

SUPPLEMENTARY 2

THE EXECUTIVE

Tuesday, 16 February 2010

- Agenda Item 8. Budget Monitoring 2009/10 (Pages 1 - 42)**
- Agenda Item 9. Council Plan Update 2010-11 Incorporating the
Medium Term Financial Strategy (MTFS) 2010-2011
to 2012-2013 (Pages 43 - 116)**

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THE EXECUTIVE

16 February 2010

REPORT OF THE CORPORATE DIRECTOR OF FINANCE AND COMMERCIAL SERVICES

<p>Title: 2009/10 Budget Monitoring Report – April to December 2009</p>	<p style="text-align: center;">For Decision</p>
<p>Summary</p> <p>The report updates the Executive on the Council's expected revenue and capital outturn position based on the period April to December and projected to the end of the 2009-10 financial year.</p> <p>The net projected General Fund service overspend before recovery plans is £2.8m. Recovery plans are estimated to reduce this by £2.1m. Net potential corporate risks total £0.7m. Balances would reduce from £3.7m to £2.3m. This is still £5.2m below the target level of balances of £7.5m</p> <p>Interventions continue in place to reduce expenditure. Should the interventions be unsuccessful in bringing the position back into line, the impact will be that the Council's General Fund balance could fall to an unacceptably low level by the end of the financial year. A review of other reserves is underway to consider transfer to general balances. The concurrent reports on this agenda for the Council Plan/MTFS and for setting the 2010/11 budget have been drafted with a view to addressing the low levels of balances.</p> <p>The Housing Revenue Account (HRA) is forecast to have a year end working balance (including the Rent Reserve) of £4.4m which includes an in-year contribution to balances of £3.4m. The HRA is a ring fenced account and cannot make contributions to the General Fund.</p> <p>In regard to the Capital Programme, the current projection is that the year-end outturn position will be £103.6m against a proposed working budget of £105.7m. Directors are currently reviewing the delivery of individual capital schemes to ensure maximum spend within budget is achieved by the year end. Capital budgets cannot contribute to the General Fund although officers are working to ensure that all appropriate capitalisation occurs.</p> <p>Wards Affected: All wards.</p>	
<p>Recommendations</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note the current projected position for 31 March 2010 of the Council's revenue and capital budget as detailed in sections 3 and 5 of the report and Appendices A and C; 2. Approve the transfer from specific and ear-marked reserves to the general balance as detailed in paragraph 3.1.6 3. Note the position for the HRA as detailed in section 4 of the report and Appendix B; 	

4. Note that in light of the current potential overspend, departments are continuing work to identify and deliver recovery plans to eliminate overspends;
5. Note that the Corporate Director of Finance and Commercial Services has imposed mechanisms to reduce in-year expenditure;
6. Note potential further actions may be required;
7. Approve the re profiles to capital schemes as detailed in section 5 of the report and **Appendix D**;
8. Approve the revenue and capital virements as outlined in Section 6 of the report;
9. Note the 3rd quarter Financial Health Indicators as detailed in Section 7 and **Appendix E**.

Reason

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

Implications

Financial:

The overall revenue budget is indicating potential budget pressures in most of the Council's service departments and corporate matters totalling £1.4m against general fund balances at the start of the financial year of £3.7m.

The capital programme is projected to outturn at £103.6m against the proposed working budget of £105.7m.

Legal:

A detailed overview of the legal implications of the situation facing the council appear in section 6 of the report to the Executive of 22nd December 2009. The comments there also drew attention to the power and duty of the section 151 Officer to issue a notice under section 114 Local Government Finance Act 1988 if among other things it appears to her that the expenditure incurred by the authority (including proposed expenditure) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure. This report updates members with the progress made on controlling expenditure. Officers are in this report projecting an over spend without any recovery plans of £2.8m. Recovery plans are estimated to reduce the over spend by £2.1m. Officers have flagged up net potential corporate risks of £0.7m and advise that balances would reduce from £3.7m to £2.3m. This figure is still £5.2m below the target level of balances of £7.5m. The sum of £7.5 m was set as a target level of adequate reserves when the council set the 2009-10 annual budget and council tax. Previous reports have highlighted that pursuant to Local Government Act 2003 a council must set a minimum level of reserves and the Secretary of State has power to specify what this level should be. No such direction has been issued but CIPFA guidance confirms that local authorities should have regard to the level of risk in determining the appropriate level of reserves. Members will wish to satisfy themselves as to the efforts being made to bring the balances to an acceptable level by the end of the financial year and available options

should the situation not improve.

Contractual:

No specific implications

Risk Management:

The risk to the Council is that if the currently projected overspends are not eliminated the level of balances will fall to a level which is not acceptable to meet future financial risks. Low levels of balances are being addressed as part of the 2010/11 budget setting process.

Staffing:

As part of the measures to reduce in-year pressures a freeze on recruitment has been implemented. Recruitment is currently limited to essential appointments only and overtime payments have been reduced.

Customer Impact:

As far as possible all restraints have been placed on non-essential services spend. Some cuts may directly or indirectly affect customers but every effort is being made to mitigate any impact on front line services. Should current restraints be ineffective, further restraint may impact on low risk services.

Safeguarding Children:

No specific implications

Crime and Disorder:

No specific implications

Property/Assets:

Some non-essential maintenance to properties may be re-phased.

Options Appraisal:

Not applicable.

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1. Background

- 1.1 This report provides a summary of the Council's projected revenue and capital position and consequent balances based on the first nine months of the 2009-10 financial year.
- 1.2 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 regularly 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.

- 1.3 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).
- 1.4 The monthly Resource Monitoring Panels (RMP), chaired by the Cabinet Member for Finance and Human Resources, 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.
- 1.5 Over the last two months reports to the Executive have identified significant pressures being faced by Departments. As reporting enters the final quarter of the financial year projections become more robust and the opportunity to manage pressures becomes more restricted.

2 Current Position

- 2.1 The impact of the current revenue projections to the end of the financial year is that the Council's General Fund balance will fall by £1.4m as shown in the table at paragraph 2.4. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances. Actions are already in place to reduce the Council's cash out-goings and these will continue to be reviewed.
- 2.2 In the report to Members regarding the setting of the 2009-10 annual budget and Council Tax, the Chief Finance Officer, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003, set a target reserves level of £7.5m. The current projected balance for the end of the financial year is significantly below this level. Whilst the external auditor has not offered an opinion on a minimum acceptable level of general balances the Local Government Act 2003 requires the Authority to set an appropriate level of reserves.

	Balance at 1 April 2009	Projected Balance at 31 March 2010
	£000	£000
General Fund	3,700	2,293
Housing Revenue Account (including Rent Reserve)	977	4,369

- 2.3 In light of the current financial position, all departments have been instructed by the Chief Executive to prepare recovery plans to eliminate their overspends and, in addition, the Corporate Director of Finance and Commercial Services has imposed a council-wide non-essential expenditure freeze including the close monitoring of recruitment spend through a central panel. The 'likely' effect of the recovery plans identified by departments on the currently projected overspends are shown in the table below.

2.4

December 2009	Gross Projected Outturn	'Likely' Effect of Recovery Plans	Net Projected Outturn
	£000	£000	£000
<u>Service Expenditure</u>			
Adult and Community Services	370	(370)	0
Children's Services	1970	(1,770)	200
Customer Services (1)	725	0	725
Resources	(22)	0	(22)
Finance & Commercial Services (1)	(194)	0	(194)
Total Service In-Year Variances	2,849	(2,140)	709

(1) Gross projected outturn already includes effects of recovery plans.

- 2.5 The current forecast end of year outturn position across the Council for the General Fund compared with the position reported last month and taking into account the effect of recovery plans, is shown in the table below.

	December Forecast Outturn	November Forecast Outturn	Movement
	£000	£000	£000
<u>Service Expenditure</u>			
Adult and Community Services	0	0	0
Children's Services	200	200	0
Customer Services	725	450	275
Resources	(22)	0	(22)
Finance & Commercial Services	(194)	(198)	4
Total Service In-Year Pressures	709	452	257
Other			
<u>Corporate Issues</u>			
Building Schools for the Future	1,000	1,000	0
Looked After Children	1,100	1,100	0
Local Housing Company	500	500	0
Recharges to revenue	300	300	0
Specific reserves/funding released	(1,202)	0	(1,202)
Budgeted contribution to balances	(1,000)	(1,000)	0
Total In-Year Pressures	1,407	2,352	(945)

- 2.6 Additional to the risks identified in the tables above are other pressures where the financial consequence is not yet known and where Directors and Head of Services are attempting to manage the issues. If, however, these pressures come to fruition either wholly or in part, then the financial position will worsen. Equally, if the 'likely' effect of the existing recovery plans is not achieved, the projected balance position will be worse than reported in paragraph 2.1.

- 2.7 The probability of Departments being able to manage the implementation of their action plans is reduced due to the fact that there are now less than 2 months left of the financial year in which to implement quite severe savings plans.
- 2.8 When setting the 2010-11 budget and Council Tax the Authority must have regard for the level of balances and ensure that they are at an appropriate level. If the proposed recovery plans are not achieved and/or if additional in-year pressures arise, the ability of the Authority to set a balanced budget with appropriate reserve levels for 2010-11 will be significantly impaired. The Council Plan/MTFS and Budget and Council Tax Setting reports (also on this agenda) set out plans to increase reserves to £10m in 2010/11.

3 General Revenue Services

- 3.1 The detailed departmental positions, prior to the effects of any recovery plans, are shown in Appendix A. The key areas of overspend and the movements from the previously reported position, are outlined in the paragraphs below.

3.1.1 Adult and Community Services

Negotiations with the PCT regarding the National Valuing People LD Transfer have been successfully concluded resulting in a circa £300K gain within the Adult Commissioning division. This explains the majority of the reduced projected outturn from the previously reported £775K to £370k

To counter the potential overspend the Departmental Management Team has drawn up a recovery plan which will result in the department breaking even by the end of the year. In year budget pressures in the Learning Disability Service Area (due to transition arrangements from Children's) and Older Persons Care still exist. To assist the departmental position, all non care Service Divisions within the department are required to come in, on aggregate, £100k each under budget.

3.1.2 Children's Services

The Children's Services department continues to project that without corrective action there will be an over spend of £1.97m by year end; an increase of £70K from the previous month. This increase is a consequence of the legacy costs of legal cases. In order to mitigate the projected overspend, the Departmental Management Team has identified actions to potentially achieve savings of £1.97m. However, of these only £1.7m are currently considered likely to be achieved.

3.1.3 Customer Services

The Customer Services department is currently projecting an overspend of £725K which is an increase of £275K on the position reported in November. This projection already includes the effect of the recovery plans identified by the Departmental Management Team.

The increase in overspend is concentrated in the Environment and Enforcement division; the projected underspend in this area has decreased by £187K from last month attributed to the deteriorating weather conditions. Projected spends within

the Revenue's and Benefits and Barking and Dagenham Direct divisions have deteriorated by £52K and £35K respectively.

3.1.4 Resources

The Resources department is projecting an underspend of £22K; an improvement of £40K from the overspend of £18k reported last month. The reduction is mainly due to the following:

- A targeted reduction within the supplies and Area Based Grants budgets of the Director and business support division (£51K)
- The completion of a review into interim staffing arrangements and supplies and services budgets with the Human Resources departments (£42K)

The Legal & Democratic divisions overspend has increased by £42K offsetting some of the reductions above. This is due to the in-house employment of locum lawyers on safeguarding work at a cost of £340K. Discussions are ongoing with clients in relation to the additional recharges for these lawyers; as these have not been finalised the cost remains within this division.

3.1.5 Finance & Commercial Services

The Corporate Finance area of this department is currently completing and implementing a reorganisation. Budget pressures, caused by the use of agency staff, have been alleviated through the use of the Council's contingency budget and it is projected that this area will show a small underspend at the end of the year.

The Policy, Performance and Partnerships area of the department is projected to under spend by £182K due to a number of vacant posts that will not be filled by the end of the year.

3.1.6 Corporate Issues

Corporate revenue pressures exist in 2009-10 relating to

- the Building Schools for the Future project (£1m). A base budget item has been included in the Medium Term Financial Strategy (MTFS) to address this issue in future years.
- prior year expenditure on Looked after Children which will not be grant funded by the Home Office (£1.1m) although the authority is continuing to negotiate with Central Government to resolve this.
- the costs of setting up the Local Housing Company (LHC) and the assumption that there will be no recovery of these costs in 2009-10 (£0.5m).
- costs (£0.3m) which can no longer be charged to capital and which will fall to revenue.

Off-setting these pressures are specific reserves which are no longer required and which can be transferred to general reserves

- Service re-configuration reserve £0.256m
- Spend to save reserve £0.946m

In addition, other reserves will be further scrutinised to consider their ability to transfer to general balances e.g. ABG, LAA Reward Grant and LABGI.

The DCLG have approved the Councils bid to capitalise redundancy costs incurred in 2009/10. Subject to confirmation of this spend service departmental costs will fall.

Executive are asked to approve the transfer from specific and ear-marked reserves to the general reserve as follows

- Service re-configuration reserve £256,148
- Spend to save reserve £945,560

4 Housing Revenue Account (HRA)

4.1 The HRA is currently projecting a contribution to balances for the year of £3.39m mainly as a result of a decrease in the amount of negative subsidy and Housing Benefit Limitation payable and an underspend on Repairs and Maintenance.

4.2 The forecasted HRA contribution to balances has increased by £1,933K from last year and is greater than expected due to the following reasons:

- The successful outcome of a bid to the CLG for a 'caps & limit' adjustment to compensate the HRA for lost income through delivering the Council's rents within the Governments Rent restructuring framework (circa £900k)
- Leasehold service charges bills were distributed in December 2009. This has provided a more accurate picture of the income levels; this is higher than was expected (circa £300k)
- An analysis of the Repairs and Maintenance has been completed and previous concerns over the level of capitalisation have now reduced therefore a release of £500k has been included in the December 2009 monitor.

4.3 The detailed HRA position is shown in Appendix B.

5 Capital Programme

5.1 Since the original budget was set, budgets have been transferred from 2008/09 into 2009/10 as set out in previous budget monitoring reports and further new schemes have been approved. As at the end of December, the revised budget on the capital programme was £123.96m against an original budget of £71.7m. Profiles approved by Executive in January reduced the overall budget to £114.3m. Full details of the Capital Programme are shown in Appendix C.

5.2 A further review of the delivery of all capital projects has been undertaken and re profiling of a number of capital projects is required. The yearly expenditure changes that the proposed profiles will have are shown in the table below:

Year	2009/10	2010/11	2011/12	2012/13
	£'000	£'000	£'000	£'000
Current Profile	21,460	11,364	2,356	60
Proposed Profile	12,530	19,155	3,476	0
Adjustment	(8,930)	7,791	1,120	(60)

- 5.3 If approved the effect of these re-profiles will be to reduce the 2009/10 budget to £105.4m. Actual spend as at the end of December was £53.77m which is 47% of the current working budget. At this stage in the year, it is expected that the outturn will be £103.6m against the proposed budget of £105.4m. This position is subject to robust scrutiny to ensure that timetables and milestones can be adhered to and that budgets are realistic.
- 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 Virements

- 6.1 A review of Invest to Save Schemes has been undertaken and the following schemes require repayments to be re profiled. This will affect the timing of repayments to the Invest to Save reserve.
- Community Equipment - Retail Model: Delays in delivery of the proposal mean that savings will be realised a year later than expected (£100k).
 - Externalising Out of Hours/ Careline Service: Delays in restructuring the service means that savings will be realised later than expected (£249k).
- 6.2 To ensure the optimal use of capital resources, virements to several schemes are required:
- Dagenham Library/ One Stop Shop (£50k) to the Dagenham Heathway.
 - Dagenham Dock Infrastructure and Industrial Signage Schemes have been completed but have remaining capital allocations. It is proposed that these be transferred to the Industrial Area Improvement scheme (£17k).
 - The Lifelong Learning Centre has been completed and the remainder of the capital budget (£25k) is proposed to be allocated to the Axe Street Housing Project.
 - Wind Turbines £197k to Carbon Reduction – anticipated sites and planning issues for the wind turbines have resulted in this scheme not being able to progress. The funding is proposed to be allocated to a variety of carbon reduction projects under the Asset Management function.
- 6.3 Detailed proposals are shown in Appendix D.

7 Financial Health Indicators

- 7.1 The Audit Commission's Comprehensive Area Assessment (CAA) requires the council to undergo an assessment into its Use of Resources (UoR).
- 7.2 One of the key themes within the UoR assessment is the need to evaluate the Council's position regarding its financial standing. A key line of enquiry requires Members to monitor key financial health indicators and set challenging targets for areas including, income collection, level of variance from budget, prudential framework indicators and capital programme management. Whilst the Council has a good track record of achieving these targets, it is appropriate that performance against these targets is presented to the Executive on a regular basis. Attached at

Appendix E is a list of the Council's significant health indicators for the period ending 31st December 2009

8 Consultees

The following were consulted in the preparation of this report:

Councillor G Bramley, Cabinet Member for Finance and Human Resources
Rob Whiteman, Chief Executive
Anne Bristow, Corporate Director of Adult and Community Services
Helen Jenner, Corporate Director of Children's Services
David Woods, Corporate Director of Customer Services
Bill Murphy, Corporate Director of Resources
Tracie Evans, Corporate Director of Finance and Commercial Services
John Hooton, Strategic Finance Controller
Lee Russell, Group Manager – Resources
Steve Whitelock, Group Manager - Adult and Community Services Finance
Shenis Hassan, Acting Group Manager - Children's Services Finance
Tony McNamara, Acting Group Manager - Customer Services Finance
Alex Anderson, Group Manager - Systems and Control
Winston Brown, Legal Partner – Corporate Law and Employment
Capital Programme Management Office (CPMO)

9 Background Papers Used in the Preparation of the Report

- Oracle reports
- CPMO reports
- Revenue Monitoring Panel (RMP) briefing papers

10 List of Appendices

Appendix A – General Fund Revenue Budget Monitoring Statement – December 2009

Appendix B – Housing Revenue Account (HRA) Budget Monitoring Statement – December 2009

