

London Borough of Barking and Dagenham

Notice of Meeting

THE EXECUTIVE

Tuesday, 16 December 2003 - Civic Centre, Dagenham, 7:00 pm

Members: Councillor C J Fairbrass (Chair); Councillor C Geddes (Deputy Chair); Councillor J L Alexander, Councillor G J Bramley, Councillor S Kallar, Councillor M E McKenzie, Councillor B M Osborn, Councillor J W Porter, Councillor L A Smith and Councillor T G W Wade.

Also Invited: Councillor J Denyer for Agenda Item 8

Declaration of Members Interest: In accordance with Article 1, Paragraph 12 of the Constitution, Members are asked to declare any direct/indirect financial or other interest they may have in any matter which is to be considered at this meeting

5.12.03

Graham Farrant
Chief Executive

Contact Officer Barry Ray
Tel. 020 8227 2134
Fax: 020 8227 2171
Minicom: 020 8227 2685
E-mail: barry.ray@lbbd.gov.uk

AGENDA

1. **Apologies for Absence**
2. **Minutes - To confirm as correct the minutes of the meeting held on 2 December 2003 (circulated separately)**

Business Items

Public Items 3 to 6 and Private Items 17 to 21 are business items. The Chair will move that these be agreed without discussion, unless any Member asks to raise a specific point.

Any discussion of a Private Business Item will take place after the exclusion of the public and press.

3. **Winter Maintenance Policy Statement and Plan (Pages 1 - 2)**
4. **Social Services Star Ratings (Pages 3 - 17)**

5. **Sure Start and Children's Centres (Pages 19 - 21)**
6. **National Social Services Conference (Pages 23 - 25)**

Discussion Items

7. **Anti-Age Discrimination Policy Commission (Pages 27 - 59)**
8. **Annual Report on Equalities and Diversity in Employment (Pages 61 - 78)**
9. **LIFT Programme (Pages 79 - 98)**
10. **Barking Hospital Site (Pages 99 - 108)**
11. **London Boroughs Grants Scheme (Pages 109 - 128)**
12. **Statement of Accounts - 2002 / 2003 (Pages 129 - 202)**
13. **Budget Monitoring Report: April to September 2003 / 2004 (Pages 203 - 216)**
14. **Passporting of Schools FSS and take up of the Standards Fund Grant Allocation 2004 / 2005 (Pages 217 - 218)**
15. **Any other public items which the Chair decides are urgent**
16. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

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

Discussion Items

None

Business Items

17. **Corporate Financial Services - Staffing Matter (Pages 219 - 231)**

Concerns a Staffing Matter (paragraph 1)

18. Beacon Youth Centre - Remodelling and Extension (Pages 233 - 235)

Concerns a Contractual Matter (Paragraphs 7 and 9)

19. Provision of Care in Specialist Housing with Care Scheme (Pages 237 - 249)

Concerns a Contractual Matter (Paragraphs 8 and 9)

20. Tender for the Provision of Drop In Centres for People with Mental Health Needs (Pages 251 - 255)

Concerns a Contractual Matter (Paragraphs 8 and 9)

21. Grays Court Intermediate Care Scheme (Pages 257 - 259)

Concerns a Contractual Matter (paragraphs 8 and 9)

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

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THE EXECUTIVE

16 DECEMBER 2003

REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES

<p>WINTER MAINTENANCE OF THE PUBLIC HIGHWAY: POLICY AND MAINTENANCE PLAN</p>	<p>FOR DECISION</p>	
<p><i>This report proposes a policy and therefore the decision is reserved to the Executive.</i></p> <p><u>Summary</u></p> <p>The Council currently does not have an up to date policy on how it will carry out its' winter maintenance responsibilities. The current procedures have been developed over several years. However, the Council could face legal action in the case of an accident if it cannot prove that it has systems in place to deal with snow and ice problems.</p> <p>To address the problem and provide a defence against any future claim it is proposed that a policy is now agreed.</p> <p>Copies of the Proposed Policy Statement and Maintenance Plan are available in the Members Rooms, Civic Centre and on the Council's website.</p> <p><u>Recommendations</u></p> <p>The Executive is recommended to:</p> <ol style="list-style-type: none"> 1. Agree to the adoption of the policy and maintenance plan: and 2. Note that the routes in the maintenance plan will be reviewed each year and the details will be published on the Council's website. <p><u>Reason</u></p> <p>The policy on snow and ice clearance of the Public Highway will assist the Council in achieving the Community Priority of "Making Barking and Dagenham Cleaner, Greener and Safer".</p> <p><u>Wards Affected</u> - All Wards</p>		
<p>Contact Mike Mitchell</p>	<p>Head of Environmental Management</p>	<p>Tel: 020 8227 2677 Minicom: 020 8227 3034 E-mail: mike.mitchell@lbbd.gov.uk</p>

1. Background

- 1.1 The proposed policy and plan show the way in which we approach and carry out winter maintenance. The existing salting routes and plans for snow and ice clearance have been developed over a number of years using local knowledge, experience and guidelines in Section 13 of the Code of Practice for Highway Management.
- 1.2 We have a deserved reputation for delivering a high standard of winter maintenance and this was endorsed in a letter from the Mayor of London after the period of snow in January of this year.

2. Current Position

- 2.1 The Councils' winter maintenance policy and plan has not been updated for many years. However, there have been changes in legislation and plans have been produced to improve the efficiency and cost effectiveness of our procedures. The *Goodes v East Sussex* case has led to the Railways and Transport Safety Act issuing an amendment to the Highways Act 1980, Section 41 (1). The details of this amendment are in paragraph 1.1.2 of the proposed Winter Maintenance Policy. This has imposed on Highway Authorities a legal requirement to maintain free passage along the highway in the event of snow and ice. This has never been a requirement in previous years. This new legal requirement will increase the chances of third party insurance claims being taken out against the council.
- 2.2 This proposed policy and plan, if formally adopted, will provide a robust defence against any future claim.

3. Financial Implications

- 3.1 As indicated above the winter maintenance policy and plan describes the knowledge and experience that the Council already has and what we do now. There is an annual budget for winter maintenance of £180,000, therefore adoption of this policy and plan will not have any further financial implications.

4. Consultation

- 4.1 The following people have seen this report and are happy with it as it stands.

