial including LBBD and private landlords- wasps	94.00		103.40		9.40	10.00%
208 Pest Control - Commercial including LBBD and private landlords- fleas	122.00		134.20		12.20	10.00%
209 Pest Control - Commercial including LBBD and private landlords- rats	94.00		103.40		9.40	10.00%
210 Pest Control - Commercial including LBBD and private landlords- bedbugs	122.00		134.20		12.20	10.00%
211 Pest Control - Commercial including LBBD and private landlords- cockroaches	122.00		134.20		12.20	10.00%
212 Pest Control - Commercial including LBBD and private landlords- pharaoh ants	131.00		144.10		13.10	10.00%
213 Pest Control - Commercial including LBBD and private landlords- low risk insects flies ants etc	131.00		144.10		13.10	10.00%
214 Pest Control - Commercial including LBBD and private landlords- squirrels per week or par	169.00		185.90		16.90	10.00%
215 Pest Control - Commercial including LBBD and private landlords- pigeons- per hour or part plus materials	94.00		103.40		9.40	10.00%
Caroline Service						
216 Social Alarm Service - Charge per week	196.95		202.00		5.05	2.56%

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
Registrars				
217 Nationality Checking Service Single Adult - 2008-09 Flat Charge per Document (see fee below	35.00	n/a	n/a	n/a
218 Nationality Checking Service Married Couple - 2008-09 Flat Charge per Document (see fee below	45.00	n/a	n/a	n/a
219 Nationality Checking Service Family inclusive of Two Children - 2008-09 Flat Charge per Document (see fee below	60.00	n/a	n/a	n/a
220 Nationality Checking Service Additional Child - 2008-09 Flat Charge per Document (see fee below	10.00	n/a	n/a	n/a
221 Nationality Checking Service 2008-09 Flat Charge per Document (replaces fees above)	0.00	35.00	n/a	n/a
222 Individual Citizenship Payments	52.50	55.00	2.50	4.76%
223 Marriages/Civil Partnerships at Arden House (Mon - Thurs)	48.50	80.00	31.50	64.95%
224 Marriages/Civil Partnerships at Arden House (Friday)	48.50	100.00	51.50	106.19%
225 Marriages/Civil Partnerships at Arden House (Sat up to 12.30pm)	103.50	180.00	76.50	73.91%
226 Marriages/Civil Partnerships at Arden House (Sat from 1.45pm)	133.50	180.00	46.50	34.83%
227 Marriages/Civil Partnerships at Arden House (Sunday & Bank Holidays)	310.00	310.00	0.00	0.00%
228 Marriages/Civil Partnerships at Eastbury House	293.50	293.50	0.00	0.00%
229 Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Saturday)	130.00	130.00	0.00	0.00%
230 Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Sunday)	310.00	310.00	0.00	0.00%
Application to be an Approved Premises- Non refundable application fee for 3 year approval excluding the cost of advertisement which is the responsibility of the applicant	585.00	650.00	65.00	11.11%
Application for an Approved Premises- Non refundable application for renewal excluding the cost of advertisement which is the responsibility of the applicant	395.00	650.00	255.00	64.56%
233 Approved Premises- Fee for review by the Review Officer or Assembly following refusa	287.00	287.00	0.00	0.00%
General Housing				
234 Eastbrookend - Travellers caravan site Weekly Licence Charge - Single Pitch	80.00	82.00	2.00	2.50%
235 Eastbrookend - Travellers caravan site Weekly Licence Charge - Double Pitch	100.00	102.50	2.50	2.50%
REGENERATION				

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
Street Trading Services				
236 Street Trading Charges- 2 metres+	245.00	255.00	10.00	4.08%
237 1 to 2 metres	200.00	210.00	10.00	5.00%
238 Small area (-1 metre).	152.00	160.00	8.00	5.26%
239 Mobile Catering Vans	245.00	255.00	10.00	4.08%
Barking Market. Fees and Charges. Saturdays.				
240 London Road	3.80	4.00	0.20	5.26%
241 Ripple Rd.	4.00	4.20	0.20	5.00%
242 East Street	4.00	4.20	0.20	5.00%
243 Station Parade	4.00	4.20	0.20	5.00%
244 Old' East Street.	3.40	3.60	0.20	5.88%
Midweek (Tues/Thurs)				
245 London Road	2.95	3.10	0.15	5.08%
246 Ripple Road	2.95	3.10	0.15	5.08%
247 East Street	2.95	3.10	0.15	5.08%
248 Station Parade	2.95	3.10	0.15	5.08%
249 Old' East Street.	2.40	2.50	0.10	4.17%
Parking Services				
250 Doctor's Parking Permit	49.50	60.00	10.50	21.21%
251 30 Day Temporary Cover (Residents Permits)	10.00	11.50	1.50	15.00%
252 Annual Heathway (The Mall) Pre-Paid Parking Permi	118.00	n/a	n/a	n/a
253 Annual Contract Pre-Paid Parking Permit Shared Use (London Road MSCP)	448.00	n/a	n/a	n/a
254 Annual Contract Pre-Paid Parking Permit (London Road MSCP)	395.00	n/a	n/a	n/a
255 Quarterly London Road / North Street Car Park (Residents)	19.80	n/a	n/a	n/a

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
256 Annual London Road / North Street Car Park (Residents)	79.20	n/a	n/a	n/a
257 Annual Pre-Paid Parking Permit (local worker only) - London Rd & Linton Rc	350.00	420.00	70.00	20.00%
258 Quarterly Pre-Paid Parking Permit (local worker only) - London Rd & Linton Rc	95.00	120.00	25.00	26.32%
259 Annual Pre-Paid Parking Permit (local worker only) - Heathway	275.00	340.00	65.00	23.64%
260 Quarterly Pre-Paid Parking Permit (local worker only) - Heathway	68.75	95.00	26.25	38.18%
261 Operational Permit	42.00	60.00	18.00	42.86%
262 Metropolitan Police (Annual) London Road Multi-Storey Car Park	150.00	210.00	60.00	40.00%
263 Essential Health Worker Parking Permit	20.00	35.00	15.00	75.00%
264 Concessionary Annual Pre-Paid Parking Permit (designated use)	89.00	n/a	n/a	n/a
265 Annual Residents Parking Permit (for first vehicle)	20.00	22.50	2.50	12.50%
266 Annual Residents Parking Permit (for second vehicle)	20.00	30.00	10.00	50.00%
267 Annual Residents Parking Permit (for third vehicle)	24.80	40.00	15.20	61.29%
268 Annual Residents Parking Permit (for fourth and subsequent vehicle)	56.50	60.00	3.50	6.19%
269 Visitor Parking Permit (10 lines) - all areas	3.80	4.50	0.70	18.42%
270 Visitor Parking Permit (20 lines) - all areas	7.60	8.50	0.90	11.84%
271 Annual Heathway Business Parking Permit (On Street)	118.00	118.00	0.00	0.00%
272 Suspension of parking space (per place 6 metre length on street)	0.00	20.00	20.00	n/a
273 Parking Bay Suspension (price per single parking place per day) in addition to 50.00 administration fee. On-street Pay & Display	12.50	n/a	n/a	n/a
274 Daily Parking Dispensation (charge will be waived for applications connected to funerals, blood transfusion and public health screening)	12.50	n/a	n/a	n/a
275 Car Park Pay & Display Charges LONG STAY 0-2 hours	1.20	n/a	n/a	n/a
276 Car Park Pay & Display Charges LONG STAY 2-6 hours	3.00	n/a	n/a	n/a
277 Car Park Pay & Display Charges LONG STAY 6 + hours	5.00	n/a	n/a	n/a
278 Car Park Pay & Display Charges SHORT STAY 0-1 hours	0.90	n/a	n/a	n/a
279 Car Park Pay & Display Charges SHORT STAY 2-4 hours	2.00	n/a	n/a	n/a
280 Car Park Pay & Display Charges SHORT STAY 4-6 hours	4.50	n/a	n/a	n/a

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
281 Car Park Pay & Display Charges SHORT STAY 6 + hours	8.50	n/a	n/a	n/a	n/a	n/a
282 Business Permit - Annual - Dagenham East, Upney, Heathway, Beconrtee and Chadwell Heath area:	0.00		118.00		118.00	n/a
283 Business Permit - Annual - Barking Town Centre	295.00		350.00		55.00	18.64%
Off-Street Pay & Display Axle St including Broadway Theatre Service Road, London Rd & North Street Shoppers Car Park, London Road Multi Storey, Linton Rd Shoppers Car Park						
284 Up to 1 hour	0.00		0.90		n/a	n/a
285 Up to 2 hours	0.00		1.50		n/a	n/a
286 Up to 3 hours	0.00		0.00		n/a	n/a
287 Up to 4 hours	0.00		2.90		n/a	n/a
288 Up to 5 hours	0.00		0.00		n/a	n/a
289 Up to 6 hours	0.00		6.50		n/a	n/a
290 Over 6 hours	0.00		12.50		n/a	n/a
Off-Street Pay & Display Heathway Multi Storey Car Park						
291 Up to 1 hour	0.00		0.00		n/a	n/a
292 Up to 2 hours	0.70		1.00		0.30	42.86%
293 Up to 3 hours	0.00		0.00		n/a	n/a
294 Up to 4 hours	1.40		1.70		0.30	21.43%
295 Up to 5 hours	0.00		0.00		n/a	n/a
296 Up to 6 hours	2.20		2.50		0.30	13.64%
297 Over 6 hours	2.80		3.50		0.70	25.00%
On-street Pay & Display - Wakering Rd, Park Av, Longbridge Rd, George St, Linton Rd, London Rd, Abbey Rd, St Paul's						
298 Up to 30 minutes	0.60		0.80		0.20	33.33%
299 Up to 1 hour	1.20		1.50		0.30	25.00%
300 Up to 2 hours			2.50		2.50	n/a
301 Up to 3 hours			3.50		3.50	n/a
302 Up to 4 hours			4.50		4.50	n/a

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
303 Shared Business Bays	350.00	n/a	350.00		350.00	n/a
Planning Services						
304 Planning - post search enquiries - without site visit	39.05	2.43%	40.00	0.95	0.95	2.43%
305 Planning - post search enquiries - with site visit	61.37	2.66%	63.00	1.63	1.63	2.66%
306 Charges to consultant per hour	78.12	2.41%	80.00	1.88	1.88	2.41%
307 Street naming and Numbering Service - New property (1) - New Charge in 08-0£	0.00	n/a	38.00	n/a	n/a	n/a
308 Street naming and Numbering Service - change of approved address - New Charge in 08-0£	0.00	n/a	38.00	n/a	n/a	n/a
309 Street naming and Numbering Service - new Road Name - New Charge in 08-09	0.00	n/a	200.00	n/a	n/a	n/a
310 Street naming and Numbering Service - new property name - New Charge in 08-0£	0.00	n/a	180.00	n/a	n/a	n/a
311 Street naming and Numbering Service Conversion of existing property to up to 4 units - New Charge in 08-0£	0.00	n/a	90.00	n/a	n/a	n/a
312 Street naming and Numbering Service - new plots (2-25) each - New Charge in 08-0£	0.00	n/a	30.00	n/a	n/a	n/a
313 Street naming and Numbering Service - new plots 26 to 99 each - New Charge in 08-0£	0.00	n/a	25.00	n/a	n/a	n/a
314 Street naming and Numbering Service - new plots 100 or more each - New Charge in 08-0£	0.00	n/a	20.00	n/a	n/a	n/a
Cemeteries						
315 Grave fees - A Grade Mounded (50 years)	2,210.00	4.25%	2,304.00	94.00	94.00	4.25%
316 Grave fees - Mounded (50 years)	1,880.00	4.26%	1,960.00	80.00	80.00	4.26%
317 Grave fees - Lawn (50 years)	895.00	4.25%	933.00	38.00	38.00	4.25%
318 Grave fees - Children's Corner (50 years) depth for one only	318.00	4.40%	332.00	14.00	14.00	4.40%
319 Grave fees - Ashes only grave in Garden of Rest (25 years)	195.00	4.10%	203.00	8.00	8.00	4.10%
320 Grave fees - Ashes only above ground vault (25 years)	883.00	4.30%	921.00	38.00	38.00	4.30%
321 Internment fees - Private Grave - Non-private Grave (excluding still-born)	580.00	6.72%	619.00	39.00	39.00	6.72%
322 Internment fees - Additional Charge per Casket	113.00	7.08%	121.00	8.00	8.00	7.08%
323 Internment fees - Additional Charge per body over depth of twc	97.50	7.69%	105.00	7.50	7.50	7.69%
324 Internment fees - Child in Non-private Grave (Aged between 3 weeks and 12 years)	100.00	7.00%	107.00	7.00	7.00	7.00%

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
325 Interment fees - Child up to the age of 12 years old in Children's Corner (depth for 1 only)	104.50	112.00	7.50	7.18%
326 Interment fees - Still Born Babies & Children up to 3 weeks old	99.50	107.00	7.50	7.54%
327 Cremated remains fees - Interment of child's cremated remains in Children's Corner	104.50	112.00	7.50	7.18%
Cremated remains fees - Interment of cremated remains in Private Grave - Interment of cremated remains in Ashes Grave in Garden of Rest - Cremated remains in Garden of Rest and two line inscription in Book of Remembrance (ONLY)	142.50	153.00	10.50	7.37%
329 Cremated remains fees - Each additional line in the Book of Remembrance	31.50	34.00	2.50	7.94%
330 Cremated remains fees - Second Interment of cremated remains in "above ground vault"	59.50	64.00	4.50	7.56%
331 Memorial fees - Right to place memorial on lawn & non-lawn type grave - Right to place single or double memorial vase on any grave - Right to place memorial book or plaque on non-lawn type of grave - Right to add kerbs - landing	91.00	121.00	30.00	32.97%
332 Memorial fees - Provision of soil in kerb sets	43.00	56.00	13.00	30.23%
333 Memorial fees - Adding inscription, levelling/straightening memorials, cleaning/restoration works	33.00	44.00	11.00	33.33%
334 Use of Cemetery Chapel	71.00	73.00	2.00	2.82%
335 Registration of declaration regarding Non-production of Registrar's Certificate	26.50	28.00	1.50	5.66%
336 Surrender of Grave Space	Buy back at half current purchase fee			
337 Transfer of Exclusive Right of Burial	27.00	28.00	1.00	3.70%
338 Family Trace (per named entry)	20.50	22.00	1.50	7.32%
339 Photocopies per A4 sheet	1.00	1.00	0.00	0.00%
340 Grounds Annual Maintenance - non-lawn type grave	107.50	110.00	2.50	2.33%
341 Grounds Annual Maintenance - lawn type grave	69.00	70.00	1.00	1.45%
342 Memorial Benches (Standard 6ft Hardwood Bench)	554.00	570.00	16.00	2.89%
343 Provision of Concrete Base onto which a bench can be placed	247.00	255.00	8.00	3.24%
344 Provision of Commemorative Plaque - Standard	51.75	55.00	3.25	6.28%
345 Provision of Commemorative Plaque - Large	64.00	65.00	1.00	1.56%
346 Provision of Memorial Tree - (8/10 Standard Sized)	120.50	130.00	9.50	7.88%
347 Provision of Memorial Tree Plaque	96.50	100.00	3.50	3.63%
348 Scattering of ashes and plaque in Garden of Rest	115.00	126.00	11.00	9.57%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
Events						
349 Park use - non commercial (Fun Days)	105.00		108.00		3.00	2.86%
350 Park use - non commercial (small event - less than 200 people attending (fundraising sponsored events))	52.50		52.50		0.00	0.00%
351 Park use - non-commercial fundraising event - walks and bike rides up to 50 people - New Charge in 08-0£	0.00		15.00		n/a	n/a
352 Park use - non-commercial up to 500 people (no entry fee) - New Charge in 08-0£	0.00		105.00		n/a	n/a
353 Park use - non-commercial up to 2,500 people (no entry fee) - New Charge in 08-0£	0.00		300.00		n/a	n/a
354 Park use - non-commercial up to 5,000 people (no entry fee) - New Charge in 08-0£	0.00		530.00		n/a	n/a
355 Park use - non-commercial over 5,000 people (no entry fee) - New Charge in 08-0£	0.00		POA		n/a	n/a
356 Additional Fee per six hours of consultation - New Charge in 08-0£	0.00		55.00		n/a	n/a
357 Public liability cover for non commercial park use - up to £2 millior	16.00		16.50		0.50	3.13%
358 Park use commercial - category 1	530.00		545.00		15.00	2.83%
359 Park use commercial - category 2	690.00		710.00		20.00	2.90%
360 Park use commercial - category 3	850.00		875.00		25.00	2.94%
361 Park use commercial - category 4	1,000.00		1,030.00		30.00	3.00%
362 Park use commercial - per additional six hours of event time	160.00		165.00		5.00	3.13%
363 Use of Premises Licence (Commercial) where applicable up to 5,000 - New Charge in 08-0£	0.00		500.00		n/a	n/a
364 Use of Premises Licence (Commercial) where applicable up to 10,000 - New Charge in 08-0£	0.00		1,500.00		n/a	n/a
365 Use of Premises Licence (Commercial) where applicable up to 15,000 - New Charge in 08-0£	0.00		3,000.00		n/a	n/a
366 Use of Premises Licence (Commercial) where applicable up to 19,999 - New Charge in 08-0£	0.00		5,000.00		n/a	n/a
367 Bandstand hire - Barking Town Centre	30.00		31.00		1.00	3.33%
368 Park use (Non-animal Circus) - Small - up to 500 seats per performance day	170.00		180.00		10.00	5.88%
369 Park use (Non-animal Circus) - Medium - up to 750 seats per performance day	320.00		330.00		10.00	3.13%
370 Park use (Non-animal Circus) - Large - up to 1000 seats per performance day	340.00		350.00		10.00	2.94%
371 Park use (Non-animal Circus) - Extra Large - up to 2000 seats per performance day	505.00		520.00		15.00	2.97%
372 Park use (Non-animal Circus) - Non performance day	57.00		58.50		1.50	2.63%
373 Park use by Fairs - Small Fair	300.00		308.00		8.00	2.67%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
374 Park use by Fairs - Large Fair	390.00		400.00		10.00	2.56%
375 Park use by Fairs - Event Fair - 2 days at Dagenham Town Show	630.00		650.00		20.00	3.17%
376 Park use by Fairs - Non Operational Days	57.00		58.50		1.50	2.63%
377 Car Park at Dagenham Town Show	4.00		4.00		0.00	0.00%
Highways						
378 Skip Permits	15.00		15.50		0.50	3.33%
379 Footway Crossing Administration Fee	77.50		79.50		2.00	2.58%
Leisure Activities						
380 Leisure - LeisureSmart card - adult - pa	29.00		30.00		1.00	3.45%
381 Leisure - LeisureSmart card - junior - pa	15.00		15.00		0.00	0.00%
382 Leisure - LeisureSmart card - family - pa	64.00		75.00		11.00	17.19%
383 Leisure - LeisureSmart card - staff - pa	6.25		8.00		1.75	28.00%
384 Leisure - LeisureSmart card - joining fee	6.25		8.00		1.75	28.00%
385 Leisure - LeisureSmart card - replacement card	4.00		4.00		0.00	0.00%
386 Leisure - LeisurePass - off peak - pa	3.50		4.00		0.50	14.29%
387 Leisure - Leisure Pass - Non Residents - Off peak - pa	3.50		4.00		0.50	14.29%
388 Leisure - fitness gym - adult	4.75		5.00		0.25	5.26%
389 Leisure - fitness gym - adult off peak	3.90		4.00		0.10	2.56%
390 Leisure - fitness gym - leisure pass	1.95		2.00		0.05	2.70%
391 Leisure - fitness gym - fit for life	2.70		2.80		0.10	3.70%
392 Leisure - fitness gym - adult induction	10.50		12.00		1.50	14.29%
393 Leisure - fitness gym - leisure pass induction	5.25		6.00		0.75	14.29%
394 Leisure - badminton - adult peak 30 mins	5.30		5.50		0.20	3.77%
395 Leisure - badminton - adult off peak 30 mins	4.00		4.50		0.50	12.57%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
396 Leisure - badminton - junior peak 30 mins	4.65		4.80	3.23%	0.15	3.23%
397 Leisure - badminton - junior off peak 30 mins	2.65		2.75	3.77%	0.10	3.77%
398 Leisure - badminton - leisure pass 30 mins	2.15		2.25	4.53%	0.10	4.53%
399 Leisure - badminton - adult peak 1 hour	9.00		10.00	11.11%	1.00	11.11%
400 Leisure - badminton - adult off peak 1 hour	6.35		8.00	25.98%	1.65	25.98%
401 Leisure - badminton - junior peak 60 mins	8.50		8.50	0.00%	0.00	0.00%
402 Leisure - badminton - junior off peak 60 mins	4.50		4.00	(11.11%)	(0.50)	(11.11%)
403 Leisure - badminton - leisure pass 60 mins	3.80		4.00	5.26%	0.20	5.26%
404 Leisure - squash court adult peak	7.00		7.50	7.14%	0.50	7.14%
405 Leisure - squash court adult off peak	5.40		5.50	1.85%	0.10	1.85%
406 Leisure - squash court junior peak	6.45		6.50	0.78%	0.05	0.78%
407 Leisure - squash court junior off peak	3.30		3.40	3.03%	0.10	3.03%
408 Leisure - squash court - leisure pass (off peak)	3.30		3.25	(1.52%)	(0.05)	(1.52%)
409 Leisure - table tennis adult peak	3.35		3.50	4.48%	0.15	4.48%
410 Leisure - table tennis adult off peak	2.90		3.00	3.45%	0.10	3.45%
411 Leisure - table tennis junior peak	2.70		2.80	3.70%	0.10	3.70%
412 Leisure - table tennis junior off peak	1.85		2.00	8.11%	0.15	8.11%
413 Leisure - table tennis - Leisure Pass (off peak)	1.85		2.00	8.11%	0.15	8.11%
414 Leisure - creche per child per hour	2.15		2.20	2.21%	0.05	2.21%
415 Creche	45.00		50.00	11.11%	5.00	11.11%
416 Leisure - five a side pitch outdoor synthetic adult peak	27.50		30.00	9.09%	2.50	9.09%
417 Leisure - five a side pitch outdoor synthetic adult off peak	21.00		25.00	19.05%	4.00	19.05%
418 Leisure - five a side pitch outdoor synthetic junior peak	17.00		20.00	17.65%	3.00	17.65%
419 Leisure - five a side pitch outdoor synthetic junior off peak	10.50		15.00	42.86%	4.50	42.86%
420 Leisure - five a side pitch outdoor tarmac adult peak	17.00		20.00	17.65%	3.00	17.65%
421 Leisure - five a side pitch outdoor tarmac adult off peak	12.50		15.00	20.00%	2.50	20.00%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
422 Leisure - five a side pitch outdoor tarmac junior peak	9.50		10.00	5.26%	0.50	5.26%
423 Leisure - five a side pitch outdoor tarmac junior off peak	7.50		7.75	3.33%	0.25	3.33%
424 Leisure - hall hire Goresbrook full peak -ph	90.00		100.00	11.11%	10.00	11.11%
425 Leisure - hall hire Goresbrook full off peak - ph	65.00		75.00	15.38%	10.00	15.38%
426 Leisure - hall hire Goresbrook half peak - ph	45.00		60.00	33.33%	15.00	33.33%
427 Leisure - half hall hire Goresbrook- off peak - ph	37.50		40.00	6.67%	2.50	6.67%
428 Leisure - hall hire Goresbrook quarter peak	22.50		25.00	11.11%	2.50	11.11%
429 Leisure - hall hire Goresbrook quarter off peak	18.50		20.00	8.11%	1.50	8.11%
430 Leisure - Dance Studio	65.00		65.00	0.00%	0.00	0.00%
431 Leisure - hall hire Wood Lane/Abbey full peak	43.00		45.00	4.65%	2.00	4.65%
432 Leisure - hall hire Wood Lane/Abbey full off peak	31.00		35.00	12.90%	4.00	12.90%
433 Leisure - hall hire Wood Lane/Abbey half peak	21.50		22.50	4.65%	1.00	4.65%
434 Leisure - hall hire Wood Lane/Abbey half off peak	17.00		17.50	2.94%	0.50	2.94%
435 Leisure - hall hire Wood Lane/Abbey quarter peak	11.00		11.25	2.27%	0.25	2.27%
436 Leisure - hall hire Wood Lane/Abbey quarter off peak	8.75		8.75	0.00%	0.00	0.00%
437 Leisure - Dance Studio - Abbey	26.00		26.00	0.00%	0.00	0.00%
438 Leisure - Dance Studio - WLS	26.00		26.00	0.00%	0.00	0.00%
439 Leisure - rifle range per hour (Authorised Clubs) - WLS	17.00		18.00	5.88%	1.00	5.88%
440 Leisure - meeting room users with public liability insurance	26.00		26.00	0.00%	0.00	0.00%
441 Leisure - meeting room users without public liability insurance	29.00		30.00	3.45%	1.00	3.45%
442 Leisure - meeting room hire - Licence Extension (Temporary Event Notice)	110.00		115.00	4.55%	5.00	4.55%
443 Bar	50.00		55.00	10.00%	5.00	10.00%
444 Leisure - swimming Dagenham/Abbey adult	3.00		3.10	3.33%	0.10	3.33%
445 Leisure - swimming Goresbrook adult	3.80		3.90	2.63%	0.10	2.63%
446 Leisure - swimming Dagenham/Abbey junior	1.95		2.00	2.70%	0.05	2.70%
447 Leisure - swimming Goresbrook junior	2.15		2.20	2.21%	0.05	2.21%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
448 Leisure - swimming Dagenham/Abbey family	9.90		10.00		0.10	1.01%
449 Leisure - swimming Goresbrook family	11.90		12.00		0.10	0.84%
450 Leisure swimming Dagenham/Abbey family (single parent)	6.90		7.00		0.10	1.45%
451 Leisure swimming Goresbrook family (single parent)	8.10		8.25		0.15	1.85%
452 Leisure - Swim for a Quid	1.00		1.00		0.00	0.00%
453 Funsplash - ASC	2.05		2.10		0.05	2.44%
454 Funsplash - DSP	2.05		2.10		0.05	2.44%
455 Parent & Baby - DSP	3.00		3.10		0.10	3.33%
456 Parent & Baby - GLC	3.80		3.90		0.10	2.63%
457 Leisure - swimming lessons adult 10 lessons	47.50		50.00		2.50	5.26%
458 Leisure - swimming lessons adult 10 lessons with LeisureSmart	32.00		40.00		8.00	25.00%
459 Leisure - swimming lessons junior 10 lessons	36.00		40.00		4.00	11.11%
460 Leisure - swimming lessons junior 10 lessons with LeisureSmart	29.00		30.00		1.00	3.45%
461 One to One Swimming lessons - DSP	13.00		15.00		2.00	15.38%
462 One to One Swimming lessons - GLC	13.00		15.00		2.00	15.38%
463 Education School Swimming	1.80		1.85		0.05	2.78%
464 Leisure - swimming pool hire - Galas - Dagenham 3 hours	275.00		280.00		5.00	1.82%
465 Leisure - swimming pool hire - Galas - Dagenham hourly over run charge	105.00		110.00		5.00	4.76%
466 Leisure - swimming pool hire - clubs per hour Abbey main pool	42.00		45.00		3.00	7.14%
467 Leisure - swimming pool hire - clubs per hour Dagenham main pool	47.00		50.00		3.00	6.38%
468 Leisure - swimming pool hire - clubs per hour Dagenham learner pool	31.00		31.75		0.75	2.42%
469 Leisure - swimming pool hire - clubs per hour Dagenham diving pool	36.00		38.00		2.00	5.56%
470 50+ Aquarobics	2.80		3.00		0.20	7.14%
471 Aquarobics	4.20		4.30		0.10	2.38%
472 Aerobics	4.20		4.30		0.10	2.32%
473 Legs, Bums & Tums	4.20		4.30		0.10	2.32%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
474 Staff Aerobics	3.20		3.30	3.12%	0.10	3.12%
475 Body Training Systems	4.70		4.80	2.13%	0.10	2.13%
476 Circuit Training	4.20		4.40	4.70%	0.20	4.70%
477 Aerobic Circuit	4.20		4.40	4.70%	0.20	4.70%
478 Yoga 1hr	4.20		4.40	4.70%	0.20	4.70%
479 Pilates	4.20		4.40	4.70%	0.20	4.70%
480 50+ Aerobics	2.80		3.00	7.14%	0.20	7.14%
481 Fit Ball	4.20		4.40	4.70%	0.20	4.70%
482 Elderberries	3.00		3.10	3.33%	0.10	3.33%
483 Joining Fee	35.00		35.00	0.00%	0.00	0.00%
Active Fitness						
484 Active Fitness - Adult	32.00		35.00	9.38%	3.00	9.38%
485 Active Fitness - Couple	60.00		60.00	0.00%	0.00	0.00%
486 Active Fitness - Family	75.00		80.00	6.67%	5.00	6.67%
487 Active Fitness - Staff	21.00		22.50	7.14%	1.50	7.14%
488 Active Fitness - Graduate	25.00		22.50	(10.00%)	(2.50)	(10.00%)
489 Active Fitness - Elders	25.00		22.50	(10.00%)	(2.50)	(10.00%)
490 Active Fitness - Student	20.00		22.50	12.50%	2.50	12.50%
Active Rackets						
491 Active Rackets - Adult	32.00		35.00	9.38%	3.00	9.38%
492 Active Rackets - Couple	60.00		60.00	0.00%	0.00	0.00%
493 Active Rackets - Family	75.00		80.00	6.67%	5.00	6.67%
494 Active Rackets - Staff	21.00		22.50	7.14%	1.50	7.14%
495 Active Rackets - Graduate	25.00		22.50	(10.00%)	(2.50)	(10.00%)