Appendix C – Capital Programme Budget Statement – December 2009

Appendix D – Capital Programme Re-profiles & Virements

Appendix E – Financial Health Indicators – December 2009

APPENDIX A

REVENUE BUDGET MONITORING STATEMENT - DECEMBER 2009

SERVICES	2009/10			
	Original Budget	Working Budget	Forecast Outturn Before Recovery Plan	Projected Variance - over/(under)
	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>				
Adult Care Services	5,054	4,921	4,871	(50)
Adult Commissioning Services	43,681	43,658	44,428	770
Community Safety & Neighbourhood Services	3,652	3,702	3,602	(100)
Community Cohesion & Equalities	7,537	7,588	7,488	(100)
Leisure & Arts	6,473	6,621	6,521	(100)
Other Services	581	746	696	(50)
	66,978	67,236	67,606	370
<u>Children's Services</u>				
Quality & Schools Improvement	7,151	7,220	7,821	601
Integrated Family Services	768	768	768	0
Safeguarding & Rights Services	33,074	33,079	34,448	1,369
Children's Policy & Trust Commissioning	2,199	2,199	2,199	0
Skills, Learning and Enterprise	1,837	2,427	2,427	0
Other Services	6,985	6,993	6,993	0
	52,014	52,686	54,656	1,970
<u>Children's Services - DSG</u>				
Schools	(11,382)	(2,181)	(2,181)	0
Quality & Schools Improvement	7,417	7,668	7,668	0
Integrated Family Services	2,575	2,710	2,710	0
Safeguarding & Rights Services	578	578	578	0
Children's Policy & Trust Commissioning	587	1,308	1,308	0
Other Services	225	(10,083)	(10,083)	0
	0	0	0	0
<u>Customer Services</u>				
Environment & Enforcement	21,369	21,888	21,479	(409)
Housing Services	842	1,008	1,056	48
Revenues & Benefits	2,688	2,208	3,579	1,371
Barking & Dagenham Direct	(518)	(516)	(801)	(285)
	24,381	24,588	25,313	725
<u>Resources</u>				
Chief Executive	(4)	(4)	(4)	0
Director of Resources & Business Support	601	620	408	(212)
Legal & Democratic Services	727	589	905	316
ICT & eGovernment	(577)	(579)	(929)	(350)
Human Resources	(290)	(210)	(143)	67
Strategic Asset Management/Capital Delivery	375	364	579	215
Regeneration & Economic Development	3,151	3,364	3,306	(58)
Corporate Management	5,757	5,454	5,454	0
	9,740	9,598	9,576	(22)
<u>Finance & Commercial Services</u>				
	84	715	521	(194)
<u>Other</u>				
General Finance	(11,180)	(12,206)	(12,206)	0
Contingency	1,500	900	900	0
Levies	7,646	7,646	7,646	0
TOTAL	151,163	151,163	154,012	2,849

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APPENDIX B

HOUSING REVENUE ACCOUNT - BUDGET MONITORING SUMMARY - DECEMBER 2009

	Original Budget £'000	Revised Budget £'000	Forecast £'000	Variance £'000
INCOME				
DWELLING RENT	(74,068)	(74,068)	(71,803)	2,265
NON DWELLING RENTS	(2,473)	(2,473)	(2,643)	(170)
CHARGES FOR SERVICES & FACILITIES	(10,575)	(10,575)	(11,304)	(729)
CAPITALISATION OF REVENUE REPAIRS	(3,500)	(3,500)	(3,840)	(340)
TOTAL INCOME	(90,616)	(90,616)	(89,590)	1,026
EXPENDITURE				
REPAIRS AND MAINTENANCE	23,982	23,982	23,397	(585)
SUPERVISION AND MANAGEMENT	27,996	27,996	27,988	(8)
RENT RATES TAXES AND OTHER CHARGES	524	524	606	82
NEGATIVE HRA SUBSIDY PAYABLE	22,057	22,057	18,110	(3,947)
HOUSING BENEFIT LIMITATION	504	504	330	(174)
DEPRECIATION AND IMPAIRMENT OF FIXED ASSETS	13,689	13,689	13,689	0
BAD DEBT PROVISION/WRITE OFFS	746	746	746	0
CAPITAL EXPENDITURE FUNDED FROM REVENUE	1,885	1,885	1,385	(500)
TOTAL EXPENDITURE	91,383	91,383	86,251	(5,132)
NET COST OF HRA SERVICES PER AUTHORITY (I&E) CORPORATE & DEMOCRATIC CORE	767	767	(3,339)	(4,106)
	811	811	811	0
NET COST OF HRA SERVICES	1,578	1,578	(2,528)	(4,106)
INTEREST AND INVESTMENT INCOME	(1,364)	(1,364)	(864)	500
TRANSFER TO / (FROM) RESERVES	(214)	(214)	3,392	3,606
(SURPLUS)/DEFICIT FOR THE YEAR	0	0	0	0
HOUSING REVENUE ACCOUNT SURPLUS B/F	4,200	(977)	(977)	0
HOUSING REVENUE ACCOUNT SURPLUS C/F	3,986	(549)	(4,369)	(3,820)

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APPENDIX C

CAPITAL PROGRAMME 2009/2010

SUMMARY OF EXPENDITURE - DECEMBER 2009

<u>Department</u>	<u>Original Budget (1)</u>	<u>Revised Budget</u>	<u>Actual to date</u>	<u>Percentage Spend to Date</u>	<u>Projected Outturn</u>	<u>Projected Outturn against Revised Budget</u>	<u>Projected Outturn Variation against Original Budget</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Adult & Community Services	25,850	16,243	7,337	45%	15,151	(1,092)	(10,699)
Children's Services	9,809	29,258	11,796	40%	23,944	(5,314)	14,135
Customer Services	25,493	38,754	25,570	66%	41,681	2,927	16,188
HR Resources	10,597	30,073	9,063	30%	22,821	(7,252)	12,224
Total for Department Schemes	71,749	114,328	53,766	47%	103,597	(10,731)	31,848
<u>Accountable Body Schemes</u>							
Resources	-	-	-	-	-	0	0
Total for Accountable Body Schemes	-	-	-	-	-	0	0
Total for all Schemes	71,749	114,328	53,766	47%	103,597	(10,731)	31,848

Note

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

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Capital Programme 2009-10 Onwards Re profiling and Virement Requests

Department: Adults & Community Services – Community Cohesion

Scheme Name: Valence House Redevelopment Project

Project Number: 2233

Brief description: While making excellent progress overall, several factors have pushed the finishing of the Valence project into 2010-11, namely the early discovery of massive foundations under the industrial buildings being demolished, squirrels destroying some of the new cabling and lastly the sub-zero temperatures in December-January.

Construction of the Visitor Centre is unlikely to be finished before mid-March which means that the final construction bills and some of phase 2 of the museum fit-out costs will fall into the new financial year.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	1,484	6,225	61	0	0	7,770
Proposed profile	1,484	5,225	1,061	0	0	7,770

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	1,278	4,677	47	0	0	6,002
Departmental Borrowing	0	0	0	0	0	0
External	206	1,548	14	0	0	1,768
Source of External funding	HLF	HLF	HLF			
Total	1,484	6,225	61	0	0	7,770

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	1,278	3,904	820	0	0	6,002
Departmental Borrowing	0	0	0	0	0	0
External	206	1,321	241	0	0	1,768
Source of External funding	HLF	HLF	HLF			
Total	1,484	5,225	1,061	0	0	7,770

Department: Adults & Community Services – Community Cohesion
Scheme Name: Eastbury Manor House
Project Number: 191

Brief description: Eastbury construction works have been finished; the retention remains to be paid in the financial year 2010-11. However, while the design of the room interpretation panel are almost complete, the bulk of the work for the galleries lies ahead – design, production and fitting. The target deadline is to have this complete by April 2010.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	798	466	0	0	0	1,264
Proposed profile	798	366	100	0	0	1,264

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	241	137	0	0	0	378
Departmental Borrowing	0	0	0	0	0	0
External	557	329	0	0	0	886
Source of External funding	HLF	HLF	HLF			
Total	798	466	0	0	0	1,264

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	241	123	14	0	0	378
Departmental Borrowing	0	0	0	0	0	0
External	557	243	86	0	0	886
Source of External funding	HLF	HLF	HLF			
Total	798	366	100	0	0	1,264

Department: Adults & Community Services – Leisure & Arts
Scheme Name: Barking Park Artwork
Project Number: 2546

Brief description: Payment is not due until 2010/11, once project is completed.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	85	0	0	0	85
Proposed profile	0	1	84	0	0	85

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Profile						
Corporate Borrowing	0	0	0	0	0	0
Departmental Borrowing	0	0	0	0	0	0
External	0	85	0	0	0	85
Source of External funding		S106				
Total	0	85	0	0	0	85

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Proposed Profile						
Corporate Borrowing	0	0	0	0	0	0
Departmental Borrowing	0	0	0	0	0	0
External	0	1	84	0	0	85
Source of External funding		S106	S106			
Total	0	1	84	0	0	85

Department: Children Services
Scheme Name: School Modernisation Fund
Project Number: 2718

Brief description: Original budget of £3,326,401. £400k to be rolled forward into next years capital programme. Based on DCSF guidelines which allow funding to be spent over a three year period.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	3,326	0	0	0	3,326
Proposed profile	0	2,926	400	0	0	3,326

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Profile						
Corporate Borrowing	0	0	0	0	0	0
Departmental Borrowing	0	0	0	0	0	0
External	0	3,326	0	0	0	3,326
Source of External Funding						
Total	0	3,326	0	0	0	3,326

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Proposed Profile						
Corporate Borrowing	0	0	0	0	0	0
Departmental Borrowing	0	0	0	0	0	0
External	0	2,926	400	0	0	3,326
Source of External Funding						
Total	0	2,926	400	0	0	3,326

Department: Customer Services, B&D Direct
Scheme Name: Office Accommodation
Project Number: 2453

Brief description: This project is to focus on improving the reception points across all Council Services to create a consistent image for the Council to the public.

Following several site visits by the CE and senior officers during the summer of 2009 to various reception sites it was agreed that the funds would be re-profiled for 2010/11 to focus on development and implementation of an action plan for improvements to corporate reception points that provide a consistent message which welcomes people to Barking & Dagenham, have appropriate displays which set out corporate aims and values and present a clear suite of information in a consistent format.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	41	92	0	0	0	133
Proposed profile	41	12	80	0	0	133

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	41	92	0	0	0	133
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	41	92	0	0	0	133

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	41	12	80	0	0	133
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	41	12	80	0	0	133

Department: Customer Services – Environment & Enforcement Services Division
Scheme Name: Land Quality Inspection Programme
Project Number: 2288

Brief description: The project is an extension of the 5 year Contaminated Land Inspection Programme approved by CPMO in 2004. The programme involves the site investigation of prioritised contaminated land sites across the Borough to meet the Councils statutory obligations under Part 2A of the Environmental Protection Act 1990. The programme aims to identify and tackle contaminated sites which pose an unacceptable risk to the health of residents or the wider environment.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	259.5	60	60	60	439.5
Proposed profile	0	279.5	80	80	0	439.5

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	60	60	60	60	240
Departmental Borrowing	0	0	0	0	0	0
External	0	199.5	0	0	0	199.5
Source of External funding		Defra				
Total	0	259.5	60	60	60	439.5

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	80	80	80	0	240
Departmental Borrowing	0	0	0	0	0	0
External	0	199.5	0	0	0	199.5
Source of External funding		Defra				
Total	0	279.5	80	80	0	439.5

Department: Customer Services/ Housing
Scheme Name: Private Sector Housing
Project Number: 105

Brief description: This scheme is a statutory requirement of the Council to carry out Private Sector Housing duties and the team carries out the following functions:

- The removal of risk from poor housing in the borough, in relation to both people and the environment.
- The provision of financial assistance to vulnerable owner occupiers through the award of government subsidised grants.
- The promotion of energy efficiency in the private housing sector.
- The return of empty properties to the housing stock.
- The enforcement and licensing of all houses in 'Houses In Multiple Occupation' in the borough.
- The delivery of an effective, efficient and customer focussed service, which meets national, regional and local targets;
- Full compliance with Housing Standards legislation

If the Council failed to provide the statutory duties of the Private Sector Housing Team the Local Authority would be open to legal challenge. Homelessness would increase and people would live in poorer quality housing.

Earmarked amounts for repair grants are currently being processed but work will not to be completed till 2010-2011, which is when payments will become due

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	1,300	1,000	0	0	2,300
Proposed profile	0	1,100	1,200	0	0	2,300

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Profile						
Corporate Borrowing	0	1,300	1,000	0	0	2,300
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	1,300	1,000	0	0	2,300

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Proposed Profile						
Corporate Borrowing	0	1,100	1,200	0	0	2,300
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	1,100	1,200	0	0	2,300

Department : Resources- Asset Strategy & Capital Delivery
Scheme Name: Corporate Accommodation Strategy
Project Number: 2565

Brief description: Projected spend for 2009/10 is lower than expected due to delays in better space planning in Roycraft House and planned deferral of accommodation moves. This is expected to be completed in 2010/11.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	2,718	2,000	2,200	0	6,918
Proposed profile	0	2,046	2,672	2,200	0	6,918

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	885	0	0	0	885
Departmental Borrowing	0	1,833	2,000	2,200	0	6,033
External	0	0	0	0	0	0
Source of External funding						
Total	0	2,718	2,000	2,200	0	6,918

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	885	0	0	0	885
Departmental Borrowing	0	1,161	2,672	2,200	0	6,033
External	0	0	0	0	0	0
Source of External funding						
Total	0	2,046	2,672	2,200	0	6,918

Department: Resources – Facilities Management
Scheme Name: Backlog Maintenance
Project Number: 2542

Brief description: Due to a shortage of resources this project has suffered delays - Specifications have been prepared for Roycraft windows, toilets & reception counter, these will be issued very soon. Due to the specialist nature of the Civic Centre Cathodic protection there will be a need to engage specialist consultants.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	1123	0	0	0	1123
Proposed profile	0	723	400	0	0	1123

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	1,123	0	0	0	1,123
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	1,123	0	0	0	1,123

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	723	400	0	0	1,123
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	723	400	0	0	1,123

Department: Resources – Facilities Management
Scheme Name: CMRP DDA for Buildings
Project Number: 2342

Brief description: This project has suffered delays due to the legal requirement to ensure that all the public areas of our sites these works are on going only the leisure facilities are left to complete.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	153	0	0	0	153
Proposed profile	0	103	50	0	0	153

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	153	0	0	0	153
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	153	0	0	0	153

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	103	50	0	0	153
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	103	50	0	0	153

Department: Resources – Facilities Management
Scheme Name: PTS Garage
Project Number: 2624

Brief description: The PTS Garage is subject to a further relocation. As a result of moving to current premises, there is a small amount £25,000 unspent and it is envisaged that this may be needed to ensure the new premises are Health and Safety compliant.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	25	0	0	0	25
Proposed profile	0	0	25	0	0	25

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	25	0	0	0	25
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	25	0	0	0	25

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	0	25	0	0	25
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	0	25	0	0	25

Department: Resources – Asset Management & Capital Delivery

Scheme Name: Legionella (Public Buildings)

Project Number: 2577

Brief description: Most of the major works in 2009-10 to meet legislative demands have now been completed and there are minor on going works that will be completed in 2010/11.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	441	0	0	0	441
Proposed profile	0	315	126	0	0	441

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	441	0	0	0	441
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	441	0	0	0	441

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	315	126	0	0	441
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	315	126	0	0	441

Department: Resources – Asset Management & Capital Delivery

Scheme Name: L8 Control of Legionella

Project Number: 2741

Brief description: Most of the major works in 2009-10 to meet legislative demands have now been completed and there are minor on going works that will be completed in 2010/11.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	115	115	0	0	230
Proposed profile	0	110	120	0	0	230

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	115	115	0	0	230
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	115	115	0	0	230

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	110	120	0	0	230
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	110	120	0	0	230

Department: Resources – Asset Management & Capital Delivery

Scheme Name: L8 Surveys & Risk Assessments

Project Number: 2740

Brief description: Most of the major works in 2009-10 to meet legislative demands have now been completed and there are minor on going works that will be completed in 2010/11.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	30	60	35	0	125
Proposed profile	0	19	71	35	0	125

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	30	60	35	0	125
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	30	60	35	0	125

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	19	71	35	0	125
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	19	71	35	0	125

Department: Resources

Scheme Name: Demolition of 16-20 Cambridge Road

Project Number: 2737

Brief description: A licence has been granted to Swan Housing for them to demolish 16-20 Cambridge Road, as part of their overall scheme to demolish other properties which Swan also own on Cambridge Road. This is being done at no cost to LBBD and consequently will save part of the budgeted sum for 2009/10. The Licence will run until 30/04/10. Internal costs, circa £15K, will be incurred for some structural works.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	94	0	0	0	94
Proposed profile	0	15	0	0	0	15

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	94	0	0	0	94
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	94	0	0	0	94

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	15	0	0	0	15
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	15	0	0	0	15

Department: Resources - Regeneration
Scheme Name: LEGI Business Centre
Project Number: 2596

Brief description: The funding relates to the construction of two new business centres in the Borough. The Barking Business Centre was originally part of a wider residential scheme on the William Street Quarter which is no longer proceeding therefore an alternative stand alone business centre has had to be progressed meaning the original funding profile needs to be changed. The Dagenham Business Centre was delayed by the uncertainty over the Barking scheme as the finances for both needed to be fixed before either could proceed. The Dagenham Business Centre can now start on site in early 2010/11 and the Barking Business alternative scheme is now programmed. Both centres will still be delivered for the funding available.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	5,923	0	0	0	5,923
Proposed profile	0	698	5,225	0	0	5,923

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	0	0	0	0	0
Departmental Borrowing	0	0	0	0	0	0
External	0	5,923	0	0	0	5,923
Source of External funding		(LEGI/ Lottery)				
Total	0	5,923	0	0	0	5,923

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	0	0	0	0	0
Departmental Borrowing	0	0	0	0	0	0
External	0	698	5,225	0	0	5,923
Source of External funding		(LEGI/ Lottery)	(LEGI/ Lottery)			
Total	0	698	5,225	0	0	5,923

Department: Resources - Regeneration
Scheme Name: Area based Schemes (Shopping Parades)
Project Number: 2755

The project will span two financial years, although we are geared up to spend the budget this financial year, we aim to roll over into next year in order to assist with the financial planning of the organisation. Works will include forecourt repairs, footpath repairs, new lighting, repairs to guardrail, tree planting and new parking spaces. This work is eagerly anticipated by local business and the wider public.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	1,165	0	0	0	1,165
Proposed profile	0	850	315	0	0	1,165

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Profile						
Corporate Borrowing	0	976	0	0	0	976
Departmental Borrowing	0	0	0	0	0	0
External	0	189	0	150	0	189
Source of External funding						
Total	0	1,165	150	0	0	1,165

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Proposed Profile						
Corporate Borrowing	0	646	315	0	0	961
Departmental Borrowing	0	0	0	0	0	0
External	0	204	0	0	0	204
Source of External funding		Additional £15k S106 Broad Street				
Total	0	850	315	0	0	1,165

Department : Resources Regeneration and Economic Development

Scheme Name: Wind Turbines, St Pauls

Project Number: 2589

Brief description: The project was to deliver three wind turbines on St Pauls Roundabout Barking, to reduce the Carbon Emissions of the Council through connectivity to the Leisure Centre or St Josephs Primary School

Since the project was agreed Transport for London has confirmed that the roundabout will be removed for East London Transport. A secondary site for the turbines was identified in the grounds of St Josephs Primary School. But the Planning Department had concerns about constructing the turbines at the proposed location. Therefore it was decided that it was more prudent to use the monies on Carbon Reduction through the Council Assets within Barking Town Centre. As such the funds have moved to Assets Management for projects to be identified and delivered around carbon saving for the Council (thus supporting the Local Area Agreement target of Carbon Reduction in the Council estate).

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile	0	197	0	0	0	197
Proposed profile	0	0	197	0	0	197

The financing of these profiles is shown in the following tables:

Current Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	197	0	0	0	197
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	197	0	0	0	197

Proposed Profile	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	0	197	0	0	197
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	0	0	197	0	0	197

Department : Resources - Regeneration
Scheme Name: Dagenham Library/ One Stop Shop
Project Number: 2458
Scheme Name: Dagenham Heathway
Project Number: 2497

Brief description: £50K from Library project to Dagenham Heathway. The Dagenham Library project included funding for the creation of disabled parking bays near to the library. These were actually carried out as part of the wider Dagenham Heathway project and unfortunately this additional aspect was not coded separately. Therefore a virement is needed to cover the work carried out which would not have been included within the Heathway project unless the library project covered the additional cost.