Bob Cooper, Interim Head of Finance, LESD
Mike Livesey, Head of Traffic & Road Safety
Sue Burden, Insurance Section

Background Papers

Winter Maintenance Policy Statement and Plan (www.lbbd.gov)

THE EXECUTIVE**16 DECEMBER 2003****REPORT FROM THE DIRECTOR OF SOCIAL SERVICES**

SOCIAL SERVICES STAR RATINGS		FOR INFORMATION
<p><i>This report is to inform the Executive of the overall performance rating for Social Services.</i></p> <p><u>Summary</u></p> <p>Social Services Star ratings were published on the 13 November 2003 based on performance indicators, inspections and audits undertaken during the year ending 31 March 2003. This was set out in the letter presented to the Executive on the 28 October 2003.</p> <p>Barking and Dagenham has retained its one star rating, with an improvement in children's services from "uncertain" to "promising" prospects. Adults remain one star and "uncertain". The national ratings are attached.</p>		
<p>Contact Officer: Julia Ross</p>	<p>Director of Social Services</p>	<p>Telephone: 0208 227 2332 Fax: 0208 227 2241 E-mail: julia.ross@lbbd.gov.uk</p>

1. Background

- 1.1 The national overall performance of social services shows gradual improvement, as does London although at a slightly slower rate.
- 1.2 The neighbouring Boroughs which we use as Performance Indicator comparison have, like Barking and Dagenham not changed their star rating:
 - Newham One star and improving
 - Havering One star and improving
 - Redbridge Two stars and improving
- 1.3 Our three star commissioning intentions described the means by which we are planning to reach 2 stars in 2004/05 and three stars the year after. It is essential that this level of investment is sustained.
- 1.4 The Executive will wish further investigation into why the department succeeded in improving Children's Services but failed to show similar improvement in Adult Services. It is crucial this is tackled as a matter of urgency to ensure the 3 Star Strategy is achieved.

Background papers

- Performance Ratings for Social Services in England (November 2003), attached.

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**Performance Ratings for Social Services in England
November 2003**

Department of Health
November 2003

**Performance Ratings for Social
Services (England) 2003**

Social Services Inspectorate
Department of Health
Richmond House
79 Whitehall
London SW1A 2NA
November 2003

Rt Hon John Reid MP
Secretary of State for Health

Rt Hon Charles Clarke MP
Secretary of State for Education

Dear Secretaries of State,

I am pleased to present the latest social services performance ratings for English councils with social services responsibilities. The ratings were last published in November 2002, and this is the second year in which they have been produced. There has been a significant overall improvement in the performance of councils. More councils have received two and three stars, and fewer councils now have zero or one star.

The ratings have been formulated by SSI, drawing on evidence from performance indicators, inspections, reviews and monitoring information for each council, and using a set of published standards as a framework to guide judgement. The ratings are issued in conjunction with an improvement report for each council, and give a rounded picture of each council's performance in carrying out their social services functions. Separate judgements for services to children and adults are included. The ratings will continue to form a part of the comprehensive performance assessment of local councils, led by the Audit Commission.

Subject to legislation, it will be the responsibility of the proposed Commission for Social Care Inspection to publish the ratings for social services from 2004. Combining the SSI functions with the social care functions of the National Care Standards Commission, and incorporating the work of the SSI/Audit Commission Joint Review team, the new Commission will strengthen the public accountability of social services and help to drive forward further improvement.

Yours sincerely

Averil Nottage
Acting Chief Inspector
Social Services Inspectorate

INTRODUCTION

Performance Ratings for Social Services

1. In October 2001, the then Secretary of State Alan Milburn announced the introduction of performance ratings for social services. A letter to Directors of Social Services from the Chief Inspector of the Social Services Inspectorate (SSI) in April CI (2002) 4 described how the ratings would be produced. Ratings were first published in May 2002, and were “refreshed” with additional information in November 2002.

2. This document now presents the performance ratings for councils in England with social services responsibilities at November 2003. The star ratings summarise the Social Services Inspectorate’s independent judgements of performance across all social services, on a scale of zero to three stars. Supporting this, separate judgements for services for children and services for adults are also given.

Why are ratings being published?

3. The ratings aim to improve public information about the current performance of services, and the capacity for improvement at local, regional, and national levels. Social services have wide responsibilities for the care and support of families in difficulty, and the protection of children at risk of harm: for helping older people to live as independently as possible, and for supporting people with disabilities. People have a right to know how well their councils are performing in meeting these responsibilities, whether they are receiving such services themselves, have a family member receiving such services, or are a council tax payer. Central government needs to know how well each council is meeting the aims and objectives for improvement it has set for social services.

Who produces the ratings?

4. The Social Services Inspectorate works independently of the councils to assess their performance, drawing on evidence from inspections, reviews, monitoring and performance indicator data. The ratings summarise this evidence in a way that is both accessible to all and soundly based on all the available information.

What do the ratings mean for councils?

5. The ratings provide an objective starting point for reviewing and planning improvements to services. This is important for all councils, whether their performance is good or poor. The best performing councils have an increasing level of freedom in the way they use centrally provided grant funds. They also have a reduced programme of inspection and monitoring, and reduced requirements for planning information. Councils with zero stars receive additional support, return fuller information, and are subject to more frequent monitoring.

How the ratings are presented

6. As well as the overall star, judgements for children and adults services are given, and these carry equal weighting. In both cases, a judgement for both current performance and capacity for improvement is also shown. The categories for judging current performance (serving people well?) are *no*, *some*, *most* and *yes*. The categories for judging capacity for improvement are *poor*, *uncertain*, *promising*, and *excellent*. Current performance is weighted more heavily than capacity for improvement.

7. This results in a total of four judgements underpinning the overall rating, as shown in the table of examples below. Once the judgements have been reached, a set of rules is used to combine them with the weightings to produce a final star rating. The rules are detailed in the Chief Inspector’s Letter CI (2002)4, and are also available electronically at <http://www.doh.gov.uk/pssratings/guidance>

	Performance rating	Children’s services		Adults’ services	
		Serving people well?	Capacity for improvement?	Serving people well?	Capacity for improvement?
Council 1	-	No	Poor	Most	Promising
Council 2	☆	Some	Uncertain	Some	Promising
Council 3	☆☆	Most	Promising	Yes	Uncertain
Council 4	☆☆☆	Most	Excellent	Yes	Promising

Additional Information about local performance

8. In addition to the judgements and star ratings, reports of summaries of SSI's annual review of each council's improvement and performance are being published on the DH star ratings web-site (www.doh.gov.uk/pssratings). These reports are sent by SSI to the council following the annual review meeting, and are entered onto the web-site once they have been seen and considered by local councillors. The reports highlight performance strengths, areas for development, and priorities for improvement for the coming year.

How the ratings have been produced

9. Star Ratings are a product of a wider performance assessment process bringing SSI and the councils into continuous contact throughout the year. Assessment includes evidence from inspections and reviews, monitoring and performance indicators, to form an overall picture of performance over time on both qualitative and quantitative aspects of performance. The assessment culminates in an annual review meeting with each council, normally during the summer. The purpose of this meeting is to review past performance and consider the priorities for further improvement. Following the annual review, provisional judgements of performance are formed and then subjected to a series of consistency checks before a final determination is made by the Chief Inspector of SSI.

Criteria used in reaching performance judgements

10. The criteria for judgements are set out in a set of published standards and criteria. These describe good and poor performance in six areas, and are used by SSI inspectors as a framework for organising and reviewing the evidence. The specific local evidence sources for 2002 – 03 are set out for each council in a performance report sent after the annual review meeting.