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
496 Active Rackets - Elders	25.00		22.50	(10.00%)	(2.50)	(10.00%)
497 Active Rackets - Student	20.00		22.50	12.50%	2.50	12.50%
498 Active Rackets - Kids	15.00		17.50	16.67%	2.50	16.67%
Active Aqua						
499 Active Aqua - Adults	27.00		25.00	(7.41%)	(2.00)	(7.41%)
500 Active Aqua - Couple	47.00		40.00	(14.89%)	(7.00)	(14.89%)
501 Active Aqua - Family	65.00		60.00	(7.69%)	(5.00)	(7.69%)
502 Active Aqua - Staff	21.00		22.50	7.14%	1.50	7.14%
503 Active Aqua - Graduate	20.00		22.50	n/a	2.50	n/a
504 Active Aqua - Elders	20.00		22.50	12.50%	2.50	12.50%
505 Active Aqua - Student	20.00		22.50	12.50%	2.50	12.50%
506 Active Aqua - Kids	15.00		12.50	(16.67%)	(2.50)	(16.67%)
Active Health						
507 Active Health - Adult	25.00		25.00	0.00%	0.00	0.00%
508 Active Health - Couple	45.00		46.00	2.22%	1.00	2.22%
509 Active Health - Staff	22.00		22.50	2.27%	0.50	2.27%
510 Active Health - Graduate	20.00		22.50	12.50%	2.50	12.50%
511 Active Health - Elders	20.00		22.50	12.50%	2.50	12.50%
512 Active Health - Student	20.00		22.50	12.50%	2.50	12.50%
Premier Active						
513 Premier Active - Adult	35.00		40.00	14.29%	5.00	14.29%
514 Premier Active - Couple	65.00		66.00	1.54%	1.00	1.54%
515 Premier Active - Family	80.00		82.00	2.50%	2.00	2.50%
516 Premier Active - Staff	27.00		22.50	(16.67%)	(4.50)	(16.67%)
517 Premier Active - Graduate	30.00		22.50	(25.00%)	(7.50)	(25.00%)
518 Premier Active - Elders	30.00		22.50	(25.00%)	(7.50)	(25.00%)

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
519 Premier Active - Student	25.00	22.50	(2.50)	(10.00%)
520 Premier Active - Kids	17.00	20.00	3.00	17.65%
Fitness Gym				
521 Junior Gym	3.10	3.20	0.10	3.23%
522 Junior Gym Induction	3.10	3.50	0.40	12.90%
523 Personal Programme	16.00	20.00	4.00	25.00%
524 Fitness Assessment	16.00	20.00	4.00	25.00%
525 Fit for Life Assessment	6.65	6.70	0.05	0.75%
526 Personal Training	21.00	25.00	4.00	19.05%
527 Health Checks	21.00	25.00	4.00	19.05%
528 Health Check - Leisure Pass	11.00	12.50	1.50	13.64%
Holiday Activities				
529 Half Day	5.00	5.00	0.00	0.00%
530 Full Day	8.50	8.50	0.00	0.00%
531 Week	40.00	40.00	0.00	0.00%
532 Half Day - WLSC	5.00	5.00	0.00	0.00%
533 Full Day - WLSC	8.50	8.50	0.00	0.00%
534 Week - WLSC	40.00	40.00	0.00	0.00%
Courses				
535 NPLQ	200.00	210.00	10.00	5.00%
536 NPLQ Renewal	60.00	70.00	10.00	16.67%
537 First Aid at Work	200.00	210.00	10.00	5.00%
538 First Aid at Work - Renewal	60.00	70.00	10.00	16.67%
Images				
539 Essentials Facial	25.50	26.00	0.50	1.96%
540 Les Aromatics	30.25	32.00	1.75	5.79%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
541 Hydradermie	40.50		42.00		1.50	3.70%
542 Hydradermie Plus	64.50		62.00		(2.50)	(3.88%)
543 Lifrosome Treatment (Course of 2)	74.00		76.00		2.00	2.70%
544 Beaute Neuve	34.50		35.00		0.50	1.45%
545 Beaute Neuve - Course of 3	90.50		95.00		4.50	4.97%
546 Hydradermie Lift	46.50		48.00		1.50	3.23%
547 Hydradermie Lift First Treatment	26.00		27.00		1.00	3.85%
548 Hydradermie Lift Deluxe	56.50		58.00		1.50	2.65%
549 Extra Lift	64.50		65.00		0.50	0.78%
550 Hydradermie Lift & Facial	90.50		90.00		(0.50)	(0.55%)
551 Eyelash Tint	14.00		15.00		1.00	7.14%
552 Eyebrow Tint	7.50		8.00		0.50	6.67%
553 Eyelash/Brow Tint	20.50		20.00		(0.50)	(2.44%)
554 Eyebrow Shape	7.50		8.00		0.50	6.67%
555 Basic Manicure	17.00		18.00		1.00	5.88%
556 Basic Manicure & Polish	20.00		22.00		2.00	10.00%
557 Luxury Manicure	26.00		26.00		0.00	0.00%
558 Mens Hand Grooming Treatment	14.50		15.00		0.50	3.45%
559 Mens Luxury Hand Treatment	20.00		20.00		0.00	0.00%
560 Basic Pedicure	25.00		26.00		1.00	4.00%
561 Luxury Pedicure	29.00		30.00		1.00	3.45%
562 Mens Luxury Foot Treatment	26.00		26.00		0.00	0.00%
563 Tired Feet Treatment	18.50		20.00		1.50	8.11%
564 Cracked Heels/Foot Treatment	26.00		27.00		1.00	3.85%
565 Cracked Heels - Course of 3	67.00		70.00		3.00	4.48%
Swedish						

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
566 Full Body	31.00		32.00		1.00	3.23%
567 Half Body	21.50		24.00		2.50	11.63%
568 Full Body (+Scalp, Face & Neck)	40.00		42.00		2.00	5.00%
569 Tranquility Massage	42.00		44.00		2.00	4.76%
570 Vitality Massage	37.50		40.00		2.50	6.67%
571 Images Sports Massage	26.50		28.00		1.50	5.66%
572 Body Bein Atre (by Guimo)	50.00		52.00		2.00	4.00%
573 Aromatic Body Treatment	51.00		52.50		1.50	2.94%
574 Full Body Exfoliation	29.00		30.00		1.00	3.45%
575 Universal Contour Wrap	61.50		65.00		3.50	5.69%
576 Universal Contour Wrap (Course of 3)	164.00		165.00		1.00	0.61%
577 Eurowave Inch Lose Treatment	16.50		18.00		1.50	9.09%
578 Eurowave Trial Session	8.50		9.00		0.50	5.88%
579 Eurowave Inch Lose (Course of 10)	145.00		150.00		5.00	3.45%
580 Anesi Cellulite/Skin Firming	26.00		28.00		2.00	7.69%
581 Anesi Cellulite/Skin Firming (Course of 6)	140.00		140.00		0.00	0.00%
582 Anesi Cellulite/Skin Firming (Course of 10)	225.00		230.00		5.00	2.22%
Waxing						
583 Full Leg	28.50		30.00		1.50	5.26%
584 Full Leg, Bikini, Under Arm	35.50		38.00		2.50	7.04%
585 Half Leg	14.50		15.00		0.50	3.45%
586 3/4 Leg	21.50		22.50		1.00	4.65%
587 Bikini Line	8.50		9.00		0.50	5.88%
588 Half Leg and Bikini	21.50		22.00		0.50	2.33%
589 Extended Bikini Line	11.50		12.00		0.50	4.35%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
590 Under Arm	8.50		9.00		0.50	5.88%
591 Upper Lip	7.50		8.00		0.50	6.67%
592 Chin	7.50		8.00		0.50	6.67%
593 Upper Lip & Chin	12.50		13.00		0.50	4.00%
594 Eyebrow Shape	7.50		8.00		0.50	6.67%
595 Forearm or half arm	14.50		15.00		0.50	3.45%
596 Full Arm	19.00		20.00		1.00	5.26%
597 Full Back	28.00		30.00		2.00	7.14%
598 Upper Back	19.00		20.00		1.00	5.26%
599 Brazilian	20.50		22.50		2.00	9.76%
600 Electrolysis - 15 mins	13.50		14.00		0.50	3.70%
601 Electrolysis - 30 mins	24.00		25.00		1.00	4.17%
Sun Bed						
602 Sun Bed - 5 mins	3.10		3.20		0.10	3.23%
603 Sun Bed - 10 mins	6.20		6.40		0.20	3.23%
604 Sun Bed - Course - 60 mins	31.00		32.00		1.00	3.23%
605 Sun Bed - Course - 100 mins	50.00		52.00		2.00	4.00%
606 Power Tower - 5 mins	4.10		4.20		0.10	2.44%
607 Power Tower - 10 mins	8.20		8.40		0.20	2.44%
608 Power Tower - Course - 60 mins	41.00		42.00		1.00	2.44%
609 Power Tower - Course - 100 mins	65.50		70.00		4.50	6.87%
610 St Tropex Instant Tan - Full Body	39.00		40.00		1.00	2.56%
611 St Tropex Instant Tan - Half Body (upper or lower)	22.00		22.50		0.50	2.27%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
612 St Tropex Instant Tan - Face only	16.00		16.00		0.00	0.00%
613 Health Suite - Adult Peak	6.50		7.00		0.50	7.69%
614 Health Suite - Adult Off Peak	5.50		6.00		0.50	9.09%
Park Sports						
615 Parks - pitch and putt - annual season ticket	102.50		105.00		2.50	2.44%
616 Parks - pitch and putt - 18 hole round	4.10		4.20		0.10	2.44%
617 Parks - pitch and putt - senior citizens	3.10		3.20		0.10	3.23%
618 Parks - pitch and putt - junior (Monday to Friday)	3.10		3.20		0.10	3.23%
619 Parks - pitch and putt - Adult Smartcard holder	3.10		3.20		0.10	3.23%
620 Parks - pitch and putt - Junior Smartcard holder	2.05		2.10		0.05	2.44%
621 Parks - Central & Barking Park tennis court - Adults per court - 4 Players per court Maximurr	5.15		5.30		0.15	2.91%
622 Parks - Central & Barking Park tennis court - Juniors per court - 4 Players per court Maximurr	3.10		3.20		0.10	3.23%
623 Parks - Cricket adults - Mayesbrook Park & St Chad's Park	61.50		63.50		2.00	3.25%
624 Parks - Cricket juniors - Mayesbrook Park & St Chad's Park	30.75		31.75		1.00	3.25%
625 Barking Park - Cricket Net - due to come on line 2008/09 - New Charge £6.50 per hou			6.50		n/a	n/a
626 Parks - Cricket - Adults 40 games plus pavilion - Mayesbrook Park & St Chad's Park	2,460.00		2,540.00		80.00	3.25%
627 Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Adults	43.05		44.45		1.40	3.25%
628 Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Adults	1,722.00		1,778.00		56.00	3.25%
629 Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Juniors	21.50		22.20		0.70	3.26%
630 Parks - Football pitch - adults	52.00		54.00		2.00	3.85%
631 Parks - Football pitch - Juniors	26.00		27.00		1.00	3.85%
632 Parks - Football pitch - Mini Soccer	13.00		13.50		0.50	3.85%
633 Parks - Football pitch adults season prepaid by 01/10/08 - 30 Games (15% discount for full payment before 01/10/08)	1,310.00		1,377.00		67.00	5.11%

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
634 Parks - Football pitch adults season (30 games) paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 30 games	1,560.00	1,620.00	60.00	3.85%
635 Parks - Football pitch adults season prepaid by 1/10/08 - Alternate weeks - 15 Games (15% discount for full payment before 01/10/08)	655.00	688.50	33.50	5.11%
636 Parks - Football pitch adults season(15 games) paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 15 games	780.00	810.00	30.00	3.85%
637 Parks - Football pitch juniors season prepaid weekly by 01/10/08 - 30 Games (15% discount for full payment before 01/10/08)	655.00	688.50	33.50	5.11%
638 Parks - Football pitch juniors season paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 30 games	780.00	810.00	30.00	3.85%
639 Parks - Football pitch juniors season prepaid by 1/10/08 - Alternate weeks - 15 Games (15% discount for full payment before 01/10/08)	327.50	344.25	16.75	5.11%
640 Parks - Football pitch juniors season (15 games) paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 15 games	390.00	405.00	15.00	3.85%
641 Parks - football training permit - up to 50 participants	30.00	31.00	1.00	3.33%
642 Parks - football training permit - up to 200 participants	60.00	62.00	2.00	3.33%
643 Parks - football clubs with delegated management of facilities - adults per pitch per game	36.00	37.80	1.80	5.00%
644 Parks - football clubs with delegated management of facilities - juniors per pitch per game	18.00	18.90	0.90	5.00%
645 Parks - football clubs with delegated management of facilities - mini soccer per game	9.00	9.45	0.45	5.00%
646 Parks - football clubs with delegated management of facilities - adults 30 weeks	1,010.00	1,134.00	124.00	12.28%
647 Parks - football clubs with delegated management of facilities - juniors 30 weeks	505.00	567.00	62.00	12.28%
648 Parks - football clubs with delegated management of facilities - adults 15 weeks	505.00	567.00	62.00	12.28%
649 Parks - football clubs with delegated management of facilities - juniors 15 weeks	252.50	283.50	31.00	12.28%
650 Parks - Rugby per game	52.00	54.00	2.00	3.85%
651 Parks - Rugby 30 week season- included previously with football pitches	1,560.00	1,620.00	60.00	3.85%
652 Parks - Rugby pitch adults season prepaid by 01/10/08 - 30 Games (15% discount for full payment before 01/10/08)	1,310.00	1,377.00	67.00	5.11%
653 Parks - Hurling per season	307.50	315.00	7.50	2.44%
654 Parks - Bowling Greens - club rental price per green	3,800.00	3,900.00	100.00	2.63%
655 Parks - Bowling Greens - Pavilion (20% Discount for Parsloes Park)	1,000.00	1,000.00	0.00	0.00%

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
656 Parks - Bowling Greens - Club guest charge per hour (kept by bowling club) - Adult	3.00	3.10	0.10	3.33%
657 Parks - Bowling Greens - Club guest charge per hour (kept by bowling club) - Junior / Senior Citizen	1.45	1.50	0.05	3.45%
658 Parks - Pavilion Hire, The Leys - occasional letting 4hrs - Mon to Sat	150.00	155.00	5.00	3.33%
659 Parks - Pavilion Hire, The Leys - occasional letting 4hrs - Sun	200.00	205.00	5.00	2.50%
660 Parks - Pavilion Hire, The Leys - occasional letting - Additional hourly charge for above 4hrs use	30.00	31.00	1.00	3.33%
661 Parks - Athletics - Licence Agreement with Mayesbrook and Havering AA (HMA) for use 3 times a week	5,600.00	5,750.00	150.00	2.68%
662 Parks - Athletics - hourly charge for HMA use of arena	16.50	17.00	0.50	3.03%
663 Parks - Athletics - hourly charge for use of arena by schools and other groups	33.00	34.00	1.00	3.03%
664 Aero Club - Licence Agreement with Dagenham Model Aero Club	185.00	190.00	5.00	2.70%
665 Barking Park Lodge Café - due to come on line in 2008/09. - Under Negotiation				
666 Barking Park Model Railway - due to come on line in 2008/09 - Under Negotiation				
Allotments				
Cost per acre of usable allotment land leased to Allotment Associations (price reviewed on a three year basis last reviewed 2005/06)	92.65	101.92	9.27	10.01%
Ranger Services				
Environmental Education - 30 Students Maximum (School Visits to Eastbrookend Country Park, The Chase & use of Millennium Centre)	36.00	37.00	1.00	2.78%
Millennium Centre - Internal Organisations - Hire of Classroom	8.20	8.50	0.30	3.66%
Millennium Centre - External Organisations - Hire of Classroom	12.30	12.75	0.45	3.66%
Millennium Centre - Out of Hours Hire - subject to staff availability	30.75	31.50	0.75	2.44%
Angling License - Valence Moat (BeckMain)	256.25	262.65	6.40	2.50%
Outreach Sessions in Parks and Open Spaces	30.75	31.50	0.75	2.44%
Out of Borough Schools - for standard 2 hour visit	61.50	63.00	1.50	2.44%
Bardag Lake - Bardag Angling Society	3,895.00	3,895.00	0.00	0.00%
Lake - Tom Thumb - Lake currently being redeveloped.	n/a	n/a	n/a	n/a

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
677 Lake - Eastbrook Pond & Chase Waters	1,640.00		2,050.00		410.00	25.00%
678 Lake - Hooks Hall Pond	1,178.75		1,178.75		0.00	0.00%
679 Lake - The Members Pool	738.00		922.50		184.50	25.00%

Description of Service	Current 2007/08 charge	Proposed 2008/09 charge	Proposed Increase	
	£	£	£	%
Local Land Charges				
Post & DX				
680 Full Search	118.00	131.00	13.00	11.02%
681 LLC1	39.00	60.00	21.00	53.85%
682 Con 29 <R>	79.00	88.00	9.00	11.39%
683 Con 29 (O) Questions	14.00	16.00	2.00	14.29%
684 Additional Parcel of Land	22.00	25.00	3.00	13.64%
685 Common Land Village Green	14.00	16.00	2.00	14.29%
National Land Information Service				
686 Full Search	94.00	145.00	51.00	54.26%
687 LLC1	39.00	73.00	34.00	87.18%
688 Con 29 <R>	55.00	88.00	33.00	60.00%
689 Con 29 (O) Questions	14.00	16.00	2.00	14.29%
690 Additional Parcel of Land	22.00	25.00	3.00	13.64%
691 Common Land Village Green	14.00	16.00	2.00	14.29%
Miscellaneous Services				
692 Personal Search (Currently Regulated)	11.00	11.00	0.00	0.00%
693 Copy Documents	10.00	11.00	1.00	10.00%
694 Copies of Searches	20.00	22.00	2.00	10.00%
Right To Buy (RTB)				
695 Repayment of Discount	75.00	75.00	0.00	0.00%
696 Deeds of Covenant/Rectification/Variation/Enforcement	400.00	400.00	0.00	0.00%
697 Licences	400.00	400.00	0.00	0.00%
698 Licences for Garden Land	100.00	110.00	10.00	10.00%

Description of Service	Current 2007/08 charge		Proposed 2008/09 charge		Proposed Increase	
	£	%	£	%	£	%
699 Deed of Release	500.00		515.00		15.00	3.00%
700 Copy Transfer	50.00		50.00		0.00	0.00%
701 Notice of Assignment	75.00		75.00		0.00	0.00%
702 Notice of Mortgage	75.00		75.00		0.00	0.00%
703 Notice of Sub-let	75.00		75.00		0.00	0.00%
704 Postponements	60.00		65.00		5.00	8.33%
705 Sale of Garden Land	400.00		400.00		0.00	0.00%
706 Retrieval of file	10.00		10.00		0.00	0.00%
707 Duplicate DS1/Replacement form 53	25.00		25.00		0.00	0.00%
708 Retrospective Consent (charged by Housing including VAT)	117.50		120.00		2.50	2.13%
709 Lease holders Enquiries (including VAT)	117.50		120.00		2.50	2.13%

THE EXECUTIVE

19 FEBRUARY 2008

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

CAPITAL PROGRAMME 2008/09 TO 2011/12	FOR DECISION
<p>Summary</p> <p>This report deals with the formation of a proposed Capital Programme for consideration by the Executive and approval by the Assembly.</p> <p>The Council has an identified proposed new capital schemes which, when added to existing capital schemes would give rise to a capital programme totalling £452m for the financial years 2008/09 to 2011/12 (paragraph 6.1). Funding proposals for this programme have identified that £276m can be funded from external sources (£182m of this is in respect of Building Schools for the Future), £82m is already committed from capital receipts, requiring the Council to borrow to fund the balance of £94m. Of this total, £38m of borrowing will be funded from revenue savings (as part of “self-financing” projects) and £56m will be funded corporately.</p> <p>An allowance has been factored into the revenue budget model to enable the Council to borrow over the next 4 years to support capital expenditure. This allowance will enable borrowing of approximately £60m to be funded corporately. Self-financing projects will be met from the relevant departmental budgets. It is the Chief Financial Officer’s view that this level of borrowing is prudent, affordable and sustainable. These considerations form part of an assessment that must be carried out under the Prudential Code for Capital Investment. This corporate funding is designed to complement other sources of funding, such as external grants.</p> <p>Throughout 2007/08, detailed discussions have taken place regarding the key priorities for capital investment by the Corporate Management Team and by Members. This provided a framework for to enable the production of additional schemes for capital investment which have been included in this report.</p> <p>Included in the new schemes for investment are two “self financing” schemes in respect of modernising IT infrastructure and Environment & Enforcement ICT, to be added to the programme (following appraisal by the Enterprise Programme Office). The affordability of these schemes is dependent on revenue savings being made which will fund the costs of borrowing. Identification of revenue savings will be part of the EPO appraisal processes.</p> <p>It is recommended that all of these schemes be subject to EPO appraisal in the first instance to ensure that the relevant scheme objectives can be met. On achieving “four green lights”, schemes will be reported back to the Resource Monitoring Panel and formally included in the capital programme.</p> <p>Wards Affected: All Wards</p>	

Recommendations

The Executive is asked to:

1. Note the position of the 2007/08 capital programme as set out in paragraph 5.2 and Appendix A of the report;
2. Note the existing approved capital programme for 2008/09 to 2011/12 as set out in paragraph 6.1 and Appendix B of the report;
3. Recommend the Assembly to approve 12 new bids for 2008/09 totalling £247m to be met from £53m borrowing, an expected £186m external funding and £7m from land sales, as detailed in Appendix C of the report. These bids will be subject to Enterprise Programme Office (EPO) appraisal and receipt of external funding.
4. Note the position of the overall Council's capital programme for 2008/09 to 2011/12 as a result of recommendation 3 and as set out in Appendix D of the report;
5. Note the forecasted capital receipt position for 2008/09 to 2011/12 as set out in section 7 of the report;
6. Note the current capital arrangements and prudential capital guidelines as set out in section 3 of the report;
7. Recommend the Assembly to approve the Prudential Indicators for the Authority as set out in Appendix E of the report;
8. Recommend the Assembly to approve the Capital Strategy as set out in Appendix F of the report.

Reason

To assist the Council to achieve all of its Community Priorities via a prudent and affordable Capital Programme.

Implications:

Financial:

The report proposes borrowing of £94m to fund a capital programme for the financial years 2008/09 to 2011/12. The proposed programme is considered to be both prudent and affordable to the Council, the revenue implications of this borrowing having been taken into account in setting the revenue budget and Medium Term Financial Strategy.

Legal:

The Council is required to set an authorised borrowing limit, above which it would be illegal for the Council to borrow. This limit has been set at £150m, which is purposely well in excess of anticipated borrowing levels, to provide headroom for any exceptional capital financing issues that may arise during the next three years.

Risk Management:

The risk to the Council is that forecasted capital receipts will not be generated, final budgets for capital schemes may be higher than projected, during the course of delivering capital schemes there may be overspends and external funding will not be forthcoming.

Specific procedures are in place through the Resource Monitoring Panels, Enterprise Programme Office (EPO), Corporate Management Team and the Executive to control these risks.

Social Inclusion and Diversity:

As this report does not concern a new or revised policy there are no specific adverse impacts insofar as this report is concerned.

Crime and Disorder:

There are no specific implications insofar as this report is concerned.

Options Appraisal:

A review of submissions was made in the light of the Council's capital strategy and the scheme proposals for the following four year capital programme are contained within this report.

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1. Introduction and Background

- 1.1. The Council is required to review its capital spending plans each year and set a Capital Programme. A key consideration when setting the programme is the projected level of available capital resources.
- 1.2. A variety of resources are available to local authorities to fund capital investment. The primary one is borrowing. As a result of the fact that all of the Council's capital receipts are now committed on existing schemes, in setting the capital programme for 2008/09 – 2011/12, the Council has to borrow in order to fund any additional commitments that are not funded from external sources. The Medium Term Financial Strategy has set aside revenue funding to enable the Council to fund borrowing over the period from 2008/09 to 2011/12. The purpose of this funding is to complement other sources of

funding, such as external grants, to enable the Council to deliver an ambitious capital programme that supports its objectives.

- 1.3. A second source of funding is capital receipts which arise from the sale of assets such as surplus land and the sale of council dwellings. As mentioned in paragraph 1.2, all of the Council's capital receipts are committed on existing schemes.
- 1.4. A third source of funding is capital grants, or external funding, issued by Government departments and agencies, which are often allocated on a competitive bidding basis for specified purposes. Many of these require local authorities to make a financial commitment to the running costs of the schemes.
- 1.5. The basis of the formulation of the revised programme for 2008/09 to 2011/12 needs to take account of:
 - the approved programme agreed in the 2007/08 budget;
 - any new approvals, deletions or re-profiling of schemes throughout 2007/08;
 - identification of any capital requirements for 2008/09 and beyond.
- 1.6. The purpose of this report is to enable the Executive to propose a capital programme for approval by Assembly on 27th February 2008.

2. Capital Programme Planning

- 2.1. An important part of planning is for the Council to have a Capital Strategy and Asset Management Plan in place. In addition, there are other service capital plans that are required by Government departments and they need to link clearly to the overall Capital Strategy and Asset Management Plan.
- 2.2. The authority's Capital Strategy is updated on an annual basis and is approved alongside the capital programme. A review of the Capital Strategy has been undertaken and this is attached at **Appendix F**.

The capital strategy is an over-arching policy document which relates to investment in services and describes how the deployment and redistribution of capital resources contributes to the achievement of corporate goals.

The overarching objectives for the Capital Strategy are as follows:

- Successfully deliver a capital programme which is consistent with the Council's key priorities;
- Maximising external funding to support the delivery of the capital programme consistent with the Councils' key priorities, both from the private sector and through government grant funding; and
- Maximising the utilisation of the Council's assets by:
 - Ensuring that all investment properties are making sufficient returns;
 - Ensuring that non-profitable investment properties and assets surplus to

- requirements are disposed of as efficiently as possible; and
- Monitoring the utilisation of assets on a regular basis.

- 2.3 The Capital Strategy and the Asset Management Plan are integral to the Council's future capital investment planning process. The Capital Strategy links policies and priorities to capital investment and provides a framework for the operational work of asset management. The Asset Management Plan, which covers all of the Council's assets, provides essential information in determining capital investment needs.
- 2.4 The formulation of the 2008/09 – 2011/12 capital programme has taken account of the Council's Capital Strategy and Asset Management Plan and consequently capital schemes are assessed and approved on the basis of this strategy.

3. Capital Accounting Arrangements

Introduction

- 3.1 The enabling legislation for the current capital regime is set out in the Local Government Act 2003 which came into force on the 1st April 2004. Since this date, authorities have been empowered with greater freedoms to borrow than under the previous system, providing they can meet the revenue costs of the borrowing and the running costs of the resultant capital scheme.

The capital system provides for an integrated approach to capital investment decision making with an authority having to take account the following when setting its prudential indicators:

- Affordability;
- its asset management plans;
- the implications for external borrowing;
- Value for money through options appraisal and its strategic plans.

The aim is to bring together revenue and capital resources to meet service delivery objectives.

- 3.2 Prior to April 2004 the previous capital control system used in the main, the issue of annual Credit approvals by Central Government. These approvals allowed local authorities to either borrow or enter into other long-term credit arrangements up to an approved level. The use of this system effectively allowed the Government to control Council's borrowing and prevent local government from generating unsustainable levels of debt.
- 3.3 Instead of the use of credit approvals, the current system places reliance on a series of prudential indicators that must be determined by each local authority for the forthcoming year and the following two years. These indicators assist Council's in determining an appropriate level of borrowing and to provide benchmarks against which they can monitor their borrowing levels.
- 3.4 In simple terms the Council is now able to borrow at whatever levels it feels are necessary so long as any borrowing is affordable, prudent and sustainable.

3.5 These prudential guidelines require the Council to set out various indicators on its capital plans, investments and projected Council Tax increases.

3.6 In addition local authorities are required to pool their housing capital receipts in the following way:

	Retained by Council	Paid into National Pool
Right to Buy Receipts	25%	75%
Other Housing Receipts	50%	50%

3.7 However transitional arrangements were approved for debt free Councils which have allowed 75%, 50% and 25% of pooled receipts to be retained over a three year period 2004/05 to 2006/07 providing they are used for housing purposes.

3.8 For the four year period 2008/09 to 2010/11 the pooling arrangements are estimated to cost the Council £40m of usable capital receipts that would have been available to the Council prior to the introduction of the prudential code.

3.9 The criteria for both the pooling of housing receipts and the transitional arrangements applying to debt free authorities is as follows:

- Right to buy receipts including proceeds from sales to existing tenants or occupiers and mortgage payments by past tenants to the authority are subject to a pooling rate of 75%;
- Large and small scale voluntary transfers are not pooled and may be used for any capital purpose; and
- All other housing capital receipts are subject to pooling at a rate of 75% for dwellings and 50% for land, commercial and other HRA property – unless they are used for affordable housing or regeneration. Poolable receipts include the disposal of mortgage portfolios and payments made to redeem landlords share.

Debt Free Position

3.10 Capital expenditure plans proposed in **Appendix C**, along with existing capital investment plans, require the Council to borrow £94m over the period 2008/09 – 2011/12, meaning the Council will no longer be debt free. The exact time that the Council enters into borrowing is a treasury management decision and will be influenced by factors such as borrowing and investment rates. Please refer to the Council's Treasury Management Annual Strategy, which is also subject to Executive approval on 19th February 2008.

Prudential Indicators

3.11 The prudential code for capital finance was introduced in April 2004 and is based upon a prudential system of borrowing. Under this framework, Councils have to set a series of indicators to assess whether capital investment is affordable, sustainable and

prudent. In coming to this assessment, a series of “prudential indicators” need to be set. These compulsory prudential indicators are referred to in the Local Government Act 2003 and are embodied in the CIPFA Prudential Code.

The requirements of the prudential system are based around some clear fundamental principles including:

- A three year rolling capital programme and revenue forecast is to be prepared and maintained with estimates of the council tax and/or average housing rent for each year;
- Capital spending decisions must be both affordable and within sustainable limits in relation to the levels of Council Tax and HRA rent required to support these plans over the medium term;
- When considering the affordability of capital decisions the Council will need to take into account all the available resources, both in terms of its capital payments and receipts, and its revenue income and expenditure;
- All authorities must adopt the treasury management code.
- Authorities should not borrow for revenue purposes (except in the short-term).