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current profile 2458	4,169	2,131	1,438	0	0	7,738
Proposed profile 2458	4,169	1,000	2,519	0	0	7,688
Current profile 2497	0	192	0	0	0	192
Proposed profile 2497	0	242	0	0	0	242

The financing of these profiles is shown in the following tables:

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Profile 2458						
Corporate Borrowing	4,169	2,131	1,438	0	0	7,738
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	4,169	2,131	1,438	0	0	7,738

	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Current Profile 2497						
External	0	192	0	0	0	192
Source of External funding						
Total	0	192	0	0	0	192

Proposed Profile 2458	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	4,169	1,000	2,519	0	0	7,688
Departmental Borrowing	0	0	0	0	0	0
External	0	0	0	0	0	0
Source of External funding						
Total	4,169	1,000	2,519	0	0	7,688

Proposed Profile 2497	Previous years	2009/10	2010/11	2011/12	2012/13	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	0	42	0	0	0	42
External	0	200	0	0	0	200
Source of External funding						
Total	0	242	0	0	0	242

Department: Resources - Regeneration and Economic Development

Scheme Name: Industrial Area Improvement (Creekmouth Phase 2)

Project Number: 2754

Scheme Name Dagenham Dock Infrastructure

Project Number: 2495

Scheme Name Industrial Signage

Project Number: 2378

Brief Description: Both these amounts are remaining from now completed projects which improved industrial areas either through signage or through road upgrading. Both the amounts are from S106 agreements related to industrial estate improvements. A new industrial estate improvement project is underway and is in line with the requirements of the S106 agreements therefore a virement of those funds to the new project is sought. The funding cannot be used for anything outside the industrial areas.

	Project	2009/10	2010/11	2011/12	2012/13	Total
		£'000	£'000	£'000	£'000	£'000
Current profile	2754	400				400
	2378	12				12
	2495	5				5
Proposed profile	2754	267	150			417
	2378	0				0
	2495	0				0

The financing of these profiles is shown in the following tables:

Current Profile	Project	2009/10	2010/11	2011/12	2012/13	Total
		£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	2754	400				
External	2378/ 2495	17				
Source of External funding		LDA & S106				
Total						

Proposed Profile	Project	2009/10	2010/11	2011/12	2012/13	Total
		£'000	£'000	£'000	£'000	£'000
Corporate Borrowing	2754	250	150			
External	2754	17				
Source of External funding		LDA & S106				
Total		267	150			

Department: Resources- Regeneration and Economic Development

Scheme Name: Lifelong Learning Centre

Project Number: 2238

Scheme Name: Axe Street Housing

Project Number: 2746

Brief Description: The Barking Learning Centre project is now complete - the virement is requested to the Axe Street Housing public realm project. The project completes an important link between the Town Square, the Learning Centre and the Gascoigne Estate.

	Project	2009/10	2010/11	2011/12	2012/13	Total
		£'000	£'000	£'000	£'000	£'000
Current profile	2238	25	0	0	0	25
	2746	588	0	0	0	588
Proposed profile	2238	0	0	0	0	0
	2746	613	0	0	0	613

The financing of these profiles is shown in the following tables:

Current Profile	Project	2009/10	2010/11	2011/12	2012/13	Total
		£'000	£'000	£'000	£'000	£'000
External (LTGDC)	2238	25	0	0	0	25
External	2746	588	0	0	0	588
Total		613	0	0	0	613

Proposed Profile	Project	2009/10	2010/11	2011/12	2012/13	Total
		£'000	£'000	£'000	£'000	£'000
External	2238	0	0	0	0	0
External	2746	613	0	0	0	613
Total		613	0	0	0	613

Key Financial Health Indicators to 31st December 2009Revenue

<u>Financial Monitoring</u>	<u>2009/10</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>2009/10</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	148.4	149.1	0.7	0.7	0.0	0
Other Services	0.0	2.8	3.5	0.7	0.7	0.0	0
Total	0.0	151.2	152.6	1.4	1.4	0.0	0
<u>Narrative:</u>							
Two departments of the council are reporting budgetary pressures, one break-even and the fourth a small net underspend. A number of action plans have been implemented to ensure that the Council achieves a balanced budget by the year end. Full details of the December position is included in Section 3 within the main text of this report.							

Key Financial Health Indicators to 31st December 2009

Revenue

<u>Income Collection</u>	<u>Target Collection Rate</u>	<u>Cash Equivalent</u>	<u>Actual Collection Rate</u>	<u>Cash Equivalent</u>	<u>Variance to Target Rate</u>	<u>Next Quarter Target</u>
Council Tax* NDR* Ctax Arrears* • prior years Rent Collection(as at end of Oct 09)	81.30% 77.00% 25.50% 95.00%	£41.396m £38.989m £2.805m £71.520m	81.19% 78.63% 13.27% 96.82%	£41.338m £39.812m £1.459m £73.067m	(0.11%) 1.63% (12.23%) 1.82%	94.00% 97.00% 27.00% 95.00%
<u>Narrative:</u>						
Council Tax collection was 0.11% below the target for quarter 3 and the focus is now on improving collection in quarter 4 by increasing the performance of the bailiff companies along with getting reducing any backlogs. This will also include implementing a range of new processes over the coming months that will deliver a more efficient service delivery model. The collection of Council Tax arrears remains a challenge and is 12.23% lower than target for the quarter. The focus has been on containing in year collection but plans are being put in place to improve in this area. NDR collection is 1.63% above target, however, the challenge will be in retaining this level of performance when dealing with the anticipated increase in correspondence levels due to the forthcoming Revaluation Process. In relation to Housing Rents we are unable to report on this currently due to problems with the new HMP System. This has been escalated and we are awaiting confirmation of a resolution timescale.						

Key Financial Health Indicators to 31st December 2009

Investments

	<u>Average Investment Balances</u> £m	<u>Benchmark Return</u>	<u>Actual Return @ Q3</u>	<u>Variance at Q3</u>	<u>Projected Year End Variation</u> £'000
Council in House team	26.6	2.00%	2.83%	0.83%	0
External Fund Manager (1)	37.9	2.00%	1.19%	-0.81%	0
External Fund Manager (2)	18.7	2.00%	3.07%	1.07%	0
External Fund Manager (3)	15.0	2.00%	3.09%	1.09%	0
<u>Narrative:</u>					
The above statistics show investment performance to the end of December 2009. Bank rates remain at an all time low of 0.5% and is predicted to remain so between now and Q2 of 2010/11 as a result of the slow economic recovery in the UK. This continue to create a significantly bleaker outlook for investment income. Sufficient allowance has been made in the budget to account for this both in 2009/10 and 2010/11. Challenging benchmarks have been set for both the Council's Investment managers and internal team who continue to lock into good investments rates as the opportunity arises. Returns are currently expected to achieve the benchmark return.					

Capital

<u>Capital Programme</u>	<u>Original Budget</u> £m	<u>Working Budget</u> £m	<u>Actual Spend @ Q3</u> £m	<u>Projected Spend</u> £m	<u>Variance to Working Budget</u> %	<u>Variance to Working Budget</u> £m
Capital Spend	72	124	53.8	108	12.90%	16
<u>Narrative:</u>						
Actual spend as at the end of December was £53.8 m, which is 43.39% of the working budget. At this stage in the year, it is expected that the outturn will £107.7m against the budget of £124m, however, this position will be subject to robust scrutiny to ensure that timetables and milestones can be adhered to, and that budgets are realistic.						

Key Financial Health Indicators to 31st December 2009

Capital

<u>Prudential Indicators</u>	<u>Original Indicators @ 1/4/09</u>			<u>Revised Indicators @ 31/12/09</u>		
	<u>2009/10</u> £0	<u>2010/11</u> £0	<u>2011/12</u> £0	<u>2009/10</u> £0	<u>2010/11</u> £0	<u>2011/12</u> £0
<u>Indicators</u>						
<u>Capital</u>						
Capital Expenditure (£'000)	£99,867	£122,852	£91,028	£136,458	£135,125	£88,650
Financing Costs						
- Ratio of HRA Financing costs to Net Revenue Stream	15.70%	15.50%	15.50%	0.57%	0.57%	0.57%
- Ratio of General Fund Financing costs to Net Revenue Stream	1.53%	4.03%	5.26%	2.03%	3.97%	4.97%
Impact on Band 'D' Council Tax	£45.00	£121.00	£160.00	£59.61	£119.27	£151.21
Impact on Average Housing Rent	£0	£0	£0	£0	£0	£0
Capital Financing Requirement	£70,532	£100,046	£111,136	£68,272	£104,498	£114,658
<u>Treasury Management</u>						
Operational Limit on Borrowing	£90m	£115m	£120m	£90m	£115m	£120m
Authorised Limit	£200m	£200m	£200m	£200m	£200m	£200m
<u>Narrative:</u>	The capital expenditure indicator is showing an increase in the capital programme budget as a result of schemes being successfully appraised through the CPMO process. The remaining capital indicators look at the affordability of the capital programme, and at this stage of the year, there are no signs that this affordability will be different from that which was projected at the beginning of the year. The Treasury indicators look at the level of borrowing required to finance capital expenditure. As at the end of quarter 3, the projection is in line with budget.					

THE EXECUTIVE

16 FEBRUARY 2010

REPORT OF THE CORPORATE DIRECTOR OF FINANCE AND COMMERCIAL SERVICES

This report is submitted under Agenda Item 9. The Chair will be asked to decide if it can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order to avoid any delay in the setting of the MTFS as part of the Council's overall budgetary framework for 2010/11.

Title: Council Plan Update 2010/11 incorporating the Medium Term Financial Strategy 2010/11 to 2012/13	For Decision
<p>Summary:</p> <p>This report sets out the draft Council Plan and Medium Term Financial Strategy (MTFS).</p> <p>In the light of the forthcoming election, it was felt that significant changes to the Council Plan would be premature and therefore the existing plan has been extended with a light touch refresh for 2010-11 to reflect progress made. This report contains a textual version of the updated Plan. Once approved, the Council Plan incorporating the MTFS will be available as an interactive web document rather than a text document.</p> <p>The Council Plan articulates the way in which the Council plans to deliver members priorities over the next few years and the MTFS enables the Council to plan its finances into the future. The MTFS presents the financial impact of all the factors that influence the Council's budget over a period of time. The MTFS is informed by current and future policy as stated within the Council Plan and links to other strategies (e.g. Workforce Strategy). The MTFS also models the cost of services, the financial impact of risks we are aware of, investments we need to make and identifies our funding gaps.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to recommend the Assembly to approve:</p> <ul style="list-style-type: none"> (i) The Council Plan as set out at Section 1 of Annex 1 to this report; (ii) The MTFS as set out at sections 2 to 13 of Annex 1 to this report which includes: <ul style="list-style-type: none"> a. The Capital Strategy as set out in section 8 b. The Reserves and Contingency Strategy as set out in section 12 c. The budget options for 2010/11 and future years as set out in Appendix A to Annex 1 d. The investment decisions and assumptions as set out in Appendix B to Annex 1 	

Reason(s)

The Council Plan and Medium Term Financial Strategy set out the overarching principles by which the organisation plans its services over the medium term.

Implications**Financial**

This report is in respect of the Council Plan and Medium Term Financial Strategy, and sets out the principles for the Council's financial strategy. These are included throughout the report.

Legal

Detailed comments appear in the reports on the budget, Treasury Management Strategy, Fees and Charges for 2010-2011 and the capital programme for 2010 – 2011 which bear upon the MTFS. There are no further comments in relation to this report.

Contractual

No specific implications.

Risk Management

The Council Plan and Medium Term Financial Strategy must have regard for risks associated with the delivery of the Council's aims and objectives both in terms of policy and in terms of financial implications. Links to risk management are included in section 10 of this report.

Staffing

There are clear staffing implications of the Council Plan and Medium Term Financial Strategy. Links to the workforce strategy are set out in section 10 of this report.

Customer Impact

One of the key risks around setting the financial strategy and the savings options that underpin this is the impact on customers. A review of the impact of each savings option has been undertaken in respect of customer impact, risks have been identified, and mitigating actions are being put in place by the relevant services.

Safeguarding Children

Implications for safeguarding children only to the extent which specific savings options impact on areas that deliver services supporting the Council's safeguarding agenda. An impact assessment has been carried out on these specific savings.

Crime and Disorder

Implications for crime and disorder only to the extent which specific savings options impact on areas that deliver services supporting this specific agenda. An impact assessment has been carried out on these specific savings.

Property/Assets

Links to the Council's Property Asset Management Plan are set out in section 10.

Options appraisal

Not applicable.

Head of Service: John Hooton	Title: Strategic Financial Controller	Contact Details: Tel: 020 8227 2801 Fax: 020 8227 2770 E-mail: john.hooton@lbbd.gov.uk
Amir Rashid	Group Manager, Performance	Contact Details: Tel: 020 8227 2317 Fax: 020 8227 2770 E-mail: amir.rashid@lbbd.gov.uk

Consultees

The following were consulted in the preparation of this report:

Councillor L Smith, Leader of the Council
Councillor Bramley, Cabinet Members for Finance and Human Resources
Rob Whiteman – Chief Executive
Corporate Management Team
Tracie Evans – Corporate Director of Finance
Winston Brown – Legal Partner
Sue Lees – Divisional Director of Asset Management and Capital Delivery
Heather Wills – Head of Community Cohesion and Equalities
Sandy Hamberger – Audit and Risk Controller
Guy Swindle – Head of Strategy and Performance
Jonathan Bunt – Corporate Financial Controller

Background Papers

- Information from Department of Communities and Local Government
- Budget working papers
- Reports to member bodies

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1. Council Plan

Introduction

Message from the Leader of the Council Cllr Liam Smith

Having been elected to serve as Leader of the Council, I am pleased to present Barking and Dagenham's Council Plan update for 2010-2011, which sets out our ambition and priorities. It describes the part that the Council will play in making the borough an even better place to live by building on our solid achievements.

Looking back over the past year there is a lot to celebrate, even though it has been one of the toughest years financially the Council and the borough has ever faced.

Despite the recession, the Council has pushed on with its ambitious plans to improve the place we live. A brand new swimming pool and state-of-the-art leisure centre is well underway at Becontree Heath, due to open in 2011. A new library and One Stop Shop – where residents can have their enquiries sorted out face to face with trained staff – will open in the Heathway in 2010.

Wheelie bins have been successfully introduced across the borough, helping to make Barking and Dagenham the cleanest I have ever seen it. And our Eyesore Gardens campaign, where we encourage homeowners to keep their front gardens clean and tidy, has already made a massive impact in south Dagenham, and will be rolled out to other wards soon.

2010 has also been a good year for our young and old, with free swimming being introduced for all under 18s, another successful year of Summer Sorted school-holiday activities, and the introduction of Street Base, an ambitious youth project designed to turn around perceptions of local young people by getting them involved in positive community activities. Meanwhile for pensioners, the Council has campaigned successfully to keep their Active Age Centres open, making sure older people have got the chance to get out, meet people and stay active.

All this has been on top of our decision to freeze Council Tax levels in 2009-2010, giving our residents a much needed financial break during these tough economic times.

But we certainly won't be resting on our previous achievements, and I know that there is still a lot for us to do.

We are making good progress resurfacing the borough's roads and footpaths and are three quarters through our £20m programme, and we will make sure it continues on time and on budget.

Shopping centres and parades still face massive challenges, even as the recession eases. I want to make sure that we strengthen our parades, making sure local businesses are supported to keep jobs locally. We've already run a "Buy B&D Week", encouraging residents to spend their money in local shops.

On the back of that, I want the council to play its own part in creating local jobs, particularly for young people leaving school. Already we have arranged for around 100 young local apprentices to take up placements in the Council and other local businesses. In the next year, I want to see the scheme expanded significantly, making sure that our young adults get the start in life they need.

Of course, before they get to that stage, we need to make sure that they have the best schooling we can give them. This is why I am committing huge investments to bring all of our schools up to the same high standard, making the most of £40 million grant to create new primary school places for every local child that needs one, and investing a massive £270 million in the fabric, buildings and equipment of our secondary schools.

These are the key commitments this Council will make to its residents, making sure all our residents, no matter what their age or income, can fulfil their potential.

Local people deserve the best and I have committed to working hard over the coming year to make sure that they get it.

Message from our Chief Executive

Last year I was delighted to announce that we achieved the top four star category for high performance in our annual Comprehensive Performance Assessment (CPA). This year saw the introduction of the Comprehensive Area Assessment (CAA) which is a new way of assessing local public services. We received an encouraging overall score of 3 out of 4 on our organisational assessment, with a particularly impressive 4 out of 4 for Adult Social Services and 3 out of 4 for Children's Services. We have challenges ahead in terms of becoming more efficient and making better use of our resources and in recognition of this we have created a new Finance Department headed by the Corporate Director of Finance & Commercial Services.

No one knows how long the recession will last, but what is certain is that public sector finances will continue to be tight and we need to find new ways of working to achieve more with less. The challenge for the council is not just to manage shrinking budgets, but to make additional savings so that we can invest money in the services that local people need.

We are committed to treating every penny as if it was our own to ensure that as far as possible we spend money on the public and not on the organisation. As finance gets tighter we will protect front line services by reducing the cost of administration and support services. Examples of the radical changes we are implementing to achieve these savings include:

- Sharing services with our partners or other councils
- Making better use of technology
- Reducing accommodation costs
- Getting better value from contracts and the goods and services we buy
- Strategic partnering to ensure we have the skills and capacity to deliver effective and efficient business services

We are proud of our achievements, but recognise the need to remain focused on the needs of residents and local businesses. Our aim is to be regarded as excellent in the

eyes of our customers with local people reporting improved satisfaction with the area they live in and the services the council provides.

About this plan

The Council Plan 2008-2011 provides clarity for the Council on where the focus of its business will be over the three year period. This focus ensures that the Council is making the right plans and decisions at the top for the services we provide now and those we design in the future. The Council must demonstrate that it spends the money it receives wisely on making the best decisions for services it provides to the communities in the borough.

This annual update reviews the original priority action plan and measures of success, building on the work started in 2008-09. It reflects changes to the national and local performance frameworks and describes how the Council will help to deliver the Community Plan 2008-2018 and the Local Area Agreement.

Our Priorities and Plans

Vision and Priorities

This section describes how the Council, with its partners, agreed the long term vision and priorities for Barking and Dagenham.

The Council shares its vision for the future of the borough with its partners:

Working together for a better borough

The Barking and Dagenham Partnership (BDP) is our local strategic partnership. It brings together the Council, health services, police, fire service, local businesses, representatives of the voluntary and community sector and members of the local community.

Our Strategic Objective: To raise average household incomes in Barking & Dagenham to the London average by 2020

During 2008 the BDP, after listening and talking to more than 3,000 local people, agreed six new Community Priorities. These priorities, which will define the work of the Council and its Partners over the coming years, are set out below:

Our Priorities

- **Safe** - a safer borough where the problems of antisocial behaviour have been tackled and all young people have a positive role to play in the community
- **Clean** - a clean, green and sustainable borough, with less pollution, waste, fly-tipping and graffiti., and with much greater use of our parks, green spaces and river frontage
- **Fair and respectful** - a stronger and more cohesive borough, where all people get along and help and look out for each other, and of which residents feel proud.
- **Healthy** - a healthy borough, where health inequalities are reduced with greater knowledge of lifestyle impacts on health.
- **Prosperous** - an ambitious and prosperous borough that supports business, jobs and skills, attracting new business with economic, social and environmental resources harnessed for the good of all.
- **Inspired and successful young people** - a borough of opportunity for all young people so that they can achieve their full potential, be creative and have fun, and ultimately play an active economic role for the good of all.