The role of Key Performance Indicators

11. To ensure that performance indicators have sufficient weight in the star rating system, and to provide an additional check that councils are treated in the same way, a set of performance indicators are defined as the "Key Performance Indicators". For these, a council cannot be judged to be performing well if it fails to reach a specified band of performance. This year, the set includes new indicators, including the audit of child protection services that followed the Victoria Climbié Inquiry, and a progress check on the implementation of the Race Relations (Amendment) Act 2000.

Links with performance ratings for NHS and other local government services

12. Social services are provided or arranged by local councils, but are often planned and delivered in partnership with the NHS and other council services. The social services star rating is designed to be compatible with performance information for both the NHS and other local government services.

13. A new comprehensive performance assessment (CPA) for all local government services was introduced in 2003. This fulfils the same function as the social services stars, but for all local government services. The social services star ratings judgements feed directly into the local government CPA. The social services star rating also appears in the CPA report card, alongside assessments of other council services. A council must receive a good star rating for their social services in order to receive the highest comprehensive performance assessment rating.

THE RESULTS

How well are councils performing overall?

14. Just under a third of all councils have a changed rating, compared to November 2002. More councils have received two and three stars and fewer councils now have zero or one star.

Figure 1: Distribution of Ratings (numbers of councils)

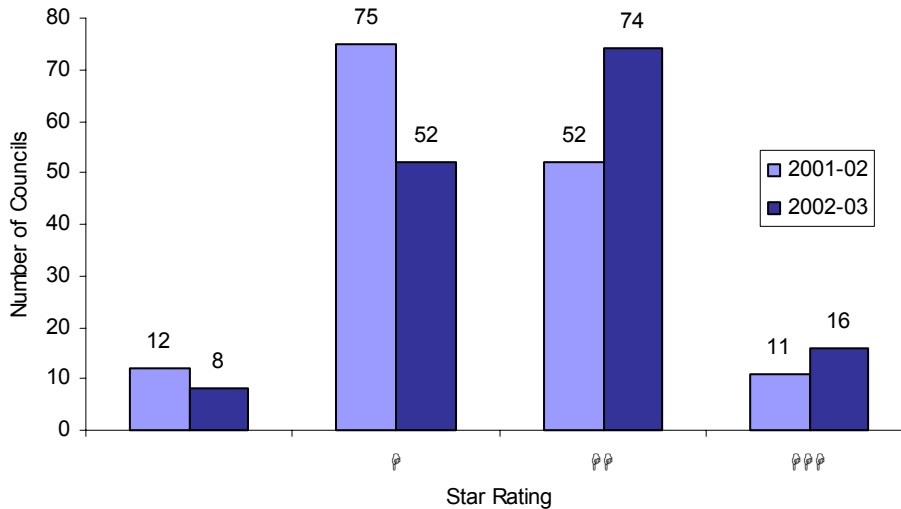
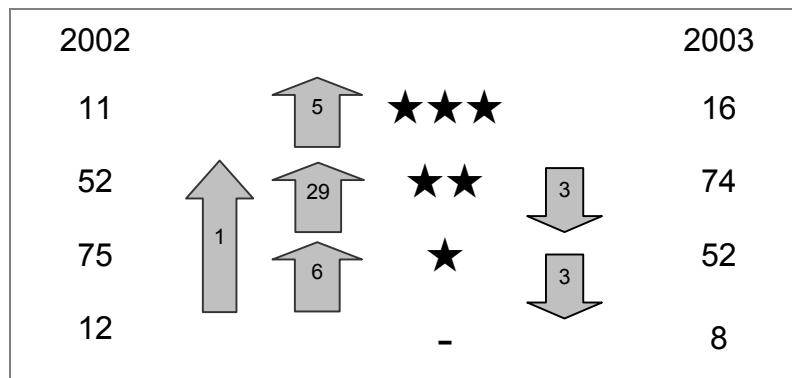


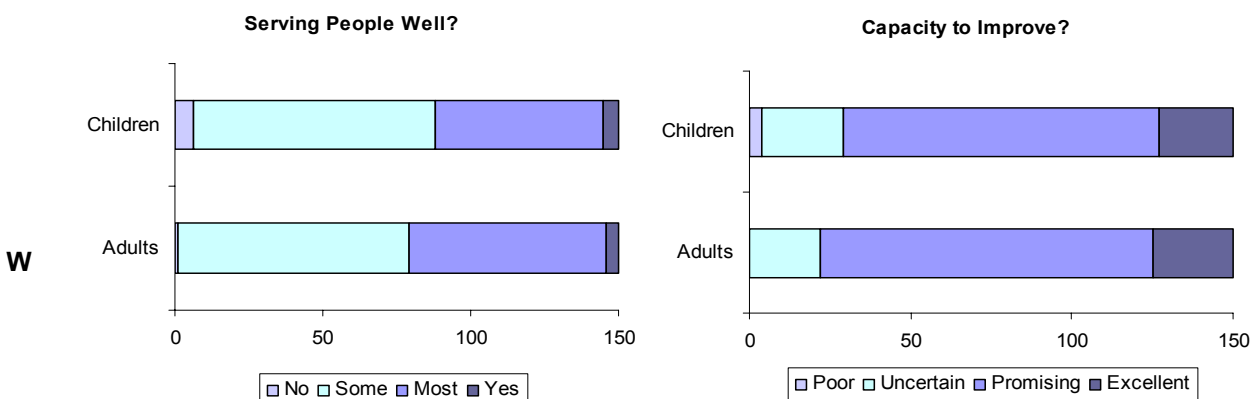
Figure 2: Changes to Ratings 2002 to 2003



Which services are performing best?

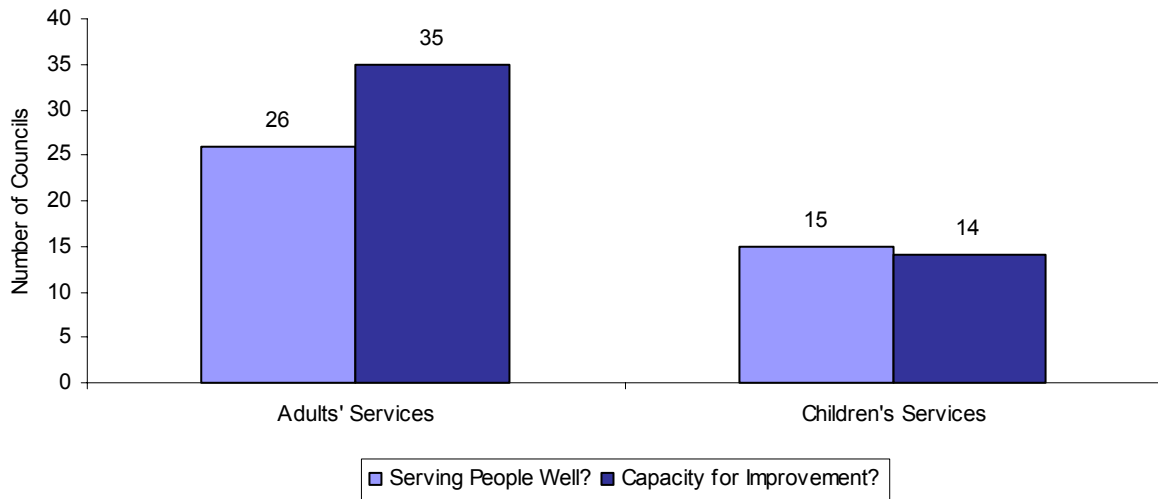
15. The ratings are built up from four judgements, two each for children’s and adult services respectively. The charts below show a fairly even spread of current (serving people well?) performance, but with slightly greater strength in services for adults. Six councils were “not serving children well” – the lowest level of performance judgement. Similarly, the capacity for further improvement shows a little more confidence in services for adults. The capacity judgements continue to reflect confidence that substantial further progress can be made in more than 80% of councils.