3.12 The prudential system places reliance on a series of prudential indicators that must be determined by each local authority for the forthcoming year and the two following financial years.

These indicators can be grouped into the following categories:

- Affordability;
- Prudence;
- Capital Expenditure;
- External Debt;
- Treasury Management.

Although there are 5 key prudential indicator headings, they should not be looked at in isolation as they all have inter-relationships with one another.

The prudential indicators can be summarised as follows:

Affordability

These indicators compare the cost of all the authority’s external borrowing with its overall expenditure. They also identify the increase in both Council Tax and HRA rents that will result from any additional borrowing.

The indicators for affordability are:

- Estimated/actual ratio of financing costs to net revenue stream for HRA and general fund;
- Estimates of the incremental impact of capital investment decisions on both the Council Tax and housing rents.

Prudence

This indicator is designed to ensure that medium term borrowing is only used for capital purposes. The indicators for prudence are:

- Net borrowing and Capital Financing requirement

Capital Expenditure

These indicators look at estimated and actual capital expenditure and the Capital financing requirement. The indicators for capital expenditure are

- Estimated/actual capital financing requirement (i.e. borrowing) for HRA and general fund;
- Estimated/actual capital expenditure for HRA and general fund.

External Debt

These indicators set out the limits for external borrowing and are set in the context of the authority's Treasury Management Policy and strategy.

The indicators for external debt are:

- Authorised limit for external debt i.e. the authorised limit for borrowing plus the authorised limit for other long term liabilities;
- Operational boundary for external debt i.e. total external debt gross of investments separately identifying borrowing from other long term liabilities;
- Actual external debt as at 31 March of previous year.

Treasury Management

These indicators address treasury management issues such as the amount of debt at fixed rates, the amount at variable rates and the period over which the money is borrowed. The indicators for Treasury Management are:

- Adoption of CIPFA Code of Practice for Treasury Management in the Public Services;
- Upper limit on fixed interest rate exposure;
- Upper limit on variable interest rate exposure;
- Upper and lower limits for the maturity structure of borrowing;
- Prudential limits for principal sums invested for longer than 364 days.

3.13 The code also places specific responsibilities on the Chief Finance Officer to ensure that matters required to be considered when setting and revising prudential limits are reported to the decision making body and to ensure that appropriate monitoring and reporting arrangements are put in place to assess performance against all the forward-looking indicators.

3.14 Detailed work has been undertaken on the relevant Prudential Indicators required for the Authority in relation to the Capital programme and these are set out at **Appendix E**. If the capital programme changes then these indicators will need to be updated and reported back to the Executive. Those indicators relating to treasury management are reported within the Council's Annual Treasury Management Statement.

4. Capital Appraisal System

4.1 The Council has in place a Enterprise Programme Office (EPO) whose purpose is to provide a programme management function for the capital programme. These functions include clear processes around programme management; project appraisal and programme assembly.

- 4.2 The whole process is Green Book compliant and has been recognised as good practice by both the I&DeA and the Audit Commission. As a result all proposed capital projects are appraised by the EPO and scored in terms of:
- Strategic fit;
 - Financial implications;
 - Deliverability & procurement;
 - Benefits plan.
- 4.3 These appraisals involve a challenging process to departmental programme managers and concentrate on issues such as risks to the authority, revenue implications, deliverable benefits and measured outcomes to the community.
- 4.4 The appraisal process has become a cornerstone to the construction, approval and delivery of the Council's Capital plans.

5. Capital Programme 2007/08 – latest position

- 5.1. The Capital Programme is being managed by the Enterprise Programme Office (EPO) alongside the scheme managers in the relevant Departments. Support from the Finance Department is also provided to assist with the financial monitoring of the overall Programme.
- 5.2 The revised Capital Programme for 2007/08 currently totals £60.5m. The full breakdown of the revised Capital Programme scheme by scheme for 2007/08 is shown in **Appendix A**.
- 5.4 As at the end of January 2008 approximately £37m of this year's programme has been spent out of an overall revised budget for the year of £60.5m. This revised programme reflects the re-profiling of a number of schemes throughout the year which have previously been reported to the Executive. In addition to this 'physical' spend there are a great number of schemes which have commitments to spend before the year end. It is quite usual for the majority of spending on capital schemes to occur in the latter part of the year as a result of tender exercises, consultation etc.

6. Proposed Capital Budget 2008/09 – 2011/12

6.1 The current Capital programme for the financial years 2008/09 to 2011/12 is shown at **Appendix B** and is summarised as follows:

	Budget	External Funding	Borrowing	Capital Receipts
	£'000	£'000	£'000	£'000
2008/09	79,963	38,636	13,356	29,471
2009/10	58,935	14,409	19,592	24,934
2010/11	51,120	13,500	14,950	21,170
2011/12	12,780	12,000	0	780
	202,798	78,545	47,898	76,355

New capital bids

6.2 During 2007/08 all service departments were asked to consider their potential new capital investment requirements from 2008/09 onwards in accordance with the Council's capital investment priorities, which could be funded either from external sources, or schemes that which were self-financing.

6.3 10 projects are proposed for inclusion in the capital programme (following EPO appraisal) are detailed in **Appendix C**, and are summarised as follows:

	Budget	External funding	Borrowing	Capital Receipts
	£'000	£'000	£'000	£'000
2008/09	20,818	5,170	15,648	0
2009/10	79,960	50,880	22,230	6,850
2010/11	83,329	72,000	11,099	230
2011/12	62,403	58,000	4,403	0
	246,510	186,050	53,380	7,080

6.4 As a result of the inclusion of these additional schemes, the revised capital programme, and how it will be funded will be as follows:

	Budget	External funding	Borrowing	Capital receipts
	£'000	£'000	£'000	£'000
2008/09	108,464	54,991	26,499	29,024
2009/10	136,945	65,289	39,322	31,784
2010/11	131,949	85,500	23,549	21,400
2011/12	75,183	70,000	4,403	780
TOTAL	452,541	275,780	93,773	82,988

It is important to be able to understand how the capital programme will be financed, as shown above. In practice, all of these resources are pooled to create a single pot from which the capital programme is funded. This means that the Council needs to follow the

most appropriate treasury management strategy needs to be followed to ensure that the most cost effective and value for money route is taken. The decision as to when to borrow will be taken in this context.

- 6.6 These schemes will all be subject to a review by EPO and then moved for agreement by Resource Monitoring Panel through a detailed business case to support the need for investment.
- 6.7 Attached at **Appendix D** is a full list of both the existing capital programme and these new capital schemes, including details of their sources of funding.

7. Capital Resource Position

- 7.1 Capital receipts arising from the sale of assets contribute to the resources available and these are currently applied wholly to support the Capital Programme.
- 7.2 It is anticipated that £82 million of capital receipts will be available to support the 2008/09 to 2011/12 Capital Programme and Housing Futures in later years and is this is summarised as follows:

	<u>£m</u>
Estimated Opening Balance 2008/09	25.8
RTB Receipts	13.4
Land Disposal Receipts	43.8
Available Capital Receipts	83.0

Various assumptions have been made regarding the generation of capital receipts in 2007/08 and for later years particularly around land disposals and 'Right to Buy' receipts. This position will therefore need to be closely monitored over the relevant years.

- 7.3 There are in addition a range of external sources of capital funding that are potentially available to support the capital programme. These include those arising from regeneration programmes, transport grants, disabled facilities grants, a number of education grants e.g. seed challenge, lottery, European funds and other specific Government programmes. These will also need to be kept under review by relevant spending departments throughout the year to ensure their full use and access to further availability of such external funds.
- 7.4 In summary, it is estimated that the 2008/09 to 2011/12 capital programme, is both prudent and affordable, and can be funded from the availability of both existing and forecasted capital receipts.
- 7.5 Fluctuations in projected land sales and right to buy forecasted sales impact on the net position. Current market conditions present a risk to the achievement of the current land disposal programme and associated estimated disposal proceeds. Should land values fall, capital resources will reduce. Specific procedures are in place through the Resource Monitoring Panels, Enterprise Programme Office, Corporate Management

Team and the Executive to control risks associated with the land disposals programme.

8 Revenue Implications of the Capital Programme

- 8.1 The cost of funding a Capital Programme from 2008/09 to 2011/12 for this authority is threefold. Firstly, as capital receipts are used this will reduce the amount of capital reserves available to invest and accrue investment income. Secondly, the revenue budget will have to bear the revenue costs of borrowing. Currently for each £1m borrowed, this will cost the Council around £80,000 per annum in financing costs. Thirdly, the revenue budget must bear the ongoing revenue costs of running and maintaining the assets that are created. All of these types of revenue implications have been factored into the revenue budget and Medium Term Financial Strategy.

9 Consultees

- 9.1 The following persons and groups were consulted on the new capital schemes as included in this report:

- CMT
- Chief Executive
- Divisional Director of Corporate Finance
- Group Finance Managers

Background Papers

- RTB Projections - Working papers
- Land Disposal Projections – Working papers
- Approved Capital programme 2007/08 to 2010/11
- CIPFA - The Prudential Code for Capital Finance in Local Authorities
- CIPFA – Treasury Management in the Public Services
- The Council's Asset Management Plan
- The Council's Capital Strategy
- Local Government Act 2003

2007/08 CAPITAL PROGRAMME

<u>Department</u>	2007/08		Total		External Funding £000	Departmental Borrowing	Corporate Borrowing	Capital receipts £000	Total £000
	£000	£000	£000	£000					
ADULT & COMMUNITY	2,138	2,138	637	-	1,501	-	1,501	2,138	
CHILDREN'S SERVICES	8,543	8,543	3,244	-	4,119	1,180	4,119	8,543	
CUSTOMER SERVICES	11,448	11,448	1,648	-	7,231	2,569	7,231	11,448	
REGENERATION	37,019	37,019	24,720	-	10,517	1,782	10,517	37,019	
RESOURCES	1,326	1,326	197	-	1,129	-	1,129	1,326	
TOTAL	60,474	60,474	30,446	-	24,497	5,531	24,497	60,474	

SCHEMES SUBJECT TO EPO APPRAISAL:

TOTAL	6,500	6,500	6,500	6,500
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APPENDIX A

APPENDIX A
2007/08 CAPITAL PROGRAMME

DETAIL	£'000		£'000		£'000		£'000		£'000	
	External Sources	Departmental Borrowing	Funding Corporate Borrowing	Capital Receipts	TOTAL	External Sources	Departmental Borrowing	Funding Corporate Borrowing	Capital Receipts	TOTAL
ADULT & COMMUNITY SERVICES										
GRAYS COURT - Nursing & Day Care Facilities				86	86				86	86
SERVICE REFURBISHMENT - Social Services				78	78				78	78
ST GEORGES COMPLEX - New Building				100	100				100	100
CCTV - Barking Town Centre/Becontree Station				10	10				10	10
CCTV - Gascoigne Estate/Rose Lane/Farr Ave/Ibscott				27	27				27	27
CCTV - Chadwell Heath High Rd	20			20	20					20
CCTV - Talking CCTV	57			57	57					57
RECONFIGURATION OF ELDERLY SERVICES (Lake Rise)				1,200	1,200				1,200	1,200
ARTS & LIBRARIES										
EASTBURY MANOR HOUSE - Repairs Plan				116	116					116
VALENCE SITE REDEVELOPMENT				444	444					444
TOTAL ADULT & COMMUNITY SERVICES	637			2,138	2,138				1,501	2,138

2007/08 CAPITAL PROGRAMME

DETAIL	TOTAL £'000	External Sources £'000	Departmental Borrowing £'000	Borrowing £'000	Capital Receipts £'000	TOTAL £'000
CHILDREN'S SERVICES						
PRIMARY SCHOOLS						
GASCOIGNE PRIMARY - Remodelling	1,003				1,003	1,003
NORTHBURY SCHOOL Additional form	500	500				500
Total - Primary	1,503	500			1,003	1,503
SECONDARY SCHOOLS						
DAGENHAM PARK 4 Court Sports Hall, Dance Studio, Fitness Suite	1,389	241			1,148	1,389
WARREN SECONDARY - Science Block	1,615	200			1,415	1,615
BARKING ABBEY (Phase 4 Liquidator's Claim)	23				23	23
Total - Secondary	3,027	441			2,586	3,027
OTHER SCHEMES						
SCHOOLS LEGIONELLA	400			400		400
RENEWAL SCHOOL KITCHENS	50			50		50
SCHOOLS ASBESTOS	450			450		450
SCHOOLS REBOILER PROGRAMME	100			100		100
FAIR FUNDING - LEA Liability	180			180		180
FORD RD CHILDREN CENTRE	50				50	50
FURZE CHILDREN CENTRE	906	906				906
LEYS CHILDREN CENTRE	500	500				500
SCHOOL MODERNISATION FUND	450	450				450
FIRE PROTECTION & SMOKE DETECTION WORKS	160				160	160
MUSIC & PERFORMING ARTS - Adult College	10				10	10
EXCEPTIONAL BASIC NEEDS- Eastbury Comp Site	200	200				200
EXTENDED SCHOOLS PHASE 2	310				310	310
TREWERN CLIMBING WALL	247	247				247
Total - Other	4,013	2,303		1,180	530	4,013
TOTAL - CHILDREN'S SERVICES	8,543	3,244		1,180	4,119	8,543

2007/08 CAPITAL PROGRAMME

DETAIL	Funding			TOTAL
	External Sources	Departmental Borrowing	Capital Receipts	
	£'000	£'000	£'000	£'000

CUSTOMER SERVICES

HRA SERVICES

DISABLED ADAPTATIONS	800		800	800
Total HRA Services	800		800	800

Non HRA SERVICES

Housing

PRIVATE SECTOR HOUSING - Assistance Rendered	1,035		1,035	1,035
PRIVATE SECTOR HOUSING - DFG'S	925	420	505	925
HOUSING MODERNISATION PROGRAMME - Replace IT System	1,750		1,750	1,750
Total Housing	3,710	420	3,290	3,710

ENVIRONMENTAL & ENFORCEMENT

CONTAMINATED LAND - Inspection	661		661	661
WASTE MINIMISATION - Wheely Bins	74	74		74
TRAFFIC MANAGEMENT & SAFETY SCHEMES	901	542	359	901
STREET LIGHTING PROGRAMME	224		224	224
HIGHWAYS MAINTENANCE - Principal Roads	491	491		491
HIGHWAYS STRUCTURAL REPAIRS - Non Principal Rds	2,495		2,495	2,495
20MPH ZONES	195	195		195
RADIO SYSTEM FOR PARKING	8		8	8
CEMETERIES	182		182	182
Total Environmental and Enforcement	5,231	1,228	2,569	5,231

Customer Services B&D Direct

FOUNDATION CONTACT CENTRE	1,316		1,316	1,316
OFFICE ACCOMMODATION- Customer First	3		3	3
OFFICE ACCOMMODATION- Corporate Signage	143		143	143
OFFICE ACCOMMODATION Health & Safety	1		1	1
INTERIM ONE-STOP SHOP	32		32	32
RESPOND- Customer Feedback Database	12		12	12
REVENUES MODERNISATION PROGRAMME Replace IT System	200		200	200
Total Customer Services B & D Direct	1,707		1,707	1,707
TOTAL CUSTOMER SERVICES	11,448	1,648	2,569	11,448

2007/08 CAPITAL PROGRAMME

DETAIL	Funding				TOTAL
	External Sources	Departmental Borrowing	Borrowing	Capital Receipts	
	£'000	£'000	£'000	£'000	£'000

REGENERATION

TRANSPORT

BRIDGE STRENGTHENING	100				100
ACCESSIBILITY - Local Area & Bus Stops	112				112
LONDON BUS PRIORITY NETWORK	1,505				1,505
STATION ACCESS - Formerly interchanges	200				200
LONDON CYCLE NETWORK	300				300
CYCLING ROUTE (non LCN)	47				47

Total - Transport Services

	2,264				2,264
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DETAIL	Funding				TOTAL
	External Sources	Departmental Borrowing	Borrowing	Capital Receipts	
	£'000	£'000	£'000	£'000	£'000

REGENERATION

HOUSING STRATEGY

HOUSING FUTURES	15,522				15,522
OLDMEAD & BARTLETT	3,478			3,478	3,478
FOUR GATE BRIDGE	45			45	45
NEW ENGLAND WHARF	120			120	120

Total Housing Strategy

	19,165			3,643	19,165
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2007/08 CAPITAL PROGRAMME

DETAIL	Funding			TOTAL
	External Sources	Departmental Borrowing	Capital Receipts	
	£'000	£'000	£'000	£'000

REGENERATION

LEISURE, ARTS & OLYMPICS

FACELIFT - Leisure Centres & Park Pavilions	9		9	9
BECONTREE HEATH LEISURE CENTRE	120	120		120
PARKS & GREEN SPACE STRATEGY	1,569		1,017	1,569
BTC ARTWORK TGSC	38			38
BARKING PARK - Artwork	10			10
SPORTING LEGENDS	95			95
Total - Leisure Arts and Olympics	1,841	120	1,026	1,841

DETAIL	Funding			TOTAL
	External Sources	Departmental Borrowing	Capital Receipts	
	£'000	£'000	£'000	£'000

REGENERATION

ASSET STRATEGY

TUPTS GARAGE - Creek Rd	40		40	40
ADULT COLLEGE - Heating Repairs	109	109		109
CORPORATE ACCOMMODATION STRATEGY	760		760	760
BACKLOG MAINTENANCE	705	135	570	705
HEALTH & SAFETY MAINTENANCE	60		60	60
L8 LEGIONELLA WORKS	460	460		460
ASBESTOS MANAGEMENT	340	340		340
MAJOR REPAIRS PROGRAMME	662		662	662
INTRUDER ALARMS	115	115		115
FIRE ALARMS	45	45		45
Total - Asset Strategy	3,296	1,204	2,092	3,296

2007/08 CAPITAL PROGRAMME

DETAIL	Funding				TOTAL
	External Sources	Departmental Borrowing	Borrowing	Capital Receipts	
	£'000	£'000	£'000	£'000	£'000
REGENERATION					
<i>Regeneration - Spatial Regeneration</i>					
BARKING TOWN CENTRE - Lifelong Learning	568			491	568
BARKING TOWN CENTRE - Public Realm	200				200
BARKING TOWN SQUARE -Public Realm Phase 1 & Phase 2	154				154
REGENERATION INITIATIVES	178		178		178
NEW DAGENHAM LIBRARY & CUSTOMER FIRST CENTRE	1,483			1,483	1,483
DAGENHAM DOCK INFRASTRUCTURE	5				5
THAMES GATEWAY SOCIAL INFRASTRUCTURE FRAMEWORK	47				47
DAGENHAM HEATHWAY PUBLIC REALM PHASE 1	2,239			1,692	2,239
GORESBROOK PARADE REDEVELOPMENT	90			90	90
BARKING TOWN SQUARE	1,600				1,600
BTC REDEVELOPMENT - Lintons Demolition	2,100				2,100
LONDON ROAD - Market Square	280		280		280
ENERGY EFFICIENCY PROGRAMME	142				142
LEGI BUSINESS CENTRES	1,187				1,187
PDG CAPITAL ALLOCATION	69				69
Total - Spatial Regeneration	10,342		458	3,756	10,342

P G O Other Accountable Bodies

CLRL - Industrial Signage	11				11
LEGI- Excite Dagenham Centre for Independent Living	100				100
Total - Other Accountable Bodies	111				111
TOTAL REGENERATION	37,019		1,782	10,517	37,019

2007/08 CAPITAL PROGRAMME

DETAIL	Funding				TOTAL
	External Sources £'000	Departmental Borrowing £'000	Borrowing £'000	Capital Receipts £'000	
RESOURCES	£'000	£'000	£'000	£'000	£'000
IT FOR MEMBERS	17			17	17
e-GOVERNMENT PROGRAMME- 100% Council Services electronically	197				197
e-GOVERNMENT PROGRAMME - Replace System for Libraries	51			51	51
CITRIX SERVER UPGRADE	298			298	298
DESKTOP MANAGEMENT PROGRAMME	300			300	300
SERVER UPGRADE	58			58	58
DATA BACKUP UPGRADE	70			70	70
CPMO PROGRAMME MANAGEMENT TEAM	200			200	200
PERFORMANCE IMPROVEMENT SOFTWARE	38			38	38
e-GOVERNMENT PROGRAMME Electronic Outsourcing	7			7	7
i-PROCUREMENT	90			90	90
TOTAL RESOURCES	1,326			1,129	1,326
TOTAL ALL DEPARTMENTS	60,474		5,531	24,497	60,474
<i>Schemes Subject to EPO approval:</i>					
LEASTBURY PRIMARY - New School	3,000				3,000
NORTHBURY INFANTS & JUNIORS - additional form of entry	500				500
REMOTE CONCERGE	1,000	1,000			1,000
EAST END THAMES VIEW DEMOLITION	2,000				2,000
TOTAL	6,500	1,000			6,500

APPROVED 4 YEAR CAPITAL PROGRAMME 2008/09 TO 2011/12

<u>Department</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>Total</u>	<u>External</u>	<u>Departmental</u>	<u>Corporate</u>	<u>Capital</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>Funding</u>	<u>Borrowing</u>	<u>Borrowing</u>	<u>receipts</u>	<u>£000</u>
ADULT & COMMUNITY	3,661	89	-	-	3,750	2,199	-	-	1,551	3,750
CHILDREN'S SERVICES	5,763	4,905	5,350	-	16,018	5,712	-	8,040	2,266	16,018
CUSTOMER SERVICES	9,688	3,300	2,500	-	15,488	-	2,106	7,505	5,877	15,488
REGENERATION	56,776	38,452	25,550	12,280	133,058	70,668	-	6,027	56,363	133,058
RESOURCES	4,075	12,189	17,720	500	34,484	28	20,220	4,000	10,236	34,484
TOTAL	79,963	58,935	51,120	12,780	202,798	78,607	22,326	25,572	76,293	202,798

SCHEMES SUBJECT TO EPO APPRAISAL:

TOTAL	12,050	550	12,600
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APPENDIX B

CURRENT CAPITAL PROGRAMME - DETAIL 2008/9 TO 2011/12

DETAIL	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	TOTAL £'000	External Sources £'000	Departmental Borrowing £'000	Borrowing £'000	Capital Receipts £'000	TOTAL £'000
CHILDRENS SERVICES										
PRIMARY SCHOOLS										
GASCOIGNE PRIMARY - Remodelling	211				211				211	211
Total - Primary	211				211				211	211
SECONDARY SCHOOLS										
DAGENHAM PARK- 4 Court Sports Hall, Dance Studio, Fitness Suite	539				539				539	539
WARREN SECONDARY - Science Block	65				65				65	65
BARKING ABBEY - phase 4	27				27				27	27
Total - Secondary	631				631				631	631
OTHER SCHEMES										
SCHOOLS LEGIONELLA	630	330	330		1,290			1,290		1,290
RENEWAL SCHOOL KITCHENS	1,000	300	300		1,600			1,600		1,600
SCHOOLS ASBESTOS	450	330	220		1,000			1,000		1,000
SCHOOLS REBOILER PROGRAMME	400				400			400		400
EASTBURY CHILDREN CENTRE			1,500		1,500	750		750		1,500
FURZE CHILDREN CENTRE	754	40			794	511			283	794
LEYS CHILDREN CENTRE	806	50			856	600			256	856
LYMINGTON CHILDREN CENTRE			1,500		1,500	750		750		1,500
RICHARD ALIBON CHILDREN CENTRE (Sterry, Markyake)		1,500			1,500	750		750		1,500
RIVERSIDE CHILDREN CENTRE			1,500		1,500	750		750		1,500
UEL CHILDREN CENTRE (Manor, Valence)		1,500			1,500	750		750		1,500
SCHOOL MODERNISATION FUND	851				851	851				851
MUSIC & PERFORMING ARTS - Adult College	30	855			885				885	885
Total - Other	4,921	4,905	5,350		15,176	5,712		8,040	1,424	15,176
TOTAL - CHILDREN'S SERVICES	5,763	4,905	5,350		16,018	5,712		8,040	2,266	16,018

CURRENT CAPITAL PROGRAMME - DETAIL 2008/9 TO 2011/12

DETAIL	2008/09	2009/10	2010/11	2011/12	TOTAL	Funding				
	£'000	£'000	£'000	£'000	£'000	External Sources £'000	Departmental Borrowing £'000	Borrowing £'000	Capital Receipts £'000	TOTAL £'000
CUSTOMER SERVICES										
<u>HRA SERVICES</u>										
DISABLED ADAPTATIONS	800	800			1,600				1,600	1,600
REMOTE CONCERGE	1,500				1,500		1,500			1,500
Total HRA Services	2,300	800			3,100		1,500		1,600	3,100
<u>Non HRA SERVICES</u>										
<u>Housing</u>										
PRIVATE SECTOR HOUSING	475				475				475	475
HOUSING MODERNISATION PROGRAMME - Replace IT System	607				607				607	607
Total Housing	1,082				1,082				1,082	1,082
<u>ENVIRONMENTAL & ENFORCEMENT</u>										
CONTAMINATED LAND	110				110				110	110
WASTE MINIMISATION	606				606		606			606
HIGHWAYS STRUCTURAL REPAIRS - Non Principal Rds	2,505	2,500	2,500		7,505			7,505		7,505
Total Environmental and Enforcement	3,221	2,500	2,500		8,221		606	7,505	110	8,221
<u>Customer Services B&D Direct</u>										
FOUNDATION CONTACT CENTRE	1,250				1,250				1,250	1,250
INTERIM ONE STOP SHOP CUSTOMER FIRST	1,835				1,835				1,835	1,835
Total Customer Services B&D Direct	3,085				3,085				3,085	3,085
TOTAL CUSTOMER SERVICES	9,688	3,300	2,500		15,488		2,106	7,505	5,877	15,488

CURRENT CAPITAL PROGRAMME - DETAIL 2008/9 TO 2011/12

DETAIL	2008/09				2009/10				2010/11				2011/12				TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
REGENERATION																				
<i>HOUSING STRATEGY</i>																				
HOUSING FUTURES	28,000		32,000		24,440		12,000		96,440					49,255				47,185	96,440	
OLDMEAD & BARTLETT	1,272								1,272									1,272	1,272	
Total Housing Strategy	29,272		32,000		24,440		12,000		97,712					49,255				48,457	97,712	
<i>SKILLS, LEARNING & ENTERPRISE</i>																				
DAGENHAM JOB SHOP	435								435					435					435	
Total - Skills, Learning & Enterprise	435								435					435					435	
<i>LEISURE, ARTS & OLYMPICS</i>																				
PARKS & GREEN SPACE STRATEGY	3,413		3,420		230		280		7,343				3,338				4,005	7,343		
CIVIC CENTRE ARTWORK	178								178				3				175	178		
BARKING PARK ARTWORK	80								80				80					80		
SPORTING LEGENDS	138								138				138					138		
BARKING TOWN CENTRE ARTWORK	34								34				34					34		
Total - Leisure Arts and Olympics	3,843		3,420		230		280		7,773				3,593				4,180	7,773		

CURRENT CAPITAL PROGRAMME - DETAIL 2008/9 TO 2011/12

DETAIL	2008/09				2009/10				2010/11				2011/12				TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
REGENERATION																				
ASSET STRATEGY																				
BACKLOG MAINTENANCE	845		500	500												1,845		1,845	1,845	
CAPITALISED MAJOR REPAIRS	260															260		260	260	
L8 LEGIONELLA WORKS	890		375	305												1,570		1,570	1,570	
ASBESTOS MANAGEMENT	220		220	20												460		460	460	
INTRUDER ALARMS	115		115	55												285		285	285	
FIRE ALARMS	45															45		45	45	

Total - Asset Strategy	2,375	1,210	880													4,465	4,205	260	4,465
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Regeneration - Spatial Regeneration

BARKING TOWN CENTRE - Public Realm	245															245			245
BARKING CHILD & FAMILY HEALTH CENTRE - including Car Park	5,224															5,224		2,470	5,224
REGENERATION INITIATIVES	500	1,322														1,822	1,822		1,822
NEW DAGENHAM LIBRARY & CUSTOMER FIRST CENTRE	250	475														725		725	725
DAGENHAM HEATHWAY PUBLIC REALM PHASE 1	271															271		271	271
BARKING TOWN SQUARE	2,000															2,000			2,000
BTC REDEVELOPMENT - Lintons Demolition	4,900															4,900			4,900
ENERGY EFFICIENCY PROGRAMME	333	25														358			358
LEGI BUSINESS CENTRES	6,563															6,563			6,563
EAST END THAMES VIEW DEMOLITION	565															565			565

Total - Spatial Regeneration	20,851	1,822	880													22,673	17,385	1,822	22,673
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TOTAL REGENERATION	56,776	38,452	25,550	12,280												133,058	70,668	6,027	133,058
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CURRENT CAPITAL PROGRAMME - DETAIL 2008/9 TO 2011/12

DETAIL	2008/09				2009/10				2010/11				2011/12				TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
RESOURCES																				
CORPORATE ACCOMMODATION STRATEGY	2,500		10,500	15,720	500	29,220														
UPGRADE CITRIX	200					200														
E-GOVERNMENT PROJECTS	80					80														
IT FOR MEMBERS	5					5														
DESKTOP MANAGEMENT PROGRAMME	650		50			700														
CPMO PROGRAMME MANAGEMENT TEAM	200					200														
PERFORMANCE IMPROVEMENT SOFTWARE	40		39			79														
VOICE & DATA COMMUNICATION	400		1,600	2,000		4,000														
TOTAL RESOURCES	4,075	12,189	17,720	500	34,484	28	20,220	4,000	10,236	34,484										
TOTAL ALL DEPARTMENTS	79,963	58,935	51,120	12,780	202,798	78,607	22,326	25,572	76,293	202,798										

Schemes subject to EPO appraisal:

EASTBURY PRIMARY - New School	9,000	500			9,500															
NORTHBURY INFANTS & JUNIORS - additional form of entry	2,350				2,350															
RIPPLE INFANT & JUNIOR - additional form of entry	700	50			750															
TOTAL	12,050	550			12,600	12,600	12,600	12,600	12,600	12,600										

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PROPOSED CAPITAL SCHEMES FOR APPROVAL 2008/09 ONWARDS

<u>Department</u>	2008/09	2009/10	2010/11	2011/12	Total	External Funding £000	Departmental Borrowing £000	Corporate Borrowing £000	Capital receipts £000	Total £000
	£000	£000	£000	£000	£000					
ADULT & COMMUNITY	3,510	3,630	560	-	7,700	1,940	-	5,530	230	7,700
CHILDREN'S SERVICES	3,230	50,880	72,000	58,000	184,110	184,110	-	-	-	184,110
CUSTOMER SERVICES	7,700	7,500	5,000	3,000	23,200	-	200	23,000	-	23,200
REGENERATION	4,158	14,450	1,389	253	20,250	-	4,400	9,000	6,850	20,250
RESOURCES	2,220	3,500	4,380	1,150	11,250	0	11,250	0	0	11,250
TOTAL	20,818	79,960	83,329	62,403	246,510	186,050	15,850	37,530	7,080	246,510

APPENDIX C

CAPITAL PROGRAMME – PROPOSED NEW SCHEMES

ADULTS & COMMUNITY SERVICES DEPARTMENT

1C Valence House £7,700,000

The main elements of this project are to:

- Refurbish and repair Valence House
- Provide new displays throughout the museum
- Enable greater access to the building including lift access to most of the first floor
- Demolish buildings currently obstructing the view between Valence Park and Valence House
- Build a new Visitor Centre to include Local Studies Library/Archive reading room, café and education rooms
- Provide sustainable storage for the archive and museum collections
- Provide an appropriate setting for this unique building in the borough

The Council is in receipt of a grant of £2m for this scheme. The balance of £5.7m is to be funded from land sales and corporate borrowing. The current programme includes £2.3m for Valence House and, therefore, additional investment of £5.4m is therefore required.