Community Plan and Local Area Agreement

Community Plan

During 2008 the Barking and Dagenham Partnership, after listening and talking to more than 3,000 local people, produced the Community Plan 2008-2018. The plan sets out the shared vision for the future of the borough and outlines the priorities for action.

Local Area Agreement

To turn the vision into reality, the Council and its partners have agreed a set of targets which we will work together to achieve over the next 3 years. These are set out in a formal agreement known as the Local Area Agreement (LAA) which was negotiated with, and signed off by, central government in June 2008.

Our Values and the Way we Work

This section sets out our organisational vision, values and strategy. It explains how we are shaping Barking & Dagenham Council to best meet our strategic objective and deliver against our priorities, whilst continuing to provide core services, all with less money.

Where we are

- The Council has made **significant improvements** in many services, but some of our services still need to improve cost effectiveness in comparison to other boroughs.
- We have been **proud to provide most services directly** ourselves. This has enabled us to be the largest employer in the borough and, in some services, maintain some of the best terms and conditions in the country.

- There are increasing examples of **teams from different departments working together** to deliver better.
- Significant amounts of time, money and other resources have been invested in **improving our customers' experience**, with the Barking Learning Centre, one stop shop and call centre making a real difference to how easy it is to access our services. However, we are still dealing with around 14,000 calls a month in our call centre and we need to be able to reduce these numbers.
- We employ some 5,000 staff (excluding schools). We need to increase our **flexibility** to meet new needs and challenges or to match people to areas of peak demand.
- The general **quality of management information** – finance, HR, performance – has improved but needs to improve further and also absorbs considerable staff time in manually updating spreadsheets and related records.

Where we are going

- **Increasingly organised around the whole needs of individuals, families and places.** We will bring together services from across the council and the Partnership to collectively understand the needs of families and the places they live in and to provide joined up solutions that make a bigger difference to the things that matter to people and cost less to the public purse.
- **More (joined up) commissioning.** Commissioning is about finding the best provider, which may be the council but may also be a voluntary organisation, another council or a business.
- **More flexible and effective workforce.** We are reviewing job titles and descriptions to significantly reduce their variation and complexity. With new technology and better use of existing technology we will train and develop staff to do more interesting jobs and add more value.
- **Better tools to do the job.** We are currently investing in new technology to improve the service we provide to our customers. A single customer database will allow a real one stop shop experience for people and make dealing with us much easier, quicker and more satisfactory.
- **Significantly better business intelligence.** Extensive improvements in Oracle systems will deliver big improvements in the timeliness and quality of the business intelligence available for managers.
- **Delivering value for money.** With significant reductions in public sector funding expected over the coming years there is a need to ensure that everything we do is necessary, and is done in the most efficient and economical manner possible.
- **New operating model.** The One B&D Model will deliver new ways of working designed to put the customer at the heart of what we do, whilst making us more efficient, economical and effective. The following section explains this model in more detail.

The 'One B&D Model'

The diagram below depicts the operating model that we are building. The key features of this model are:

Understanding Needs

1. Deep and shared understanding of our customers' needs through effective engagement, joint intelligence and shared analysis

Meeting Needs

2. Decisions based upon a strong evidence base and business case
3. Joined up commissioning of services, with a clearer separation of commissioning (the decision about what services to provide) from the delivery of services (how they are provided)

Putting the Customer at the Heart of What We Do

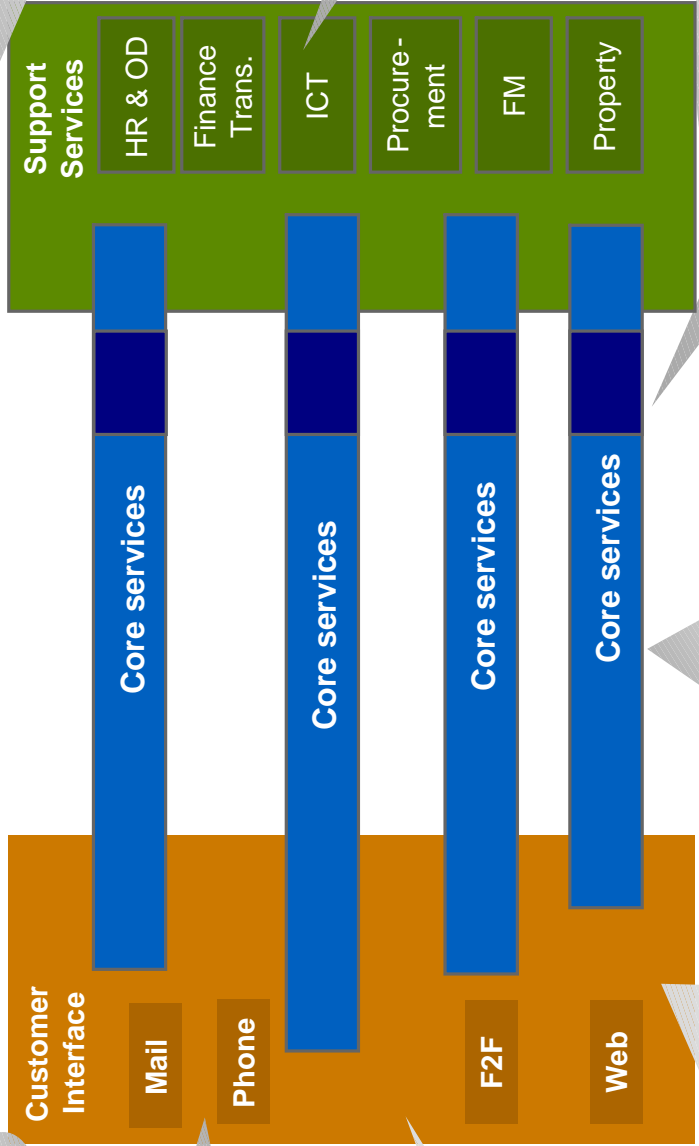
4. Successfully resolving most enquiries first time
5. Wherever possible, dealing with all of a customer's issues in one place and in a personalised way
6. Much easier access to services, and, where people prefer, an emphasis on self service and lower cost access channels such as online and phone (Barking and Dagenham Direct.)

Providing value for money

7. Making best use of public buildings by: operating from fewer locations, more convenient to residents; with many more public services available from them, and; by making best use of the space in these buildings 24 hours a day, 7 days a week
8. Integrated corporate IT systems, with less than half the current applications
9. Collaborative service delivery through in house or other service delivery options

The One B&D Model

Policy, Engagement & Intelligence
Funding
Strategic commissioning



2. Decisions based upon a strong evidence base and business case

3. Joined up commissioning of services, with a clearer separation of commissioning (the decision about what services to provide) from the delivery of services (how they are provided)

8. Integrated corporate IT systems, with less than half the current applications

7. Making best use of public buildings by: operating from fewer locations, more convenient to customers; with many more public services available from them, and; by making best use of the space in these buildings 24 hours a day, 7 days a week

1. Deep and shared understanding of our residents' needs through effective engagement, joint intelligence and shared analysis

4. Successfully resolving most enquiries first time

Customer enquiries

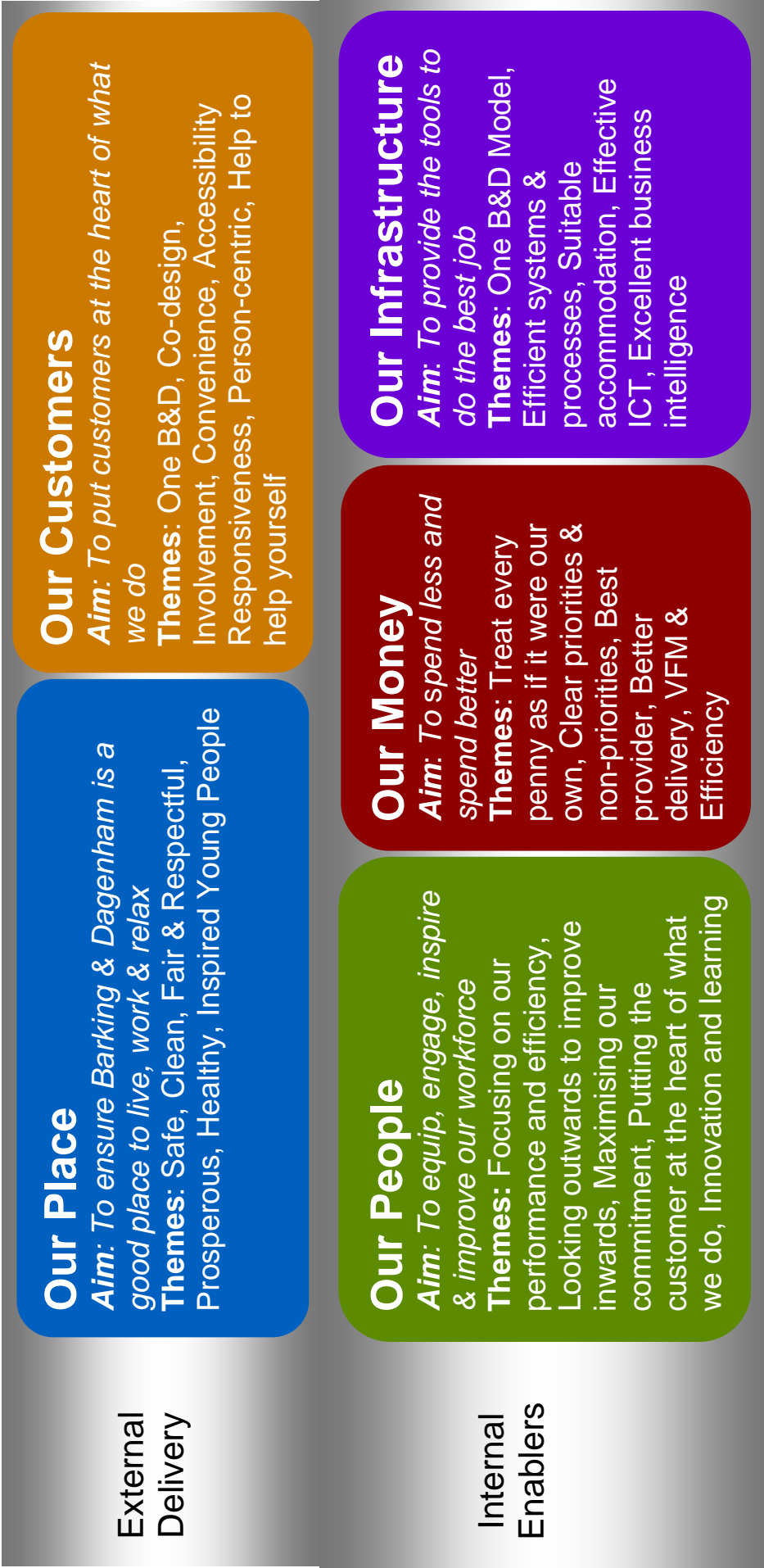
5. Wherever possible, dealing with all of a resident's issues in one place and in a personalised way

6. Much easier access to services, and, where people prefer, an emphasis on self service and lower cost access channels such as online and phone (Barking and Dagenham Direct.)

9. Collaborative service delivery through in house or other service delivery options

How we are getting there – transforming Barking & Dagenham

To shape Barking and Dagenham Council into this new organisation we are applying our **values** - *putting the customer first, taking responsibility, treating each other fairly and respectfully, working together, achieving excellence* – to deliver on **five core strands**:



Key Programmes & Activities

Within each of these five strands are a range of key programmes and activities designed to deliver **transformation**:

Our Place

- LSP & LAA
- Economic development & regeneration
- Localities
- Cohesion
- Building Schools for the Future
- Barking Riverside

Our Customers

- Engagement Strategy
- One B&D Programme
- Customer Strategy
- Personalisation
- Think family
- Youth Connect Card

Our People

- Organisational Development
- Workforce planning
- Integrated workforce
- Recruitment

Our Money

- Medium Term Financial Planning
- VFM & Efficiency
- Total Commissioning & Procurement
- Income Maximisation
- Strategic Partnering

Our Infrastructure

- ICT modernisation
- Accommodation
- Assets
- Business Intelligence
- Oracle improvements

The Golden Thread

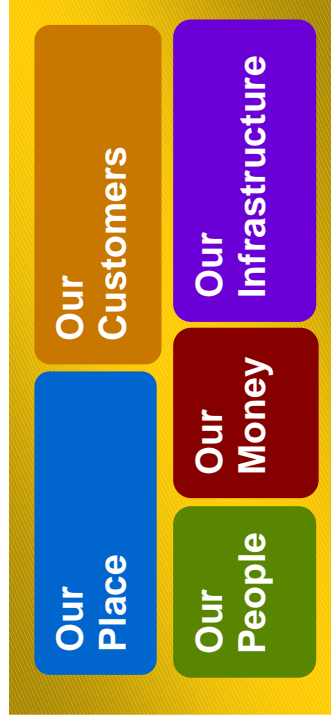
We will achieve our aim

To raise average household incomes to the London average by 2020

...by delivering against our priorities

Safe
Clean
Fair & Respectful
Healthy
Prosperous
Inspired & Successful

...through One B&D, a transformed council



...created by completing key tasks



...delivered by each of us playing our part

Team & individual objectives

Tracking our Progress

Appendix C sets out outcomes we expect and the measures of success we will use to monitor progress against our priorities. They reflect and complement the community priorities and mirror the objectives in the Community Plan and the LAA.

Planning and Performance Management

Planning and Performance Management Framework

Our service planning, financial planning and performance management system has recently been revised to provide an effective, integrated process that ensures that services are aligned with strategic priorities and objectives and that progress is effectively tracked. It is designed to provide:

- A clear focus on our customers
- Leadership in performance
- Clarity about what success will look like in terms of outcomes
- The policies, strategies and plans to deliver the vision and achieve excellence
- Targets and performance indicators to enable progress to be measured
- Robust arrangements for performance reporting, review and scrutiny, which allow performance to be challenged and action to be taken when things are not going according to plan
- A mechanism to link service planning to financial planning

This Council Plan is underpinned by annual service plans which focus on transformational activity across the Council that will deliver the priority objectives. The diagram above illustrates the links between the various plans and shows how high level objectives cascade to individual and team goals and targets.

Monitoring and evaluation of progress towards achieving the goals in the Council Plan takes place at a number of levels. The process enables capacity and capability issues to be identified and addressed.

Individual performance is managed through regular one-to-one supervision meetings and six-monthly appraisals. Within departments there are regular team, divisional and departmental management meetings to review performance.

At a corporate level performance is monitored quarterly. The Corporate Management Team (CMT) holds a full meeting dedicated to Performance and Finance which focuses on the key performance issues and enables a cross-departmental challenge to take place. Following the CMT meetings a performance and finance report is produced and reported to the Executive and Scrutiny Management Board.

To complement the CMT performance and finance meetings and add a further element of support and challenge, Chief Executive's performance challenge sessions are held in October, reviewing progress against objectives and targets, and February where the focus is on the coming year's service plans. These are held for each department and the output is an agreed improvement action plan for the service.

For the 2010/11 planning cycle, a Star Chamber process was introduced which enabled senior managers and Members to discuss and challenge budget options, consider the impact of savings, and draw links between financial decisions and the Council's policy

objectives. This is an important step towards ensuring that the Council's budget is "policy led".

The Council has adopted a Programme Management approach to deliver its ambitious change and improvement agenda. This will help us achieve significant benefits across the organisation. In practice, this means following a consistent approach to programmes using Office of Government Commerce (OGC) "Managing Successful Programmes" principles. This provides clear governance, roles and responsibilities and a framework for organisations to follow. This is in line with the pan-London approach.

The Council has been effective in mainstreaming equalities and diversity into the way it operates, so that it is now fundamental to strategy development and service and financial planning. Our progress was recognised in March 2009 when we were assessed as being one of the few local authorities working at Level 5 of the Equality Standard for Local Government.

To support this mainstreamed approach to all six equality strands, the Council is developing a Single Equality Scheme which is currently out to the community for consultation.

How the Council Makes Decisions

Barking and Dagenham operates an Executive/ Overview and Scrutiny model of governance. Details of the Council's meeting structure are set out in the Council's Constitution, a statutory document which explains how the different parts of the Council work, how decisions are made and how the public can get involved.

A summary of the role and function of the main meetings is as follows:

The Assembly (the full Council) is the central political focus of the Council and the co-ordinating body for all elements of the political structure. It determines the corporate direction, policy framework and financial limits for the Council within which all operations and policies are carried out.

The Executive is made up of 10 Councillors from the ruling Political Group and is chaired by the Leader of the Council. It is the primary decision making body of the Council and has responsibility for developing policy and budget proposals and making key decisions about strategies, services and finances, based on the overall policy and budgetary framework agreed by the Assembly

Overview and Scrutiny is a key role for all councillors who are not members of the Executive.

The principal roles for Overview and Scrutiny are to hold the Executive to account and keep a check on all aspects of the Council's operations. It does this through a structure of select committees involving four themed meetings, with a fifth focusing on finance and resources undertaking, as part of its responsibilities, the Council's statutory audit function.

Our Successes to Date

The Council has achieved much over the past year. The Director of each of the services has identified their most significant achievements in the last 12 months:

Adult & Community Services

Portfolio holders: Councillor J L Alexander
Councillor H J Collins
Councillor R C Little

Director: Anne Bristow

- The Care Quality Commission (CQC) has rated the Council's adult social care as performing excellently.
- Self Directed Support is now the default option for older people and for clients with a physical and learning disability in a move to personalise services. Numbers of people receiving self directed support have been increased through a targeted approach.
- A local Tobacco Alliance for Barking & Dagenham has been established bringing together the Local Authority, NHS, Police, Education, and business representatives to work together on reducing health inequalities through a reduction in local smoking prevalence.
- The free swimming initiatives for under 18s and over 60s continue to perform strongly: a 31% overall increase in under 18s swimming is being maintained and the target of 20,000 memberships has been exceeded
- In the first inspection by CQC, Kallar Lodge, a specialist residential home for people with dementia, was rated as a 3* (excellent) service.

Children's Services

Portfolio holders: Councillor R Gill
Councillor M McCarthy

Director: Helen Jenner

- Housing and council tax benefit surgeries established in 14 children's centres
- 3592 pupils participated in Out of School Hours Learning Programme
- Children's Services rated as performing well by Ofsted in 2009
- Reduced the number of children coming into care through the Family Group Conferencing, Restorative Justice and Crisis Intervention projects. Since the projects started we have prevented 121 children and young people coming into care with 106 of these remaining out of care as of September 2009
- 104 apprenticeships created since January; 100 more by March
- 22% increase in the number of young people getting to university this year
- Significant reduction in persistent absenteeism from 7.4 to 6.2 secondary and 4.0 to 3.1 primary - improvement in data analysis and tracking of these pupils

Customer Services

Portfolio holders: Councillor S Carroll
Councillor V Rush
Councillor P Waker

Director: David Woods

- Implementation of Wheelie Bins resulting in increased recycling and reduced waste volumes
- Established 14 Housing/Council Tax benefit surgeries at Children's Centres
- New vehicle fleet resulting in reduced cost
- Housing Modernisation Programme delivered, promoting mobile working, resulting in better services to tenants
- Highways investment programme being delivered according to plan
- One B & D model agreed – putting the customer at the heart of service delivery
- Eyesore Gardens project taking action to tackle untidy front gardens was launched in 3 wards

Resources

Portfolio holders: Councillor L A Smith
Councillor G Bramley
Councillor S Carroll
Councillor M McCarthy
Councillor V Rush

Director: Bill Murphy

- Establishment of a Council Homes Building Programme which will see 83 new council homes built over the next two years
- Select Committee structure set up and operating successfully
- The launch of The News, the new fortnightly Council newspaper, on time and on budget
- Town Square arboretum completed and opened.
- Successfully managed the 2009 EU election.
- Increased the amount of Legal work we do in-house

Key Projects 2010-11 and how they are funded:

Strategic Projects 2010-11

The Council's key strategic projects for 2010-2011 are organised under the Community Priority headings that mirror those in the Community Plan. In addition a number of Council-specific priority actions to improve the way we deliver services are included under the umbrella of One Barking and Dagenham.