Figure 3: Judgements for Children’s and Adults Services



16. The star rating changes result from changes to the underlying judgements. Figure 4 shows the extent to which judgements about services for children and for adults have shown improvement since last year. There has been more improvement in the “serving people well?” judgements for adults services than those for children; the same applies to judgements of capacity for improvement.

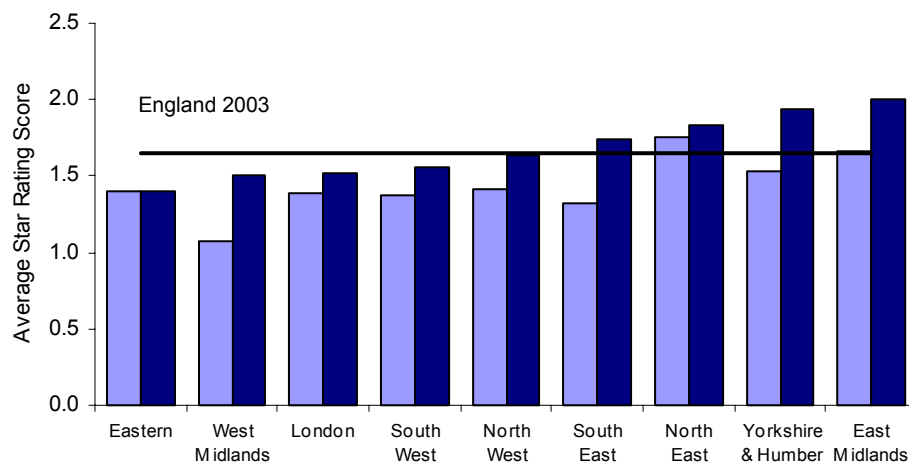
Figure 4: Net Improvement to Adults, and Children’s Services between 2002 and 2003



How does performance compare in different parts of the country?

17. The strongest performance is evident in the East Midlands and Yorkshire and the Humber regions. The West Midlands and South-East, together with Yorkshire and the Humber and East Midlands regions have seen the strongest rate of improvement over the last year.

Figure 5: Average Rating Score by Region¹ between 2002 and 2003

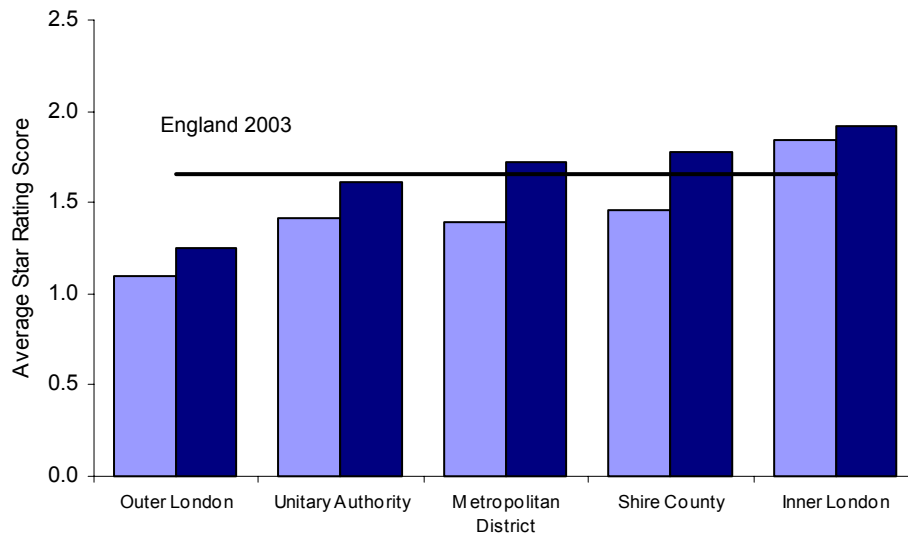


¹ The average rating score is calculated by attributing scores to each rating (zero stars = 0, one star = 1, two stars = 2, three stars =3) and then dividing by the number of councils.

How does performance compare across different types of council?

18. Performance was strongest, on average, in the Inner London councils, and in the Shire Counties. Improvement has taken place in all types of council since last year, but has been most pronounced across the Metropolitan Districts and in the Shire Counties.

Figure 6: Average Rating Score by Type of Council between 2002 and 2003



What progress has been made amongst the councils performing least well last year?

19. Of the twelve councils that were awarded zero stars in 2002, more than half were able to improve performance sufficiently to gain one or more stars. Six were awarded one star, and one was awarded two stars.

20. Of the 9 councils *not* serving **children** well in 2002, seven improved and were rated as serving *some* children well: one other was rated as serving *most* children well in 2003. Of the three councils *not* serving **adults** well in 2002, all improved their performance and were rated as serving *some* people well in 2003.

21. Five of the councils with zero stars in 2002 remain on zero stars. In addition, a further three councils have been newly rated at zero stars. Overall therefore, the number of zero star councils has reduced.

Changes to performance ratings in –year

22. SSI’s policy on star ratings is that they will be published each year, and for the most part will not be changed during the year. For councils with a zero star rating, a higher rating may be awarded later, if robust and substantial evidence of improvement becomes available. Conversely, if serious concerns about performance arise during the year, a council’s rating may be adjusted to zero stars, and special monitoring arrangements put in place.

Annex 1: Judgements and Ratings for all councils

Key: Arrows indicate a change in judgement and/or star rating since November 2002.