CHILDREN'S SERVICES DEPARTMENT

2C Building Schools for the Future £182,000,000

The Council is expecting to be awarded £182 million from 2008/09 onwards to transform the secondary schools estate across the borough. Detailed plans are currently being drawn up.

This scheme is being financed by grant funding from the Department for Children, Schools and Families (DCSF).

3C Additional primary school places £1,130,000

This scheme is funded from section 106 balances, and will involve the expansion of primary school provision to satisfy growing pupil place demand at Godwin Primary, Cambell Infant and Junior Schools and Ripple Infant and Junior Schools.

4C Extended schools £380,000

This scheme is funded from a capital grant from the DCSF and will fund capital investment supporting extended schools services such as breakfast clubs, out-of-hours tuition and after-school clubs in sport, music and drama.

5C Harnessing Technology £600,000

This scheme is funded from a capital grant from the DCSF and will fund IT development in schools.

CAPITAL PROGRAMME – PROPOSED NEW SCHEMES

CUSTOMER SERVICES DEPARTMENT

6C Highways Maintenance £20,000,000

This concerns a rolling programme of annual highways maintenance to be factored into the capital programme over a period of 4 years.

A full programme of spend in each year along with relevant schemes is currently being produced by officers and this will also include a detailed examination of the mechanism and the capacity arrangements regarding the delivery of a significant programme.

This scheme is being funded from corporate borrowing.

8C Private Sector Housing £3,000,000

This project concerns the provision for improvement and renovation through various schemes of private sector housing and areas within the borough in accordance with the Private Sector Housing Strategy for investment over the next 3 years. Detailed work on the allocation and specific nature of this work is being undertaken by the Corporate Directors of Customer Services and Regeneration

This scheme is being funded from corporate borrowing.

9C Environment & Enforcement IT £200,000

This project would see the redesigned environmental services operation totally e-enabled and would involve:

- The purchase and implementation of hardware e.g. handhelds, tablet PC's, mobile communication devices
- The purchase and development of software to link up the back and front office
- The development of GIS mapping to support software
- Training to implement e-enabled services

This scheme is funded from departmental borrowing.

10C Housing Futures To be confirmed

This represents the additional funding required to enable the Council to meet the Decent Homes standard.

A full report on the requirements of this major investment is to be presented to the Executive in the spring.

It is a requirement of law that borrowing costs in respect of HRA capital works must not be met by the General Fund. The borrowing costs on this scheme must therefore be met through the HRA, or alternative sources of funding must be secured.

CAPITAL PROGRAMME – PROPOSED NEW SCHEMES

REGENERATION DEPARTMENT

11C Becontree Heath Leisure Centre **£18,850,000**

The scheme will provide a replacement wet and dry side leisure facility for the facilities at the current Dagenham Swimming Pool, Wood Lane Sports Centre and Seabrook Community Centre.

This scheme is funded from a combination of sources, land disposals, revenue savings, and corporate borrowing.

12C Improvements to Business Areas and Industrial Estates **£400,000**

The purpose of this scheme is to invest in business areas and industrial estates to improve the environment where they are based. This will be complementary to the investment at option 13C. A full programme of spend will be developed by the Corporate Director of Regeneration for member's consideration.

This scheme is financed from corporate borrowing.

13C Area Development Schemes **£1,000,000**

The purpose of this scheme is to further invest and widen the development of various areas in the Borough e.g. shop parades, etc. and this will be complementary to the investment proposed for Private Sector Housing – scheme 8C. A full programme of spend will be developed by the Corporate Director of Regeneration for member's consideration.

This scheme is being funded from corporate borrowing.

RESOURCES DEPARTMENT

14C Modernising IT Infrastructure **£11,250,000**

The modernising IT infrastructure capital project supports the Corporate Accommodation Strategy, and aims to ensure by 2010 the Council has Information Technology that can be accessed any place and any time. This is to enable flexible and high quality workplaces staffed by skilled and motivated people supported by effective processes to serve customers by providing value for money services.

It is proposed that this scheme is financed from revenue savings arising from the Modern Ways of Working Programme.

OVERALL INVESTMENT FOR CAPITAL SCHEMES **£246,510,000**

N.B The above sum does not include the position for investment in Housing Futures.

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TOTAL PROGRAMME FROM 2008/09 ONWARDS (incl. proposed schemes)

<u>Department</u>	2008/09	2009/10	2010/11	2011/12	Total	External Funding £000	Departmental Borrowing £000	Corporate Borrowing £000	Capital receipts £000	Total £000
	£000	£000	£000	£000						
ADULT & COMMUNITY	5,309	3,719	560	-	9,588	2,487	-	5,530	1,571	9,588
CHILDREN'S SERVICES	21,043	56,335	77,350	58,000	212,728	202,422	-	8,040	2,266	212,728
CUSTOMER SERVICES	14,883	8,300	5,000	3,000	31,183	-	2,306	23,000	5,877	31,183
REGENERATION	60,934	52,902	26,939	12,533	153,308	70,668	4,400	15,027	63,213	153,308
RESOURCES	6,295	15,689	22,100	1,650	45,734	28	31,470	4,000	10,236	45,734
TOTAL	108,464	136,945	131,949	75,183	452,541	275,605	38,176	55,597	83,163	452,541

APPENDIX D

CAPITAL PROGRAMME - PROPOSED 2008/9 TO 2011/12

DETAIL	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	TOTAL £'000	External Sources £'000	Departmental Borrowing £'000	Corporate Borrowing £'000	Capital Receipts £'000	TOTAL £'000
CHILDRENS SERVICES										
PRIMARY SCHOOLS										
GASCOIGNE PRIMARY - Remodelling	211				211				211	211
EASTBURY PRIMARY - New School	9,000	500			9,500	9,500				9,500
NORTHBURY INFANTS & JUNIORS - additional form of entry	2,350				2,350	2,350				2,350
RIPPLE INFANT & JUNIOR - additional form of entry	700	50			750	750				750
Total - Primary	12,261	550			12,811	12,600			211	12,811
SECONDARY SCHOOLS										
DAGENHAM PARK 4 Court Sports Hall, Dance Studio, Fitness Suite	539				539				539	539
BARKING ABBEY PHASE 4	27				27				27	27
WARREN SECONDARY - Science Block	65				65				65	65
Total - Secondary	631				631				631	631
OTHER SCHEMES										
SCHOOLS LEGIONELLA	630	330	330		1,290		1,290			1,290
RENEWAL SCHOOL KITCHENS	1,000	300	300		1,600		1,600			1,600
SCHOOLS ASBESTOS	450	330	220		1,000		1,000			1,000
SCHOOLS REBOILER PROGRAMME	400				400		400			400
EASTBURY CHILDREN CENTRE			1,500		1,500	750	750			1,500
FURZE CHILDREN CENTRE	754	40			794	511			283	794
LEYS CHILDREN CENTRE	806	50			856	600			256	856
LYMINGTON CHILDREN CENTRE			1,500		1,500	750	750			1,500
RICHARD ALIBON CHILDREN CENTRE (Sterry, Markyate)		1,500			1,500	750	750			1,500
RIVERSIDE CHILDREN CENTRE			1,500		1,500	750	750			1,500
UEL CHILDREN CENTRE (Manor, Valence)		1,500			1,500	750	750			1,500
SCHOOL MODERNISATION FUND	851				851	851				851
MUSIC & PERFORMING ARTS - Adult College	30	855			885				885	885
BUILDING SCHOOLS FOR THE FUTURE	2,000	50,000	72,000	58,000	182,000	182,000				182,000
ADDITIONAL SCHOOLS PLACES - PRIMARY	250	880			1,130	1,130				1,130
EXTENDED SCHOOLS	380				380	380				380
HARNESSING TECHNOLOGY	600				600	600				600
Total - Other	8,151	55,785	77,350	58,000	199,286	189,822	8,040	1,424		199,286
TOTAL - CHILDREN'S SERVICES	21,043	56,335	77,350	58,000	212,728	202,422	8,040	2,266		212,728

CAPITAL PROGRAMME - PROPOSED 2008/9 TO 2011/12

DETAIL	2008/09				2009/10				2010/11				2011/12				TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
CUSTOMER SERVICES																				
<i>HRA SERVICES</i>																				
DISABLED ADAPTATIONS	800		800															1,600	1,600	
REMOTE CONCIERGE	1,500																	1,500	1,500	
Total HRA Services	2,300		800															3,100	3,100	
<i>Non HRA SERVICES</i>																				
<i>Housing</i>																				
HOUSING MODERNISATION PROGRAMME - Replace IT System	607																	607	607	
PRIVATE SECTOR HOUSING	1,475		1,000		1,000													3,475	3,475	
Total Housing	2,082		1,000		1,000													4,082	4,082	
<i>ENVIRONMENTAL & ENFORCEMENT</i>																				
HIGHWAYS STRUCTURAL REPAIRS - Non Principal Rds	6,500		6,500		4,000		3,000											20,000	20,000	
WASTE MINIMISATION	606																	606	606	
CONTAMINATED LAND	110																	110	110	
ENVIRONMENT & ENFORCEMENT ICT	200		-		-													200	200	
Total Environmental and Enforcement	7,416		6,500		4,000		3,000											20,916	20,916	
<i>Customer Services B&D Direct</i>																				
FOUNDATION CONTACT CENTRE	1,250																	1,250	1,250	
INTERIM ONE STOP SHOP CUSTOMER FIRST	1,835																	1,835	1,835	
Total Customer Services B&D Direct	3,085																	3,085	3,085	
TOTAL CUSTOMER SERVICES	14,883		8,300		5,000		3,000											31,183	31,183	
																2,306	23,000	5,877	31,183	

CAPITAL PROGRAMME - PROPOSED 2008/9 TO 2011/12

DETAIL	2008/09				2009/10				2010/11				2011/12				TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
REGENERATION																				
<i>HOUSING STRATEGY</i>																				
HOUSING FUTURES	28,000		32,000		24,440		12,000		96,440					49,255				47,185	96,440	
OLDMEAD & BARTLETT	1,272								1,272									1,272	1,272	
Total Housing Strategy	29,272		32,000		24,440		12,000		97,712					49,255				48,457	97,712	
<i>LEISURE, ARTS & OLYMPICS</i>																				
PARKS & GREEN SPACE STRATEGY	3,413		3,420		230		280		7,343					3,338				4,005	7,343	
BARKING PARK ARTWORK	80								80					80					80	
CIVIC CENTRE ARTWORK	178								178					3				175	178	
BARKING TOWN CENTRE ARTWORK	34								34					34					34	
SPORTING LEGENDS	138								138					138					138	
BECONTREE HEATH LEISURE CENTRE	3,458		13,750		1,389		253		18,850						4,400	7,600		6,850	18,850	
Total - Leisure Arts and Olympics	7,301		17,170		1,619		533		26,623					3,593		7,600		11,030	26,623	

DETAIL	2008/09				2009/10				2010/11				2011/12				TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		

REGENERATION

ASSET STRATEGY

	2008/09				2009/10				2010/11				2011/12				TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
BACKLOG MAINTENANCE	845		500	500			500					1,845			1,845	1,845	
CAPITALISED MAJOR REPAIRS	260											260			260	260	
L8 LEGIONELLA WORKS	890		375	305			305					1,570		1,570		1,570	
ASBESTOS MANAGEMENT	220		220	20			20					460		460		460	
INTRUDER ALARMS	115		115	55			55					285		285		285	
FIRE ALARMS	45											45		45		45	

Total - Asset Strategy

2,375	1,210	880				4,465			4,205	260		4,465
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SKILLS, LEARNING & ENTERPRISE

DAGENHAM JOB SHOP	435						435					435				435
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Total - Skills, Learning & Enterprise

435						435						435
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Regeneration - Spatial Regeneration

BARKING TOWN CENTRE - Public Realm	245						245					245				245
BARKING CHILD & FAMILY HEALTH CENTRE - including Car Park	5,224						5,224					2,470				5,224
REGENERATION INITIATIVES	500		1,322				1,822					1,822				1,822
NEW DAGENHAM LIBRARY & CUSTOMER FIRST CENTRE	250		475				725					725				725
DAGENHAM HEATHWAY PUBLIC REALM PHASE 1	271						271					271				271
BARKING TOWN SQUARE - Acquisition of Properties (Ripple Rd Nos 12-26)	2,000						2,000					2,000				2,000
BTC REDEVELOPMENT - Lintons Demolition	4,900						4,900					4,900				4,900
ENERGY EFFICIENCY PROGRAMME	333		25				358					358				358
LEGI BUSINESS CENTRES	6,563						6,563					6,563				6,563
EAST END THAMES VIEW DEMOLITION	565						565					565				565
IMPROVEMENTS TO BUSINESS AREAS & INDUSTRIAL ESTATES	200		200				400					400				400
AREA DEVELOPMENT SCHEMES	500		500				1,000					1,000				1,000

Total - Spatial Regeneration

21,551	2,522					24,073			3,222	3,466		24,073
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TOTAL REGENERATION

60,934	52,902	26,939	12,533	153,308	70,668	4,400	15,027	63,213	153,308
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The Prudential Code for Capital Investment in Local Authorities

Prudential Indicators – 2008/09 to 2010/11

1. Introduction

- 1.1. The Prudential Code for Capital Investment commenced on the 1st April 2004. This system replaced the previously complex system of central Government control over council borrowing, although the Government has retained reserve powers of control which it may use in exceptional circumstances. The Code offers significantly greater freedom to authorities to make their own capital investment plans, whereas the previous system restricted authorities to credit approvals controlled by central government.
- 1.2. Within the regime, authorities must have regard to the *Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities*. The principles behind this code are that capital investment plans made by the Council are prudent, affordable and sustainable. The code identifies a range of indicators which must be considered by the Council when it makes its decisions about future capital programme and sets its budget. These prudential indicators have become particularly relevant as the proposals in this report, as the implications are that **the Council will need to borrow** at some point over the period from 2008/09 to 2010/11.

2. The Prudential Indicators

- 2.1. The Prudential Code sets out the information that each Council must consider when making its decisions about future borrowing and investment. This takes the form of a series of "Prudential Indicators".
- 2.2. The Code is a formal statement of good practice that has been developed to apply to all authorities regardless of their local circumstances. In previous years, Barking and Dagenham has been in a debt free position, so the indicators in respect of borrowing are not currently relevant. However, capital expenditure plans for 2008/09 to 2011/12 as proposed in this report, will now give arise to a net borrowing requirement for the Council. This has an impact on affordability on the revenue budget, both in terms of **loss of investment income** from reducing capital receipts, and also due to the costs associated with **financing borrowing**.
- 2.3. This appendix sets out the prudential indicators for the London Borough of Barking and Dagenham, based on the revised capital programme for 2008/09 to 2011/12 as detailed in this report.

3. Capital Expenditure

- 3.1 The first prudential indicator sets out **capital expenditure** both for the General Fund, and Housing Revenue Account Expenditure. Table 1 shows the current approved capital programme over the period from 2008/09 to 2010/11. Table 2 shows what the capital programme would look like following the inclusion of the proposed capital projects as detailed in this report. These projects will only be included in the capital programme after they have achieved “four green lights” from EPO appraisal.

Table 1: Capital Expenditure (**current** capital programme):

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
HRA	29,272	32,000	24,440
General Fund	50,691	26,935	26,680
Total	79,963	58,935	51,120

Table 2: Capital Expenditure (following inclusion of **proposed schemes**):

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
HRA	29,272	32,000	24,440
General Fund	79,192	104,945	107,509
Total	108,464	136,945	131,949

- 3.3 The capital programme for future years has been subject to a fundamental review. The elements here in respect of HRA relate to the funding of Housing Futures, significant regeneration projects, investment in highways maintenance, investment in schools and the Corporate Accommodation Strategy. For 2008/09 onwards, a major addition is Building Schools for the Future, which will add £182m from 2008/09 onwards, and is grant funded. The other schemes will be financed from a mixture of existing resources, external funding, additional land sales, “self financing” (i.e. revenue cost savings fund the cost of borrowing) and other schemes that will give rise to borrowing.
- 3.4 A full list of both current projects and proposed new projects are detailed in **Appendix B** and **Appendix C** to this report.

4. Financing Costs

- 4.1 The prudential code requires Councils to have regard to the financing costs associated with its capital programme.
- 4.2 The prudential indicator for its financing costs calculated based on the interest and repayment of principle on borrowing, less interest received from investments.

Table 2 shows the following for the period from 2008/09 to 2010/11, **based on the inclusion of the proposed capital projects** as detailed in **Appendix C** to this report:

- The Council's Net Revenue Streams for both the General Fund and the Housing Revenue Account;
- Financing Costs for these two funds; and
- The ratio of Net Revenue Streams to Financing Costs, based on capital expenditure shown in Table 1.

Table 2: Financing Costs (**Prudential Indicator**)

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Net Revenue Stream			
HRA	78,009	78,009	78,009
General Fund	147,304	153,637	159,680
Financing Costs			
HRA	12,627	12,628	12,000
General Fund	(973)	2,461	4,975
Ratio			
HRA	16.19%	16.19%	15.38%
General Fund	(0.66%)	1.60%	3.12%

- 4.3 This shows the impact of falling interest receipts and borrowing costs as a result of spending on the capital programme.
- 4.4 Financing costs in the HRA relate to the Major Repairs Allowance, which is a government subsidy from the Department for Communities and Local Government (DCLG). This is an estimated figure for future years; these figures are confirmed by the DCLG during the year. Proposals to finance the cost of housing capital works over the longer term are currently being considered and are subject to a separate Executive report. Once the implications of these proposals are finalised, the prudential indicators will be updated to take this into account.
- 4.5 Financing costs can also be shown with reference to their impact on Council Tax and Housing Rents. This shows the additional Council Tax burden for Band D from financing **based on the inclusion of the proposed new schemes**. This is set out in Table 3.

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

	2007/08	2008/09	2009/10
	£	£	£
For Band D Council Tax	(£1.92)	£4.86	£9.82
For average Housing Rents	0	0	0

- 4.6 The table shows that the impact of new schemes based on Appendix C to this report. The impact on Council Tax represents the cost of financing the capital programme in relation to the tax-base.
- 4.7 As a consequence of the absence of debt and the Government's policy on rent restructuring the capital programme has a minimal impact on future rents. There are no borrowing costs and the revenue contribution to capital expenditure is set according to the rent levels that are established by the rent restructuring regulations.

5. Capital Financing Requirement

- 5.1 The Prudential Code requires the Council to measure its underlying need to borrow for capital investment by calculating its **Capital Financing Requirement**.
- 5.2 The capital financing requirement identifies the level of capital assets on an authority's balance sheet, and compares this to the capital reserves to see how much of these assets have been "funded". The difference is the level of debt that the authority has to repay in the future, or the "capital financing requirement". ***This prudential indicator is based on the inclusion of the proposed new schemes:***

Table 4: Capital Financing Requirement (Prudential Indicator)

	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Housing Revenue Account (HRA)	(21,355)	(21,355)	(21,355)
General Fund	47,854	87,176	110,725
Capital Financing Requirement	26,499	65,821	89,370

- 5.3 Capital expenditure is planned either to be funded from capital receipts, through external funding, or through borrowing. This therefore gives rise to an **underlying borrowing requirement of £26m** by March 2009, as shown above, **£66m** by the March 2010, and **£89m** by the end of 2010/11, the period over which the capital programme report covers.

6. Summary Assessment

- 6.1 The Prudential Indicators as laid out in this report show the impact of capital investment decisions for the period from 2008/09 to 2010/11.
- 6.2 These figures demonstrate that, while proposed changes to the capital programme have had financial implications on the Council, they have been made having taken into account the key principles of the CIPFA Prudential Code of **prudence, affordability and sustainability**.
- 6.3 This position will be reported on throughout 2008/09 to account for any changes to decisions on capital investment.

**LONDON BOROUGH OF BARKING AND DAGENHAM
CAPITAL INVESTMENT STRATEGY**

February 2008

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London Borough of Barking & Dagenham

Capital Investment Strategy

1. Introduction

The capital strategy is an over-arching policy document relating to investment in services and describes how the deployment and redistribution of capital resources contributes to the achievement of corporate goals.

Capital investment and asset management are central to the Council's ability to support effective service delivery. The capital strategy sets out how the capital programme both supports and enhances service delivery and forms the framework for more operational strategies within service areas.

Capital investment plans should not only set out how the Council intends to spend its capital resources, but also give an indication of what the outcomes of these plans are, and how they will either **transform the local infrastructure**, or the ability of the Council to **deliver excellent services**. Examples of such schemes are clearly evident throughout this strategy, in the Council's commitment to investing in its **housing stock**, **regeneration projects** across the borough, or through the development of **contact centres** and **one-stop-shops** to transform the quality of customer services.

Capital investment plans also need to appreciate that the Council has a huge asset base consisting of housing stock, schools, office buildings, roads and community assets, all of which need maintaining. This strategy takes into consideration the need to maintain these assets. Examples of such schemes include **rolling programmes** of investment in **highways** or major repairs and upgrades in both **schools** and **office accommodation**. From 2008/09 onwards, the Council is planning significant investment in **IT infrastructure**, which will be "self-financed" from the efficiency gains that will arise as a result of the investment.

The strategy is a corporate document and as such has been developed in conjunction with Members and senior officers across the Council. The strategy continues to reinforce a corporate approach to asset management and capital investment and demonstrates the commitment of the Council has to delivering positive outcomes for residents. The structure and operation of this approach is more fully explained in the Corporate Asset Management Plan.

2. The Council's Priorities

The Community Priorities are as follows:

- Promoting Equal Opportunities and Celebrating Diversity;
- Better Education & Learning for All;
- Developing Rights & Responsibilities with the Local Community;
- Improving Health, Housing and Social Care;
- Making Barking & Dagenham Cleaner, Greener and Safer;
- Raising General Pride in the Borough; and
- Regenerating the Local Economy.

These are all underpinned by the three Council priorities of:

- Delivering outstanding customer services;
- Improving performance across the board; and
- Regenerating the borough.

To achieve all of the priorities set out here, capital investment is important. Ongoing, **rolling programmes** of maintenance to all of the Council's assets, housing stock, schools, libraries, leisure centres, heritage sites, offices, roads and community assets (such as parks), are vital to ensure we can continue to deliver high quality services across our community priorities.

Other **specific capital investment projects** enhance either the borough's infrastructure or the Council's asset base. In some instances, external funding can be levered in, for example with schools investment, or lottery grants for heritage sites. Other schemes need to be funded by the Council to help it achieve its priorities. This strategy sets out the Council's priorities for capital investment, and demonstrates how these contribute to the Community Priorities and cross-cutting priorities.

3. Priorities for Capital Investment

The overarching objectives for the Capital Strategy are as follows:

- Successfully **deliver a capital programme** which is consistent with the Council's **key priorities**;
- **Maximising external funding** to support the delivery of the capital programme consistent with the Councils' key priorities, both from the private sector and through government grant funding; and
- **Maximising the utilisation of the Council's assets** by:
 - Ensuring that all investment properties are making sufficient

- returns;
- Ensuring that non-profitably investment properties and assets surplus to requirements are disposed of as efficiently as possible; and
- Monitoring the utilisation of assets on a regular basis.

The Council's capital investment plans need align to the Council's priorities, and ensure that existing assets are maintained to an appropriate standard. These objectives need to be achieved with relatively scarce resources. Members and senior officers have therefore set out their **key priorities in relation to capital investment** as follows:

- Investment in our **schools**;
- Investment in key **regeneration and arts** projects across the borough;
- Investment in streamlining our **office accommodation**
- Investment in our **housing stock**;
- Investment in **highways maintenance**; and
- Investment in **IT infrastructure** to create efficiencies in the way we will work.

These priorities clearly demonstrate how capital investment can be used to support the Community Priorities.

4. **Funding the Capital Programme**

At the time that this strategy was updated (February 2008), the Council had committed all of its **capital receipts** and estimated asset disposal proceeds on schemes already in the capital programme. As such, future capital investment plans will need to be financed either from the Council entering into **borrowing**, or from **external funding**.

Borrowing

The Medium Term Financial Strategy, and the budget model that underpins it, has made provision for the revenue costs of **borrowing** from 2008/09 onwards to be met.

Total borrowing in the proposed capital programme from 2008/09 to 2011/12 is as follows:

	£m
2008/09	26
2009/10	39
2010/11	24
2011/12	5
TOTAL	94

External funding

Capital investment plans are not confined to those funded internally. **External funding** makes up a significant proportion of the Council's capital resources. One of the key objectives of this strategy is to maximise external funding:

External funding in the proposed capital programme from 2008/09 to 2011/12 is as follows:

	£m
2008/09	55
2009/10	65
2010/11	86
2011/12	70
TOTAL	276

Capital receipts

The Council has also allocated all of the **capital receipts** currently held in reserve, together with those anticipated to be realised through the sale of housing stock and other assets. This source of funding amounts to £83million over the period from 2008/09 to 2011/12.

Invest to save

For the 2007/08 capital budget process, the Council has also prioritised the development of “**invest to save**” or “**self financing**” capital projects. Within the proposed schemes for approval in the programme, a total of £38m of schemes are expected to be funded in this way. The most significant schemes are the Corporate Accommodation Strategy and modernisation of IT infrastructure.

Where opportunities exist for utilising potential capital receipts in a scheme the Council will look at the relevant business case of foregoing those receipts if this will generate greater service outcomes

5. **Capital Expenditure Plans in Council Departments**

The Authority has an ambitious capital investment programme aimed at meeting the Council's key priorities. These projects are detailed below. It should be stressed that all the initiatives commented upon are driven by the authority's corporate goals and the key to their delivery is successful partnership working.

The existing capital programme totals £203million and is set out in **Annex 1**. The proposed capital programme for 2008/09 to 2011/12 totals £452million, and is set out in detail at **Annex 2**. The most significant addition to the programme is in respect of Building Schools for the Future, investment in which will be £182m from 2008/09 onwards. The proposed new schemes for 2008/09 to 2011/12 are dependent on achieving “4 green lights” following EPO appraisal.

5.1 **Children's Services**

The Children's Services Department has identified a number of schemes to be included in the capital programme for funding during the next 3-5 years. They are summarised below:

Schools major repairs

Investment has concentrated mainly on schools in the past because of the responsibilities and the funding that have been available to improve schools' facilities. The Government has, in recent years, adopted a strategy of providing local authorities with some funding through the **School Modernisation Fund** – to support school improvements in terms of building condition and suitability. This funding has been supplemented with investment direct to schools by the Government and investment of the Council's own resources. We have tried to marry the two strands of funding to maximise investment in schools. To move the programmes forward has meant a continuous dialogue with schools and a common understanding and sharing of information through the development of the department's Asset Management Plan. Key priorities for schools major repairs include health and safety work, upgrading school kitchens, and implementing energy efficiency measures.

Investment in secondary schools

The approval by the Department for Education and Skills (DfES) of this Council's application to be in wave 4 of the **Building Schools for the Future** programme (starting in 2008/09) means that external grant funding of £182m will be invested in the Council's secondary schools.

Investment in primary schools

The Council was successful in securing £16.6m to invest in the development of additional primary school places in the Borough, particularly around the central Barking area. This is to be used to support a new primary school to replace the current Eastbury Infants' School, which will accommodate 630 primary pupils with a 39 place education nursery.

Additionally, it is planned to increase the school roll at Northbury Infants' and Junior Schools to increase the population by 210 pupils and this will entail the construction of seven new classrooms.

Outside of these programmes, the need for additional schools and places created by the Council's regeneration agenda is seeing plans being developed for new school sites and extensions to existing facilities. The availability of external funding (through both the government and developers) is vital for the Council to be able to sustain a growth in school population over the coming years. This is currently being reviewed in detail.

Children's centres

Apart from the children's centre proposed for Eastbury Infants' School, there are plans to provide six new children's centres currently in the capital programme. The Government will set targets to achieve further children's centres. These will be strategically placed across the Borough.

5.2 Regeneration

Regeneration projects

More than £700m has been invested in regeneration and new affordable housing over the past 10 years, with a further £800m anticipated by 2012. Through our external public and private partnerships we will secure £1.2 billion of investment to transform **Barking town centre**. This will provide employment and business opportunities as well as modern housing. Our flagship **Barking Learning Centre** is at the heart of the scheme and promises to tap into and develop residents' talents. We recognise that efficient transport systems will be critical to economic and environmental success, and have secured a commitment from the Mayor of London to prioritise an extension of the **Docklands Light Railway** into the borough.