Each of the projects has been identified through consultation with people in the borough, through our own analysis of what needs to improve or through feedback from external inspection or assessment. They were developed in consultation with the relevant portfolio holder(s) as part of the service planning process.

Safe, Clean							
	Actions	Timescale	LAA indicator	Measures of success	Progress to date	Lead Officer	Funding
1.1	Major improvements to roads and footways: third year of a £20m investment plan	2008-2011	NI 5	Increased resident satisfaction in areas affected NI 168/169 maintain London top quartile performance of 4% or better	Areas 1 to 4 completed, areas 7,8 & 10 are currently being worked on.	Corporate Director of Customer Services	Capital programme £20m 07/08 to 10/11
1.2	Deliver integrated services through a locality approach			Reduction in number of children on child protection register and in care.	Detached youth workers in each locality Parent Support Advisors in 31 schools Health Advisors in all secondary schools Common	Corporate Director of Children's Services	Funded by mainstream Children's services funding (investment in 08/09 and 09/10) Also funded through Area Based Grant "think

4.2	sports centre and Dagenham pool Support the Putting People First Transformation Programme	the public in May 2011.	NI130	Increase in the number of residents receiving self directed support	service users and sports clubs has been undertaken. Planning permission for the scheme has been secured. Final specification and cost plan for the scheme has been agreed by the Council Executive. A principal contractor has been appointed to build the new leisure centre	Services	Free swimming for under 18s and over 60s funded through ABG
		2009-2011		Increase in the number of people receiving personal budgets through a targeted approach. We are reviewing our processes, changing our commissioning & contracting and developing the market. We are developing preventative services with our partners to ensure maximum choice and control for our customers. We are	Increase in the number of people receiving personal budgets through a targeted approach. We are reviewing our processes, changing our commissioning & contracting and developing the market. We are developing preventative services with our partners to ensure maximum choice and control for our customers. We are	Corporate Director of Adult and Community Services	Personalisation project funded through government grant and risk assessment of demand implications included in contingency

						leading national response to innovation.		
Prosperous								
	Actions	Timescale	LAA indicators	Measure(s) of success	Progress to date	Lead Officer		
5.1	Establish the Community Development Trust at Barking Riverside	2009-11	NI 2 NI 154 NI 155	Trust established to ensure new community facilities, housing and population growth are managed in a sustainable and safe way	Proposed structure and draft business plan agreed (Note: subject to agreement at Assembly Jan. 2010)	Corporate Director of Resources	Project funded from external grant funding and supported through mainstream Council regeneration budget	
5.2	Deliver the apprenticeships programme	2009 onwards		Number of apprenticeships created	104 apprenticeships created since January 2009, 100 more by March	Corporate Director of Children's Services	Funded through ABG programme budgets	
5.3	Creation of a Skills Centre	2010-11		Skills centre open and being used to develop skills and economic development	Construction due to commence in early 2010	Corporate Director of Children's Services and Corporate Director of Resources	Funded in 2010/11 capital programme budget and MTFS	

Inspired and successful young people							
	Actions	Timescale	LAA indicators	Measure(s) of success	Progress to date	Lead Officer	
6.1	Introduce Youth Access Card to increase positive activities on offer for young people	2009-11	NI 110	Young people's participation in positive activities	Joint funding agreed with PCT Card provider selected by competitive tender Two schools selected for pilot phase	Corporate Director of Children's Services	Additional investment factored into MTFS 2010/11
6.2	Support educational transformation through the Building Schools for the Future and Primary Capital Programmes	BSF Preferred Bidder Stage - Mid-May 2010. PCP currently in delivery		Year on year increase in the proportion of schools judged to be good or better by Ofsted	Negotiations with two bidders ongoing but to timescale for main LEP. Projects for PCP Phase 1 in design and proceeding to tender. Phase 2 spending programme in discussion.	Corporate Director of Resources/ Corporate Director of Children's Services	Grant funded for capital works through DCSF. Revenue funding to support programme provided as additional investment through MTFS 2010/11
One Barking and Dagenham							
	Actions	Timescale	LAA indicators	Measure(s) of success	Progress to date	Lead Officer	
7.1	Deliver Customer Service Implementation Project Completion of phase 1 Implementation of phase 2	By May 2010 By Dec. 2010		Barking & Dagenham Direct is the contact centre of choice	Staff restructuring underway CRM system purchased	Corporate Director of Customer Services	Funded through ICT infrastructure capital project
7.2	Strategic Partnering programme	2009-10	NI 179	A modernised ICT service that is more	Programme proceeding to	Corporate Director of	Funded through Invest to Save

				effective and efficient	schedule. Target date for contract award July 2010	Resources	programme

The Medium Term Financial Strategy (MTFS)

2. Introduction

Message from the Corporate Director of Finance & Commercial Services Tracie Evans

- 2.1 We live in unprecedented financial times. We are living through a recession which will begin to have an enormous impact on us all as the government come to terms with the enormity of the national debt situation. For the public sector, this has started to bite but will have a devastating affect on all our finances next year when our grant announcements are made. We will be operating on significantly reduced income streams and that means that we will have to spend significantly less to balance our books. The challenge is so great that the old methods of making savings will not be enough. Using the same thinking to solve our problems as we have done in the past will mean we will end up with the same problems. We have to start thinking very differently about how we continue to deliver excellent services with much less money.
- 2.2 The economic outlook has changed significantly over the past 18 months, creating uncertainty in budget planning across the whole public sector. It is widely accepted that whichever political party is in control after the general election, they will need to make significant cuts to public expenditure, and this poses the greatest challenge to budget planning in the public sector for a generation.
- 2.3 The public sector is not unused to managing tough financial conditions. For a number of years, councils have had to introduce efficiency measures and savings targets to ensure budgets are managed. The traditional “salami slicing” approach (percentage savings targets across all departments) has been used in LBB and has been sufficient to see us through the last few budget cycles and enable us to set balanced budgets as well as putting additional investment into services. Overall, LBB have enjoyed a relative period of growth especially when measured against other Councils. This is largely because LBB receive higher grants to help our relatively deprived population.
- 2.4 This growth environment has stopped and all public sector organisations are operating in an environment where income from all sources will be significantly reduced. It is realistic to assume that the Council’s grant funding will be reduced by 30% between now and 2015, which means that the organisation will need to change dramatically from the one we know. The challenge for LBB and for public services across the local area, is to ensure that the reduction in spend required happens in a way that minimises the impact on outcomes for the local community and ensures that our key services continue to be successful.
- 2.5 The MTFS is a framework to enable the LBB to plan its finances into the future, ensure that resource allocations are led by policy decisions, and ensure that the financial challenge is used positively to plan appropriately and re-design better services.

- 2.6 A continuation of “salami slicing” or “slash and burn” approach to balancing the budget will not work because the scale of the reduction will be so great. If we do not plan intelligently now, the pain for the organisation and our residents will be greater.

3. Key Financial Objectives and Scope

3.1 The key financial objectives for the Council are:

- A balanced budget;
- Robust levels of reserves and contingencies;
- Policy led budget allocations based on Council priorities;
- Investments for future services;
- Culture that asks all employees, partners and contractors “treat every penny spent as though it was from your own bank account”;
- Improved efficiency and value for money;
- Income maximisation; and
- Strong financial systems and processes.

3.2 These objectives are addressed in following sections of the medium term financial strategy:

- **Corporate priorities and key policy objectives** with assessment against National Indicators as set out in the Council Plan above;
- A framework for capturing total future investment – understanding the “**total bill**”;
- The **linking of service and financial planning** – using value for money and benchmarking data alongside an assessment of key corporate priorities to ensure that the budget is “policy led”;
- An **Efficiency Programme** including:
 - **Strategic Partnership** contract with the same timeframe as the MTFS;
 - **Procurement Review** realising savings both short and medium term;
 - **Efficiency targets** for each group manager across the organisation;
 - Providing a framework for capturing cash benefits emerging from the **One Barking and Dagenham Programme** and **Total Commissioning Programme**; and
 - **Maximisation of income** and investment for public services in the local area.
- **Capital Strategy** – including:
 - Highways, public realm, schools & new homes;
 - Operational Asset strategy;
 - Investment Asset strategy;
 - Disposals and Acquisitions strategy;
 - Office Accommodation strategy and modern ways of working; and
 - Energy costs/savings and the Green Agenda.
- **Area Based Grant** – monitoring of spend in line with council priorities;

- **Links to other Strategies** – including the workforce strategy and departmental strategies;
- **Housing Revenue Account** – including Decent Homes and the subsidy system;
- **Council Reserves** – general reserves replenished to £10m and a centrally controlled Invest to Save Fund; and
- Strengthened **budget discipline and forecasting** and **sound governance**

4. Funding Council Priorities and Key Policy Objectives:

- 4.1 The Council invests a significant amount into the local economy each year supporting a whole range of national and local policy objectives. The Council budget is made up of a combination of core service budgets and areas where investment is made to deliver against priorities for the local area.
- 4.2 The Council Plan above sets out the key policy objectives for the organisation and shows the key strategic projects that will deliver the outcomes. The MTFS gives clarity as to how these objectives are being funded and will allow us to measure more accurately the success of outcomes.

5. The Budget Gap 2010-2020 (the “total bill”)

- 5.1 Given the current economic climate, with the expectation of significantly reduced income streams over the next few years, it is important that the Council is prudent in its planning. The Council has undergone a thorough review of its cost base over the past year, engaging with Directors, Heads of Service and managers around the organisation to understand future costs, income and risks.
- 5.2 The MTFS summarises these future costs, income and risks over a ten year period. This is a longer period than we have previously considered as an organisation, but this was considered important given the economic downturn and the significant risks that exist for our budgets over the next ten years.
- 5.3 The budget options to be incorporated into the budget for 2010/11 onwards are included in **Appendix A**.

Budget model

- 5.4 The financial modelling and assumptions that underpin the MTFS are included in **Appendix B** to this report. In summary they are:

- Investment relating to statutory duties and economic risks:
 - Pension fund contributions as stated in 2008 independent valuation report
 - East London Waste Authority Levy
 - Inflationary adjustments to budgets (assumption 3% after 2011)

- Loss of investment income due to reduction in interest rates
- Investment in key priorities (including member decisions already made):
 - Current capital programme financing costs
 - Removal Area Based Grant (support for services funded by ABG)
 - Skills Centre
 - Dagenham Library and One Stop Shop
 - Valence House Museum
 - Becontree Heath Leisure Centre
 - Building Schools for the Future
 - Youth Access Card
 - Current year budget risks as set out in **Appendix A**.
 - A provision for an affordable and sustainable capital programme from 2010/11 onwards
 - Provision for future risks and investment from 2011/12 onwards to protect the Council from severe budget reductions
- Investment to ensure the 2010/11 budget is robust:
 - Corporate provision for redundancy costs
 - Contribution to increase general fund balances
 - Provision in contingency to be allocated based on a range of risks identified for 2010/11 for which work is currently ongoing
 - Contribution to a central Invest to Save reserve to support and encourage innovation to improve the cost effectiveness of services
- Future income streams:
 - Council Tax – the budget model assumes a 0% Council Tax increase (“Council Tax Freeze”) for 2010/11
 - Government grant for 2010/11 as set out and agreed in the current 3 year grant settlement which ends on 31st March 2011. From that point, it is assumed that government grant will reduce by 20% in cash terms to 2014
 - Fees and charges – the budget for 2010/11 takes into account an increase in fees and charges of 1% in line with inflation and previously agreed income policies

A balanced, robust, budget

5.5 Given the assumptions and work already completed to prepare the draft budget (due to be presented for approval by the Council in February) the budget for 2010/11 will be balanced. As a result of the investment, and assumptions made in the MTFs, the budget gap looking forward for 3 years is as follows:

- £18m for 2011/12
- £14m for 2012/13
- £9m for 2013/14

5.6 These figures are indicative and derived from the assumptions made in the budget model at **Appendix B**.

6. Integrating service and financial planning

Policy led budgeting

- 6.1 The purpose of the service planning and financial planning frameworks is to ensure that budget allocations take account of corporate priorities, customer feedback and that that these principles are followed through the budget process into future budgets, and also through the service planning process into team and individual objectives. This is called our “golden thread”, it is illustrated in the Council Plan above and ensures that our budget is policy led.
- 6.2 The budget process begins with Executive members, Directors and Heads of Service detailed plans of investments or savings they can make to the service areas to deliver to support the delivery of the Council’s objectives..
- 6.3 A “Star Chamber” process then takes place to review and challenge budget holders on their options to ensure that they are robust. Information on budget options includes a risk analysis and impact assessment from relevant services.
- 6.4 For 2010/11, the all budget options have been subject to an equalities and diversity impact assessment.

Consultation

- 6.5 The budget process is informed by consultation with residents on what services or issues are important to them and what services they feel are most in need of improving. IPSOS MORI conducts a bi-annual place survey that enables this data to be compiled, compared with previous data, and also compared across London. Data is available from 2003/04, 2006/07, 2008/09. In 2009/10, the Council commissioned an interim place survey to inform decisions in respect of service and financial planning. Details of the results are set out below.

Investing in priorities

- 6.6 For 2009/10, the top issues that local residents felt were most important in making somewhere a good place to live were:
- The level of crime;
 - Clean streets;
 - Health Services;
 - Public transport;
 - Affordable decent housing; and
 - Education provision.
- 6.7 Our residents have consistently identified these areas as important. The Council and its partners have consistently therefore allocated our available resources to these priorities.

The “total place” initiative is a new initiative that looks at how a ‘whole area’ approach to public services can lead to better services at less cost. It seeks to

identify and avoid overlap and duplication between organisations and ensure that public services are focusing on what is really important for a local community. Despite not being a pilot for this scheme, the Council undertook an exercise in 2009/10 to determine the total expenditure by the public sector in Barking and Dagenham. The headline figure was that some £1.3billion was spent in 2008/09. This was broken down into these areas:

- Health - £436m
- Social Care - £358m
- Education - £299m
- Economic Affairs - £88m
- Housing - £86m
- Public Order and Safety - £81m
- Environmental services - £22m

This high level analysis demonstrates that most public expenditure in the local area is being spent on areas that are most important to the public. The challenge for the Council and its partners is to work together to make sure that funding is spent as effectively as possible.

Investing in improving services

6.8 The survey also asks what things are most in need of improving, and they were as follows:

- The level of crime;
- Activities for teenagers;
- Clean streets;
- Road and pavement repairs;
- Job prospects;
- The level of traffic congestion; and
- Affordable decent housing.

6.9 As an organisation, we have ensured that investment has been targeted to these areas, with key examples as follows:

- We have invested in our partnership with the police to increase the number of officers on the streets;
- We have set up the Street Warden Service in the borough to stamp out environmental crime and work with the community to promote pride and respect for our streets and public spaces;
- We have set up the Street base initiative, which has been developed to promote activities for young people in the borough.
- £1m investment in apprenticeships per annum to improve job prospects and activities for young people;
- A major programme of £20m investment in road and pavement repairs across the 4 years from 2007/08 to 2010/11;
- We are building a Skills Centre in Barking to deliver against our overall aim of raising household incomes; and
- The re-prioritisation of £7m from the capital programme to fund a programme of new Council House building to increase the supply of affordable decent housing.

Tracking our investment

- 6.10 When analysing this data, it is also important to keep track of the investment we are making, and the extent to which it is making a real difference to services that are important to residents. One striking example of this is around education provision. The Council has funded education services over and above local and national benchmark averages for the last 5 to 10 years. The results of the latest place survey show that the % of people who think that education provision needed to improve has fallen steadily over recent years, from 15% in 2003/04 to just 8% in 2009/10, which is significantly lower than the London average.
- 6.11 The Council also operates an “invest to save” fund. This is designed to provide support to service to implement efficiency measures or preventative work which will save costs in future years. This investment is provided on a non-recurring basis, with savings tracked and carried through into future years.
- 6.12 In preparation for the next business planning cycle, a range of activities are being undertaken. The service and financial planning process will be driven by a clear view of policy following local elections. It will also help the council allocate resources, focus on efficiency work and value for money, which will be informed by a range of considerations, in particular:
- **Value for money.** Areas where we need to improve the relative cost and output of services in comparison with other local authorities.
 - **Core vs non-core.** Understanding which discretionary services offer the greatest relative ‘added-value’
 - **Budget pressures.** Some priorities will be adequately funded; other priorities may have significant funding pressures attached to them.

7. Funding the budget gap 2010-2020

- 7.1 The overarching objective which, if met, will help ensure that the organisation can fund the budget gap will be a culture that asks all employees, partners and contractors “treat every penny spent as though it was from your own bank account”. This is achieved by improving value for money, re-directing resources to priorities, and by improving efficiency as set out below.

Providing better “Value for Money”

- 7.1 Achieving Value for Money (VfM) is an integral part of the Council’s approach to delivering the MTFs. The Council has developed a **VFM Strategy** to strengthen our strategic approach to improving VfM.
- 7.2 To deliver this strategy a **VfM Action Plan** has been developed to provide more detail on the work programme that will be undertaken to achieve better VfM and the key milestones. The key themes of the work programme are:
- **Understanding VfM** - Ensuring a shared understanding of the VfM and developing a culture of cost-consciousness
 - **Embedding VfM** - Ensuring that VfM remains a clear and sustained focus for the Council and its key decision making and management processes

- **Delivering VfM** - Transforming the way services are commissioned and delivered to release savings to invest in the agreed priority areas

The 2010/11 budget includes £14m of savings to balance the budget as set out in **Appendix A**. These savings are risk assessed by Departments, and an impact assessment is done to ensure that the affect on frontline services is low. Savings (disinvestment) is targeted at areas where our benchmarked information on value for money suggests that improvements in cost effectiveness can be made. Examples of this are as follows (each of these services were identified as high cost services based on benchmarking data):

- Leisure £0.3m
- Passenger transport £0.25m
- Care placements £0.5m
- Quality and schools improvement £1.2m
- Revenues and benefits service £1.8m
- Human Resources £0.5m
- ICT £0.5m
- Finance £0.3m

Re-directing resources

- 7.3 In the current economic climate, it is not realistic for significant additional investment to be made into new services or to increase the budget. Instead, it is important that the Council improves the efficiency and effectiveness of existing services, and re-directs funding from existing budgets. In addition to the investment that has been made following the re-direction of savings as set out above, during 2009/10 an exercise of re-prioritisation of capital resources was undertaken. This resulted in £7m being made available to fund a programme of New Council House building. Grant funding from the Homes and Communities Agency was received, so the total programme is over £10m.
- 7.4 Area Based Grant funding is allocated on a project by project basis, and the effectiveness of this expenditure is monitored through the partnership structure.