Council	Type of Council	Region	Adults			Children			Performance Rating			
			Serving people well?	Capacity for improvement?		Serving people well?	Capacity for improvement?					
Three Stars												
Bexley	OL	L	Yes	↑	Excellent		Yes	↑	Excellent	***		
Blackburn with Darwen	UA	NW	Most		Excellent	↑	Most		Excellent	↑	***	↑
Bolton	M	NW	Most	↑	Excellent		Most		Excellent		***	↑
Cornwall	S	SW	Most		Promising		Yes		Excellent		***	
Derbyshire	S	EM	Yes	↑	Excellent	↑	Most	↑	Promising		***	↑
Kensington & Chelsea	IL	L	Yes		Excellent		Yes		Excellent		***	
Kent	S	SE	Most		Excellent		Most		Excellent		***	
Kingston upon Thames	OL	L	Most		Excellent		Yes		Promising		***	
Kirklees	M	Y&H	Most		Excellent	↑	Most		Excellent	↑	***	↑
Knowsley	M	NW	Most		Excellent	↑	Most	↑	Excellent	↑	***	↑
Leicestershire	S	EM	Most		Excellent		Most		Excellent		***	
Newcastle upon Tyne	M	NE	Most		Excellent		Most		Excellent		***	
North Lincolnshire	UA	Y&H	Most		Excellent		Most		Excellent		***	
Sunderland	M	NE	Most		Excellent		Most		Excellent		***	
Wandsworth	IL	L	Most		Excellent		Most		Excellent		***	
Westminster	IL	L	Yes		Excellent		Yes		Excellent		***	
Two Stars												
Barnet	OL	L	Most		Promising		Some		Promising	↑	**	↑
Barnsley	M	Y&H	Most		Excellent		Some		Promising		**	
Bath & NE Somerset	UA	SW	Some		Promising		Most		Promising		**	
Bracknell Forest	UA	SE	Some		Promising	↑	Most	↑	Promising	↑	**	↑
Bradford	M	Y&H	Most	↑	Promising		Some		Promising		**	↑
Bristol	UA	SW	Some		Promising		Most	↑	Promising		**	↑
Bury	M	NW	Some		Promising	↑	Most		Promising	↑	**	↑
Calderdale	M	Y&H	Most		Promising		Some		Promising		**	
Cambridgeshire	S	E	Some		Promising		Most		Promising		**	
Camden	IL	L	Some	↓	Excellent		Most		Promising		**	
Cheshire	S	NW	Most		Promising		Most		Promising		**	
City of London	IL	L	Most		Promising		Most		Promising		**	

Croydon	OL	L	Most	↑	Promising		Most	↑	Promising		**	↑
Derby	UA	EM	Some		Promising		Most		Promising	↓	**	
Devon	S	SW	Most	↑	Promising		Most		Promising		**	
Doncaster	M	Y&H	Some		Promising		Most	↑	Promising		**	↑
Dorset	S	SW	Some	↓	Promising		Most		Promising		**	
Dudley	M	WM	Most		Promising		Some		Promising		**	
Durham	S	NE	Most	↑	Promising		Some		Promising		**	↑
East Riding of Yorkshire	UA	Y&H	Most		Promising		Some		Promising		**	
East Sussex	S	SE	Some	↑	Promising	↑	Most		Excellent	↑	**	↑
Essex	S	E	Some		Promising		Most		Promising		**	
Gateshead	M	NE	Some		Excellent	↑	Most		Excellent	↑	**	
Gloucestershire	S	SW	Some		Promising	↑	Most	↑	Promising	↑	**	↑
Hackney	IL	L	Some		Promising	↑	Most	↑	Promising		**	↑
Hammersmith & Fulham	IL	L	Most		Promising		Most	↑	Promising		**	
Hampshire	S	SE	Most	↑	Excellent	↑	Some	↓	Excellent	↑	**	
Hartlepool	UA	NE	Most		Promising		Most	↑	Promising		**	
Herefordshire	UA	WM	Some		Uncertain	↓	Most		Excellent	↑	**	
Hertfordshire	S	E	Most		Promising	↓	Most		Promising		**	
Isle of Wight	UA	SE	Most	↑	Promising		Most		Promising		**	
Kingston upon Hull	UA	Y&H	Most	↑	Uncertain	↓	Most		Uncertain	↓	**	
Leeds	M	Y&H	Most	↑	Promising		Most		Promising		**	
Leicester	UA	EM	Most	↑	Promising		Most	↑	Promising		**	↑
Luton	UA	E	Most		Promising		Most	↑	Promising		**	
Manchester	M	NW	Most		Promising	↑	Some		Promising	↑	**	↑
Medway Towns	UA	SE	Some	↓	Uncertain	↓	Most		Excellent		**	
Middlesbrough	UA	NE	Most		Promising		Some	↓	Promising		**	
Milton Keynes	UA	SE	Most	↑	Promising		Most	↑	Promising	↓	**	↑
North Yorkshire	S	Y&H	Most		Promising		Most	↑	Promising	↑	**	↑
Northumberland	S	NE	Most		Promising		Some		Promising		**	
Nottingham	UA	EM	Most		Promising		Most		Promising		**	
Nottinghamshire	S	EM	Some		Promising		Most		Promising		**	
Oxfordshire	S	SE	Some		Promising	↑	Most	↑	Promising	↑	**	↑
Poole	UA	SW	Most		Promising		Some		Promising		**	
Portsmouth	UA	SE	Most	↑	Excellent	↑	Most		Promising		**	
Redbridge	OL	L	Most	↑	Promising		Most		Promising		**	
Rutland	UA	EM	Most	↑	Promising	↑	Some		Promising	↑	**	↑

Salford	M	NW	Most	↑	Promising		Some	↓	Promising		**	
Sandwell	M	WM	Most		Excellent		Some		Promising		**	
Sefton	M	NW	Most		Promising		Some		Promising		**	
Sheffield	M	Y&H	Some		Promising		Most	↑	Promising		**	↑
Shropshire	S	WM	Most		Promising		Some		Promising		**	
Solihull	M	WM	Most	↑	Promising		Some		Promising		**	↑
Somerset	S	SW	Most	↑	Excellent	↑	Some		Promising		**	↑
South Gloucestershire	UA	SW	Some		Promising		Most		Promising		**	
Southampton	UA	SE	Most	↑	Excellent	↑	Some		Excellent	↑	**	↑
Southwark	IL	L	Most		Promising		Most	↑	Promising		**	
St. Helens	M	NW	Most	↑	Promising		Some		Promising		**	↑
Stockport	M	NW	Most	↑	Promising		Some		Promising		**	↑
Stockton-on-Tees	UA	NE	Most		Promising		Some		Promising		**	
Surrey	S	SE	Most	↑	Excellent	↑	Some		Promising	↑	**	↑
Tameside	M	NW	Most	↑	Promising		Some		Promising		**	↑
Telford & the Wrekin	UA	WM	Some		Excellent	↑	Some		Excellent	↑	**	↑
Thurrock	UA	E	Most		Promising		Some	↓	Promising		**	
Tower Hamlets	IL	L	Most	↑	Promising		Most		Excellent		**	
Warrington	UA	NW	Most		Promising		Most		Promising		**	
Warwickshire	S	WM	Some		Promising		Most	↑	Promising		**	↑
West Sussex	S	SE	Some		Promising		Most		Promising		**	
Wigan	M	NW	Most		Promising		Most		Promising		**	
Wiltshire	S	SW	Most	↑	Promising	↑	Some	↓	Promising		**	↑
Wokingham	UA	SE	Some		Promising		Most	↑	Promising		**	↑
Worcestershire	S	WM	Most	↑	Promising		Some		Promising		**	↑
York	UA	Y&H	Some		Promising		Most		Excellent	↑	**	
One Star												
Barking & Dagenham	OL	L	Some		Uncertain		Some		Promising	↑	*	
Blackpool	UA	NW	Some		Uncertain		Some		Uncertain		*	
Bournemouth	UA	SW	Some		Promising		Some		Uncertain	↓	*	
Brent	OL	L	Some		Promising	↑	Some		Promising	↑	*	
Brighton & Hove	UA	SE	Some		Promising	↑	Some		Uncertain		*	
Buckinghamshire	S	SE	Some		Promising	↑	Some		Promising	↑	*	
Coventry	M	WM	Some		Promising		Some	↑	Uncertain		*	↑
Darlington	UA	NE	Some		Promising		Some		Promising		*	
Ealing	OL	L	Some		Uncertain		Most	↑	Promising		*	