The Council has recently been successful in securing external funding for significant schemes such as the **Lintons redevelopment**, and the **LEGI business centre grant**. The Council is committed to making available internal funding in future years to ensure that this inward investment continues, for example through match funding for projects.

Housing stock investment

Housing assets account for more than half of the Council's capital assets and almost half of the total housing in the Borough. The Council has developed a clear vision for housing in its **Housing Futures** programme.

Aims of the housing strategy are to create balanced and sustainable communities; improve housing conditions and standards across all sectors and to do this through strategic partnering and procurement.

The strategy for achieving these aims has been developed through an in-depth process of data analysis and consultation, building on the findings from the recently completed Public and Private Sector Stock Condition Survey and Housing Needs Survey update.

The findings of the stock condition survey have formed the basis of the investment decisions for all housing capital works. The aim is to ensure that all Council housing meets the Government's Decent Home Standard by 2010. The achievement of these ambitions creates a significant funding challenge for the Council. Plans to ensure that we achieve our aims need to be under constant review. In addition to this work, a pilot PFI scheme is underway at Oldmead and Bartlett Houses.

The provision of new affordable homes will in the main be funded by the Housing Corporation with capital allocations made direct to the Council's housing association partners for schemes which have been drawn up in partnership. However, particularly in relation to the re-provision of social rented housing associated with estate renewal schemes, the new affordable homes may be funded by a contribution of the Council foregoing part/or all of the Housing Revenue Account land value and cross subsidy from the new market price homes that are developed.

Environmental services

The capital programme includes a number of schemes that supports environmental services:

- Street Lighting - A rolling programme that will provide for the replacement of all street lanterns. These new sodium lanterns will improve visibility, deter crime and provide a safer environment.
- Management of Traffic - A rolling programme where schemes will be developed to ensure traffic is controlled in its speed, volume and use of suitable routes thereby achieving significant environmental improvements for the residents of the Borough.
- Local traffic schemes e.g. 20mph zones and accessibility.

The Council is also working with the Greater London Authority through Transport for London (TfL) to improve both transport networks in the Borough and to provide a cohesive strategy across London. The Authority receives direct grants for a range of schemes and initiatives including planned maintenance on principal roads, local traffic schemes, safer routes to schools, cycle lanes, bus routes and bridge strengthening. Investment in the Borough's non-principal road network is also a priority. A range of external funding has already been approved. Work for TfL for 2007/08 is nearing completion which will build on the success of the capital investment already achieved.

Office major repairs

The Council is committed to funding a rolling programme of office major repairs; funding for this purpose has been incorporated into the 2008/09 to 2011/12 capital programme.

Parks and open spaces

Future Capital investment within parks and open spaces is planned and being delivered under the **Parks and Green Spaces Strategy**. A significant success in 2006/07 saw the approval of £3m external funding from the **Heritage Lottery Fund** to support improvements to parks and green spaces across the borough.

5.3 **Customer Services**

Customer first

The Council has invested significant funding into developing a **foundation contact centre** and **one-stop-shops** across the borough over recent years, and these projects will continue into 2007/08. The aim of these projects is to underpin the Council's commitment to delivering **excellent customer services**.

5.4 **Adult and Community Services**

Health and social care

The Authority continues to review its whole approach to social care service provision in line with corporate priorities. With the need to modernise and rationalise services, a building based approach to service provision is being continually challenged in terms of benefit to the users of our services to ensure

accommodation is fit for purpose. These schemes demonstrate that the Council is also committed to maintaining its social care establishments to the necessary standards of care as prescribed by the Commission for Social Care Inspection (CSCI), as well as providing suitable accommodation for its staff.

There has been the replacement of residential care homes for older people, with new housing with care schemes. These schemes were developed by utilising LASHG (Social Housing Grant). 2005/6 saw the opening of a new residential care home for younger adults with learning disabilities along with day care re-provision. Further nursing and day care facilities have been developed in 2006/07, along with a continuation of a major social services refurbishment programme.

The Council is currently considering options to maximise the use of assets and buildings with the Barking and Dagenham Primary Care Trust (PCT). The Local Initiative Finance Trust (LIFT) programme is being looked at to develop health and social care centres in the borough, together with a new build nearing completion of an intermediate care/rehabilitation facility together with nursing bed provision in partnership with the PCT. This will contribute to the strategy for reducing un-necessary admission to hospital, and speed up discharge and transfer from hospital settings.

Community safety

Major **CCTV projects** have continued in 2007/08 to improve community safety across the borough. Projects have been underway in Barking Town Centre, the Gascoigne Estate and Chadwell Heath High Road.

Arts and heritage

The Council has been successful in leveraging in significant external funding to upgrade its heritage assets over the next three years. Significant projects are also underway for major works to **Eastbury Manor House** and **Valence House**. These projects are being funded from a combination of internal resources, and grants from the **Heritage Lottery Fund**.

Voluntary sector

We are also committed to securing appropriate accommodation for the voluntary sector, and our capital expenditure plans include a commitment to fund the necessary works to achieve this goal. In turn, this will help to develop the capacity of the voluntary sector to contribute to a range of Council priorities.

5.5 **Resources**

Modern Ways of Working

The Council's "modern ways of working" programme includes proposals for significant capital investment. A key theme within this strategy is to rationalise and upgrade **office accommodation**. Significant upgrades to the quality of office space are being proposed, which will be funded from the savings on running costs from the old sites. In addition, there will be significant investment in **IT infrastructure**. The programme as a whole will be self-financing, with revenue savings funding the costs of investment.

6. **Assets Portfolio**

6.1 **Non-operational and Commercial Property**

The Council holds a substantial portfolio of non-operational and commercial property.

The Authority has disposed of some of these from the portfolio because the holdings were either;

- uneconomic to manage,
- had potentially high capital value in comparison to rental income generated or
- capital could be better employed elsewhere in service delivery.

The Authority is committed to continue to review its portfolio with the intention of disposing of the remainder unless it falls into one of the following categories:

- Income generation investment - a good return on investment
- Social/ Community - e.g. local shops in isolated communities, in which case aim is to reduce subsidy.
- Strategic property e.g. properties acquired over time to enable larger schemes to proceed at future date.

6.2 **Land Disposals Programme**

The Council has been working on a major land disposals programme for both General Fund and Housing Revenue Account sites.

The land disposals programme is expected to deliver £43.5 million over the period 2008/09 to 2011/12 to support the financing of the capital programme.

Estimated "Right to Buy" receipts for Council housing stock (after pooling arrangements) is expected to be £13.4 million over the same period.

7. **Updating the Capital Programme**

The Council has a significant capital programme and it is important that this is well managed through a structured process to ensure that the Community and Corporate priorities are achieved.

The programme is heavily dependent upon funding from external sources and our own internal sources. The current position is that the level of capital receipts available to support the programme is reducing due to lower right to buy sales and fewer land disposals.

The **annual review of the capital programme** will take into account the availability of external funding, and the allocation of internal resources, as detailed in section 3. Directors are then asked to submit business cases for schemes agreed to be funded from internal resources, or those attracting external funding, on a detailed pro-forma. This will allow all the key issues to be available for Corporate Management Team and Executive consideration.

7.1 **Capital Appraisal System**

A review of the management of the Capital Programme was undertaken by KPMG in 2001. The review looked at both strategic programme management and individual project management and the resultant report made a number of recommendations to improve both these aspects. As a result there has been the creation of the Capital Programme Management Office (CPMO) to oversee the delivery of the capital programme. This office is now known as the Enterprise Programme Office (EPO).

All capital projects are required to be appraised and scored in terms of:

- Strategic fit
- Financial implications
- Deliverability & procurement
- Benefits plan

For any scheme to be included in the approved capital programme it needs to have successfully achieved the required score in each category. This is denoted by the category achieving a “**four green light**” status.

The appraisals have proved challenging to departmental programme managers and concentrated on issues such as risks to the Authority, revenue implications, deliverable benefits and measured outcomes to the community. The procedure used is **green book/treasury compliant** and meets the requirements of the Prudential Code for Capital Investment.

7.2 **Capital Monitoring**

A sophisticated model of monitoring is used by the Council and is referred to as the **Management Information Report (MIR)**. This procedure is run by the Capital Programme Management Office and is supported by Corporate Finance.

All project sponsors are required to submit progress on their schemes on a monthly basis and this in turn is included in the MIR and reported to the Council’s monthly **Resource Monitoring Panels** for each Department where both revenue and capital budgets are monitored.

Where additional funding becomes available during the year, further reports are submitted to the Executive to seek agreement to include in the Capital Programme, together with any other financial implications of the scheme.

Following this the **Executive** receives a **monthly budget monitoring** position on the Council's overall position for revenue and capital.

These processes enable the Council to maximise its capital investment and enable programme delivery of key requirements for the organisation.

7.3 **Tenders**

Tender lists are selected in accordance with Standing Orders and the agreed procurement route. Post tender reporting will follow established procedures in accordance with the Contracts Code of Practice and the Authority's procurement strategy. Within evaluations there is the need to look at Quality/Price assessments reflecting improved value for money in relation to whole life costs and greater community benefits i.e. projects being approved on a cost/benefit basis rather than lowest price.

7.4 **Procurement**

Effective procurement will enable the organisation to develop more efficient and best practice processes and procedures which will assist in the successful delivery of major procurement projects, the management of strategic partnerships and the realisation of savings that can be channelled into priority services or into council tax reductions.

To this end the Council has embarked on a number of procurement initiatives with a view towards maximising both financial savings and improving efficiency, ensuring that these procurement initiatives fit with the broader strategic objectives of the Council. Specific examples include the procurement of **Construction Framework Agreements** covering major programmes of construction work where contracts are let to a pre-selected number of contractors based on their ongoing performance as well as price. The outcome of this is the Council will have reduced costs and increased efficiency in its tendering processes, the sharing of risk and benefits with the contractors, and the ability to take advantage of the financial benefits derived from focussing construction expenditure on a finite number of contractors.

A review of the Council's contract procedures is underway, the outcome of which will include the application of Best Value procurement practices, improved management of risk and better contract management.

For future projects there will be a greater focus on exploring how opportunities to use various procurement options including use of consortia, partnering, with both the supply sector and other public bodies, and the use of voluntary and community sector can be exploited. There will also be more emphasis on building continuous improvement into project specifications. A recent example is the establishment of a **Local Education Partnership** (LEP) to support the Building Schools for the Future agenda.

Work is already underway to introduce electronic procurement solutions in order to improve efficiency in the procurement process, focus spend with contracted suppliers, improve invoice payment times and produce meaningful spend management information which will inform future procurement decisions and strategies.

We are also working to establish mechanisms through which employment opportunities for local people can be exploited and local businesses developed and encouraged to exploit trading opportunities provided by the Council through its procurement activities.

Underpinning all of the above the Council, in collaboration with the London Centre of Excellence, is developing a series of procurement performance indicators which will enable us to monitor year on year performance and the effectiveness of the procurement function both internally and in comparison with other public body organisations.

February 2008

Summary of Current Capital Programme 2008/09 to 2011/12

<u>Department</u>	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/1</u> <u>2</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Children's	5,763	4,905	5,350	0	16,018
Adults & Community	3,661	89	0	0	3,750
Regeneration	56,776	38,452	25,550	12,280	133,058
Customer Services	9,688	3,300	2,500	0	15,488
Resources	4,075	12,189	17,720	500	34,484
Total Programme	79,963	58,935	51,120	12,780	202,798
<u>Funding:</u>					
Internal Resources	41,327	44,526	37,620	780	124,253
External Sources	38,636	14,409	13,500	12,000	78,545
Total Funding	79,963	58,935	51,120	12,780	202,798

Proposed Capital Programme 208/09 to 2011/12

(Subject to additional schemes being approved Enterprise Programme Office & Resource Monitoring Panel)

<u>Department</u>	<u>2008/09</u> <u>£'000</u>	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Children's	21,043	56,335	77,350	58,000	212,728
Adults & Community	5,309	3,719	560	0	9,588
Regeneration	60,934	52,902	26,939	12,533	153,308
Customer Services	14,883	8,300	5,000	3,000	31,183
Resources	6,295	15,689	22,100	1,650	45,734
Total Programme	108,464	136,945	131,949	75,183	452,541
<u>Funding:</u>					
Internal Sources	53,473	71,656	46,449	5,183	176,761
External Sources	54,991	65,289	85,500	70,000	275,780
Total Funding	108,464	136,945	131,949	75,183	452,541

THE EXECUTIVE

19 FEBRUARY 2008

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

TREASURY MANAGEMENT ANNUAL STRATEGY STATEMENT, POLICY , PRUDENTIAL INDICATORS, ANNUAL INVESTMENT STRATEGY AND BORROWING STRATEGY	For Decision
<p>Summary This report deals with the Treasury Management Annual Investment Strategy Statement, Prudential Indicators, Annual Investment Strategy and borrowing limits, in compliance under section 15 (1) (a) of the Local Government Act 2003 for consideration by the Executive.</p> <p>The production and approval of a Treasury Management Annual Strategy Statement and Annual Investment Strategy are requirements of the Council under Section 15(1) of the Local Government Act 2003. It is also a requirement of the act to set an authorised borrowing limit for the forthcoming financial year.</p> <p>The Local Government Act 2003 also requires the Council to have regard to the Prudential Code, and to set prudential indicators which take into account the Council's capital investment plans for the next 3 years.</p> <p>Wards Affected All wards.</p>	
<p>Recommendation(s) The Executive is asked to consider and refer the following to the Assembly on 27 February 2008 for approval:</p> <ol style="list-style-type: none"> 1. The Treasury Management Strategy Statement for 2008/09 (this document); 2. The authorised borrowing limit of £150 million for 2008/09, which will be the statutory limit determined under section 3(1) of the Local Government Act 2003 (section 2). 3. The Borrowing Strategy for 2008/09 (section 7) 4. The Annual Investment Strategy for 2008/09, which states the investments that the Council may use for the prudent management of its investment balances (section 8). 5. The Treasury Management Prudential Indicators for 2008/09 (Appendix A). 	
<p>Reason(s) It is necessary for the Members to approve this report due to the requirements of the Local Government Act 2003 as stated above.</p>	
<p>Financial Implications The aim of this treasury management strategy is to maximise the Council's financial</p>	

resources. Detailed financial considerations are considered throughout this document.		
Legal Implications It is a legal requirement for the Council to set an annual treasury management strategy, as set out in the Local Government Act 2003.		
Risk Management There are no further risks issues other than those already detailed in this report.		
Social Inclusion and Diversity As this report does not concern a new or revised policy, there are no specific adverse impacts insofar as this report is concerned.		
Crime and Disorder This report has given careful consideration to the implications of Section 17 of the Crime and Disorder Act 1978 and there are no specific implications insofar as this report is concerned.		
Contact Officers: Joe Chesterton Miriam Adams	Title: Divisional Director of Corporate Finance Treasury & Pensions Manager	Contact Details: Tel: 020 8227 2932 Fax: 020 8227 2770 E-mail: joe.chesterton@lbbd.gov.uk Tel: 020 8227 2722 Fax: 020 8227 2770 E-mail: Miriam.adams@lbbd.gov.uk

1. Introduction

- 1.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act therefore requires local authorities to set out their treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.3 The Department of Communities and Local Government's (DCLG) investment guidance states that authorities could combine the Treasury Strategy Statement and Annual Investment Strategy into one report; the Council has adopted that suggestion and the Annual Investment Strategy is therefore included in section 7.
- 1.4. The 2008/09 strategy covers:
 - The Treasury Management Policy;
 - Treasury limits in force which will limit the treasury risk and activities of the council;
 - Treasury Management Prudential Indicators;

- The current treasury position and borrowing requirement;
- Prospects for interest rates;
- The borrowing strategy;
- The investment strategy,
- End of year investment report; and
- Use of External Fund Managers.

1.5 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This therefore means that increases in capital expenditure must be limited to a level whereby increases in capital charges to revenue from any increases in interest charges caused by increased borrowing to finance additional capital expenditure, and any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

2. Treasury Management Policy

- 2.1 The Council defines the policies and objectives of its treasury management activities as the management of the authority's cash flows, its banking, money and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance with those risks
- 2.2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will focus on their risk implications for the Council.
- 2.3 The Council is aware that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

3. Treasury Management Prudential Indicators and Treasury Limits

- 3.1. It is a statutory duty under section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The Act specifies that Councils must have regard to CIPFA's Prudential Code for Capital Investment. This code sets a range of indicators in respect of Treasury Management. A key indicator is the Authorised Borrowing Limit. In setting this limit, the Council must have regard to the Prudential Code by ensuring that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

The code defines this limit as a limit gross of its total external debt, gross of investments, separately identifying borrowing from other long term liabilities.

- 3.2. It is proposed that the 'Authorised limit' remain at £150m for the years 2008/09 to 2010/11. The capital programme report that is also being considered on this agenda is proposing a total capital programme that will lead to a borrowing requirement of around £80m to £90m over the next 3 years. This will fund projects such as the corporate accommodation strategy (circa £20m), highways maintenance (£20m), IT infrastructure (£11m), Becontree Heath Leisure Centre (£10m), Valence House (£5.5m) and a range of other capital schemes.
- 3.3. As this is a legal limit, sufficient headroom has been provided to ensure that any major capital investment projects where financing has yet to be finalised, such as Housing Futures, are not restricted by this statutory limit. This limit would cover any short term borrowing for cashflow purposes as well as long term borrowing for capital projects.
- 3.4. The code also requires the local authority to set an operational limit for the 2008/09 financial year and the following two financial years for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. The operational limit is the level at which the Council would actually need to borrow in any one year to meet its capital financing requirements for the capital programme.
- 3.5. Further details on the Council's Treasury Indicators have been included in Appendix A to this document.

4. **Current Portfolio Position Investments**

- 4.1. The table below shows the Council's current treasury portfolio position for the first three quarters of 2007/08 to 31 December:

	31 March 2007	31 December 2007
	£ Million	£ Million
Council in House Team	40.5	75.8
Scottish Widows	20.7	21.5
Investec Asset Management	57.7	34.5
Borrowing	nil	Nil
Total	118.9	131.8

- 4.2. Each year, Council Officers consult with its treasury management advisor Sector to determine appropriate benchmarks for investment returns. External fund managers have been informed of these proposed benchmarks and have set their investment strategies accordingly. They are as follows:

	2008/09 Benchmark	Reason
<ul style="list-style-type: none"> Investec Asset Management 	5.5% (or 3 month LIBID, whichever is higher)	<ul style="list-style-type: none"> Bank Rate now 5.5% as at January 2008 Bank Rate Forecast to remain within the range of 5.5% and 5.0% Maximising of council's return on investments at minimal risk Maximisation of the Council's returns in order to meet budget pressures
<ul style="list-style-type: none"> Scottish Widows 	5.75%, (or 3 month LIBID, whichever is higher)	

4.3 The 2008/09 benchmarks for Investec has remained at the higher of 5.5% and 3 month LIBID while the benchmark for SWIP has changed from the higher of 5.5% and 3 month LIBID to the higher of 5.75% and 3 month LIBID. The investment strategy of SWIP is such that they take more risk within this portfolio than is the case with Investec. As such, their benchmark is set at a higher level. However, the risk undertaken is within acceptable risk parameters.

4.4 Benchmarks are set to ensure that the council maximises its return on investments, provide sufficient challenge to fund managers, and ensure that the treasury management strategy is in line with the budget strategy. It also takes into account the effect of future projections for interest rates.

5. Prospects for Interest Rates

5.1. The level of, and fluctuations in, interest rates, are a key consideration for any treasury management strategy. The Council invests its portfolio throughout the year, and the level of interest rates determines the interest receipts that are generated to support ongoing revenue expenditure.

5.2. To arrive at an expectation of interest rates for 2008/09, and beyond, a number of judgements and assumptions are made; in addition this involves a degree of uncertainty.

5.3. The Council has appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Appendix B draws together a number of current City forecasts for short term or variable and longer fixed interest rates.

5.4 It is expected that rates in 2008/09 will take a downward trend from the current level of 5.25% with expectations tending towards a further 0.25% cut in quarter 1/quarter 2 in 2008 before the Bank Rate stabilises for the next two years.

5.5. The Council has set the external and internal fund managers challenging targets and would expect a higher rate of return than merely matching the base rate.

6. Borrowing and Borrowing Strategy

- 6.1 The Council does not anticipate to borrow in 2007/08, its capital expenditure will be financed directly through Government grants and capital receipts. However, it is anticipated that in 2008/09 and beyond the Council will have to borrow to finance capital expenditure. In addition to those projects already underway, there are significant projects that require the Council to consider funding options in the longer term. They include Housing Futures, the Corporate Accommodation Strategy and a number of other projects designed to meet the Council's regeneration and customer first agendas.
- 6.2. There may also be instances where there is a business benefit of borrowing. For example, the construction of a car park could be financed by a loan, while the longer term income received on this asset would make the borrowing economically viable.
- 6.3. The borrowing decision is a treasury management decision and there is a key objective of trying to borrow as low as possible within the interest rate cycle in order to secure long term funding for capital projects at affordable borrowing rates.
- 6.4. Borrowing Objectives: Reducing the revenue cost of borrowing to its minimum and appraisal of new sources of finance and loan instruments in order to achieve minimum risk while having regard to the maturity profile of loans is key due to the impact that these factors have on the authority's revenue budgets. The authority must consider borrowing fixed rate funds when interest rates are low and variable rates when borrowing or investment cash rates are high and expected to go lower. In addition the Council may have to fund known capital needs ahead of that need in order to take advantage of lower fixed term rates and market opportunities. Currently the market is expecting interest rates to fall.
- 6.5. Borrowing Options: The decision to borrow is being taken in consultation with our expert treasury advisors. A mix between Public Works Loans Board (PWLB) and money market loans is recommended by our treasury management advisers. In addition there may be instances where short term borrowing is advantageous from an overall treasury management point of view.
- 6.6. Portfolio Mix: The Council's treasury management advisers have recommended a 50/50 split in the debt portfolio in the long term. It is advised that at each point in time the Council should have a portfolio where no more than 10% of its debt matures in any one year. However at the onset of building its debt portfolio the Council would have 100% maturities as 100% of its debt would be from one particular source. This highlights the importance of building a portfolio of debt.
- 6.7. Risk Evaluation: The Council will borrow in tranches as the opportunities arise in the market in order to reduce its financing risk. The Council continues to dedicate resources with its treasury management advisers to evaluate the prospects and effect of borrowing.
- 6.8. Other Considerations: As the Council continuously evaluates and updates its capital programme needs the decision to borrow and the amount to borrow will also be evaluated to follow suit as the potential to borrow may increase once new capital schemes are approved.

6.9. Portfolio Life: In any debt portfolio there will be a range of maturities out as far as 70 years. As part of the proactive management of the debt portfolio these loans will be considered for debt restructuring through monitoring and where a financial benefit can be made, debt will be restructured within acceptable risk parameters in the treasury management strategy. The debt maturity profile will not stay static because when opportunities arise they are taken in order to reduce the council's underlying financing costs which will impact on the revenue budget.

6.10 The table below indicates the estimated range of total borrowing requirement (cumulative) from 2008/09 to 2010/11:

	2008/09 £m Estimate	2009/10 £m Estimate	2010/11 £m Estimate
TOTAL	45-55	65-75	80-90

6.11 A borrowing limit of £150m has been set per paragraph 3.1. This limit would apply to both short term and long term borrowing, and would be used to address cashflow issues in the short term, and capital financing issues in the longer term.

6.12 The borrowing rate forecast for 2008/09 from the Council's treasury management advisers is based around an expectation that there will normally be variations of +/- 25bps during each quarter, this is as follows:

- The 50 year PWLB rate is expected to fluctuate by 0.05% between quarters in 2008/09, Q1 4.5%, Q2 4.45%, Q3 4.45% and Q4 4.45%.
- Similarly, the 25 year PWLB rate is expected to fall progressively from 4.65% to 4.5% in Q4%
- The 10 year PWLB rate is expected to fall from 4.7% in Q1 2008 to 4.55% in Q3, followed by a gradual rise.
- The 5 year PWLB rate is expected to fall from 4.7% in Q1 2008 to reach 4.55% in Q3 2008 and to then gradually rise.
- The forecast indicates, that the borrowing strategy for 2008/09 should be set to take 20 – 30 year borrowing. However it should be noted that attractive rates could be available at any time in the year when there is a dip down in rates.
- The Council currently has no debt and would be at a point in 2008/09 where by a portfolio is being built, it is therefore on that back ground that debt rescheduling has not been considered in full detail. However where in future the Council is to reschedule its debt due to a need to generate cash savings and / or discounted cash flow savings or to help fulfil the strategy or enhance balance of the portfolio then all rescheduling will be reported to the Executive and considered on the adviser of the treasury management advisers.

7. ANNUAL INVESTMENT STRATEGY

Investment Policy

7.1 The Council must have regard to the DCLG's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and the Chartered Institute of Public Finance Accountants (CIPFA)'s Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:

- (a) The security of capital and
- (b) The liquidity of its investments

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The ability to get access to funds when they are required is also key.

7.2 Under the requirements of the Investment Guidance issued by the Department of Communities, investments need to be classified into specified and Non-Specified. The Annual Investment Strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the headings of Specified Investments and Non-Specified Investments. It is a requirement to report these investments to the Executive for approval. These are listed in Appendix C. It also sets out:

- The procedures for determining the use of each asset class (advantages and associated risk), particularly if the investment falls under the category of “non-specified investments”; and
- The maximum periods for which funds may be prudently committed in each asset class is also listed in Appendix C.

7.3 For 2008/09, the strategy has been amended so that the Council can invest in products which will maximise investments returns, hence the Council would maintain a mixed portfolio of investments in 2008/09. Where the maximum returns can be achieved and on the advice of our advisers, we may seek to invest in callable investment products and other structured products. In addition our external fund managers may seek to invest in pooled money market funds with permitted weighted average maturity of less than 1 year so can be classified as specified investments. Gilts investments will continue to remain on a segregated basis.

Investment Objectives

7.4 All investments will be in sterling. The general policy objective for this Council is the prudent investment of its treasury balances. The Council’s investment priorities are the security of capital and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. We have set challenging targets for 2008/09, and the risk of balancing returns with prudence will need to be managed.

7.5 The DCLG maintains that the borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

Security of Capital: the use of Credit Ratings

7.6 Barking and Dagenham relies on credit ratings published by Fitch and Moody to establish the credit quality of counterparties (issuers and issues) and investment schemes. The Council has also determined the minimum long-term, short-term and other credit ratings it deems to be “high” for each category of investment.

7.7 Monitoring of credit ratings:

- All credit ratings will be monitored monthly. The Council has access to Fitch credit ratings and is alerted to changes through its use of the Sector website;

- If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the further use of that counterparty /investment scheme as a new investment will be withdrawn immediately. The Council will also immediately inform its external fund managers of the withdrawal of the same;
- If counterparty is down graded but still meets the Council's minimum criteria, it would be watched closely and any further downgrading would result in the Council removing it from its lending list;
- If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion will be considered and put to the Divisional Director of Corporate Finance for approval;
- The Council will establish with its fund managers their credit criteria and the frequency of their monitoring of credit ratings so as to be satisfied as to their stringency and regularity; and
- The Council will continue its approach of investing no more than 20% of its aggregate funds to any particular counterparty or £15m which ever is higher. However there may be exceptional circumstances with the Council's call account with bank of Scotland where it is advantageous and where the risk has been assessed as being minimal to invest more than the approved limits, where this is done the Divisional Director Corporate Finance will be notified.

Investment balances / Liquidity of investments

7.8 The sum invested broadly represents the capital receipts that the Council has not yet re-invested into capital projects, financial reserves and provisions, together with the impact of any difference between the collection of income and council expenditure. These figures are based on delivery of the current approved capital programme as outlined in the Council's capital strategy.

31 March	Council's Investment Fund Balance	
	Actual (£'m)	Forecast (£'m)
2005	187	
2006	154	
2007	117	
2008		113
2009		101

7.9 Based on its cash flow forecasts, the Council anticipates its fund balances by 31 March 2008 to be approximately £113 million. This is based upon the 2007/08 capital programme expenditure profile (including a prudent allowance for slippage) and both agreed and forecast use of reserves and other balances.

7.10 The table below shows a run down in the Council's level of investments as it delivers the capital programme and, for the first time in a number of years, new borrowing from 2008/09 onwards.

	31 March 2007 Actual £m	31 March 2008 Estimate £m	31 March 2009 Estimate £m	31 March 2010 Estimate £m	31 March 2011 Estimate £m
Investments					
Total Investments at 31 March	117	113	101	87	87
External Debt					
Borrowing	0	0	50	70	85
Other long term liabilities	0	0	0	0	0
Debt at 31 March	0	0	50	70	85
Annual change in debt	0	0	50	20	15
Borrowing costs for financial year	0	0	1.8	3.3	4.1
Total Investments less Total Debt	117	113	51	17	2

7.11 The Council may permit its external fund managers to use instruments such as gilts, bonds, pooled funds, callable investments and other longer-dated instruments. Limits will have to be established in the use of such instruments to ensure that the Council can have access to its investments to finance the capital programme. These Treasury Management limits can be set as either a £ amount or percentage.

7.12 Giving due consideration to the Council's level of balances over the next 3 years, the need for liquidity, its spending commitments and provisioning for contingencies, the Council has determined that £40m of its overall fund balances can be prudently committed to longer term investments (i.e. those with a maturity exceeding a year).

Investments defined as capital expenditure

7.13 The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as 'non-specified investments'.

7.14 A loan or grant by this Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by this Council. It is therefore important for this Council to clearly identify if the loan has made for policy reasons (e.g. to the registered social landlord for the construction/improvement of dwellings) or if it is an investment for treasury management purposes. The latter will be governed by the framework set by the Council for 'specified' and 'non-specified' investments.

Provisions for Credit-related losses

7.15 If any of the Council's investments appeared at risk of loss due to default, (i.e. this a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

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

7.17 The Council's external fund managers will comply with the Annual Investment Strategy. The agreements between the Council and the fund managers also stipulate guidelines on duration and other limits in order to contain and control risk.