Efficiency

- 7.5 Efficiency is defined as providing the same level of service (or providing more service) for less money. It is also about making sure that whatever processes are in place, that they are as effective as possible at the minimum cost. Realising efficiency gains (and therefore releasing resources) is fundamental for the organisation in terms of its longer term financial sustainability and ability to continue to deliver services that are important to residents.
- 7.6 It is important that planned efficiencies are released. An “Efficiency Programme” has been constructed to support officers to realise their stated efficiencies. The Council has over achieved its efficiency targets over recent years in order to balance its budget so we know we have a track record of success. The government set a target of £13.4m of efficiency gains for the Council from the period 2005 to 2008, and the Council exceeded this target by

£6.4m, with efficiency gains of £19.8m being realised over the period. For 2008/09, a further £6.3m of gains were realised.

7.7 The Medium Term Financial Strategy includes efficiency projects as follows:

- Better Procurement;
- Asset rationalisation;
- Strategic Partnership – lean back office and transactional services;
- Service reviews; and
- 3% efficiency targets for all service heads for each of the next 5 years.

Indicative savings targets are included in **Appendix B** based on current information.

8. **Capital Strategy**

Affordability and prudence

8.1 The MTFs gives clarity about the affordability of the Council's capital programme into the long term. An analysis of other London Boroughs costs of borrowing against their net budgets has been performed. This ratio typically varies from between 5% and 15% of net budgets, which would equate to between £8m and £20m for LBBD. Total levels of borrowing vary significantly across London, from £0 to over £900m.

8.2 Looking at figures for costs of borrowing, for LBBD, this means that total borrowing costs could increase by no more than between £300k and £1m per annum if the capital programme were to remain affordable in the long term (i.e. over 25 years). This would equate to a capital programme internally funded of between £4m and £10m per annum.

8.3 This principle is consistent with the Prudential Code for capital financing which requires the organisation to ensure that its capital programme is prudent, affordable and sustainable.

Objectives of the capital strategy

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.

Investing in priorities

8.4 The capital programme is funding key Council priorities as follows:

New projects for inclusion in the 2010/11 capital programme:

- Investment in new Council Housing and upgrading existing Council stock;
- Investment in skills for local people through a Skills Centre;

Existing projects in the capital programme:

- Investment in Schools - the Building Schools for the Future to upgrade and expand the secondary schools in the borough and significant investment to upgrade and expand the primary schools in the borough;
- Investment in a new Library and One Stop Shop in Dagenham Heathway;
- Investment in a new Leisure Centre at Becontree Heath;
- Continued investment in the regeneration of Barking Town Centre; and
- Investment in Highways and footpaths.

8.5 A key plank of the future capital budget and the MTFS is a successful external funding strategy, which maximises the achievement of corporate objectives, while minimising the call on internal resources.

9. Area Based Grant and Specific Grants

9.1 Area Based Grant was introduced in 2008/09 to replace a number of specific grants. The intention was to reduce the ring-fencing of funding from government departments and enable greater discretion and linking of funding to priorities in local areas. Full details of the Council's Area Based Grant allocations will be published on the Council's website.

9.2 The Council also receives a number of specific grants from central government which are ring-fenced for certain priorities and projects. Full details of the Council's specific grant allocations will be published on the Council's website.

10. Links to other strategies

Workforce Strategy

10.1 The Medium Term Financial Strategy must link into the workforce strategy, and it does so in a number of ways.

10.2 A corporate redundancy provision has been included in the budget model to support the Council's policy on voluntary severance.

10.3 The Medium Term Financial Strategy also provides a framework for improved resource planning. Embedding these behaviours into the organisation

(improved budget ownership, understanding of value for money) are key elements of the workforce strategy.

Treasury Management Strategy

- 10.4 A strong treasury management strategy and associated practices enables the Council to maximise investment income and cashflow, which underpins the delivery of the Medium Term Financial Strategy.
- 10.5 The Council's target return on investments for 2010/11 is 1.5%, which is a challenging (given current base rates) but achievable target that will be met through a combination of in-house and external fund management.
- 10.6 Security of our assets is also an important consideration. It is the Council's strategy not to invest internal funds in non-UK institutions. External fund managers have the flexibility to invest in non-UK institutions within the restrictions of the Council's policy on credit limits.

Property Assets Strategy

- 10.7 The Council's assets and property strategy is fundamental as it underpins the Medium Term Financial Strategy. Efficient and effective use of asset space enables the Council to reduce costs in this area.
- 10.8 The Council is developing a centralised property holding account for 2010/11 to ensure the efficient running of the corporate estate.

The first Property Asset Strategy and Property Asset Plan was submitted to Executive last year, and will be refreshed on an annual basis.

Highlights of the current plan include:

- Reduction in administrative buildings from 23 to 6, with further savings perhaps possible as a result of the Strategic Partnering programme
- Reduction in operational estate through a number of strategies:
 - Co-location of services both within Council and with partners
 - Transfer of assets to community ownership
 - Withdrawal from surplus assets
- Review of the investment portfolio to identify non-performing properties, and to optimise returns on investment
- Improvement in property intelligence
- Reduction in energy bills

Procurement Strategy

- 10.9 The Council's approach to procurement and contracting rules are set out in the Council Constitution. The purpose of these rules and regulations is to ensure that regulatory and legal requirements are met, but also that value for money is achieved through contracting activity. This in turn supports the Medium Term Financial Strategy.

- 10.10 Gains realised through the Council's procurement activity will be captured through the Efficiency Programme as set out in section 5 and will enable the Council to balance the budget.

Risk Management Strategy

- 10.11 The Medium Term Financial Strategy has been informed by an analysis of budget risks discussed through engagement with the Corporate Management Team, Heads of Service and through workshops and discussions with key support officers in departmental finance and policy/performance teams.
- 10.12 The Council's risk management strategy and associated processes enables the identification of and prioritisation of key financial risks and the cost of the management of the controls which feed into the Medium Term Financial Strategy.

11. Housing Revenue Account

- 11.1 The future of the Housing Revenue Account is a huge strategic issue for the organisation. It is clear that, due to current subsidy arrangements, the HRA is unlikely to be viable beyond 2010/11. There are a number of options to pursue to enable the organisation to continue to meet its aspirations for local housing beyond that point, which at this stage are still being developed.
- 11.2 The detailed budget for the Housing Revenue Account is included in the HRA Rents report which will be approved with the Council budget.
- 11.3 The Capital Programme for 2010/11 to 2013/14 includes the Decent Homes programme which is funded from a combination of internal resources and Major Repairs Allowance funding from central government.

12. Council Reserves and Contingency

Robust levels of reserves

- 12.1 The MTFs also sets the strategy around Council reserves and contingencies.
- 12.2 It is the responsibility of the section 151 officer to determine an appropriate and prudent level of reserves for the organisation. The target level of general reserves will be £10m. The current level of reserves is below this level, but provision has been made in the budget model to replenish reserves by £2m in 2010/11 to ensure that this level is realised in 2010/11.
- 12.3 The budget model also provides for £1m per annum contribution to a centrally maintained "Invest to Save" fund. This funding will be available on a business case basis and will be used to support and encourage innovation and projects to improve the cost effectiveness of services that the organisation provides to residents.

Contingency and longer term budget planning

- 12.4 The budget also includes a sum for contingency. In previous years, this figure has totalled £1.5m and this continues into 2010/11. However, there are currently significant risks facing the organisation in respect of the recession, the delivery of future savings, and continued increases in demand for the services that the organisation provides.

The key longer term budget planning issues in the Children's services budget include a number of areas:

- Children's placements, where small increases in demand lead to potentially large increases in expenditure; and
- Costs associated with transport for SEN children, where expenditure is based on the demand for the service.

The key longer term budget planning issues in the Adult's services budget include:

- The costs associated with the personalisation agenda. The principle that the Council is working to is that moving clients from one form of support to a personal budget will be cost neutral. However, there is a risk that the publicity around the expansion of personal budgets will lead to an increase in demand.

The key longer term budget planning issues in the Customer services budget include a number of areas:

- Risks around the future of the Housing Revenue Account – the current Housing Subsidy system is such that in 2 to 3 years time, the HRA will be financially unsustainable due to the amount of rent that the Council will have to hand back to the government. Any alternative model of housing provision in the borough could have significant financial implications for the Council;
- Risks around landfill taxes and the need to increase recycling rates; and
- The implementation of improved customer contact services across the organisation offers the Council huge potential savings by enabling residents to access more services on-line or through channels that are cheaper for the Council to run. These transitions need to be well managed to ensure continued high customer satisfaction alongside cost savings for the Council Taxpayer.

The key longer term budget planning issues in the Resources budget include a number of areas:

- The Council needs to ensure that it is reducing its energy consumption, both to deliver against the green/carbon reduction agenda and also to reduce costs for running operational buildings; and
- Related to this, reductions in carbon emissions are important to mitigate against future costs associated with the government's carbon reduction commitment.

- 12.5 For 2010/11 a further £3m has been added to the central contingency. A detailed risk analysis has been performed on budgets across the organisation, and this amount has been set aside following this analysis. Given the future reduction in government funding that will come into effect after March 2011, these amounts will not be allocated to base budgets, but will be available on a non-recurring basis to provide transitional support for specific budget areas.

Sensitivity analysis

- 12.6 This central contingency amount will be used to take account of key risks and sensitivities in the budget. Full details and analysis of sensitivities in the budgets, particularly relating to demand led costs, are detailed in the table below:

	Total budget	Assessment of risk	Possible Implications	Mitigating actions
Adults Services				
- Personalisation	£16m	Risk of 5% increase in demand	£800,000	Personal budgets cost neutral on case by case basis
Children's Services				
- Children's Placements	£13m	Risk of 5% increase in demand	£650,000	Invest to save for adoption and fostering
Customer Services				
- Landfill charging	n/a	Impact currently increasing due to tighter regulation		Increased recycling
Resources/Finance				
- Energy costs	£7m	Risk of 10% increase in prices or demand	£700,000	Energy efficiency programme
- Carbon trading	£nil	Currently low risk in terms of financial implications but increasing in future years		As above
- Changes in interest rates	£1m income	Lower risk given low interest rates	£200,000	Good treasury management

13. Budget Discipline and Forecasting and Sound Governance

Budget discipline:

- 13.1 The MTFs needs to be underpinned by improved budget discipline and forecasting. Budget discipline is critical – the Council has to ensure it balances its budget without taking funding from reserves; otherwise the longer term strategy has to be fundamentally reviewed on an annual basis. Forecasting is also critical; otherwise assumptions around future risks or

investment needs have to be updated every year, which defeats the object of longer term planning.

- 13.2 The Council has undertaken a root and branch review of budgets across the organisation in preparation for the 2010/11 financial year. This has covered an assessment of salary budgets (ensuring the establishment is fully funded), supplies budgets (ensuring all contracts are funded) and an assessment of income targets to ensure these are realistic. This is a vital piece of work to ensure that our base budgets are robust and that expenditure can be delivered on budget for 2010/11.

Budgetary control and sound governance

- 13.3 The Council is committed to maintaining a system of sound financial control, specifically to make sure that:
- Adequate budget monitoring arrangements are in place for services and projects;
 - Sound control and reconciliation procedures are in place for all financial systems;
 - Collection and recovery of income due to the Council is maximised;
 - Compliance takes place with relevant EU and national procurement and contracting regulations; and
 - Adequate anti-fraud and corruption arrangements are in place.

SUMMARY OF INVEST TO SAVE BIDS

<u>Ref Number</u>	<u>Bid Description</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>Payback</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>onwards</u>	<u>Period</u>
					<u>£'000</u>	<u>(Years)</u>

Adult & Community Services

I2S/ACS/01	Leisure Centre Management	Investment	150	-	-	-	1.60
		Savings	-	250	350	350	
		Net Investment	150				

Children's Services

I2S/CHS/01	Pitstop Project - C Treatment Foster Care Programme - 12 Month Post Pilot Extension	Investment	338	-	-	-	2.82
		Savings	120	120	120	120	
		Net Investment					
I2S/CHS/02	Social Workers - Foster Carer Assessments	Investment	61	61	61	-	0.85
		Savings	215	215	215	215	
		Net Investment	-				

Customer Services

No Bids Submitted

Resources

I2S/RES/07	M&E Maintenance - Install Power Perfectors	Investment	116	116	116	-	2.55
		Savings	75	150	224	224	
		Net Investment	41				
I2S/RES/12	Asset Management - Energy Management Capacity	Investment	100	100	100	-	2.13
		Savings	141	141	141	141	
		Net Investment	-				
I2S/RES/13	Accommodation - implement and speed up consolidation of assets	Investment	98	98	-	-	2.90
		Savings	-	-	218	468	
		Net Investment	98				

Pressures and Risks to be factored into the model

<u>Ref Number</u>	<u>Bid Description</u>		<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>2013/14</u> <u>£'000</u>
Adult & Community Services						
BP/ACS/03	Dagenham Library/One Stop Shop		600	1,200	1,200	1,200
BP/ACS/04	Becontree Heath Leisure Centre		400	600	600	600
BP/ACS/05	Valence House Museum Education Programme		168	168	168	168
BP/ACS/06	Domestic Violence Advocacy Services		100	100	100	100
BP/ACS/07	Dementia Services - Residential Care		250	250	250	250
			1,518	2,318	2,318	2,318
Children's Services						
BP/CHS/05	Youth Access Card		-	278	278	278
			-	278	278	278
Customer Services						
BP/CS/07	Temporary Accommodation		1,025	1,310	1,310	1,310
			1,025	1,310	1,310	1,310
Resources						
BP/RES/01	Local Elections 2010		220	20	20	20
			220	20	20	20
			-	-	-	-
TOTAL ALL PRESSURES			2,763	3,926	3,926	3,926

SUMMARY OF SAVINGS

Ref Number	Bid Description	2010/11	2011/12	2012/13	2013/14 onwards
		£'000	£'000	£'000	£'000

Adults & Community Services

S-ACS-01	Support Services - Non Staffing Supplies & Services Budgets	250	250	250	250
S-ACS-02	Neighbourhood Management	750	750	750	750
S-ACS-03	Parks Police	200	566	566	566
S-ACS-04	Increase in Vacancy Factor	250	250	250	250
S-ACS-05	Contracted/Commissioned Services	1550	1550	1550	1550
S-ACS-06	Community Development & Halls	90	150	200	200
S-ACS-07	Residential & Day Care - Income Charging from Other Local Authorities	110	110	110	110
S-ACS-08	5% Reduction in Staffing	900	900	900	900
S-ACS-09	Passenger Transport	250	250	250	250
S-ACS-10	Leisure & Arts Service Reductions	300	300	300	300

Total Adults & Community Services

4,650	5,076	5,126	5,126
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Childrens Services

S-CHS-01	Integrated Family Services - Employee Costs	33	33	33	33
S-CHS-02	Head of Integrated Family Services - Employee Costs	48	48	48	48
S-CHS-03	Head of Integrated Family Services - Parenting Support - Employee Costs	32	32	32	32
S-CHS-04	Head of Integrated Family Services - Portage - Employee Costs, Premises and Supplies	20	20	20	20
S-CHS-05	Head of Integrated Family Services - Community Educational Psychology service - Employee Costs	50	50	50	50
S-CHS-06	Safeguarding & Rights - Care Placements Efficiency review	500	550	600	600
S-CHS-07	Safeguarding & Rights - Educational Psychology - Re-alignment of Children's Centre budgets	50	50	50	50
S-CHS-08	SLE - Trident Work Experience	22	22	22	22
S-CHS-09	SLE - Adult College - External Funding	145	145	145	145
S-CHS-10	SLE - Vacant Admin Post	25	25	25	25
S-CHS-11	SLE - Adult College	80	80	80	80
S-CHS-12	CP&TC - Schools Data Packs	50	50	50	50
S-CHS-13	CP&TC - Joint Commissioning Unit	40	40	40	40
S-CHS-14	CP&TC - Policy & Performance - DSG Contribution to GM & HoS costs	80	80	80	80
S-CHS-15	Increase Income Generation at the Vibe	38	38	38	38
S-CHS-16	Q&SI - Community Music Service & Trewern	300	300	400	400
S-CHS-17	Q&SI - Advisory Teachers	300	300	300	300
S-CHS-18	Q&SI - Reduction in 2 Snr Advisor Posts	150	150	150	150
S-CHS-19	Q&SI - Westbury Centre & Admin - Reduction in Costs	50	50	50	50
S-CHS-20	Q&SI - School Improvement/Education Inclusion	300	300	300	300
S-CHS-21	Q&SI - Attendance - Realignment of under 5 services	30	30	30	30
S-CHS-22	Q&SI - Family Learning - Realignment of Services to support under 5's	50	50	50	50
S-CHS-23	Cross Division Savings - Travel & Accommodation	30	500	500	500

Total Childrens Services

2,423	2,943	3,093	3,093
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Customer Services

S-CUS-01	Fleet Department Contract Changes	810	810	810	810
S-CUS-02	Reduction of staff-costs during off-peak season	156	156	156	156
S-CUS-03	Staff restructure to achieve Target Operating Model	781	781	781	781
S-CUS-04	Deletion of managerial posts & reduction in support/admin.	1,053	1,053	1,053	1,053
S-CUS-05	Staff restructure in OSS/Contact Centre to achieve Target Operating Model	200	200	200	200
S-CUS-06	Efficiency savings in general housing	150	250	350	350

Total Customer Services

3,150	3,250	3,350	3,350
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SUMMARY OF SAVINGS

<u>Ref Number</u>	<u>Bid Description</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>onwards</u>
					<u>£'000</u>
Resources					
S-RES-01	Town Twinning	31	31	31	31
S-RES-02	Civic Reception	8	8	8	8
S-RES-03	Electoral Services - Supplies & Services	6	6	6	6
S-RES-04	Strategy & Performance - Employee Costs	50	50	50	50
S-RES-05	Strategy & Performance - Marketing & Comms	75	75	75	75
S-RES-06	Corporate Finance	250	250	250	250
S-RES-07	Human Resources - Realignment of Supplies & Services Budgets	40	40	40	40
S-RES-08	HR Management Information & Performance Reduction in Posts	35	35	35	35
S-RES-09	Occupational Health - Reduction in Posts	80	80	80	80
S-RES-10	Schools HR	20	20	20	20
S-RES-11	ICT market testing	100	100	100	100
S-RES-12	Health & Safety - Reduction in Posts	40	40	40	40
S-RES-13	Learning & Development - Reduction in Posts	80	80	80	80
S-RES-14	HR Recruitment - Reduction in Posts	50	50	50	50
S-RES-15	Various ICT Savings	400	400	400	400
S-RES-16	Regeneration & Economic Development - Reduction in Posts	200	200	200	200
S-RES-17	Accommodation Strategy	220	275	748	748
S-RES-18	Asset Strategy - Charge Staff to Capital	35	35	-	-
S-RES-19	Skill Mix Capital Delivery	50	50	50	50
S-RES-20	Printer Rationalisation	5	5	5	5
S-RES-21	Reduction in Use of Consultants	25	50	100	100
S-RES-22	Corporate Client Restructure	38	38	38	38
S-RES-23	Rationalisation of Term Contracts	6	6	6	6
S-RES-24	Vehicle Hire - Cleaning Service	3	3	3	3
S-RES-25	Grounds Maintenance	5	5	5	5
S-RES-26	Energy Management Capacity	19	19	19	19
S-RES-27	Water Dispensers	6	6	6	6
S-RES-28	Impact of 2% Vacancy factor Increase	618	618	618	618
S-RES-29	Reduction in Supplies & Services spend	305	305	305	305
Total Resources		2,800	2,880	3,368	3,368
Corporate					
S-CRP-1	Review of PA's across council Directors & HoS	70	70	70	70
S-CRP-2	Review of PPP teams	500	500	500	500
S-CRP-3	Reduction in Consultancy spend	370	370	370	370
S-CRP-4	Reduction in Mobile Phones & Blackberry's	60	60	60	60
Total Corporate		1,000	1,000	1,000	1,000
TOTAL ALL SAVINGS PROPOSALS					
TOTAL SAVINGS		14,023	15,149	15,937	15,937

2010/11 BUDGET SAVINGS & INVESTMENT**ADULT & COMMUNITY SERVICES DEPARTMENT****S-ACS-01 Support Services – Non staffing supplies & services budget
£250,000 Saving**

A full review of all supplies & services and support budgets has been undertaken. Efficient practices by adopting good housekeeping will enable savings targets to be realised. The saving represents a departmental reduction of 4% and will be realised from 1st April 2010.