Enfield	OL	L	Some		Promising	↑	Some		Uncertain	↓	*	
Greenwich	IL	L	Some		Promising		Some		Uncertain	↓	*	
Halton	UA	NW	Some		Promising	↑	Some		Promising	↑	*	
Haringey	OL	L	Some		Promising	↑	Some	↑	Uncertain		*	↑
Harrow	OL	L	Some		Uncertain		Some		Promising	↑	*	
Havering	OL	L	Some		Promising	↑	Some		Promising		*	
Hillingdon	OL	L	Some		Uncertain		Some	↓	Promising		*	
Hounslow	OL	L	Some		Promising	↑	Some		Promising		*	
Isles of Scilly	S	SW	Some	↓	Uncertain		Some		Uncertain		*	
Islington	IL	L	Most	↑	Promising		Some		Uncertain	↓	*	
Lambeth	IL	L	Some		Uncertain	↓	Some		Uncertain	↓	*	
Lancashire	S	NW	Some		Promising	↑	Some		Promising		*	
Lewisham	IL	L	Most		Promising		Some		Uncertain		*	
Lincolnshire	S	EM	Some		Promising		Some		Uncertain	↓	*	
Liverpool	M	NW	Some		Uncertain	↓	Some		Promising		*	
Merton	OL	L	Some		Promising	↑	Some		Promising	↑	*	
Newham	OL	L	Some		Promising	↑	Some		Promising	↑	*	
Norfolk	S	E	Some		Promising		Some		Uncertain	↓	*	
North East Lincolnshire	UA	Y&H	Some		Promising	↑	Some	↑	Promising	↑	*	↑
North Somerset	UA	SW	Some		Promising		Some		Promising		*	
North Tyneside	M	NE	Some		Uncertain		Some		Promising		*	
Northamptonshire	S	EM	Some		Promising		Some		Promising	↑	*	
Peterborough	UA	E	Some		Promising	↑	Some		Promising		*	
Reading	UA	SE	Some		Excellent	↑	Some	↓	Promising		*	↓
Redcar & Cleveland	UA	NE	Some		Promising	↑	Some		Promising	↑	*	
Richmond upon Thames	OL	L	Some		Promising	↑	Some		Promising		*	
Rochdale	M	NW	Some		Promising		Some	↓	Uncertain	↓	*	↓
Rotherham	M	Y&H	Most		Promising	↓	Some	↓	Uncertain	↓	*	↓
Slough	UA	SE	Some		Promising		Some		Promising		*	
South Tyneside	M	NE	Some		Promising		Some		Promising		*	
Southend-on-Sea	UA	E	Some		Promising		Some		Promising		*	
Staffordshire	S	WM	Most		Uncertain		Some		Promising		*	
Stoke-on-Trent	UA	WM	Some		Promising	↑	Some		Uncertain	↓	*	
Suffolk	S	E	Some		Promising		Some		Promising		*	
Sutton	OL	L	Some		Promising	↑	Some		Promising		*	
Torbay	UA	SW	Some		Uncertain		Some		Uncertain		*	

Trafford	M	NW	Some		Uncertain		Some		Uncertain		*	
Wakefield	M	Y&H	Some	↑	Promising		Some		Promising		*	↑
Walsall	M	WM	Some	↑	Promising	↑	Some	↑	Promising	↑	*	↑
West Berkshire	UA	SE	Some		Promising		Some		Promising		*	
Windsor & Maidenhead	UA	SE	Some		Uncertain		Some	↑	Uncertain		*	↑
Wirral	M	NW	Most	↑	Uncertain	↓	Some		Uncertain	↓	*	
Wolverhampton	M	WM	Most		Promising		Some		Uncertain		*	

Zero Stars

Bedfordshire	S	E	Some		Promising	↑	No		Uncertain		-	
Birmingham	M	WM	Some		Promising	↑	No		Uncertain		-	
Bromley	OL	L	Some		Promising	↑	No		Promising	↑	-	
Cumbria	S	NW	Some		Uncertain		No	↓	Poor	↓	-	↓
Oldham	M	NW	Some		Uncertain		Some		Poor	↓	-	↓
Plymouth	UA	SW	Some	↓	Uncertain		No	↓	Poor	↓	-	↓
Swindon	UA	SW	No	↓	Uncertain	↑	Some		Uncertain		-	
Waltham Forest	OL	L	Some		Uncertain		No		Uncertain		-	

ANNEX 2:

Distribution of Star Ratings in percentages, for November 2002 and November 2003 by region and type of council.

	Star Rating - % of councils							
	-		P		PP		PPP	
	2002	2003	2002	2003	2002	2003	2002	2003
Eastern	10%	10%	40%	40%	50%	50%	0%	0%
East Midlands	0%	0%	44%	22%	44%	56%	11%	22%
North East	0%	0%	42%	33%	42%	50%	17%	17%
North West	0%	9%	59%	32%	41%	45%	0%	14%
London	9%	6%	58%	52%	18%	27%	15%	15%
South East	11%	0%	53%	32%	32%	63%	5%	5%
South West	6%	13%	56%	25%	31%	56%	6%	6%
West Midlands	21%	7%	50%	36%	29%	57%	0%	0%
Yorkshire & Humber	13%	0%	27%	20%	53%	67%	7%	13%
Inner London	0%	0%	38%	31%	38%	46%	23%	23%
Outer London	15%	10%	70%	65%	5%	15%	10%	10%
Metropolitan District	11%	6%	44%	31%	39%	50%	6%	14%
Shire County	6%	6%	51%	23%	34%	60%	9%	11%
Unitary Authority	7%	4%	48%	35%	43%	57%	2%	4%
England	8%	5%	50%	35%	35%	49%	7%	11%

Distribution of Star Ratings in numbers and percentages for 2003, by region and type of council.