8. Investment Strategy

8.1. The principles of the proposed strategy for 2008/09 are as follows:

- The weighting of the funds between the different fund managers which may occur as a result of requesting for money back will be kept under review in order to ensure that an adequate spread of risk is maintained within the smaller portfolio;
- To minimise interest rate risk and maintain balances between short and long term in order to accommodate interest rate risks; and
- External investments will be managed in accordance with the policy guidelines set out in the management agreements with each of the fund managers. These demand the securing the highest rate of return commensurate with the maintenance of the capital value of the investment.

8.2. Treasury Advisor Outlook: The Council's treasury management advisors Sector are forecasting that the bank rate has started a downward trend from 5.5% in December 2007 to 5.25% in February 2008 and 5.00% in Q2; it is then expected to remain unchanged for the next two years. The Council will therefore seek to lock in longer period investments at higher rates before this fall starts for some element of its investment portfolio which represents its core balances.

8.3. For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (1-3 months) in order to benefit from the compounding of interest and where a borrowing option is cheaper seek to consider such options.

9 Use of External Fund Managers

9.1 It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep the Council's investment strategy. The level of external balances is under constant review as the level of capital receipts diminishes. The performance of each manager is reviewed monthly by the Chief Financial officer and quarterly in accordance with the treasury management adviser.

9.2 The Council currently uses two fund managers, Scottish Widows (SWIP) and Investec Asset Management. £55m of the Council's funds are currently managed on a discretionary basis by Investec and Scottish Widows. £25million was withdrawn from Investec in 2007. If and when there is a need to change the mix of

managers or to completely withdraw funds from a manager or to alter their investment parameters, a further report will be made to members.

- 9.3 **Investec** provides the Council with a periodic outlook on interest rates. They estimate three different scenarios for returns. The worst case is 5.00%, the central case is 5.25% and best case is 5.50%. These scenarios are based on the recent trend of the MPC who are seen to be flagging up much more dovish policies for the New Year with at least two further rate cut seeming as inevitable as they see the risk of below trend growth as a greater threat to the UK economy than that of inflation. Secondly 3 month LIBOR has fallen from 6.6% to below 6% in the past few weeks and we have also seen significant reductions in longer LIBOR levels.
- 9.4 Investec believe that it is too soon to say that the credit crunch is over but they do, nonetheless, believe that the severe illiquidity witnessed in the shorter end of the money markets in the past few months will not return. Accordingly their 2008/9 forecasts do not need to repeat a scenario which assumes that the credit squeeze continues into 2008 at the worst of the levels seen last year. They anticipate at least two further rate cuts in 2008 (which are already more than priced in the markets) we have made reductions to our forecasts for 2008-9. Forecasts for the current year have not changed.
- 9.5 **Scottish Widows** also provide the Council with a forecast of their returns on the Council's investments based on two strategy options, 110% and 115%, the latter representing a higher risk strategy. The fund manager is currently pursuing the 115% strategy and expects to achieve a return of at least 5.75% for 2008/09.

10. End of year Investment Report

- 10.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

11. Consultees

- 11.1 The officers consulted on this report are:
Joe Chesterton – Divisional Director of Corporate Finance
John Hooton – Group Manager Accounting & Technical Finance
Lee Russell – Group Manager, Resources & Budgeting Finance
Miriam Adams – Treasury & Pension Manager
External – Sector Treasury Services

Background Papers:

Local Government Act 2003
CIPFA – The Prudential Code for Capital Finance in Local Authorities
CIPFA – Treasury Management in the Public Services
Approved capital programme 2007/08 to 2009/010
Monthly Treasury Management Report
Medium Term Financial Strategy 2007/08 to 2009/10

The Prudential Code for Capital Investment in Local Authorities

1. Introduction.

- 1.1. The Prudential Code for Capital Investment was introduced in April 2004 as part of the Local Government Act 2003. The Prudential Code for Capital Investment allows each council freedom over its level of capital expenditure so long as it is prudent, affordable and sustainable. In order to show it is working within these limits the Council must approve, revise and monitor a range of indicators.
- 1.2. To enable councils to establish whether their proposed borrowing is affordable and prudent the Chartered Institute of Public Finance and Accountancy (CIPFA) has produced The Prudential Code for Capital Finance in Local Authorities. This identifies a range of indicators which must be considered by the Council when it makes its decisions about its future capital programme and sets its budget.
- 1.3. The Prudential Code prescribes a number of **Treasury Indicators**. This appendix deals with the following indicators:
 - PI (prudential indicator) 10 – Authorised Borrowing Limit
 - PI 11 – Operational Borrowing Boundary
 - PI 13 – Adoption of the CIPFA Treasury Management Code
 - PI 14 – Fixed Interest Exposure
 - PI 15 – Variable Interest Exposure
 - PI 16 – Maturity Structure of Borrowing
 - PI 17 – Investments over 364 days

2. External Debt

- 2.1 In the medium term local authorities only have the power to borrow for capital purposes. The current position is that the Council will embark on borrowing in 2008/09.
- 2.2 External borrowing and investment arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. In accordance with best professional practice the Council does not associate borrowing with particular items or types of expenditure. This means that in day to day cash management no distinction can be drawn between revenue or capital funds nor, similarly, between Housing Revenue Account and the General Fund. It should be noted that the code requires that off-balance sheet private finance initiative (PFI) schemes will be treated as outside the prudential indicator for debt, by absorbing revenue resources, they will have to be taken into account in determining the proposed level of capital investment is affordable.
- 2.3 **The authorised limit** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by members. It reflects the statutory limit determined under section 3 (1) of the Local Government Act 2003.

- 2.4 **The operational limit** – This represents a limit beyond which external debt during the course of the year; it is not a limit. Actual external debt could vary around this boundary for short times during the year. It should act as a monitor indicator to ensure the authorised limit is not breached. The limit is usually lower than the authorised limit.
- 2.5 At any point in time there are a number of cash flows in and out of the Council’s bank account which are caused by the differential timing of payments and receipts from the Council. It is possible that an unanticipated cash movement could lead to a requirement for temporary borrowing. Such decisions will need to take into account the affordability of borrowing, but it is important that the operational boundary leave sufficient “headroom” for these eventualities.
- 2.6 The difference between the authorised limit and operational boundary for borrowing is that the authorised limit includes a head room for borrowing for future known capital needs now. However the Council will only do so if it expected long term borrowing rates to rise significantly before 2009/10 – 2011/12.
- 2.7 For this reason the Executive is recommended to approve the authorised limits and operational boundary limit set out in Table 1.

3. Prudential Indicators

Table 1: Operational Limit and Authorised Borrowing Limits (Prudential Indicators 10 and 11)

	2007/08 £'million	2008/09 £'million	2009/10 £'million	2010/11 £'million	2011/12 £'million
Borrowing	0	50.0	70.0	85.0	85.0
Other long-term liabilities	Nil	Nil	Nil	Nil	Nil
Operational Boundary on Borrowing	0	50.0	70.0	85.0	85.0
Authorised Limit (affordable limit)	150.0	150.0	150.0	150.0	150.0

- 3.1 These limits give the Chief Financial Officer authority to undertake borrowing for cash flow purposes. For this reason, in taking its decisions on this budget report, the Council is asked to note that the authorised limit for 2008/09 will be the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Adoption of the CIPFA Treasury Management Code (Prudential Indicator 13)

- 3.2 The authority has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector. Treasury management creates the link between an authority's CFR and the structure of its external debt. Like the operational boundary, these are of direct relevance to day to financial management.
- 3.3 The new Prudential Code for Capital Finance in Local Authorities supplements this by requiring council's to calculate specific indicators to demonstrate the prudence of its treasury management policies. These are detailed below:

Fixed Interest Exposure (Prudential Indicator 14)

- 3.4 Currently borrowing has been only in the short term for cashflow purposes; there has not been any need for the authority for exposure to long term exposure to fixed interest rates on borrowing. This indicator will be reviewed in detail once the Council commences borrowing in 2008/09.

Variable Interest Exposure (Prudential Indicator 15)

- 3.5 The Council will not be exposed to variable interest rate risk since all its borrowing will be at known overdraft rates (if this occurred) and fixed rates.

Maturity Structure of Borrowing (Prudential Indicator 16)

- 3.6 This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period. As the Council currently does not have a debt portfolio, and rates suggest that it is advantageous to borrow over a term between 25 – 30 years, all long term borrowing taken is expected to be over a period of more than 25 years except as otherwise advised by treasury management advisers.

Investments over 364 days (Prudential Indicator 17)

- 3.7 The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. The risk inherent in the maturity structure of the Council's investments is that it may be forced to realise an investment before it reaches final maturity and thus at a time when its value may be dependent on market conditions that cannot be known in advance. Taking into account the current level of investments, and future projections of capital expenditure, the following limits will be applied to sums invested:

Table 2: Principle Sums Invested

	2007/08 £'million Estimate	2008/09 £'million Estimate	2009/10 £'million Estimate	2010/11 £'million Estimate
Total Investments (average)	113	101	87	87
Maximum invested over 1 year	28	40	40	0
Maximum invested over 2 years	0	40	0	0
Maximum invested over 3 years	0	0	0	0

3.8 These limits are derived from current projections on interest receipts and spending on the capital programme. They also include a level of contingency to take into account an element for new capital bids, and potential shortfalls in receipts from the disposals programme.

4. Summary Assessment

4.1 The Prudential Indicators confirm that the proposed treasury management strategy, in conjunction with the Council's budget strategy and capital programme, is in compliance with the key themes of the Prudential Code, those being prudence, affordability and sustainability.

4.2 The Council needs to confirm it is happy with the arrangements, whereby the Chief Financial Officer has authority, in exceptional circumstances, to borrow up to £150 million. It is anticipated that in practice that such borrowing is unlikely to be necessary.

4.3 The treasury management indicators will be regularly monitored throughout 2008/09.

INTEREST RATE FORECASTS

Sector Treasury Services compile forecasts on interest rates that are key considerations for the Council's Treasury Management Strategy. The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions. The various forecasts reflect the current volatility in the bank rates which was as a result of the subprime mortgage effect in the US in August 2007 and collapse of the US stock market in January 2008. As the Council is likely to borrow in 2008/09, the Council continues to make itself aware of the risks involved in borrowing and has consulted extensively with Sector with regards to this.

The forecast within this strategy statement has been drawn from these diverse sources.

1. INDIVIDUAL FORECASTS – INVESTMENTS AND BORROWING

Sector View interest rate forecast – 31.01.2008

Sector's view is that the bank rate started on a downward trend from 5.75% to 5.5% in December 2007, to be followed by further cuts in Q1 2008 to 5.25% and to 5.00% in Q2 2008, then unchanged for the following years.

	Q/E4 2007 %	Q/E1 2008 %	Q/E2 2008 %	Q/E3 2008 %	Q/E4 2008 %	Q/E1 2009 %	Q/E2 2009 %	Q/E3 2009 %	Q/E4 2009 %	Q/E1 2010 %	Q/E2 2010 %	Q/E3 2010 %	Q/E4 2010 %	Q/E1 2011 %
Bank Rate	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
5 yr PWLB	4.80	4.70	4.65	4.55	4.55	4.60	4.70	4.75	4.80	4.80	4.80	4.85	4.85	4.85
10yr PWLB	4.80	4.70	4.60	4.55	4.55	4.55	4.55	4.60	4.70	4.75	4.75	4.80	4.80	4.80
25 yr PWLB	4.65	4.60	4.55	4.55	4.50	4.55	4.55	4.60	4.65	4.70	4.70	4.70	4.70	4.75
50 yr PWLB	4.55	4.50	4.45	4.45	4.45	4.45	4.45	4.50	4.50	4.55	4.55	4.55	4.55	4.60

UBS Economic interest rate forecast (for quarter ends) – 24.12.2007

	Q/E4 2007 %	Q/E1 2008 %	Q/E2 2008 %	Q/E3 2008 %	Q/E4 2008 %
Base Rate	5.50	5.25	5.00	4.75	4.50
10 yr PWLB	5.19	5.23	5.25	5.30	5.35
25 yr PWLB	4.70	4.75	4.80	4.85	4.90
50 yr PWLB	4.55	4.60	4.65	4.70	4.75

Capital Economics interest rate forecast – 24 December 2007

	Q/E4 2007 %	Q/E1 2008 %	Q/E2 2008 %	Q/E3 2008 %	Q/E4 2008 %	Q/E1 2009 %	Q/E2 2009 %	Q/E3 2009 %	Q/E4 2009 %
Base Rate	5.50	5.25	5.00	4.75	4.50	4.25	4.00	4.00	4.00
5yr PWLB	4.65	4.45	4.35	4.05	3.95	4.05	4.25	4.35	4.75
10 yr PWLB	4.65	4.45	4.25	4.15	4.15	4.25	4.45	4.65	4.85
25 yr PWLB	4.65	4.55	4.45	4.45	4.35	4.45	4.55	4.75	4.95
50yr PWLB	4.55	4.55	4.45	4.35	4.25	4.35	4.55	4.65	4.75

2. SURVEY OF ECONOMIC FORECASTS

HM Treasury – November 2007 summary of forecasts of 24 City and 13 academic analysts for Q4 2007 and 2007. (2009 – 2011 are based on 21 forecasts)

	Bank rate actual	Quarter ended		annual average bank rate		
		Q4 2007 %	Q4 2008 %	ave. 2009 %	ave. 2010 %	ave. 2011 %
Median base rate	5.75	5.80	5.30	5.24	5.22	5.26
Highest base rate	5.75	5.80	6.30	6.00	6.00	6.00
Lowest base rate	5.75	5.30	4.80	4.5	4.06	4.00

Economic background

Sector Treasury Services also provide the Council with economic information to support their views on interest rates. It is important that this information forms part of the basis upon which the Council's Treasury Management Strategy is informed by such information. This section summarises some of the key developments.

UK

- GDP: growth has been strong during 2007 and hit 3.3% year on year in Q3. Growth is expected to cool from 3.0% in 2007 as a whole to 2.0% in 2008.
- House prices started to decline on the downswing in Q3 2007 and this is expected to continue into 2008.
- The combination of increases in Bank Rate Banks have also tightened their lending criteria since the sub prime crisis started and that will also dampen consumer expenditure via credit cards and on buying houses through obtaining mortgages.
- Banks have also tightened their lending criteria since the sub prime crisis started and that will also dampen consumer expenditure via credit cards and on buying houses through obtaining mortgages.

International

- The US, UK and EU economies have all been on the upswing of the economic cycle in 2005 and 2006 and so interest rates were successively raised in order to cool their economies and to counter the build up of inflationary pressures.
- The US is ahead of the UK and EU in the business cycle and started on the downswing of the economic cycle during 2007. The Fed. Rate peaked at 5.25% and was first cut in September by 0.5% to 4.75%. This was a response to the rapidly deteriorating prospects for the economy in the face of the down turn in the housing market, the sub prime mortgage crisis and the ensuing liquidity crisis which started in August 2007 and has subsequently resulted in banks making some major write offs of losses on debt instruments containing sub prime mortgages. Banks have also tightened their lending criteria which has hit hard those consumers with poor credit standing.
- The Fed has cut its rate again, to 4.5% in October 2007 and to 4.25% in December and is expected to cut by another 0.25% to 0.75% by April 2008 to try to stimulate the economy and to ameliorate the extent of the downturn.
- EU growth has been strong during 2006 and 2007 but will be caught by the general downturn in world growth in 2008.

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Specified Investments:

The classification of investments as specified and non-specified is constantly reviewed. The Chief Financial Officer ensures that investment products are fully understood and the risks and compliance with CIPFA Code of Practice on Treasury Management is full appraised and understood.

All investments which fall under the classification of specified investments will be sterling denominated and have maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable

	Minimum Credit Criteria	Use
Debt Management Agency Deposit Facility	Govt Backed-Not Credit Rated	In-house
Term deposits – UK government	Govt Backed-Not Credit Rated	In-house
Term deposits – other LAs	High Security – although not Credit rated	In-house
Term deposits – banks and building societies	Short-term F1,or equivalent, Support 1,2 or 3	In-house and fund managers
Certificates of deposits issued by banks and building societies	Short-term F1,or equivalent, Support 1,2 or 3	Fund managers
Callable deposits	Short-term F1, or equivalent, Support 1, 2 or 3	In – house and fund managers
Money Market Funds	AAA	In- house and Fund Managers
UK Government Gilts	AAA	Fund Managers
Gilt Funds and Bond Funds	long-term AA	Fund Managers
Treasury Bills	Govt Backed-Not Credit Rated	Fund Managers
Short term funds	AAA	Fund Managers
Pooled funds	AAA	Fund Managers

Non-Specified Investments:

A maximum of 75% will be held in aggregate in non-specified investments

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – UK government (with maturities in excess of 1 year)	Govt Backed-Not Credit Rated	In-house	25%	5 Years
Term deposits – other LAs (with maturities in excess of 1 year)	High Security – although not Credit rated	In-house	25%	5 Years
Term deposits – banks and building societies (with maturities in excess of 1 year)	Short-term F1, or equivalent, Support 1,2 or 3	In-house	25%	5 Years
Certificates of deposits issued by banks and building societies	Short-term F1, or equivalent, Support 1,2 or 3	Fund managers	75%	5 Years
UK Government Gilts with maturities in excess of 1 year	AAA	Fund Managers	75%	10 Years
Term deposits – callable deposits	Short-term F1, or equivalent, Support 1,2 or 3	In-house	25%	5 Years
Pooled Funds	Short-term F1, or equivalent, Support 1,2 or 3	Fund Managers	75%	5 Years
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	75%	10 Years
Bonds issued by a financial institution which is guaranteed by the UK government		In-house on a 'buy-and-hold' basis. Also for use by fund managers	75%	10 Years
Sovereign bond issues (i.e. other than the UK govt)	AAA	Fund Managers	75%	10 Years

THE EXECUTIVE

19 FEBRUARY 2008

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Budget Monitoring Report December 2007/2008	For Decision
<p>Summary:</p> <p>The report updates the Executive on the Council's revenue and capital position from the beginning of April to the end of December 2007.</p> <p>The position for revenue expenditure at the end of December 2007 highlights various pressures across Council departments totalling £1.7m. This position has increased slightly from the November position (£1.5m) due to a further increase of twelve Children's placements in the Children's department. However, in regard to all other service areas the previous reported pressures are continuing to reduce as a result of the implementation of a range of departmental action plans. In summary the £1.7m pressure can be identified as £1m within the Children's Services department and £0.7m within the Other departments. These remaining pressures need to continue to be addressed as part of the Council's ongoing budget monitoring process, and Director's have instigated action plans to ensure these are fully addressed by the year end. The overall position will continue to be closely monitored and the position will be regularly reported to both the Resource Monitoring Panels and the Executive.</p> <p>For the Housing Revenue Account, whilst pressures exist around housing subsidy, income from rents and repairs and maintenance costs, it is projected that an underspend of £133k will arise for 2007/08 which will be added to its balances for the financial year.</p> <p>In regard to the Capital programme, the current working budget is £60.5m. Directors have been and are continuing to review the delivery of individual capital schemes to ensure maximum spend is achieved by the year end, and to this end there a number of re-profiling and budget virement requests for individual schemes are contained within this report.</p> <p>Wards Affected: This is a regular budget monitoring report of the Council's resource position and applies to all wards.</p>	
<p>Recommendations</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note the current position of the Council's revenue and capital budget as at 31 December 2007 (Appendix A and C and Sections 3 and 5 of the report); 2. Note the position and projected out-turn for the Housing Revenue Account (Section 4 and Appendix B of the report); 3. Note the action plans being undertaken to alleviate the budget pressures to ensure that the necessary balanced budget for the Council is achieved by the end of the financial year. 	

<p>4. Agree the re-profiling of individual capital schemes as identified in Appendix D;</p> <p>5. Note the prudential indicators for April to December 2007 (section 6 of the report and Appendix E); and</p> <p>6. Note the financial Health indicators (section 7 of the report and Appendix F).</p>		
<p>Reason (s) As a matter of good financial practise, the Executive should be regularly updated with the position on the Council's budget.</p>		
<p>Implications:</p> <p>Financial: The overall revenue budget is indicating budget pressures in several areas, however, Directors are working to implement the necessary action plans to fully alleviate these pressures. The working capital programme is now reported at £60.5 million which includes the re-profiling and budget virement requests contained within this report.</p> <p>Legal: There are no legal implications regarding this report.</p> <p>Risk Management: The risk to the Council is that budgets are overspent and that this reduces the Council's overall resource position. Where there is an indication that a budget may overspend by the year end the relevant Director will be required to review the Departmental budget position to achieve a balanced position by the year end. This may involve the need to produce a formal action plan to ensure delivery of this position for approval and monitoring by the Resource Monitoring Panel and the Executive.</p> <p>Similarly, if there are underspends this may mean a lower level of service or capital investment not being fully delivered. Specific procedures and sanctions are in place through the Resource Monitoring Panels, Enterprise Programme Office (EPO), Corporate Management Team and the Executive.</p> <p>Social Inclusion and Diversity: As this report does not concern a new or revised policy there are no specific adverse impacts insofar as this report is concerned.</p> <p>Crime and Disorder: There are no specific implications insofar as this report is concerned.</p> <p>Options Appraisal: There are no specific implications insofar as this report is concerned.</p>		
<p>Contact Officer Joe Chesterton Lee Russell</p>	<p>Title: Divisional Director - Corporate Finance Group Manager, Accounting & Budgeting</p>	<p>Contact Details: Tel:020 8227 2932 E-mail: joe.chesterton@lbbd.gov.uk Tel: 020 8227 2966 E-mail: lee.russell@lbbd.gov.uk</p>

1. Introduction and Background

- 1.1 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. It is now practise within the Council for this

monitoring to occur on a regular monthly basis, which helps members to be constantly updated on the Council's overall financial position and to enable the Executive to make relevant decisions as necessary on the direction of both the revenue and capital budgets.

- 1.2 The report is based upon the core information contained in the Oracle general ledger system supplemented by detailed examinations of budgets between the budget holders and the relevant Finance teams to take account of commitments and projected end of year positions. In addition, for capital monitoring there is the extensive work carried out by the Capital Programme Management Office (CPMO).
- 1.3 The monthly Resource Monitoring Panels, chaired by the lead member for finance, and attended by Directors and Heads of Service, monitors the detail of individual departments revenue and capital budgets alongside relevant performance data and this also enhances and forms the basis of this report.

2. Current Position

2.1 Overview for Revenue Budget

At the end of December 2007 there remain various pressures across various Council departments which total £1.7m. This position has increased slightly from the November position (£1.5m) due to a further increase of twelve Children's placements in the Children's department. However, in regard to all other service areas the previous reported pressures are continuing to reduce as a result of the implementation of a range of departmental action plans. These remaining pressures will need to be managed and addressed as part of the Council's ongoing budget monitoring process and all departments are currently implementing a range of action plans to reduce these cost pressures. The overall position will continue to be closely monitored to ensure the full reduction in these pressures, and the position will be regularly reported to both the Resource Monitoring panels and the Executive.

3. Service Position

3.1 General

3.1.1 Details of each Department's current financial position are provided in Section 3 of this report and are summarised in Appendix A.

3.1.2 At the Executive meeting on 12 June 2007, Members approved a small number of roll forwards from 2006/07 for the revenue budget amounting to £290k (2006/07 £1.65 million) to be added to the relevant Departmental budgets for 2007/08.

It is important to remind Members that Directors need to use these funds to deliver the relevant services associated with the agreed roll forwards and that the appropriate work is undertaken to ensure delivery of full spend by the year end. In addition, consideration by Directors on the use of these roll forwards will need to be made where Departments are currently indicating pressures in their budgets.

3.2 **Adults and Community Services Department**

3.2.1 The Adult and Community Services budget position, after nine months of the financial year, has shown a further improvement from the November position. The current projection now indicates an overspend of £275k, which represents a £25k reduction from November.

3.2.2 The outstanding pressures continue to relate to the decision not to site the one-stop-shop/library at the Heathway which together with other cost pressures on employees and PFI & service charge costs at the Castle Green site could result in a £416k shortfall in the Libraries budgets. Pressures also exist in the Community Strategy area particularly around the Parks Police and the external security service.

3.2.3 The Department's Management Team remain committed to maintaining a sound financial base, dealing with current overspend areas, and bringing the departmental budget in on target for the current year. Value for money considerations are paramount within Adult and Community Services.

3.2.4 **Adult Care Services**

This area relates primarily to Older Persons Residential and Home Care services that are run by the Council. The budget is approximately £10m, and includes three residential homes for Older Persons, one residential home for Learning Disability clients, and two day centres for Learning Disability clients. Previous budget pressures relating to the delivery of the Older Persons Modernisation savings, in both residential and Home Care services, have primarily been dealt with, however some ongoing pressure areas still exist.

3.2.5 **Adult Commissioning Services**

These services represent Social Work/Care Management budgets in the department, together with services commissioned from the Independent and Private Sector. Service areas include Older Persons, Physical Disability, Learning Disability and Mental Health. The department has set itself some challenging targets in this area around procurement and commissioning gains/savings. Whilst current expenditure at the end of December is still slightly above the budget for this stage of the year, action plans are in place to reduce spend and bring the 2007/08 budget in on target by the year end.

Interface issues with the local Hospitals and the PCT regarding delayed transfers of care are always volatile, but work is ongoing to ensure these areas are actively managed. Efficiencies are expected from the full year effect of reviewing the Fair Access to Care Criteria (FACS).

The Executive will recall the pressures in 2006/07 regarding external care packages in this area, however, it is envisaged that the FACS review, robust monitoring and gate-keeping will mitigate these issues in 2007/8.

3.2.6 Community Safety and Preventive Services

This service area covers CCTV, Community Safety & Parks Police, Substance Misuse, and the Youth Offending Team of which the overall net budget is in the region of £2m. Pressures currently exist within the Parks Police and external security service. In addition substance misuse budgets are also under pressure, and the department has recently received notifications of reductions in Community Safety Grants, in particular Drugs Grants. Negotiations are ongoing with partners for additional funding to offset these reductions.

3.2.7 Community Services and Libraries

This service area covers Heritage and Libraries, the Lifelong Learning Centre, Community Development & Halls, Equalities & Diversity and the Neighbourhood Management Service. The net budgets of these services are in the region of £7m. Pressures currently exist in relation to the decision not to site the one-stop-shop/library at the Heathway, which will result indirectly in budget shortfalls in the Library's service, which together with employee costs and PFI & service charge costs at the Castle Green site could result in a £416k shortfall in the Libraries budgets. These issues are being addressed as part of the departmental action plan to deliver against the set budget.

3.2.8 Other Services, Central Budgets, Recharges, and Government Grants

The Adult and Community Services Department receive specific government grants, and incur recharges for departmental and divisional support. All specific grants will be used in support of the existing service areas as outlined above. A modest underspend is currently forecasted in this area which will be used to support the overall departmental position.

3.2.9 The department is continuing to work to implement a range of action plans to further address some of these pressures. In particular this includes working with partners to seek funding to contribute to these pressures. The overall departmental position will continue to be closely monitored by the Director and her Management Team to ensure the full reduction in these pressures, and the position will be regularly reported to both the Resource Monitoring panels and the Executive.

3.3 Children's Services Department

3.3.1 The Children's Service projected overspend position at the end of December has increased by £250k to £1m from that reported in November. This increase is due to a further twelve Children's placements in November and December which takes the total number of placements to 146.

3.3.2 The remaining reasons for the outstanding pressures include the non-delivery of some of the £1.4m approved savings for 2007/8, as well as financial pressures related to care leavers, multi-occupation buildings and PFI funded projects.

3.3.3 Safeguarding and Rights

The pressures reported earlier in the financial year on the Children's placements, and for Children leaving care budgets, were being partly alleviated by the approval of in-year budget adjustment of £3.5m. However in November and December a further twelve Children's placements were required to be made (which takes the total number of placements to 146) and this has added a further £250k pressure onto the 2007/08 budgets.

The service is implementing an action plan to address the position for the future which covers issues on fostering, prevention and commissioning.

Whilst these actions will reduce expenditure it is clear that the base budget position for children's placements for 2008/09 will need to be a key consideration as part of the 2008/09 budget process.

Overall there still remains an estimated £1.5m pressure in the service due to the numbers of Children in out-borough placements, and care leavers which are required to still be looked after as they are still in Education settings.

3.3.4 Schools Budgets

At this stage it is not envisaged there will be any significant financial pressures in regard to the individual schools budgets, and this is supported in that no school reported any significant deficit for the 2006/7 financial year.

3.3.5 Quality and Schools Improvement

This service area includes the Westbury Centre and Special Education Needs (SEN) Budgets. These budgets (approx £14m net), although projecting to break even at present, are very demand led and can be potentially problematic. Particularly close monitoring and controls are in place around SEN budgets.

3.3.6 Shared Services and Engagement

The Shared Services and Engagement budget covers areas involving early years, children's centres and childcare and extended schools. Although the net budget is only £1.6m the gross budget is in the region of £8 million, having benefited from significant government grants. No significant budget pressures are occurring presently, although the increased cost of subsidising Nursery places will continue to be kept under review.

3.3.7 Pupil and Family Support

This service area covers Admissions and Attendance, Youth Services and other pupil and family support. The net budget is in the region of £3.5m. Currently pressures are occurring in the order of £250k regarding saving commitments made for 2007/8 in the admissions area and Youth Service which are not being delivered.

3.3.8 Policy and Trust Commissioning, and Other Services

These budget areas relate to the central and support services for the Department, as well as pooled grants, and total just over £24m. Currently there are pressures on accommodation/buildings based budgets – including some multi-occupation sites, together with pressures to deliver savings commitments around commissioning. Where possible, revenue grants are being utilised to assist with the department's current budget pressures.

3.3.9 In order to reduce the remaining pressures on its budget, the department is continuing to work to identify and implement a range of action plans to address some of these pressures. The overall departmental position will therefore continue to be closely monitored to ensure the full reduction in these pressures, and the position will be regularly reported to both the Resource Monitoring panels and the Executive.

3.4 **Customer Services Department**

3.4.1 The department is experiencing pressures at the end of December which, if not actioned, would amount to an overspend of approximately £239k. This forecasted variance represents a further reduction of £28k from the position reported at the end of November, with the main reason for the reduction due to holding vacant posts and reduced spending in Environmental Health and Trading Standards.