**S-ACS-02 Neighbourhood Management
£750,000 Saving**

The Council proposes that the number of Neighbourhood Management staff be reduced to six. The purpose is to reduce expenditure while ensuring that the good community work already planned – including extensive celebrations for St George's Day – can go ahead.

**S-ACS-03 Parks Police
£200,000 Saving**

The Council proposes to use the money saved from a reduction in the Parks Police service to fund five additional Metropolitan Police Officers to serve the borough. The recommendation is being made in light of the Mayor of London's decision to reduce the number of police officers on the beat in Barking and Dagenham.

**S-ACS-04 Increase in Vacancy Factor
£250,000 Saving**

This saving will be realised through an increase of the staff vacancy factor to 3.33% of the department total, which is currently at over £30 million. Divisions will be expected to work to a reduced establishment budget, which in real terms equates to a delay of approx 1.5 weeks in recruitment of replacement employees.

**S-ACS-05 Contracted/Commissioned Services
£1,550,000 Saving**

A reduction of approx 5% of current spend on contracted and commissioned services. Savings will be realised in various areas including review, reduction or cessation of current contracts, a reduction in the inflation charge on contracts and a reduction of supporting people & residential care contracts of approximately 1% of total budget. The intention is to achieve savings by more efficient practices, without having a negative effect on community priorities and outcomes.

**S-ACS-06 Community Development & Halls
£90,000 Saving**

Savings will be realised by the transfer of assets from the council to the community association. The proposal is to phase the transfers over the next 3 years and will enable the halls to continue in their function without the need for closure. The transfer of community halls to community associations will increase the community capacity and assist towards the delivery of the borough's priority "Stronger Borough".

2010/11 BUDGET SAVINGS & INVESTMENT**S-ACS-07 Residential & Day care – Income charging from other Local authorities
£110,000 Saving**

Additional income will be generated from other local authorities who place their clients in LBBB day centres and residential homes – this amounts to approximately 10 clients at any one time, with an increase in charges of approx 15%. New charges will be levied from April 2010 and will have no negative impact on current service provision.

**S-ACS-08 5% Reduction in Staffing
£900,000 Saving**

A reduction of 1 in 20 posts across teams and services is proposed (excluding those areas under review or subject to large savings proposals). After all exclusions, a proposal of 30 reductions has been planned. A reduction in staff will impact on remaining staff, but with managerial support and motivation, the effects can be mitigated in the long run.

**S-ACS-09 Passenger Transport
£250,000 Saving**

The proposed saving will be achieved through a cross-cutting Value for Money review of the commissioning, provision and supply of vehicles for assisted transport. This saving has direct correlation with savings being earmarked in Children's services and Customer services.

**S-ACS-10 Leisure & Arts Services Reductions
£300,000 Saving**

The proposal to close the Crèche service and Images Salon will contribute towards these savings. This is alongside the increased income generation from the health & fitness suite. The proposed savings will not have a direct impact on the council's priorities or other services within the council's remit.

SUB TOTAL ADULT & COMMUNITY SERVICES SAVINGS £4,650,000

CHILDREN'S SERVICES DEPARTMENT**S-CHS-01 Integrated Family Services – Employee Costs
£33,000 Saving**

Due to the group manager taking on a wider corporate role in community engagement, 50% of the costs will be met by the Corporate Policy Division thus achieving the targeted savings. A more co-ordinated and streamlined approach can be implemented, however due to the reduced capacity, any engagement activity will need to be prioritised. Savings are expected to be realised as of April 2010.

2010/11 BUDGET SAVINGS & INVESTMENT**S-CHS-02 Head of Integrated Family Services – Employee Costs
£48,000 Saving**

Saving will be achieved by deletion of a post due to early retirement being taken. The roles and responsibilities of the existing post holder will be devolved to other staff within the department. Saving will be realised as of February 2010.

**S-CHS-03 Head of Integrated Family Services – Parenting Support
£32,000 Saving**

This saving comprises of three elements; Employee costs which relates to a Travellers Co-ordinator post, Transport costs in respect of the associated car allowance and Supplies and Services costs which refer to consumables and training. The Travellers co-ordinator is due to retire Oct 2009 and this post will not be filled with any duties being absorbed within Family Support Service.

**S-CHS-04 Head of Integrated Family Services – Portage – Employee Costs,
Premises & Supplies
£20,000 Saving**

The proposed savings are made up of a caretaker post, premises costs and a reduction in supplies and services. The current caretaker post will no longer be required when the service relocates to Mayesbrook Children's centre. The new premises will be more economical to run, hence realising savings on supplies & premises maintenance.

**S-CHS-05 Head of Integrated Family Services – Community Educational
Psychology Service – Employee Costs
£50,000 Saving**

Management of the Acorns early intervention service was transferred to integrated family services in January 2009. It is proposed to further develop the service as an additional resourced provision linked to the governance and management of a school. This will result in savings of at least £50,000 being realised.

**S-CHS-06 Safeguarding & Rights – Care Placements Efficiency Review
£500,000 Saving**

Current placement packages are more expensive than can be achieved in the current market. Packages will either be reduced or purchased elsewhere through improved planning & commissioning approaches. There will be increased joint working with Adult services on Transition planning leading to improved transition packages with less wastage. An increase in direct payments and the use of in-house foster carers will save £400 per placement per week over agency foster carers.

**S-CHS-07 Safeguarding & Rights – Educational Psychology – Realignment of
Children's Centre Budgets
£50,000 Saving**

Educational Psychologists will take on additional work to support children under 5 through the children's centre network. This will be done using the existing establishment. The

2010/11 BUDGET SAVINGS & INVESTMENT

extra income will be generated through an increase in commissioned support from children's centres.

**S-CHS-08 SLE – Trident Work Experience
£22,000 Saving**

The savings proposed are to be realised via an efficiency saving by increasing the unit charge made per student, for arranging work placements from £27 to £35. There should be no issue with schools buy back of service as the new rate is market tested and brings the unit charge in line with neighbouring boroughs.

**S-CHS-09 SLE – Adult College – External Funding
£145,000 Saving**

This saving proposal will be achieved by accessing a management fees component of external funding secured through the future jobs fund and the childcare affordability programme, and by absorbing these additional tasks within the existing staffing structure.

**S-CHS-10 SLE – Vacant Admin Post
£25,000 Saving**

This saving is being realised by deleting a vacant admin post from the establishment.

**S-CHS-11 SLE – Adult College
£80,000 Saving**

This saving is being realised by deleting a Group Manager post from the establishment.

**S-CHS-12 CP&TC – Schools Data Pack
£50,000 Saving**

This saving proposal is actually achieved through the income generation from the schools data packs, supplied to the schools through the course of the year. The current data post and an element of management costs will now be charged to schools directly.

**S-CHS-13 CP&TC – Joint Commissioning Unit
£40,000 Saving**

It is proposed that a new joint commissioning unit will be developed with the PCT and as such the PCT will pick up 50% of the Group manager costs. In principle the proposal has been agreed. The post is currently vacant, so recruitment will need to occur jointly across both organisations.

**S-CHS-14 CP&TC – Policy & Performance – DSG Contribution to GM & HoS Costs
£80,000 Saving**

Group Manager catering post and a percentage of the Head of Service post has been wrongly coded to council budgets when they should have come from within the DSG. This correction has been made and will be reflected post 01/04/10.

2010/11 BUDGET SAVINGS & INVESTMENT**S-CHS-15 Increase Income Generation at the Vibe
£38,000 Saving**

The proposal is actually an increase in income which is realised via the introduction of a charging policy for voluntary organisations using the Vibe Youth Centre.

**S-CHS-16 Q&SI – Community Music Service & Trewern
£300,000 Saving**

This service is currently heavily subsidised by the council by approx £630,000. The schools forum have agreed to raise their contribution in 2010/11 to cover this £300,000. In future year's greater emphasis will be placed on schools funding the services they consume.

**S-CHS-17 Q&SI – Advisory Teachers
£300,000 Saving**

The proposal is that 5 FTE posts will be provided via secondary schools/consortia to provide the non-core subject advisory support to schools.

**S-CHS-18 Q&SI – Reduction in 2 Senior Advisor Posts
£150,000 Saving**

The savings will be realised by not recruiting to two vacant senior advisor ICT posts. The posts will be removed from the establishment.

**S-CHS-19 Q&SI – Westbury Centre & Admin – Reduction in Costs
£50,000 Saving**

The saving proposal includes the removal of one FTE admin post, with the addition of extra income and efficiencies through reduced opening hours.

**S-CHS-20 Q&SI – School Improvement/Education Inclusion
£300,000 Saving**

A review of these services has taken place along with consultation with schools. Indicative savings of £300k have been put forward based on a prudent assessment of the reduction that can be made in this area.

**S-CHS-21 Q&SI – Attendance – Realignment of Under 5 Services
£30,000 Saving**

The attendance services for children under 5 will be developed as part of the Sure Start children's centres, but will be provided within the current establishment.

2010/11 BUDGET SAVINGS & INVESTMENT**S-CHS-22 Q&SI – Family Learning – Realignment of Services to support under 5's
£50,000 Saving**

The Family Learning team will take on additional work to support children under 5 through the children's centre network. This will be done within the current establishment and the income will be realised via additional commissioned support from the family learning team.

**S-CHS-23 Cross Division Savings – Travel & Accommodation
£30,000 Saving**

The saving in 10/11 is estimated at £30,000 but will increase to £500,000 over the following year once the whole transport review has been performed. Initial changes have a prudent estimate of current year savings.

SUB TOTAL CHILDREN'S SERVICES SAVINGS £2,423,000

CUSTOMER SERVICES DEPARTMENT**S-CUS-01 Fleet Department Contract Charges
£810,000 Saving**

The review of the fleet management has enabled a reduction in overhead and utility charges, a reduction in the number of spot hire rentals and a reduction in 10 members of workshop staff. Many of the high maintenance unreliable vehicles will be replaced and the 100+ vehicles on daily rental agreements will be replaced with medium/long term leases from a new supplier. Proposed changes to the fleet department should not impact on the service provided but should strengthen the customer and supplier management through more efficient working.

**S-CUS-02 Reduction of Staff-Costs during Off Peak Season
£156,000 Saving**

The savings proposals in this area will be realised by re-organising the staff establishment on Parks & Green spaces maintenance. In real terms, the savings are equivalent to 12.5 FTE, but no redundancies are proposed. During the winter months when the maintenance on green spaces reduces, staff can be utilised in street cleansing, hence reducing the amount of agency staff in that area. In summer Months, they can be moved back to parks. The efficient utilisation of staff time will enable these savings to be realised without impact to staff or service provision.

**S- CUS-03 B&D Direct Staff Restructure efficiency working practices
£781,000 Saving**

The whole of Barking & Dagenham Direct including the Call Centre & One Stop Shop has undergone a full review. The proposed savings will be achieved through an efficient increase in working practices, by eliminating internal transfers, duplication of work and non-value added tasks. The combined salary budgets for council tax and housing benefit will see a saving of £495k, which equates to a 20% efficiency target. The reduction in 11

2010/11 BUDGET SAVINGS & INVESTMENT

Customer service officers will realise £286k saving with the remaining savings coming from efficiencies across the service.

**S-CUS-04 Deletion of Managerial posts & Reduction in Support/Admin
£1,053,000 Saving**

As part of the B&D Direct review, it is expected that 23 FTE posts can be deleted and 6FTE can be added at a lower grade. The restructure of staff grades will increase the span of control and remove higher graded managers. The service will be re-aligned to facilitate the business process improvement and the introduction of modern ways of working.

**S-CUS-05 Staff restructure in OSS/Contact Centre
£200,000 Saving**

The restructure of management roles will increase the span of control at two levels. In addition to the three senior managers, it is also proposed that a training & development officer and complaints officer will be deleted. There will be an increased workload on other staff to absorb either the work or line management responsibility, but with more efficient practices, this should be mitigated.

**S-CUS-06 Housing General Fund Efficiency review
£150,000 Saving**

The savings will be realised through a range of measures A £60k reduction will take place in the service and supplies budget. A £25k charge of salaries to external grant will be implemented. A £15k change will be made to support services at Boundary Road Hostel that will replace the homeless out of hours service currently provided on overtime and provide supporting people services to residents thus allowing a £50k reduction in the contribution to supporting people.

SUB TOTAL CUSTOMER SERVICES SAVINGS £3,150,000

RESOURCES DEPARTMENT**S-RES-01 Staff costs, Suppliers and services cuts
£31,000 Saving**

It is proposed to make a total saving of £31,000 by reducing staff costs along with cutting supplies and services. This saving option is not envisaged to have any measurable impact on the Council's Priorities, as officers will be implementing more efficient ways of working. Savings are expected to be realised from April 2010 onwards.

**S-RES-02 Removal of Civic Reception
£8,000 Saving**

All related costs will be subsidised by private sponsorship. If no private sponsorship can be found then this event will not take place next year. Saving should start from April 2010

2010/11 BUDGET SAVINGS & INVESTMENT

onwards. Value for Money demonstrated as the service is trying to be maintained at no extra cost the council.

**S-RES-03 Efficiency savings across the electoral services
£6,000 Saving**

Supplies and services budgets need to be cut by £6000; this can be achieved through efficiency savings through the year without any measure-able impact on services. Saving should start from April 2010 onwards.

**S-RES-04 Performance, Policy and Programmes teams review
£50,000 Saving**

Staff posts will be reviewed as part of the Performance, Policy and Programmes review for 2010 and beyond. Corporate policy/performance functions will be impacted. Some activities may need to be scaled down and ordered by priority indicators to ensure that this saving is met. The service is not currently providing adequate value for money and therefore needs to be re-aligned so that it can provide greater value for money.

**S-RES-05 Salaries, Income and Recharges
£75,000 Saving**

Through the appointment of two new members of the Marketing Team, it is estimated that a significant saving will be generated by reducing cost of commissioning work to external agencies. This would also increase the team's corporate capacity enabling them to deliver a comprehensive service. Savings should be realised before the end of this financial year (2009-2010). Value for Money will also be achieved an improved service will be delivered without any additional cost.

**S-RES-06 Finance review
£250,000 Saving**

This saving will be generated mainly through a reduction in staffing primarily in Accountancy functions. Council priorities should not be impacted as the majority of savings will arise through smarter ways of working particularly through system improvements and efficiencies. The savings realised will go towards meeting the Council's efficiency targets. Reduction in staffing levels may result in an increased workload in division if changes are not implemented effectively. Savings should be realised in April 2010.

**S-RES-07 Realignment of supplies and services budgets (HR)
£40,000 Saving**

Reduction in expenditure on supplies and services, enabled through co-location in open plan offices, as part of Accommodation strategy. Along with more efficient deployment of resources such as printers should help achieve this saving. The saving should be realised between April and July depending on when office moves take place.

2010/11 BUDGET SAVINGS & INVESTMENT**S-RES-08 Reduction of post (HR)
£35,000 Saving**

This saving will be achieved by deletion of a single post in the Management Information & Performance team, investment in Discoverer reporting tool is expected to reduce the volume of work in the team. No serious impact on performance and Council objectives are expected.

**S-RES-09 Reduction of two posts in Occupational Health
£80,000 Saving**

Deletion of two vacant posts will help achieve this savings target. No serious impact is expected on the performance or objectives of the council. Saving to be realised April 2010

**S-RES-10 Income Generation in Schools HR
£20,000 Saving**

This is not a saving but an opportunity to generate additional income, by selling more services to schools.

**S-RES-11 ICT Contract
£100,000 Saving**

A £100k saving will be realised on the letting of the contract for ICT which is expected to take place in July/August. Initial bids suggest that the saving will be significantly more than this,

**S-RES-12 Reduction of single post in Health and Safety
£40,000 Saving**

Redundancy of one post holder will help achieve this saving target. No serious impact is expected on the performance or objectives of the council. Saving should be realised in April 2010.

**S-RES-13 Learning and Development posts reduction
£80,000 Saving**

This saving will be achieved by the deletion of two posts in the department. A zero based review of L&D function is underway to improve efficiency and effectiveness. A significant impact on service is not expected as through tighter prioritisation of activities, performance levels should be maintained. From April 2010, this saving should be realised.

**S-RES-14 Recruitment posts reduction
£50,000 Saving**

Deletion of 1.6 posts being carried out, along with investing in the I-Grasp e-recruitment system to reduce administrative costs. Savings are expected to start in April 2010 without any significant impact on performance levels.

2010/11 BUDGET SAVINGS & INVESTMENT**S-RES-15 Various ICT savings
£400,000 Saving**

This saving will be realised in various areas. £100,000 will be saved from the decommissioning of the old mainframe system that took place in 2009/10. Associated licences and leasing costs can also now be saved as a result of this, and along with changes to IT support, will realise a further £300,000 saving.

**S-RES-16 Deletion of posts in Regeneration and economic development
£200,000 Saving**

Deletion of three vacant posts along with one redundancy/retirement makes up this saving. No significant impacts are expected on the performance of the service however, further loss of posts beyond this level may start to have an impact. Savings can be realised as soon as April 2010 depending on how quickly redundancy procedures are started. Initial redundancy costs are estimated to be around £100,000.

**S-RES-17 Accommodation strategy
£220,000 Saving**

The underlying drive for this saving is to reduce the number of office properties occupied by the council. Asset base will reduce leading to a possible reduction in the number of support staff required. The target date for realising the saving is yet to be established. But it is envisaged to generate savings of approx £750,000 within three years.

**S-RES-18 Asset strategy, capitalisation of staff costs
£35,000 Saving**

This saving arises from a reduction in staff costs in the asset management budget as a result of staff working on the accommodation project which is funded from the capital programme.

**S-RES-19 Skill mix capital delivery
£50,000 Saving**

This saving arises from better use of professional staff (architects, engineers) to deliver revenue and capital projects, which has enabled a reduction in staffing levels.

**S-RES-20 Printer Rationalisation
£5,000 Saving**

Estimated saving of £5,000 in 2010/11 and £15,000 over three year period. Driven by a rationalisation of the printers used in the department and a removal of the more expensive printers. This initiative/saving will contribute towards better ways of working. Savings will be realised as soon as the office moves are completed in line with the Accommodation strategy.