	Star Rating - Number of councils				Star Rating - % of councils			
	-	P	PP	PPP	-	P	PP	PPP
Eastern	1	4	5	0	10%	40%	50%	0%
East Midlands	0	2	5	2	0%	22%	56%	22%
North East	0	4	6	2	0%	33%	50%	17%
North West	2	7	10	3	9%	32%	45%	14%
London	2	17	9	5	6%	52%	27%	15%
South East	0	6	12	1	0%	32%	63%	5%
South West	2	4	9	1	13%	25%	56%	6%
West Midlands	1	5	8	0	7%	36%	57%	0%
Yorkshire & Humber	0	3	10	2	0%	20%	67%	13%
Inner London	0	4	6	3	0%	31%	46%	23%
Outer London	2	13	3	2	10%	65%	15%	10%
Metropolitan District	2	11	18	5	6%	31%	50%	14%
Shire County	2	8	21	4	6%	23%	60%	11%
Unitary Authority	2	16	26	2	4%	35%	57%	4%
England	8	52	74	16	5%	35%	49%	11%

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THE EXECUTIVE**16 DECEMBER 2003****REPORT FROM THE DIRECTOR OF SOCIAL SERVICES**

SURE START AND CHILDREN'S CENTRES	FOR DECISION	
<p>The future governance and accountability of the 4 Sure Start Programmes needs to be clarified and confirmed.</p> <p><u>Summary</u></p> <p>This report finalises the location of the Lead Agency for the 4 Sure Start projects with the Department of Education, Arts and Libraries. The Lead Agency role for DEAL will sit alongside the Boroughs role as Accountable body for all four Sure Starts. The report also clarifies the next steps towards the Sure Start Projects developing into Children Centres</p> <p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Confirm the Department of Education, Arts and Libraries as the Lead Agency for all the 4 Sure Start Projects; and 2. Agree a new post of Children's Centre Co-ordinator funded from the Sure Start Delivery Plan funding. <p><u>Reason</u></p> <p>The future governance and accountability of the 4 Sure Start Programmes needs to be clarified and confirmed.</p>		
<p>Contact Officers</p> <p>Julia Ross</p> <p>Roger Luxton</p> <p>Marie Kearns</p>	<p>Director of Social Services</p> <p>Director of Education, Arts and Libraries</p> <p>Acting Director of Child & Family Health Services</p>	<p>Tel: 0208 227 2332 E-mail: julia.ross@lbbd.gov.uk</p> <p>Tel: 0208 227 3000 E-mail: roger.luxton@lbbd.gov.uk</p> <p>Tel: 01708 465443 E-mail: Marie.Kearns@haverinpct.nhs.uk</p>

1. Background

- 1.1 There are now four Sure Starts in Barking and Dagenham each successfully established and at different stages of development. The Marks Gate and Thames View Sure Starts are already managed and lead via the Department of Education, Arts and Libraries (DEAL) and The Director of Social Services (DSS) respectively.

- 1.2 Currently two of the Sure Starts, Gascoigne and Abbey are managed via the PCT, with the PCT as Lead Agency.
- 1.3 Since the implementation of the Marks Gate and Thames View Sure Starts, the borough has acted as the Accountable body for the partnerships. This has been managed by Regeneration and Policy Finance. The Accountable body for the two remaining programmes Abbey and Gascoigne was the PCT up until March 2003, when this was transferred over to the borough.
- 1.4 The national direction of all early years developments, confirmed by the current Green Paper "Every Child Matters" are towards the local authority taking future responsibility for these services. The introduction of Children's Centres, building on the work of Sure Start projects lies with the Education Service within the local authority.

2. Proposals

- 2.1 In order to commence the mainstreaming of the Sure Start programmes, a rationalisation needs to take place for the identification of the future single Lead Agency for all four programmes. This would enhance the continuity established as a result of the borough acting as Accountable Body for each of the programmes.
- 2.2 It is proposed that DEAL take over as Lead Agency for all 4 Sure Starts. Senior Officers in PCT, Social Services and DEAL have recommended together that this is the right way forward.

3. Continuity of Employment

- 3.1 To ensure that continuity of service and management arrangements are maintained, it is recommended that the Sure Start managers report in future to Christine Pryor, EYDCP via the new Co-ordinators post when this is appointed to.
- 3.2 There is no reason to change the location, terms and conditions, employment base or contracts for any of the managers or staff. These will remain the same with secondment and / or accountability agreements put into place as appropriate.

4. Future Co-ordination and mainstreaming of Sure Start

- 4.1 This will best be achieved by the appointment of one individual. This individual will bring together the activity and actions needed to ensure an approach, which builds on what works well whilst allowing the localisation of individual projects to continue to flourish. The role will be to co-ordinate the activities of the local programmes to help them mainstream in line with the Children's Centre Agenda.
- 4.2 It is proposed that a Sure Start Co-ordinator is appointed for 2 years initially, funded from the 4 Sure Start projects and built into the Delivery Plans in terms of future objectives.

5. Role of the Accountable Body

- 5.1 The Accountable body provides financial support and advice to the Management Board. It ensures that allocated funds are spent according to the agreed plan and that systems for monitoring and audit are in place.
- 5.2 The Accountable body does not have a decision making role. It does ensure however that all financial transactions and processed in accordance with its own standing orders.
- 5.3 The Accountable Body takes responsibility for the receipt and use of grant and may be held liable for any repayments resulting from the breach of grant conditions. It therefore has the duty to intervene where the level of financial risk is deemed unacceptable.

Background Papers:

None.

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THE EXECUTIVE**16 DECEMBER 2003****REPORT TO THE DIRECTOR OF SOCIAL SERVICES**

NATIONAL SOCIAL SERVICES CONFERENCE	FOR DECISION	
<p><i>This report provides feedback on this year's annual conference in accordance with the Council's Conference, Visits and Hospitality Rules. The report also seeks to plan attendance and contributions to next year's conference and seeks the endorsement of the election of the Director of Social Services as the next Chair of the Greater London Association of Directors of Social Services.</i></p> <p><u>Summary</u></p> <p>The annual National Social Services Conference "The Challenge of Change - Outcomes for People" took place this year in Brighton on 15 - 17 October. This conference is a joint event run by the Association of Directors of Social Services and the Local Government Association. As such it is well attended with over 2,000 elected Members and Chief Officers and an ideal opportunity to network and influence national policy.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note the feedback from the conference; 2. Agree representation by two officers and two elected Members at next years conference (20 - 22 October 2004) in Newcastle; 3. Agree consideration should be given to running a Policy Forum or Fringe Event at the National Conference; and 4. Endorse the election of the Director of Social Services as the Chair of the Greater London Association of Directors of Social Services <p><u>Reason</u></p>		
<p>Contact Officer Bryan Osborn</p> <p>Julia Ross</p>	<p>Portfolio Holder</p> <p>Director of Social Services</p>	<p>Tel: 020 8593 6149</p> <p>Tel: 020 8227 2332 Fax: 020 8227 2241 Minicom: 020 8227 2462 E-mail julia.ross@lbbd.gov.uk</p>

1. Content of this year's Conference

1.1 Main Conference

The conference this year was extremely well attended by Members and officers. Councillor Bryan Osborn and Councillor June Conyard attended from Barking & Dagenham with two senior officers. All party contributions were made by the Conservative Spokesman for Health, Tim Loughton MP, the Liberal Democrat Spokesperson for Older People, Paul Burstow MP, and two Secretaries for State, The Rt. Hon Dr John Reid MP, Secretary of State for Health, and Charles Clarke MP, Secretary of State for Education and Skills.

1.2 ALG Health and Social Services Steering Group

This meeting was attended by Councillors Osborn and Conyard and a member of significant matters for London were discussed, including new developments in Asylum Seekers, the changes in Children's Services, A Better Education for Children in Care.