The main reasons for the projected overspend are:

- Recurring overspends from existing pressures;
- Reduction in levels of income for vehicle maintenance and fleet management, and increased repair costs due to age of existing fleet;
- Income in Trade Waste Service is currently below budget requirement;
- Potential risks to new savings option for 2007/08.

Specific general management actions undertaken to contain these pressures include holding vacant posts, tight controls on agency recruitment and supplies and services spend, reduction in levels of overtime, a review of improvement work in the Fleet service and a review of the recovery of outstanding debt.

3.4.2 **Environmental and Enforcement Services**

An overall projected pressure of £446k is identified within the Environmental and Enforcement Service. The main pressures include: potential recurring overspends on employee costs in the Refuse, Cleansing and Highways services, loss of income within the Refuse service as a result of delays in the implementation of charging for bulky waste, loss of income within the Vehicle fleet as a result of reductions in usage, reduction in income at Frizlands Depot as a result of reductions in the usage of the depot facilities (particularly from Shanks Waste PLC) and increased maintenance costs and off road time of vehicles owned by the Council due to the age of the fleet.

Some of these pressures are being off-set by staff vacancies, and specific action plans include reviewing and reducing overtime and agency costs and delivering business improvement work within the vehicle fleet.

The service has joined the Association of Public Sector Excellence (APSE) benchmarking club for refuse and street cleansing and is currently looking at visiting beacon Councils with similar demographics to Barking and Dagenham to replicate best practice. The VFM objectives for 2007/08 have included driving out efficiencies within the service, reinvesting in service priorities and maximising income and grants. To assist with this process, the

service is undertaking a detailed benchmarking exercise of the whole service against a similar council.

3.4.3 **Housing Services**

Pressures of £308k exist within this service mainly in relation to the recovery of outstanding debt. A review of temporary accommodation has resulted in the validation of the recovery of a number of outstanding debts in this area, and further work on outstanding debt in relation to Private Sector leased properties is ongoing which may further reduce the overspend projection.

The Value for Money objectives for 2007/08 have included building on maximising income and analysing the costs of services through benchmarking. The service has also identified/visited best practice authorities and has used this learning to inform new methods of working.

3.4.4 **Barking & Dagenham Direct**

The division is currently projecting an underspend of £436k.

The main reason for the underspend is as a result of the additional recovery of £380k of overpaid housing benefit within the Revenues & Benefits service which has arisen through the implementation of the Academy system. To improve the Revenues & Benefits service throughout 2007/08, the service has reduced the number of agency staff employed and has developed a new entrants programme to encourage local people to work for the council. In addition, sickness levels have reduced year on year as a result of better management. In terms of ensuring the service achieves VFM, the service has been working with all Revenues and Benefits benchmarking clubs for a number of years and actively participates in the London and National Benefits, Rents, Council Tax, Cashiers, Business Rates and General Income Benchmarking groups. The VFM objectives for 2007/08 have included delivering the Medium Term Financial strategy that relates to the service and ensuring that VFM is achieved by managing out the need for agency staff.

In terms of the Emergency Out of Hours service, the Registration Service, the Contact Centre and the One stop shops, the overall position for these service is a projected underspend of £56k. The main reason for this underspend is due to increased income levels in the Registration service and a number of vacant posts within the Contact Centre.

The overall net underspend in the Barking & Dagenham Direct service will be used to support and off-set overspends elsewhere in the department.

3.4.5 **Customer Strategy**

The overall position for Customer Strategy is a projected underspend of £79k. The service has used information from their benchmarking club to inform how they compare with similar authorities and build relationships with other authorities in order to share best practice. A significant objective for 2007/08 includes significant savings through better ways of working and the implementation of new technology to reduce the number of customer service officers required.

3.4.6 Regular monitoring meetings are occurring within the department, and within the management team, to deal fully with the outstanding pressure areas.

3.5 **Regeneration Department**

3.5.1 The department, at the end of December, is experiencing pressures in 2007/08 amounting to approximately £184k, which reflects a further reduction of £14k from the previous month projection.

In particular, pressures continue to exist around recurring overspends arising from 2006/07, such as additional employee costs and shortfall in income, as well as potential risks in delivering the approved savings options for 2007/08.

Management actions including holding posts vacant and tight controls on agency recruitment and supplies and services spend remain in place, and are continuing to reduce the overspend position.

3.5.2 **Housing Strategy**

At this stage it is forecasted that current vacancies will produce an underspend of £20k.

3.5.3 **Spatial Regeneration**

At this stage it is forecasted that current vacancies will produce an underspend of £59k

3.5.4 **Skills, Learning and Enterprise**

An overall projected pressure of £233k is identified within the Skills, Learning and Enterprise Service. This position has arisen due to an income shortfall of £60k as a result of a change in policy by the Learning Skills Council, a further funding shortfall from the LSC (£70k) and a planned budget saving option to increase income by £25k in the B&D Training Services not being achievable. In addition the Project Trident service, the Lifelong learning team and Building East are all experiencing pressures within their budgets, and further work is being undertaken to examine these issues.

Improved VFM will be achieved within the service by the merger of the Adult College and Barking and Dagenham Training Services as a single business unit. This will achieve efficiencies and savings in terms of contract administration with the Learning & Skills Council, and with general administrative and finance functions.

3.5.5 **Leisure, Arts and Olympics**

An overall projected pressure of £130k is identified within the Leisure, Arts and Olympics Skills Service. The majority of these pressure relate to the leisure centres (employee costs, security costs and supplies and services) and the nursery services (employee costs and income). Some of these pressures are being offset by both staffing vacancies across the division and additional income within the parks service.

The interim reviews of both the grounds maintenance and leisure centre functions have identified opportunities to improve value for money and to contain costs within budget, and an action plan is currently being prepared.

3.5.6 Asset Strategy and Capital Delivery

The division is reporting a projected overspend of £4k which compares to a forecasted £76k underspend position reported in November.

The reason for this change relates to an estimated reduction in income targets from building cleaning and parking.

In terms of other outstanding pressures these mainly relate to risks in delivering a number of saving options (including reduced building cleaning, staff changes and loss of income from charges not yet implemented), commercial property income not meeting budget, public conveniences and highway sponsorship income. These pressures are being mitigated by additional income in car parking, reduced spend on land drainage and a number of staff vacancies.

3.5.7 Directorate & Support

Vacancies, and management action not to recruit to vacancies, will produce an estimated underspend of £104k.

3.6 Resources Department

3.6.1 The Department continues to forecast a balanced budget for 2007/08 following the approval and implementation of a detailed action plan by the department's management team. Details of actions taken include holding vacant posts and tight controls on both the use of agency recruitment and supplies and services spend.

3.6.2 Democracy and Partnerships

The main pressure that currently exists within this service relates to the costs of the Software licences for the Geographic Information System (GIS), which will now be funded from underspends elsewhere within the department.

3.6.3 Performance and Delivery

There are currently no immediate issues within these budgets and it is now projected that these will breakeven by the end of the financial year.

3.6.4 Strategic Finance and Audit

There are currently no immediate issues within the Strategic Finance & Audit budget, and as a result of the departmental action plan it is now projected that the service will underspend by the end of the financial year and this will contribute to the overall departmental position.

3.6.5 Human Resources

The division is experiencing a particular pressure in relation to the saving proposal to reduce Payroll staffing. As part of the departmental action plan it is now projected that this service will broadly break-even.

3.6.6 ICT & e-Government

There are currently no immediate issues within these budgets, and as a result of the departmental action plan it is now projected that the service will underspend by the end of the financial year and this will contribute to the overall

3.6.7 Legal Services

As a result of the new Local Land Charges (LLC) regulations introduced on the 1 April 2007, the service is currently projecting a budget shortfall in 2007/08 of £140k. This shortfall has arisen due to the requirement that LLC income should not in future exceed the cost of providing the service. In addition the service is also incurring additional costs as a result of the current review being undertaken of the service. As part of the departmental action plan these additional costs will now be funded from underspends elsewhere within the department.

3.6.8 Corporate Finance

The division continues to have some vacancies, some of which are being occupied by temporary staff. The division has now finished reviewing its staff structure (including its vacant posts) in light of both operational experience over the last 6 months and a number of minor changes that have taken place within the Council wide structure. The division will also be undertaking a major review of its accounting structure during 2008, which when completed will create significant benefits in terms of financial and management information for all staff in the organisation. There are currently no immediate issues within these budgets, and as a result of the departmental action plan it is projected that the service will underspend by the end of the financial year, and this will contribute to the overall departmental position.

3.6.9 Corporate Management and General Finance

There are currently no immediate issues within these budgets and it is projected that these will breakeven by the end of the financial year.

3.6.10 Interest on Balances

The current position on interest from investments is that these are performing to the budget target. A significant proportion of the Council's investments continue to be managed by two external investment managers, and the Council's Treasury Management Strategy has set stretching targets for these managers in 2007/08 which are being closely monitored by the Corporate Finance Division. An element of these investments will require the use of investment instruments such as gilts to be used which require tactical trades to be undertaken. Inevitably there are risks and rewards with the use of such investment instruments, and whilst the Council needs to continue to review the manager's performance it also needs to be aware that these potential risks/rewards do exist.

The position of interest on balances is also affected during the year by both performance and actual spend on the Capital Programme and the delivery of the Council's disposals programme. Any positive position arising in these areas may allow Council balances to increase, whilst at the same time any weakening may lead to reductions.

4. Housing Revenue Account (HRA)

- 4.1 The HRA is currently projecting an underspend (i.e. a contribution to balances) of £133k for 2007/08, which has reduced from the November position which forecasted a £444k underspend. The main reasons for this reduction are projected increased costs in premises and energy activities.

In general terms, the increase in the negative subsidy payable to the Government has, and will continue to increase the pressures on the HRA. In addition Right to Buy sales will reduce stock levels which will result in income falling, and the challenge will be to ensure that costs fall in line with the reducing stock.

There are also other significant pressures on the HRA including repairs and maintenance spend, premises costs, rising energy prices and reducing Supporting People Grant. In part this may be off-set by improved performance in rent collection and better management of voids.

4.1.1 Specific issues relating to the HRA include:

- Overall income is forecast to overachieve by £1.62m. This is due to a combination of 2007/08 being a 53 week year, thereby allowing the HRA to achieve an additional one week's rental income, and a refund of insurance payments. In addition void levels are reducing which will generate additional income. Right to Buy sales are forecast to be 193 for 2007/08 which, whilst slightly lower than the original forecast, will not significantly alter income to the HRA;
- Supervision and Management budgets are currently forecast to overspend by £448k due to increased employee and premises associated costs;
- The Repairs and Maintenance budget is forecast to overspend by £1.34m mainly due to increased demand. The actual spend on repairs and maintenance is constantly under review and actions are being implemented to bring the spend in line with the budget allocation;
- Interest receipts are projected to exceed the original forecast by £315k due to improvements in interest rates during 2007/08.

A summary of the latest position for the HRA for 2007/08 is shown in Appendix B.

5. Capital Programme

5.1 As at the end of December, the working budget on the capital programme was £71.8m against an original budget of £75.1m.

5.2 It is vitally important that projects and budgets are subject to robust scrutiny to ensure that timetables and milestones can be adhered to, and that budgets are realistic. As a result, Directors and sponsors, with support from corporate finance and CPMO, have reviewed current spending plans to ensure that they remain accurate. As a result of the adjustments detailed in Appendix D, the current projection for the overall capital programme is that the working budget will be amended to £60.5m against the current budget of £71.8m.

5.3 The end of December marks the end of the third quarter. At this point in time, £31.7m of the capital programme has been spent, which is equivalent to 44% of the annual budgeted spend (before re-profiling). It is therefore vitally important that efforts are made to ensure that spending plans are advanced throughout the last three months of the financial year. Progress on capital projects continues to be monitored through the monthly Resource Monitoring Panels.

5.4 The completion of capital projects on time and on budget not only supports the Council's drive to excellence through its Use of Resources score, but will also

ensure that the benefits arising from our capital projects are realised for the community as a whole.

6. Prudential Indicators

- 6.1 The Assembly at its meeting on 28 February 2007 agreed the Council's Prudential indicators for 2007/08. These indicators were introduced as part of the new prudential borrowing regime in local authorities. The indicators are required to be set and regularly monitored by the Council to ensure capital investment plans of the authority are prudent, affordable and sustainable. The monitoring of these indicators take place on a quarterly basis, and the position at the end of the first quarter of the financial year i.e. April to December 2007, is presented at Appendix E.
- 6.2 The Prudential indicators as laid out in this report show the impact of capital investment decisions at the end of the third quarter of the financial year compared to those figures agreed at the beginning of 2007/08.

These figures demonstrate that, while changes to the capital programme have had financial implications on the Council, they have been made having taken into account the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability.

7. Financial Health Indicators

- 7.1 The Audit Commission's Comprehensive Performance Assessment (CPA) introduced the requirement for the Council to undergo an assessment into its Use of Resources (UoR). The Council has a clear ambition to deliver excellent value for money services and to constantly improve and hence aspires to achieving Level 4 in its UoR assessment.
- 7.2 One of key themes within the UoR assessment is the need to evaluate the Council's position regarding its financial standing. A key line of Enquiry in achieving level 4 requires Members to monitor key financial health indicators and set challenging targets, for example, for income collection, level of variance form budget, prudential framework indicators, capital programme management etc. Whilst the council has a good track record of achieving these targets, it is appropriate that performance against these targets is presented to Executive on a regular basis.

Attached at Appendix F is a list of the Council's significant financial health indicators for the period ending 31 December 2007.

8. Consultees

- 8.1 The members and officers consulted on this report are:
Councillor Bramley
Corporate Management Team
Group Managers – Corporate Finance
Enterprise Programme Office

Background Papers Used in the Preparation of the Report:

- Oracle & CPMO reports

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REVENUE BUDGET 2007/2008

APPENDIX A

SUMMARY OF POSITION - DECEMBER 2007

<u>Department</u>	<u>Original Budget 2007/08</u>	<u>Working Budget 2007/08</u>	<u>Budget to date</u>	<u>Actual to date</u>	<u>Current projected position</u>	<u>Current projected variance</u>	<u>Action in place/ to be taken</u>	<u>Projected Outturn 2007/08</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Adults & Community Services	58,647	58,555	51,670	51,957	58,830	275	275	0
Children's Services	172,184	183,761	140,612	142,320	184,761	1,000	1,000	0
Customer Services	15,593	15,907	24,572	22,645	16,146	239	239	0
Regeneration	22,800	23,051	16,840	18,056	23,235	184	184	0
Resources	922	1,141	481	414	1,141	0	0	0
Total for Department's	270,146	282,415	234,175	235,392	284,113	1,698	1,698	0
<u>Other Services</u>								
Corporate Management	4,930	4,740	3,425	3,288	4,740	0	0	0
General Finance	(19,470)	(31,470)	(11,765)	(12,095)	(31,470)	0	0	0
Contingency	1,200	1,121	500	79	1,121	0	0	0
Levies & precepts	6,581	6,581	3,262	3,262	6,581	0	0	0
Total for Other Services	(6,759)	(19,028)	(4,578)	(5,466)	(19,028)	0	0	0
Total Council Budget	263,387	263,387	229,597	229,926	265,085	1,698	1,698	0

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HOUSING REVENUE ACCOUNT - BUDGET MONITORING SUMMARY

APPENDIX B

Month December 2007

<u>Housing Revenue Account</u>	<u>Original Budget £'000</u>	<u>Revised Budget £'000</u>	<u>Budget Dec-07 £'000</u>	<u>Actual Dec-07 £'000</u>	<u>Forecast £'000</u>	<u>Variance £'000</u>
NET RENT OF DWELLINGS	(69,047)	(69,047)	(51,786)	(53,672)	(70,408)	(1,361)
OTHER RENTS	(2,438)	(2,438)	(1,829)	(1,829)	(2,438)	0
OTHER CHARGES	(5,170)	(5,170)	(3,877)	(3,877)	(5,111)	59
CONTRIBUTIONS TOWARDS EXPEDITURE	0	(825)	0	(900)	(1,145)	(320)
TOTAL INCOME	(76,655)	(77,480)	(57,492)	(60,278)	(79,102)	(1,622)
REPAIRS AND MAINTENANCE	21,878	21,722	16,291	16,187	23,063	1,341
SUPERVISION & MANAGEMENT	24,023	24,843	18,683	18,151	25,291	448
RENT, RATES AND OTHER CHARGES	994	379	0	0	385	6
NEGATIVE HRA SUBSIDY PAYABLE	14,125	14,125	9,888	9,888	14,125	0
NEGATIVE HRA SUBSIDY TRANSFERABLE TO GENERAL FUND UNDER TRANSITIONAL ARRANGEMENTS	3,449	3,449	0	0	3,449	0
DEPRECIATION & IMPAIRMENT OF FIXED ASSETS	23,197	23,197	17,398	17,398	23,197	0
HRA SHARE OF CDC COSTS	750	776	582	582	776	0
TOTAL EXPENDITURE	88,416	88,491	62,842	62,206	90,286	1,795
INTEREST EARNED	(1,354)	(1,354)	(1,015)	(1,015)	(1,669)	(315)
NET COST OF SERVICE	10,407	9,657	4,335	913	9,515	(142)
DEPRECIATION ADJUSTMENT	(10,098)	(10,098)	(7,574)	(7,574)	(10,089)	9
MOVEMENT IN WORKING BALANCE	309	(441)	(3,239)	(6,661)	(574)	(133)
WORKING BALANCE B/F	(2,776)	(1,665)	(1,665)	(1,665)	(1,665)	0
WORKING BALANCE C/F	(2,467)	(2,106)	(2,106)	(2,106)	(2,239)	(133)

Notes:

(1) Revised Budget b/fwd balance reflects the closing working balance as per 2006/07 outturn

(2) Revised Budget c/fwd balance reflects estimated balances at year end

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CAPITAL PROGRAMME 2007/2008SUMMARY OF EXPENDITURE - DECEMBER 2007

<u>Department</u>	<u>Original Budget (1)</u>	<u>Working Budget</u>	<u>Re-profiling Adjustments (as set out in Appendix D)</u>	<u>Revised Budget (after adjustments)</u>	<u>Actual to date</u>	<u>Percentage Spend to Date</u>	<u>Projected Outturn</u>	<u>Projected Variation against Revised Budget</u>	<u>Projected Variation against Original Budget</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Adult & Community Services	2,019	2,166	(28)	2,138	493	23%	1,807	(331)	(212)
Children's Services	9,718	9,179	(1,712)	7,467	6,081	66%	8,391	924	(1,327)
Customer Services	42,505	15,781	(3,252)	12,529	6,813	43%	11,521	(1,008)	(30,984)
Regeneration	19,407	42,577	(5,669)	36,908	17,634	41%	36,699	(209)	17,292
Resources	1,467	2,006	(680)	1,326	582	29%	1,244	(82)	(223)
Total for Department Schemes	75,116	71,709	(11,341)	60,368	31,603	44%	59,662	(706)	(15,454)
Accountable Body Schemes									
Regeneration	-	111		111	97	87%	111	0	111
Total for Accountable Body Schemes	-	111	0	111	97	87%	111	0	111
Total for all Schemes	75,116	71,820	(11,341)	60,479	31,700	44%	59,773	(706)	(15,343)

Note

(1) Excludes provisional schemes approved at Executive 20th February subject to achieving 'four green lights' from CPMO appraisal

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CAPITAL PROGRAMME 2007-08 ONWARDS**REPROFILING OF SCHEMES**

Below are the schemes which have been submitted for consideration for re-profiling. These project budgets have been reviewed and the re-profiles calculated to reflect the current spend position for each project.

ADULT SERVICES**Eastbury Manor House**

A re-profile of this scheme is requested to reflect the accurate spending pattern on this project.

	2007/08	2008/09	2009/10	Total
	£'000	£'000	£'000	£'000
Current profile	353	600	89	1,042
Proposed profile	116	837	89	1,042

Valence Museum

Expenditure plans are more advanced than expected on Valence Museum, so it is requested that funding from 2008/09 is brought forward into 2007/08.

	2007/08	2008/09	2009/10	Total
	£'000	£'000	£'000	£'000
Current profile	235	2,071	0	2,306
Proposed profile	444	1,862	0	2,306

CHILDREN'S SERVICES**Gascoigne Primary – Remodelling**

This project is currently onsite and within budget. Progress made by the contractor is further advanced than originally planned for. The revised profile reflects the current and anticipated spend until completion.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	543	671	1,214
Proposed profile	1,003	211	1,214

School Modernisation Fund

This is a capital grant given by the Department for Children, Schools & Families (DCSF) to undertake improvements at school sites around condition and suitability. The DCSF has clarified a sum of £1,075,488 which can be used in this current year 2007 and the next two years (2008 and 2009).

It is proposed to use the allocation as below which will complement the existing 2007 allocation. There is also an additional allocation which was previously committed to the Northbury Infant & Juniors expansion scheme.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	1,301	0	1,301
Proposed profile	450	851	1,301

Community Music Service -Adult College

This project is the result of an identified need to provide suitable music practice facilities on the Adult College campus; a scheme had previously been developed but received tendered estimates were beyond the original budget available. This scheme is therefore under review and a re-profile is requested.

	2007/08	2008/09	2009/10	Total
	£'000	£'000	£'000	
Current profile	800	95	0	895
Proposed profile	10	30	855	895

Barking Abbey Phase 4

These costs relate to a legal claim being made by the Council against the consultant structural engineers. It is anticipated that the dispute will be resolved in the next nine months. The re-profile is in response to lower than anticipated legal costs to date which will be chargeable in 2008/09.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	50	0	50
Proposed profile	23	27	50

Furze Children's Centre

This project is currently on site within budget but ahead of the original build programme. It is anticipated that this project will be completed by May 2008 and the re-profile below reflects the current anticipated spend.

	2007/08	2008/09	2009/10	Total
	£'000	£'000	£'000	£'000
Current profile	710	950	40	1,700
Proposed profile	906	754	40	1,700

Kitchen Refurbishment

There are a number of school catering kitchens which require modernisation to meet current hygiene standards; health & safety; and also the switch to the preparing of fresh food on site.

The programme is over 4 years where individual kitchens are temporarily closed for approximately 4 weeks with an alternative food provision being brought in whilst kitchens are refurbished and refitted.

The works will start on site by late March. The reprofile reflects the revised anticipated spend over the duration of the project.

	2007/08	2008/09	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000	
Current profile	750	300	300	300	1,650
Proposed profile	50	1,000	300	300	1,650

CUSTOMER SERVICES

Contaminated Land

It is necessary to re-profile the Contaminated Land budget as the team are unable to proceed/commission further site investigations until Defra approve grant applications. Delays from Defra in instigating the grant application process and in assessing applications this year mean that even if Defra approve grants during January 2008, it will not be possible to mobilise contractors/subcontractors to carry out the investigations before the end of March 2008.

It is therefore requested that the budget is re-profiled as below:

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	771	0	771
Proposed profile	661	110	771

Foundation contact Centre – Customer First

The proposed revised working budget for 2007/08 is £1.3m this includes the delivery of the Barking Learning Centre One Stop Shop.

It is therefore requested that £1.3m is re-profiled into 2008/09, to allow the project team to re-position the programme against the business case and to assess the use of these resources.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	2,566	0	2,566
Proposed profile	1,316	1,250	2,566

Dagenham Interim One Stop Shop – Customer First

The proposed revised working budget for 2007/08 is £32k. Due to the discussions on the site for the Dagenham One Stop Shop, the programme has had to work on the viability of alternative sites. Due to this Customer First is in the process of redeveloping a working group/strategy within the Excellent Customer Services Strategy, which will deliver the Dagenham One Stop Shop. Therefore it is requested that £1.8m is re-profiled into 2008/09.

It is requested that the profile is amended as below:

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	1,867	0	1,867
Proposed profile	32	1,835	1,867

Housing Modernisation Programme:

The existing working budget for 2007/08 is £1.8m set before the Gateway Review and CMT approval of total programme cost.

A total of £50,000 should be re-profiled into 2008/09 to allow the programme to re-position against the expected expenditure initially planned.

Based on the current budget re-profiling is requested as below:

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	1,807	550	2,357
Proposed profile	1,750	607	2,357

Waste Minimisation:

This capital funding will be used to run a waste containerisation pilot aimed at reducing the total tonnages of waste presented from each household. Originally this project was due to go live in January 2008. However, there have been issues between East London Waste Authority and the Council around the challenges this would pose to the contractor (Shanks) and the other Boroughs in the consortium. These issues are now resolved but this has resulted in a significant delay in initiating the project.

It is therefore requested that the budget is re-profiled as below:

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	680	0	680
Proposed profile	74	606	680

Private Sector Housing:

All schemes have now commenced and grants and works have been committed to. However, actual spend is unlikely to occur before the end of March. It is therefore requested that the budget is re-profiled as below:

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	1,510	0	1,510
Proposed profile	1,035	475	1,510

REGENERATION

Parks & Green Spaces Strategy

Approximately 50% of this £158k re-profile request is due to the success of the Parks & Green Spaces Strategy in leveraging external funding to maximise the Council's investment, so where we previously planned to spend capital receipts in 2007/08 we will actually be spending external funds and therefore need to transfer some of the budget into the next financial year.

The remaining circa 50% of this request relates to recruitment delays and therefore limited capacity within the team to move forward some major projects previously planned for 2007/08 commencement. These will now commence capital expenditure in 2008/09 following current recruitment drives.

	2007/08	2008/09	TOTAL
	£'000	£'000	£'000
Current Profile	281	342	623
Proposed Profile	123	500	623

Parks & Green Spaces Strategy - Barking Park

The second element of this request relates to a further £140k specifically for Barking Park. Previously the Heritage Lottery Fund (HLF) advised that they would inform us of their decision on the remainder of the £3.5m grant in December 2007. The HLF they have now confirmed that we will not hear their decision until March 2008. The impact of this is that we will not be able to deliver £140k of works previously proposed within the financial year.

	2007/08	2008/09	TOTAL
	£'000	£'000	£'000
Current Profile	829	2670	3,499
Proposed Profile	689	2810	3,499

Parks & Green Spaces Strategy - Lakes Improvements/Tom Thumb Pilot

The third element relates to protracted hydrology investigations (Phase A) being carried out by framework consultants.

The £32,455 is to be re-profiled into 2008/09 to enable phase B (site investigations), C (design) and borehole and water quality/level improvement works.

	2007/08	2008/09	TOTAL
	£'000	£'000	£'000
Current Profile	113	0	113
Proposed Profile	80	33	113

Accommodation Strategy

Funding for this project was agreed by the Executive in June 2006. This latest profile more accurately reflects the anticipated costs of these stages, based on the tenders submitted. Overall programme is still on schedule for completion in 2010. Costs of the scheme have now changed from £980,000 to £760,000 in 2007/08 and reprofiling is requested as below.

	2007/2008	2008/2009	2009/2010	Total
	£'000	£'000	£'000	£'000
Current Profile	980	1,934	0	2,914
Proposed Profile	760	2,100	54	2,914

Capitalised Major Repairs

In order to deliver value for money, Disability Discrimination Act alterations at Dagenham Swimming Pool are being placed 'on hold' until there is final confirmation as to the dates of the re-building of the structure. Detailed design has identified that Trewern requires an extension & planning permission is required resulting in slippage. Barking Park is part of a larger refurbishment project (see above) and subject to the DDA. Some alterations will be included but it is not clear as to how many buildings will still require alterations, some of the public toilets are due to be demolished, the remaining toilets will need to be DDA compliant.

	2007/2008	2008/2009	Total
	£'000	£'000	£'000
Current Profile	922	0	922
Proposed Profile	662	260	922

Backlog Maintenance

The Roycraft House Windows project is incurring slippage as the alterations to the Heating & Air Conditioning needs to be completed prior to the installation of the new windows. Civic Centre Cathodic protection is a specialist area and there are delays in appointing a specialist consultant who will be required to undertake the project.

	2007/2008	2008/2009	Total
	£'000	£'000	£'000
Current Profile	1,050	500	1,550
Proposed Profile	705	845	1,550

Housing Futures

The Housing Futures programme has slipped from the existing spend profile due to slower expenditure than previously anticipated on regeneration areas and PFI blocks. Also, there

has been lower than expected expenditure on the main framework contracts due to a combination of a slightly delayed start and lower than anticipated unit costs.

It is therefore requested that the budget is re-profiled as below:

Decent Homes

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	18,864	39,087	57,951
Proposed profile	15,522	42,429	57,951

Oldmead and Bartlett

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	3,800	950	4,750
Proposed profile	3,478	1,272	4,750

Civic Centre Artwork

It is requested that all available funding be re-profiled to 2008/9 for the following reasons: The budget was set against a public art commission that proved not to be able to be completed within budget.

Therefore a new design is required, resulting in the need for a new timetable for procurement, detailed costing exercises, fabrication and installation.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	178	0	178
Proposed profile	0	178	178

Sporting Legends

The budget has been allocated to the commission of a sculpture celebrating and depicting borough sporting 'legends'. The preferred site for the figures is Castle Green but until recently, there were options regarding further build on this site, which have only now been resolved.

Site analysis can now be undertaken along with consultation with Members and the public regarding the artwork and procurement. The project and representation of Heroes was approved by Executive on 18 December 2007. As a result a new programme has been developed where it is expected that designs and planning application will be completed week ending 8 February 2008. Fabrication will not commence until approval has been given. It is therefore requested to re-profile £138,000 into 08/09

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	148	0	148
Proposed profile	10	138	148

Council Energy Efficiency

Due to staff leaving and new staff requiring training the projects have been delayed. This combined with problems around the SALIX (match funding) training and their funding requirements this project has been delayed by several months.

These issues will require a re-profiling which will mean that approximately £142,000 will be spent this financial year, and the rest in the second quarter of the 2008/09 financial year.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	206	0	206
Proposed profile	142	64	206

Barking Town Centre Artwork

Spend to date (£12,000) and committed works (£26,000) in the next few weeks will result in spend of £38,000 in 2007/08. Due to the delays in planning / development control around the Town Hall clock tower lighting and obtaining Environment Agency permission for installing Making Barking Brilliant, full spend of the working budget is unlikely. Therefore a request of a roll forward for £34,000

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	72	0	72
Proposed profile	38	34	72

Dagenham Job shop

It is requested that all available monies to re-profiled to July 2008/9 for the following reasons:

The project was delayed due to an external factor, specifically conclusion of lease with Tesco for use of the ground floor of the site and subsequent separation works. These are now well underway.