2010/11 BUDGET SAVINGS & INVESTMENT**S-RES-21 Reduction in use of consultants
£25,000 Saving**

Estimated saving of £25,000 in 2010/11 and £175,000 over three year period, this will be achieved by using less consultancy support and negotiating a better unit rate for the support which will be used. The consultant's framework is currently in the process of being re-tendered, with a saving of 10% expected through this process. Performance will be maintained but sourced differently. Savings will be realised from April 2010, once the framework renewal is completed.

**S-RES-22 Reduction of group staff costs as a result of restructure
£38,000 Saving**

This saving will be generated by rationalising the total number of staff within the corporate client. Improved ways of working should be implemented helping to achieve the target. High level of performance will be maintained across the council and its partners. Savings can be realised as of now.

**S-RES-23 Rationalisation of Term Contracts
£6,000 Saving**

By combining contracts, the cost of producing and presenting individual contracts will be reduced. Additional savings can be achieved by cutting out time and effort spent by staff on individual term contracts. If however one of the combined contracts is not successful then the whole process would have to be repeated incurring extra cost.

**S-RES-24 Vehicle hire – cleaning service
£3,000 Saving**

A reduction in non pay budgets for cleaning hired vehicles in asset strategy. Through more efficient operation should generate cash savings of approx £3k. Carbon management plan and greener Council priorities will also be achieved.

**S-RES-25 Grounds Maintenance
£5,000 Saving**

A reduction in non pay budgets for grounds maintenance in asset strategy and through more efficient operation of the service should generate cash savings of approx £5k.

**S-RES-26 Energy Management Capacity
£19,000 Saving**

By being more energy efficient, reducing energy consumption which in turn cuts carbon emissions should generate material savings. Due to the reduction of carbon emissions, the LBBB surplus allocation can be traded with other public bodies to generate income.

**S-RES-27 Water Dispensers
£6,000 Saving**

2010/11 BUDGET SAVINGS & INVESTMENT

Savings can be achieved by improved procurement. By replacing the existing units and servicing contracts with LB of Waltham Forest framework for chilled portable water dispensers.

**S-RES-28 Various savings – Resources budgets
£618,000 Saving**

Resources services have reduced their staffing budgets by 2% following a review of vacant posts. This will enable the services to continue to be delivered at the same level at a lower cost, saving approximately £300,000. The service has also reviewed the contractual arrangements in respect of agency staff to enable a £200,000 saving. A review of the Corporate Management Unit budget has enabled a saving of £100,000.

**S-RES-29 Supplies and services savings – Resources budgets
£305,000 Saving**

A reduction in supplies and services budgets has been made of 5% across the whole department.

SUB TOTAL RESOURCES SAVINGS **£2,800,000**

CORPORATE

**S-CRP-01 Review of PAs across Council (Directors & HoS)
£70,000 Saving**

A review of Personal Assistants across the organisation was undertaken, resulting in Heads of Service sharing PA support, realising a saving.

**S-CRP-02 Review of Performance, Policy and Programmes (PPP) Teams
£500,000**

A review of PPP teams has been undertaken across the whole organisation, resulting in the centralisation of these resources. As a result, efficiency gains can be made enabling a £500k saving to be realised.

**S-CRP-03 Reduction in Consultancy Spend
£370,000**

A central expenditure panel has been created to review all consultancy arrangements on a regular basis. This tightened control is aimed at reducing usage by at least 10% ensuring that this saving can be made.

**S-CRP-04 Reduction in Mobile Phones and Blackberrys
£60,000**

Tighter control of the usage of mobile phones and Blackberrys will realise a saving of £60k in 2010/11.

2010/11 BUDGET SAVINGS & INVESTMENT

SUB TOTAL CORPORATE SAVINGS	<u>£1,000,000</u>
OVERALL SAVINGS TOTAL	<u>£14,023,000</u>

2010/11 BUDGET SAVINGS & INVESTMENT**ADULT & COMMUNITY SERVICES DEPARTMENT****BP-ACS-03 Dagenham Library/One stop shop
£600,000 Investment**

Additional resources are required to fund the ongoing running costs of the new Dagenham Library & one stop shop. The investment is carried forward from the previously approved budget model from 2009/10.

**BP-ACS-04 Becontree Heath Leisure Centre
£400,000 Investment**

Additional resources are required to fund the borrowing costs of the new Becontree Heath Leisure centre. The investment is carried forward from the previously approved budget model from 2009/10.

**BP-ACS-05 Valence House Museum Education Programme
£168,000 Investment**

This investment is carried forward from a previously agreed budget process and relates to the recurring costs arising from the refurbishment of Valence House Museum.

**BP-ACS-06 Domestic Violence Advocacy Services
£100,000 Investment**

There is a need to enhance current DV advocacy service and contract the service out to the voluntary sector. The extra funding will significantly reduce the risk of DV related homicides, improve safety for victims and achieve LAA indicator NI32.

**BP-ACS-07 Dementia Services – Residential Care
£250,000 Investment**

Responding to dementia and the subsequent care needs represents one of the biggest pressures on both the Adults care and council budgets. A bid for £500k was submitted as part of the 09/10 budget process and was approved on the basis that £250k be granted in 2009/10 and the remaining £250k in 2010/11.

CUSTOMER SERVICES DEPARTMENT**BP-CUS-07 Temporary Accommodation
£700,000 Investment**

In light of the recent financial exercise to properly align budgets, the implications of new housing benefit regulations and the business process re-engineering of the temporary accommodation service, there will be a significant shortfall in the housing advice service budget in 2010/11. Additional funds are requested to meet the shortfall, allow the appointment of an additional member of staff to work on temporary accommodation income recovery and allow adequate provision for void properties.

2010/11 BUDGET SAVINGS & INVESTMENT**RESOURCES DEPARTMENT****S-RES-01 Local Elections 2010
 £250,000 Investment**

Budget provision is required to meet the anticipated costs of the local elections in May 2010. Ongoing resources are also required to address the full effects of the electoral administration act which imposes additional provisions in relation to registration and election matters.

OVERALL INVESTMENT TOTAL**£2,468,000**

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Medium Term Financial Strategy

	Recurring or non-recurring	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Budget increases:					
Statutory obligations/implications of economic climate:					
Pension Fund revaluation	R	750	750	750	
ELWA Levy	R	320	560	800	
Reduction in interest on balances	R	500			
Provision for inflation	R	0	4,500	4,500	4,500
		1,570	5,810	6,050	4,500
Financial implications of Council approved decisions:					
Capital Programme - capital financing costs	R	2,750	2,250	2,250	
Contribution to support Council Budget from 9/10	R	500			
Skills Centre	R	800			
Dagenham Library and One Stop Shop	R	600	600		
Valence House Musuem	R	168			
Becontree Heath Leisure Centre	R	400	200		
Youth Access Card	R	0	278		
Building Schools for the Future	NR	700		(1,200)	
		5,918	3,328	1,050	0
Financial implications of Future Investment:					
Local & National Elections	R	250	(190)		
Domestic Violence	R	100			
Dementia Services	R	250			
Temporary Accomadation	R	700	285		
Provision for future investment and risks	R		1,500	1,250	1,000
Affordable level of internal investment in the capital strategy	R		1,000	1,000	1,000
		1,300	2,595	2,250	2,000
Investment required to ensure budget is robust:					
Corporate provision to cover redundancy costs	NR	2,000			
General reserves	NR	2,000	1,000	500	
Central Invest to Save Fund	NR	1,000	1,000		(2,000)
Contingency to cover budget risks	R	3,290			
		8,290	2,000	500	(2,000)
Total Additional Costs (A)		17,078	13,733	9,850	4,500
Additional Income					
Formula Grant	R	3,578	(6,000)	(6,000)	(6,000)
Council Tax	R	0	1,500	1,500	1,500
Reduction in Collection Fund deficit	R	(500)	190		
Total Additional Income (B)		3,078	(4,310)	(4,500)	(4,500)
Budget Gap (A less B)		14,000	18,043	14,350	9,000
Savings:					
Departmental Savings					
2010/11 departmental savings	R	10,960	0	0	0
Departmental procurement savings identified	R	2,040	978	825	885
Customer Services	NR	0	1,200	0	(1,200)
Average 3% service efficiency requirement for all services from 2011/12 onwards for 5 years (indicative at this stage)	R	0	4,000	4,000	4,000
		13,000	6,178	4,825	3,685
Corporate Savings and Efficiency					
Strategic Partnering Savings (indicative based on current information)	R		3,790	2,125	450
Accommodation Review future savings identified (indicative based on current information)	R		95	403	886
Corporate Savings - including Performance review, Administration review, consultancy costs, mobile phones and blackberry costs	R	1,000			
		1,000	3,885	2,528	1,336
Total Savings		14,000	10,063	7,353	5,021
Budget Gap including savings		0	7,980	6,997	3,979

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Appendix C

Outcomes	Success Measures (LAA indicators in bold type)	Historical data	Latest data	Direction of Travel	Target 2009/10	Target 2010/11
SAFE						
<i>Fewer young offenders</i>	NI 111 First time entrants to the Youth Justice system aged 10-17	2370 (07/08)	1910	better	2274	2230
<i>Reduced re-offending rates</i>	NI 19 Rate of proven re-offending by young offenders	Not collected – new for 2008/09	0.81	n/a	To be agreed	To be agreed
	NI 30 Re-offending rate of prolific and priority offenders	Not collected – new for 2008/09	1.07%	n/a	15% reduction in offences by cohort	To be agreed
	NI 32 Repeat incidents of domestic violence	Not collected – new for 2008/09	51.89%	n/a	n/a	28%
<i>People feel safer in their neighbourhoods</i>	NI 40 Drug users in effective treatment	429 (07/08)	467	better	472	496
	NI 15 Serious violent crimes per 1,000 population	Not collected – new for 2008/09	1.84	n/a	1.78	1.73
	NI 16 Serious acquisitive crimes per 1,000 population	Not collected – new for 2008/09	28.56	n/a	25.28	25.06
	NI 17 perceptions of anti-social behaviour	Not collected – new for 2008/09	39.1%	n/a	n/a	34.30%

	NI 168 Principal roads where maintenance should be considered	2% (2007/08)	3%	worse	4%	5%
	NI 169 Non-principal roads where maintenance should be considered	2% (2007/08)	4%	worse	6%	7%
CLEAN						
Cleaner streets and improved public spaces	NI 5 Overall/general satisfaction with the area	47% (2006/07)	56.6%	better	n/a (biennial survey)	65%
	NI 195a Improved street and environmental cleanliness: Litter	Not collected – new for 2008/09	4.74%	n/a	10%	10%
	NI 195b Improved street and environmental cleanliness: Detritus	Not collected – new for 2008/09	11.19%	n/a		
	NI 195c Improved street and environmental cleanliness: Graffiti	20% (2007/08)	3%	better	4%	4%
	NI 195d Improved street and environmental cleanliness: Flyposting	2% (2007/08)	0.37%	better	2%	2%
	NI 196 Improved street and environmental cleanliness (fly tipping)	2 (2007/08)	4 ‘Poor’	worse	‘Effective’	‘Effective’
	Satisfaction with parks & open spaces (Place Survey)	66% (2006/07)	46.4%	worse	Not set	Not yet set

Reduction in amount of waste going to landfill	NI 191 Residual household waste per household	992.10kg (2007/08)	856.95kg	better	Not set	Not yet set
	NI 192 Percentage of household waste sent for reuse, recycling & composting	20.41% (2007/08)	25.05%	better	27%	31%
	NI 185 CO2 reduction from Local Authority operations	26,403,567kg (2008/09)	Awaiting data		To be agreed	To be agreed
FAIR AND RESPECTFUL						
Increased involvement and influence in public services	NI 4 Percentage of people who feel they can influence decisions in their locality	39% (2006/07)	37%	worse	n/a (biennial survey)	42%
	NI 1 % people who believe people from different backgrounds get on well together	47% (2006/07)	49.1%	better	n/a (biennial survey)	54.10%
More people feel that people from different backgrounds get on well together	NI 23 Perceptions that people in the area treat one another with respect and dignity	Not collected – new for 2008/09	59.2%	n/a	n/a (biennial survey)	49.20%
	NI 6 Participation in regular volunteering	Not collected – new for 2008/09	16%	n/a	n/a (biennial survey)	17%
Stronger ties within the community						

HEALTHY

<i>People enjoy longer and healthier lives</i>	NI 121 Mortality rate from all circulatory diseases at ages under 75	104.06 (2007)	101.33	better	98	97
	NI 123 16+ current smoking prevalence	Not collected – new for 2008/09	1022	n/a	979	980
<i>Reduction in number of teenage pregnancies</i>	NI 112 Under 18 conception rate	60 (2007)	Data due March 2010		28.20	24.6
	NI 52a Take up of school lunches – Primary schools	49.5% (2007/08)	52.6%	better	52.3%	53%
<i>Reduced childhood obesity</i>	NI 52b Take up of school lunches – Secondary schools	46.9% (2007/08)	48.1%	better	52.7%	53%
	NI 56 Percentage of children in Year 6 with height and weight recorded who are obese	23.91% (2007/08)	Data due December 2009		24%	24%
<i>Improved mental well-being for children</i>	NI 57 Children's participation in high quality PE and sport	Not collected – new for 2008/09	86%	n/a	Not set	Not yet set
	NI 51 Effectiveness of Child and Adolescent Mental Health Service (CAMHS)	Not collected – new for 2008/09	12	n/a	16	16

	NI 57 Children's participation in high quality PE and sport	Not collected – new for 2008/09	86%	n/a	Not set	Not yet set
Reduced health inequalities	NI 8 Adult participation in sport and active recreation	15.52% (2007/08)	Data due December 2009		Not set	Not yet set
	NI 54 Services for disabled children		Indicator introduced in 2009/10			
People have more choice and control about how they get care and associated services	NI 121 Mortality rate from all circulatory diseases at ages under 75	104.06 (2007)	101.33	better	98	97
	NI 130 Social Care clients receiving Self Directed Support per 100,000 population	248.46 (2007/08)	355.5	better	30% (change to data collection)	45% (change to data collection)
	NI 138 Satisfaction of people over 65 with both home and neighbourhood	47% (2006/07)	63.2%	better	n/a (biennial survey)	73%
An environment where people thrive as they age						

PROSPEROUS				
		Data release date unknown	To be set following release of baseline data	
More people in work and in better paid jobs	NI 116 Proportion of children in poverty	Not collected – new for 2008/09		
	NI 150 Adults in contact with secondary mental health services in employment	Not collected – new for 2008/09	n/a	15%
	NI 151 Overall employment rate	68.80% (2007/08)	worse	To be agreed
	NI 152 Working age people on out of work benefits	18.11% (2007)	worse	17.20%
	NI 153 Working age people on out of work benefits in worst performing areas	27.19% (2007)	better	26.60%
	NI 173 Flows on to incapacity benefits from employment	0.73% (2007/08)	Data due December 2009	0.76%
	NI 163 Working age population qualified to at least level 2 or higher	53.03% (2007)	better	53%
Better skilled workforce		54.60%	53.80%	
Fewer young people not in education, employment or	NI 45 Young offenders' engagement in suitable education, training and employment	84.26%	worse	Youth Justice Board have not set target

training (NEET)	NI 117 16-18 year olds who are NEET	9.70% (2007)	8.90%	better	8.50%	8%
	NI 148 Care leavers in education, employment or training	58.30%	49.20%	worse	58%	59%
Increase in number of business start ups in area	NI 171 VAT registration rate	41.10 (2007)	Data due December 2010		41.10	41.51
	NI 172 VAT registered businesses in the area showing growth	13.35% (2007)	Data due March 2010		0.76%	0.74%
More homes, especially affordable homes	NI 149 Adults in contact with secondary mental health services in settled accommodation	Not collected – new for 2008/09	36.3%	n/a	90%	95%
	NI 154 Net additional homes provided	815 (2007/08)	373	worse	1190	1190
Increased number of homes meeting the decency standard	NI 155 Number of affordable homes delivered (gross)	420 (2007/08)	262	worse	595	595
	NI 5 Overall/general satisfaction with the area	47% (2006/07)	56.6%	better	n/a (biennial survey)	65%
	NI 158 % non-decent council homes	39.90% (2007/08)	35%	better	31%	Not yet set

INSPIRED AND SUCCESSFUL YOUNG PEOPLE							
Improved educational qualifications by age 16	NI 72 Achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy	40% (2007/08)	47%	better	41%	Not yet set	
	NI 73 Achievement at level 4 or above in both English and maths at Key Stage 2 (threshold)	60% (2007/08)	71% (provisional)	better	76%	Not yet set	
	NI 75 Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (threshold)	39.20% (2007/08)	44.5% (provisional)	better	45%	Not yet set	
	NI 87 Secondary school persistent absence rate	5.8%	Data due February 2010		7%	Not yet set	
	NI 92 Narrowing the gap between the lowest achieving 20% in the Early Years Foundation Stage Profile and the rest	32.9% (2007/08)	33.5%	worse	29.3%	29.1%	
	NI 93 Progression by 2 levels in English between Key Stage 1 and Key	81.2%	Data due May 2010		86%	Not yet set	

Stage 2						
NI 94 Progression by 2 levels in Maths between Key Stage 1 and Key Stage 2	79.4% (2007/08)	Data due May 2010	82%	Not yet set		
NI 99 Children in care reaching level 4 in English at Key Stage 2	37.5% (2007/08)	38.5%	90%	better	Not yet set	
NI 100 Children in care reaching level 4 in Maths at Key Stage 2	50% (2007/08)	38.5%	70%	worse	Not yet set	
NI 101 Children in care achieving 5 A*-C GCSEs or equivalent) at Key Stage 4 (including English and Maths)	10% (2007/08)	9.4%	53.3%	worse	Not yet set	
NI 102a Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 2	13.4% (2007/08)	Data due June 2010	12.5%	12%		
NI 102b Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 4	17.8% (2007/08)	Data due February 2010	14.2%	13.8%		

Increased level 2 & 3 qualifications at age 19	NI 80 Achievement of a level 3 qualification by the age of 19	31.18% (2007/08)	Data due May 2010	36%	38%
	NI 81 Inequality gap in the achievement of a level 3 qualification by the age of 19	8% (2007/08)	Data due May 2010	Not set	Not yet set
	NI 82 Inequality gap in the achievement of a level 2 qualification by the age of 19	60.88% (2007/08)	Data due January 2010	Not set	Not yet set
	NI 110 Young people's participation in positive activities	Not collected – new for 2008/09	n/a	77.40%	81%
ONE BARKING & DAGENHAM					
Delivering Customer Service Excellence	NI 14 Avoidable contact: the average number of customer contacts per received customer request	Not collected – new for 2008/09	n/a	55%	50%
	NI 179 Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-09 financial year	Not applicable – reporting gains from 2008/09	n/a	3%	4%
Improving Value for Money	Perception that the Council provides value for money	Not collected – new for	38% (baseline)	Not set	Not yet set

Delivering Organisational Culture Change		2008/09					
	Average days lost per employee per year through sickness absence	10.62 (2007/08)	10.27	better	9.5	<9.5	
	Overall satisfaction rate of staff in their current job	63% (2006)	Awaiting survey	n/a	Not set	+3%	
	Percentage of staff who agreed they felt proud to work for the Council	43% (2006)	Awaiting survey	n/a	Not set	Not set	