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current profile	435	0	435
Proposed profile	0	435	435

RESOURCES

IT Infrastructure Projects

As part of the 2008/09 budget process, a 4-year (£11.25m) capital scheme regarding the 'Modernisation of IT Infrastructure' is to be shortly considered by the Executive. This modernisation programme supports the Corporate Accommodation Strategy, and aims to ensure by 2010 the Council has Information Technology that can be assessed at any place and at any time. These changes will enable a flexible and high quality workplace staffed by skilled and motivated people which will be supported by effective processes to serve customers by providing value for money services. This investment will ultimately be self-financing through revenue savings arising from the Modern Ways of Working Programme.

Currently further spend on the following two IT projects have been put on hold awaiting the outcome of the decision on the proposed 'Modernisation of IT Infrastructure' project. Subject to the approval of the project, IT capital resources (both existing and new funding) will be combined and re-assessed to ensure spend achieves value for money. The following re-profiles are requested:

Up-grade Citrix

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current Profile	498	0	498
Proposed Profile	298	200	498

Voice and data Communication - Project No 2598

	2007/08	2008/09	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000	£'000
Current Profile	400	1,600	2,000	0	4,000
Proposed Profile	0	400	1,600	2,000	4,000

E-Government Projects

The Council is delivering these projects in partnership with the London Libraries consortium and the London Connects Smartcard Executive working group (who are leading the scheme) There is currently a small delay in the implementation of the technology to introduce the Smartcard system, and it is now estimated that this will take place in the first quarter of 2008/09.

It is requested that the following is re profiled into 2008/09.

E-Government – 100% Council Services

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current Profile	225	0	225
Proposed Profile	197	28	225

E-Government – Libraries

	2007/08	2008/09	Total
	£'000	£'000	£'000
Current Profile	103	0	103
Proposed Profile	51	52	103

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The Prudential Code for Capital Investment in Local Authorities

Prudential Indicators Third Quarter 2007/08

1. Introduction

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

2. The Prudential Indicators

- 2.1. The Prudential Code sets out the information that each Council must consider when making its decisions about future borrowing and investment. This takes the form of a series of "Prudential Indicators".
- 2.2. The Code is a formal statement of good practice that has been developed to apply to all authorities regardless of their local circumstances. For example, while Barking and Dagenham is currently in a debt free position, the indicators in respect of borrowing would not be relevant. However, spending on the capital programme results in reduced interest on investments, which creates a gap in the revenue budget, and represents a sum that could otherwise have been spent reducing Council Tax levels, or being spent on other priorities.
- 2.3. From the 1st April 2005 onwards, the Council's "prudential indicators" have been reported as an appendix to the budget monitoring report to the Executive on a quarterly basis. The purpose of which is that members and senior officers are kept up to date with the financial implications of capital investment decisions on a regular basis.

3. Capital Expenditure

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

Table 1: Capital Expenditure (Prudential Indicator)

	2007/08	2008/09	2009/10
	£'000	£'000	£'000
HRA	23,465	40,837	30,811
General Fund	48,244	26,776	4,128
Total	71,709	67,613	34,939

- 3.2 Table 1 shows the current 3 year programme (2007/08 to 2009/10), and incorporates the changes that have been made since the original budget was agreed in February 2007.
- 3.3 The original budget for 2007/08 was £75,116. Since this was set in February last year, roll-forwards and re-profiling from 2006/07 to 2007/08 of £6.1m has been agreed, £17.9m of new schemes have been added to the programme, and £24.5m of schemes have been re-profiled from 2007/08 to 2008/09 and beyond.
- 3.4 Major changes to the Capital Programme since last quarter's report are listed below:

- Voice and Data Communication £0.4m
- Waste Minimisation £0.7m
- Northbury School £0.5m
- Renewal Of Schools Kitchens £0.7m

However the biggest movement since last financial year is the 2nd tranche of the re-profiling of budgets to more accurately represent spend patterns. Significant schemes re-profiling spend into 2007/2008 and beyond include the following:

- Housing Futures - a further sum of £4.5m
- Barking and Family Health Centre – a further sum of £2m
- Refurbishment of Lake rise – sale of assets £1m
- Linton Demolition £0.4m
- Miscellaneous Schemes £0.6m

4. **Financing Costs**

- 4.1 The prudential code also requires Councils to have regard to the financing costs associated with its capital programme.
- 4.2 For an authority that has debt, the prudential indicator for its financing costs is calculated based on the interest and repayment of principle on borrowing. Conversely, for an authority without debt, it is the interest and investment income from its investments. This income contributes to the financing of the Council's revenue budget. However, when capital receipts are used to finance the capital programme, the amount of interest earned will be reduced. The use of capital receipts to finance the capital programme, rather than to raise interest receipts, is therefore a cost to the Council.
- 4.3 Since the authority does not currently borrow, there is no Minimum Revenue Provision ("repayment of principle") in the General Fund financing costs. For the HRA there is, however, a charge for depreciation based on the Major Repairs Allowance. This is included in the financing costs of the authority although in practice it is matched in part by an equivalent amount in HRA Subsidy.
- 4.4 Table 2 shows the following:
- Estimated figures as at 31st December 2007 for the Council's net revenue streams for both the General Fund and the Housing Revenue Account;
 - Financing costs for these two funds; and
 - The ratio of net revenue streams to financing costs, based on capital expenditure shown in Table 1.

Table 2: Financing Costs (Prudential Indicator)

	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Net Revenue Stream			
HRA(Rent Income)	76,655	76,655	76,655
General Fund (net budget Requirement)	138,698	140,150	145,700
Financing Costs			
HRA - MRA	16,720	12,573	12,528
General Fund Interest Lost/gained	2,842	492	(571)
Ratio			
HRA	21.8%	16.4%	16.3%
General Fund	2.05%	0.35%	(0.39%)

- 4.5 The net revenue streams for the HRA and the General Fund have not changed since the original budgets were set.
- 4.6 Financing costs in the General Fund relate to the fall in interest receipts that the Council has to suffer as a result of spending capital receipts on capital expenditure, rather than earning income to support revenue budgets.
- 4.7 As a result of the 2nd re-profiling exercise carried out in October 2007, the General Fund is predicted to use fewer capital receipts for 2007/08. Therefore expected interest receivable has increased to £4.5m. However most of the expenditure has been re-profiled into 2008/09 and this has reduced interest receivable from £2.5m to £1.5m for next year.
- 4.8 Financing costs in the HRA relate principally to the Major Repairs Allowance, which is a government subsidy from the Department of Communities and Local Government (DCLG). This figure is fixed throughout the year.
- 4.9 Financing costs can also be shown with reference to their impact on Council Tax and Housing Rents. This shows the additional Council Tax burden for Band D from financing new capital schemes added to the programme. This is set out in Table 3.

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

	2007/08	2008/09	2009/10
	£	£	£
For Band D Council Tax	(0.09)	0.95	0.22
For average Housing Rents	0	0	0

- 4.10 The table shows that the impact of changes in the budgeted capital expenditure up to December 2007 on Council Tax at Band for the years 2007/08 to 2009/10.
- 4.11 As a consequence of the absence of debt and the Government's policy on rent restructuring the capital programme has a minimal impact on future rents. There are no borrowing costs and the revenue contribution to capital expenditure is set according to the rent levels that are established by the rent restructuring regulations.

5. Capital Financing Requirement

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

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

Table 4: Capital Financing Requirement (Prudential Indicator)

	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Housing Revenue Account (HRA)	(21,355)	(21,355)	(21,355)
General Fund	29,683	40,418	47,588
Capital Financing Requirement	8,328	19,063	26,233

- 5.3 As all capital expenditure is planned either to be funded from capital receipts, or through external funding, However this authority now needs to borrow to maintain the agreed capital programme. As such, the Council's CFR, or underlying need to borrow, is now positive.

6. External Debt

- 6.1 Table 5 sets out the prudential indicators in borrowing limits. The Council is required to set two limits, an operational limit which should be kept to on a day to day basis (but could be exceeded for short term, "cashflow" purposes), and an authorised limit, which is the outer limit for borrowing in exceptional purposes. In the medium term local authorities only have the power to borrow for capital purposes.
- 6.2 The operational limit has been set at £0, as the Council does not plan to borrow any money apart from in exceptional, "cashflow" situations. The authorised limit has been set at £150m to allow for these exceptional situations.
- 6.3 The Council has not exceeded the authorised limit up to 31st December 2007. No investment decisions have been made that suggest that this limit will be breached in future.

Table 5: Authorised Borrowing Limits (Prudential Indicator)

	2007/08	2008/09	2009/10
	£m	£m	£m
Operational Limit on Borrowing	0	0	0
Margin for extraordinary financing issues	150.0	150.0	150.0
Authorised Limit	150.0	150.0	150.0

7. Treasury Management Indicators of Prudence

- 7.1 The authority has an integrated treasury management strategy and has adopted the *CIPFA Code of Practice for Treasury Management in the Public Sector*. The *Prudential Code for Capital Finance in Local Authorities* supplements this by requiring council's to set and monitor specific indicators to demonstrate the prudence of its treasury management policies. The position against these indicators for 2007/08 is set out below:

a) Interest Rate Exposure

Indicator set:

The Council will not be exposed to any interest rate risk since all its borrowing will be at known overdraft rates (if this occurred) and fixed rates.

31st December 2007:

The Council was not exposed to any interest rate risk up to 31st December 2007.

b) Maturity Structure of Borrowing

Indicator set:

All the Council's borrowing will be for a period of less than one year.

31st December 2007 position:

The Council has not entered into any borrowing as at 31st December 2007

c) Total Principle Sums Invested

The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. The risk inherent in the maturity structure of the Council's investments is that it may be forced to realise an investment before it reaches final maturity and thus at a time when its value may be dependent on market conditions that cannot be known in advance.

31st December 2007:

The maturity structure of the Council's investments to the 31st December 2007 was such that it did not have to release any of its investments before they reached their maturity date.

8. Summary Assessment

- 8.1 The Prudential Indicators as laid out in this report show the impact of capital investment decisions in the third quarter of 2007/8 compared to those figures agreed at the end of the second quarter of 2007/08
- 8.2 These figures demonstrate that, while changes to the capital programme have had financial implications on the Council, they have been made having taken into account the key principles of the CIPFA Prudential Code of **prudence**, **affordability** and **sustainability**.

Key Financial Health Indicators to 31st December 2007

Revenue

<u>Financial Monitoring</u>	<u>2007/08</u> <u>Variance</u> <u>Projection</u>	<u>Current</u> <u>Budget</u>	<u>Projected</u> <u>Outturn</u>	<u>Quarter 3</u> <u>Variance</u> <u>Projection</u>	<u>Variance to</u> <u>2007/08</u> <u>Projection</u>	<u>Next</u> <u>Quarter</u> <u>Variance</u> <u>Target</u>	<u>Year end</u> <u>Variance</u> <u>Target</u>
	£m	£m	£m	£m	£m	£m	£m
Service Departments	0.0	282.4	284.1	1.7	1.7	0.0	0
Other Services	0.0	(19.0)	(19.0)	0	0.0	0.0	0
Total	0.0	263.4	265.1	1.7	1.7	0.0	0

Narrative:

All four main service departments of the council are reporting budgetary pressures. The Executive have told Corporate Directors to continue with their current action plans to address projected overspends on departmental budgets to ensure full delivery of a balanced budget for their department by the end of the financial year. The current adverse position at the end of Quarter 3 is not considered irreversible and the projected overspend at Q3 has already reduced considerably compared to that reported at the end of Quarter 2 (£2.8m). Consequently the Council is expected to be on budget by the year end. Full details of the December position is included within the main text of this report.

<u>Income Collection</u>	<u>Target</u> <u>Collection</u> <u>Rate</u>	<u>Cash</u> <u>Equivalent</u>	<u>Actual</u> <u>Collection</u> <u>Rate</u>	<u>Cash</u> <u>Equivalent</u>	<u>Variance to</u> <u>Target</u> <u>Rate</u>	<u>Cash</u> <u>Equivalent</u>	<u>Next</u> <u>Quarter</u> <u>Target</u>
Council Tax	82.50%	£40.248m	80.43%	£39.239m	-2.07%	-£1.009m	96.50%
NNDR	85.00%	£39.034m	81.90%	£37.587m	-3.10%	-£1.447m	99.80%
Ctax Arrears							
• prior years	25.50%	£1.107m	27.27%	£1.183m	1.77%	77k	27.00%
Rent Collection	97.60%	£73.272m	96.52%	£72.462m	-1.08%	810k	97.60%

Narrative:

The figures shown for Actual Council Tax and NNDR collected at December 2007 is based on the official QRC calculation used by all Local Authorities in England & Wales. Both of the actual amounts collected are slightly behind the target collection rates for both taxes although it is expected that the collection figures for both Council Tax and NNDR will recover through to the end of March 08. It can be seen that for Council Tax, prior years collection is up by 1.77%, which is a reflection of the efforts being made by the team to deal with long standing debts. At this stage (i.e. the end of Q3), some revision of full year estimates may have to be made despite the view that there will be some recovery during Q4.

Key Financial Health Indicators to 31st December 2007

Investments

	<u>Average Investment Balances</u>	<u>Benchmark Return</u>	<u>Actual Return for Q3</u>	<u>Variance for Q3</u>	<u>Year to Date Actual Return</u>	<u>Year to Date Variance</u>	<u>Projected Year End Variation</u>
	<u>£m</u>						<u>£'000</u>
Council in House team	75.8	5.50%	5.70%	0.20%	5.58%	0.08%	0
External Fund Manager (1)	21.5	5.50%	5.66%	0.16%	5.22%	-0.28%	0
External Fund Manager (2)	34.5	5.50%	6.72%	1.22%	6.00%	0.50%	0

Narrative:

Quarter 3 was a favourable quarter for all fund managers helped with interest rates remaining stable during the quarter and 3 month LIBID rates exceeding expected levels due to the shortage of available liquid cash. The Bank of England kept interest rates the same in December 2007, but is however expected to cut interest rates in the later part of Q4 due to the housing market down turn experienced early on in January 2008 and the later part of December 2007. Spending levels of the Capital programme remained low during the quarter, this enabled the In house team to perform well above targeted levels even though the current portfolio includes £28m of investments between April 2006 and June 2006 at an average of 4.96%. The overall projection is that the Council will meet its overall treasury management benchmark target of 5.5% as well as achieving its budgeted income levels.

Capital

<u>Capital Programme</u>	<u>Original Budget</u>	<u>Current Working Budget</u>	<u>Revised Working Budget</u>	<u>Actual Spend @ Q3</u>	<u>Projected Spend</u>	<u>Variance to Revised Working Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>%</u>
Capital Spend	75,116	71,820	60,479	31,700	59,773	(706) -1.17%

Narrative:

As at the end of December the projected spend compared to the Working budget had shown a variation of £12m. However, Corporate Directors have reviewed the delivery of individual capital schemes within the December monthly Budget Monitoring report to the Executive, and as a result the Working Budget from January will reflect a revised estimated spend of £60m by the year end. Schemes continue to be monitored through both the Capital Programme Management Office (CPMO) and at monthly Resource Monitoring Panels, and expected year end spend is predicted to be broadly in line with the revised budget level after re-profiling, which is expected to be £59.8m

Key Financial Health Indicators to 31st December 2007

Capital

<u>Prudential Indicators</u>	<u>Original Indicators @ 1/4/07</u>			<u>Revised Indicators @ 31/12/07</u>		
	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
<u>Indicators</u>						
<u>Capital</u>						
Capital Expenditure	£104.09m	£101.26m	£61.697m	£71.8m	£67.6m	£34.9m
Financing Costs						
- Ratio of HRA Financing costs to Net Revenue Stream	17.82%	17.82%	17.82%	21.80%	16.40%	16.30%
- Ratio of General Fund Financing costs to Net Revenue Stream	2.08%	0.69%	(0.32)%	2.05%	0.35%	-0.39%
Impact on Band 'D' Council Tax	£18.48	£20.10	£12.47	(£0.09)	£0.95	£0.22
Impact on Average Housing Rent	£0	£0	£0	£0	£0	£0
Capital Financing Requirement	£8,328	£19,063	£26,233	£8,328	£19,063	£26,233
<u>Treasury Management</u>						
Operational Limit on Borrowing	£10m	£20m	£30m	£10m	£20m	£30m
Authorised Limit	£150m	£150m	£150m	£150m	£150m	£150m
<u>Narrative:</u>	<p>The Capital Expenditure indicator shows an overall reduction in the capital programme from when it was originally set in February 2007 to the current position as at the end of Quarter 3. The main reason for this reduction as a result of a number of schemes being re-profiled from 2007/08 into the 2008/09 financial year. The impact on Band 'D' Council Tax demonstrates that as a result of re-profiling from the current financial year into the next, this has led to a reduction in the financing cost in 2007/08 and an increase in the cost for 2008/09 and 2009/10. The Council has not entered into any borrowing over the period to 31st December 2007. Overall, the prudential indicators confirm that the capital programme is being funded in a way that is prudent, affordable and sustainable.</p>					

EXECUTIVE

19 FEBRUARY 2008

REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES

Title: Council Debt Write-Offs October 2007-December 2007 (Third Quarter)	For Decision
<p>Summary: Barking and Dagenham Direct is made up of a number of service areas. Two of these (Income & Collection & Rents & Benefits sections), are linked to the billing, collection and recovery of the vast majority of debts that fall due to be paid to the Council for chargeable services and statutory levies such as Council Tax and Business Rates.</p> <p>The value and type of debts written off as uncollectible within these two sections must be reported to the Executive on a quarterly basis in line with the Council's financial regulations. The first of these reports went to the Executive on 6 November 2007 and reported on debts written off during 2006-07 and provided a detailed breakdown of debts written off for the first two quarters of 2007-08 (i.e. April 2007-June 2007 Quarter 1 and July 2007-Sept 2007 Quarter 2).</p> <p>This report is the second of these reports and provides a summary of debts by type and amounts written off for Quarter 3 of 2007-8 (i.e. October 2007- December 2007) shown in table 3 of appendix A.</p> <p>Wards Affected: None specific.</p>	
<p>Recommendation(s) The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note the contents of this report, in particular the list of debts written off for 2007/08 to date and the list containing the top ten debtors along with their individual details. 2. Agree that the Council publicise these individual details where the Council's right to demand the debt has been legally ratified via Court action, or via binding contractual agreement, with the exception of debts outlined within paragraph 6.3 below. 	
<p>Reason(s) As a matter of good financial practice and good debt management reporting, the number, value and types of debts written off, should be reported regularly to the Executive.</p>	
<p>Implications:</p> <p>Financial: All debts written off will have been provided for within the Council's Bad Debt Provision and as such there should be no specific financial implications. However, there is the possibility that unforeseen and unplanned additional write offs occur, which lead to the value of debts written off in any year, exceeding the agreed bad debt provision.</p> <p>Where this is likely to happen, this quarterly report will act as an early warning system and will enable additional control measure to be agreed and taken, to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.</p>	

<p>Legal: As this report is likely to be a public report, there should not be any legal implication of publicising the details of individual debts. In addition, any lists publicised will be limited to those cases where prior to the debt being written off, the debt has been proven at Court as rightly and properly due.</p> <p>Risk Management: No specific implications, save that of this report acting as an early warning system to any problems in the area of write offs.</p> <p>Social Inclusion and Diversity: No specific implications.</p> <p>Crime and Disorder: No specific implications.</p> <p>Options Appraisal: Not applicable.</p>		
<p>Contact Officer: Julian Hall</p>	<p>Title: Group Manager (Income & Collection)</p>	<p>Contact Details: Tel: 020 8227 2578 Fax: 020 8227 2574 E-mail: julian.hall@lbbd.gov.uk</p>

1. Introduction and Background

- 1.1 The Income & Collection section and the Rents and Benefits Section is responsible for the collection of the vast majority of debts falling due to the Council by way of statutory levies and chargeable services. Whilst measures are taken to collect all debts and levies due, it is invariably the case that some debts will remain unpaid, even after concerted efforts have been made to collect them.
- 1.2 In order that the Council can take proper account of debts that will actually be paid and also take account of debts that are unlikely to be paid, the writing off of uncollectible debts are carried out on a regular basis. This way the Council is able to take account of just those debts that it knows will be paid, whilst making some provision within its accounts for debts that are unlikely to be paid.

2. Policy for write off of irrecoverable debts & unclaimed credits

- 2.1 The processes and procedures in place for managing and recording debts written off, are governed by the Council's write off policy. The purpose of the policy, is to establish a framework to regulate the write off of irrecoverable debts and long standing unallocated and unclaimed credits.
- 2.2 Adherence to this policy will ensure that there is always consistency and probity adopted in the procedures of debt and credit write offs and that best practice is followed in:
- Debt collection and recovery
 - Accountancy code of practice
 - Audit controls

3. Authorisation to write off debts

3.1 Authority to write off debts and credits, is delegated to the Chief Financial Officer by the Council's Constitution. Further delegation is made via the constitution and is specified below:

- Up to £2,000 (Group Managers/Business Unit Head)
- £2,000.01 to £10,000 (Head of Service)
- Over £10,000 (Corporate Director/Divisional Director of Corporate Finance)

3.2 These authorisation levels are strictly adhered to for all write offs.

4. Current Position

4.1 The net value of debts written off for the third quarter (Q3) of 2007/8 (i.e. October 2007- December 2007) was £96,391 as shown in table 3 of appendix A.

4.2 Details of debts written off for Q3 are shown together with a summary of debts written off for Q1 and Q2 in appendix A (within Table 1 & 2).

5. Points to note from debt write off tables (Appendix A)

5.1 Council Tax and Business Rates are both statutory debts and for the most part, regular monthly write offs take place. No NNDR write offs had been actioned during quarter 2 and once again no write offs have been actioned for quarter 3. This was due to work that was being carried out to convert the NNDR computer system to a new Academy system.

5.2 The conversion work has now been completed and the new NNDR Academy system went live on 11th January 2008. A number of post live activities are now taking place to bring the new system fully up to date. This will include catching up with debt write offs in this specific area.

5.3 General Income debts relate to debts raised for chargeable services that the Council either provides as a statutory duty or as a service where no other providers are available to provide a similar service.

5.4 Home Care and Residential Care debts are also dealt with within the General Income section and are shown separately. Regular write offs of Home Care and Residential care debts are in process, but the level of write offs seen for 2006/7 are relatively high as this dealt with the write off of previous year debts not recoverable.

5.5 From now onwards, the numbers and value of debts written off within the Home Care and Residential care categories are expected to be very low. Because of this, the two categories will be amalgamated into one column in future reports.

5.6 Write off activities within the Council Tax area for Q3 have been limited to small balance write offs. A larger batch of write offs is currently being prepared and will be reported within the next report to Executive.

6. Publication of individual details of debts written off

- 6.1 It was agreed in the last Executive report that a list showing the details of debtors who have had debts written off, would be attached to this report. An initial list has been attached at appendix B. The list has been limited to the top ten debts only.
- 6.2 As outlined within recommendation 2, the Executive is asked to agree the publication of this list of debtors locally (e.g. within the Citizen, local newspapers etc.).
- 6.3 As was previously outlined within the 6th November 2007 Executive report, it was recommended that the following types of debt write offs are excluded from this publicised list:
- (a) Debts that have been written off following a corporate complaint being upheld
 - (b) Debts that have been written off due to the debtor falling within one of the many vulnerable groups (e.g. elderly, disabled, infirm etc.)
 - (c) Where the original debt was raised in error
 - (d) Where debts have been written off, but no legal action has been taken to prove that the debt was legally and properly due
 - (e) Where the debt has been written off following bankruptcy or insolvency action (the majority of these cases will be individually publicised)
- 6.4 The exclusion of the category of debts listed above, will eliminate the possibility of any unnecessary and potentially costly legal challenges from debtors, who take issue with their details being publicised. It is intended that where the details or whereabouts of debtors become known following publication, those debtors will be pursued as far as is possible, to secure full payment of the debt.
- 6.5 The list provided at appendix B does not include any debts or debtors that fall within categories a-e above, so the list as it stands can be publicised.

7. Ongoing debt recovery and tracing work

- 7.1 It should be noted that debt recovery and tracing work is an ongoing activity within the Income & Collection and Rents & Benefits section. Some form of tracing work continues on debts even after the debt has been written off. In many cases, tracing and follow-up work can continue for up to a year after the debt has been written off (e.g. in the case of higher debts) and debtors have been known to resurface up to five years after a debt has been written off.
- 7.2 Where debtors are located after a long period of time, measures are taken to recover the debts and in some cases, the debt is written back on so that legal action can commence or be picked up from where it was left.

8. Consultees

Joe Chesterton-	Divisional Director of Corporate Finance
Bola Odunsi-	Head of Barking & Dagenham Direct
Jackie Adams-	Group Manager (Rents & Benefits)
William Ssempala-	Group manager (Legal Services)

Background Papers Used in the Preparation of the Report:

Policy for write off of irrecoverable debts and unclaimed credits

Income & Collection tracing procedure

Debts Written Off During 2006/07 and 2007/08

2006/07

Month	General Income Debts £	Former Tenant Arrears £	Home Care £	Residential Care £	Council Tax £	NNDR £	Total £
2006/07	£209,571	£698,423	£32,234	£98,608	£1,965,030	£82,256	£3,086,122

2007/8 Quarter 1

Table 1

	General Income Debts	Former Tenant Arrears	Home Care	Residential Care	Council Tax	NNDR	Total
Q1 Totals	£23,986	£146,994	£0	£6,661	£449,103	£96,018	£722,762

2007/08 Quarter 2

Table 2

	General Income Debts	Former Tenant Arrears	Home Care	Residential Care	Council Tax	NNDR	Total
Q2 Totals	£50,810	£71,309	£0	£0	-£113,963	£0	£8,156

2007/08 Quarter 3

Table 3

Write Offs		General Income Debts	Former Tenant Arrears	Home Care	Residential Care	Council Tax	NNDR	TOTAL
Oct-07	Under £2k	£30,317.17	£20,278.58	£0.00	£0.00	£1,629.53	£0.00	£52,225.28
	Over £2k	£0.00	£8,481.91	£0.00	£0.00	£0.00	£0.00	£8,481.91
	Over £10k	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	Total	£30,317.17	£28,760.49	£0.00	£0.00	£1,629.53	£0.00	£60,707.19
Nov-07	Under £2k	£7,925.62	£13,021.77	£0.00	£0.00	£1,007.87	£0.00	£21,955.26
	Over £2k	£0.00	£8,707.18	£0.00	£0.00	£0.00	£0.00	£8,707.18
	Over £10k	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	Total	£7,925.62	£21,728.95	£0.00	£0.00	£1,007.87	£0.00	£30,662.44
Dec-07	Under £2k	£1,749.97	£4,060.50	£0.00	£707.35	-£1,496.32	£0.00	£5,021.50
	Over £2k	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	Over £10k	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	Total	£1,749.97	£4,060.50	£0.00	£707.35	-£1,496.32	£0.00	£5,021.50
Quarter 3 Totals	£39,992.76	£54,549.94	£0.00	£707.35	£1,141.08	£0.00	£96,391.13	
Total to Date 2007/08 end of quarter 3	£114,788.76	£272,852.94	£0.00	£7,368.35	£336,281.08	£96,018	£827,309.13	

Debts Written Off – Top Ten

Name	Original Address	Last Known Address	Comment	Value
MR IAN KNIGHT	69 EXETER ROAD, DAGENHAM, RM10 8TP	SAME AS DEBT ADDRESS	EVICTED - TRACING UNSUCCESSFUL	£4,711.35
MR TIMOTHY GELL	2A FIVE ELMS ROAD, DAGENHAM RM9 5TS	SAME AS DEBT ADDRESS	TRACING ON EXPERIAN, RENTS, CTAX AND ESTATE NOTES UNSUCCESSFUL	£3,336.62
MR STEVEN G BRANNAN	550 RAINHAM ROAD SOUTH, DAGENHAM RM10 7XD	SAME AS DEBT ADDRESS	TRACING ON EXPERIAN, RENTS, CTAX AND ESTATE NOTES UNSUCCESSFUL	£3,129.67
MR CHAS SKAVYDIS	4B BRAINTREE ROAD, DAGENHAM RM10 7NB	SAME AS DEBT ADDRESS	TRACING ON EXPERIAN, RENTS, CTAX AND ESTATE NOTES UNSUCCESSFUL	£2,015.62
MR S P RUTTER	212 THE LINTONS, BARKING	727 LONGBRIDGE ROAD, BARKING RM8 2DD	OLD DEBT COLLECTION AGENCY UNABLE TO COLLECT	£1,745.12
N JOLLY	42 ARNOLD ROAD, DAGENHAM RM9 6AQ	SAME AS DEBT ADDRESS	OLD DEBT COLLECTION AGENCY UNABLE TO COLLECT	£1,733.20
MR TENDAI MOYO	FLAT 1 BLEWBURY HOUSE, YARNTON WAY SE2 9UJ	SAME AS DEBT ADDRESS	LOST TRACE - UNECONOMICAL TO PURSUE	£1,480.00
MR IAN KNIGHT	69 EXETER ROAD, DAGENHAM, RM10 8TP	SAME AS DEBT ADDRESS	EVICTED - TRACING UNSUCCESSFUL	£1,294.81
MRS ALICIA SLAWSON	37 COTESMORE GARDENS, DAGENHAM RM8 2ET	CALLE VALENCIA, 568 ATICO/A 08026, BARCELONA, SPAIN	OLD DEBT - DEBTOR OUT OF UK, UNABLE TO COLLECT	£1,293.55
MR SHAW BIXBY	343 BASTABLE AVENUE, BARKING IG11 0QJ	28 DALKEITH ROAD, ILFORD, ESSEX IG1 1JD	OLD DEBT, COLLECTION AGENCY UNABLE TO COLLECT	£1,226.39

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