1.3 Fringe meetings were held for each political party; the Labour Group session was attended. Corporate parenting was a major topic; the consensus of opinion was that Members and Directors who have a good working relationship get good results for their Borough.

1.4 The Chairman of the Audit Commission, James Strachan, and Denise Platt, the new Shadow Chair for the Commission of Social Care Inspection, spoke on the challenges of raising standards and forthcoming changes.

1.5 The final plenary event was an interactive session on "Local Health Services - who's in charge?". The panel consisted of Fiona Campbell, Chair of the Democratic Health Network, Professor Gerald Wistow of the Nuffield Hospital and the Director of Social Services. It was a lively debate to which Councillor June Conyard made a valuable contribution on the role of elected Members in frontline workforce development.

2. National Social Services Conference at Newcastle 20-22 October 2004

2.1 This conference is entitled "Communities that Care, Services that Deliver". It is proposed that early bookings are made and that the Executive considers supporting a policy or fringe event on a subject of their choice. The possibility of a session "The Balanced Score Card" approach to Health and Social Care is likely to attract a lot of interest. Suggestions for other topics are invited.

3. Election of the Director of Social Services, Association of Directors of Social Services and Greater London Association of Directors of Social Services

3.1 The Director of Social Services has been elected this year to Chair the Greater London Association of Directors of Social Services (GLADS) in future.

- 3.2 It is an unpaid voluntary position, which largely consists of chairing an all day quarterly meeting of all Directors of Social Services across London, liaising with appropriate bodies to influence policy and service direction. The position should facilitate and support opportunities for elected Members to play a particular role on Barking & Dagenham issues with the LGA, ALG and other London wide bodies.

Background Papers

None.

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REPORT OF THE ANTI-AGE DISCRIMINATION POLICY COMMISSION

ANTI-AGE DISCRIMINATION POLICY COMMISSION

FOR DECISION

Final Reports of Policy Commissions are submitted to relevant parts of the Political Structure as set out in paragraph 11 of Article 6 of the Constitution.

Summary

This report outlines the work of the Policy Commission and sets out our findings and recommendations.

Age discrimination (or ageism as it is sometimes referred to) is discrimination against people based on assumptions and stereotypes about their age - perceptions about an individual's ability and potential. Typically, this is most likely to affect younger and older people but it can affect any age group.

We spent a fair proportion of our time trying to identify the extent of any anti-age discrimination, both in terms of the services the Council provides and in relation to its employment of staff.

We spoke with a wide range of stakeholders, learned from research material, and received written information from several quarters. Along the way we looked for experiences and ideas for celebrating the contribution that different age groups make to the Borough.

Our key finding is very good news - there is no apparent discrimination in relation to services provided, nor, to any real extent, in terms of our recruitment, selection, employment and training policies and procedures.

The poor attitude of some managers in the way that they treat, or are perceived to treat, older staff has been raised. The Local Knowledge and Experience Scheme discriminates against those who have done 30 years service but are younger than 55. There are also one or two instances whereby staff have been allowed to work beyond retirement age, and this situation needs to be clarified in a positive way.

A common feature of all discussions was a lack of facilities for young people in the community.

Barking and Dagenham is ahead of the game in looking at age discrimination. Nationally, few authorities appear to have given it any real focus - probably because attention has concentrated on other equalities and diversity aspects and the fact that central government has only recently started to issue age related consultation documents ahead of legislative requirements coming in in 2006.

Recommendations

(1) Policy

We are not proposing a new policy as the Council's Corporate Equalities and Diversity policy already includes age. However, we recommend that the accompanying Key Statement of Principle for Older People be extended to cover people of all ages, as set out in paragraph 5.4.

(2) Key Actions

We recommend that the following actions be taken in order (a) to ensure that age discrimination, or the potential for it, is eliminated, and (b) to demonstrate the Council's commitment to our policy on age.

Council Services:

Young People - a corporate review of the facilities available for young people be commissioned, covering internal and external facilities and how better the Council can improve the situation either directly or through its leadership role. (The Management Team).

We are particularly keen to try to actively encourage community centre managers to involve young people in helping to run the centres, and to make available specific time slots for young people to use the centres for socialisation. We ask that the review pursues this point.

- **Communications** - consider how better to inform newcomers to the Borough of the services the Council provides, and to make better use of The Citizen to highlight activities for all ages (Head of Corporate Communications).
- **Council Website** - make sure that (a) the new Council website is customer focussed towards the interests of different age groups, and customer friendly in terms of people with poor eyesight, and (b) relevant consultations, particularly with younger and older people, are carried out (Director of Education, Arts and Libraries).
- **Customer First** - all age groups be included in any consultations with customers (Head of Customer First).
- **Impact Assessments** - make sure age is a key feature during Impact Assessment work (Head of Policy and Performance).

The Council as an Employer:

- **Retirement age** - positively consider requests by members of staff who would like to remain in Council employment beyond the statutory retirement age and make sure that the policy is consistently applied across all departments (Head of Organisational Development and Employee Relations - HODER)
- **Pre-Retirement and Redundancy Courses** - (a) provide a comprehensive pre-retirement course covering business, financial and social issues, including post retirement activities, and (b) provide facilities for redundancy counselling covering similar topics to (a) but with an overall focus on redundancy (HODER).
- **The Local Knowledge and Experience Scheme** - regularise the position regarding the issue of awards so as not to discriminate against staff under the age of 55 (HODER).
- **Training for Managers and Competencies** - make sure that anti-age discrimination is explicitly included in relevant induction and training courses, and that, where appropriate, competency procedures incorporate appropriate references (HODER).

- **Age Profile of Staff** - the Management Team to meet regularly with senior trade union representatives to examine the employment profile (The Management Team).
- **Job Applications** - remove the date of birth on application forms (HODER).
- **Person Specifications** - more sensitivity be given to older candidates when specifying general educational requirements. For example, ask for "Good general level of education" rather than "5 GCSE's or equivalent". (HODER/Managers)
- **Career Trainees** - reconsider the job title (HODER).
- **Work-Life Balance** - make sure that current work on work-life balance fully reflects the potential needs of all age groups and that any related consultation includes staff of different ages. (HODER)

Service and/or Employment Related

- Each Head of Service identify an action to be undertaken during 2004/05 which celebrates the diversity and contribution that different age groups (particularly younger and/or older) make to the Borough. (Heads of Service)
- consider extending/promoting the concept of older people giving talks to children and young people about their lifetime experiences within the classroom. (Director of Education, Arts and Libraries)

Review

- The progress made and the outcome of the actions be reviewed by the Policy Commission after twelve months and a subsequent short report made back to the Assembly as appropriate.

Contacts:

Councillor John Denyer

Lead Member

Tel: 020 8599 9997

E.mail: john.denyer@lbbd.gov.uk

Nina Clark

Head of Democratic Support, Corporate Strategy Department

Tel: 020 8227 2114

Fax: 020 8227 2171

Minicom: 020 8227 2685

E.mail: nina.clark@lbbd.gov.uk

1. The Policy Commission's Membership and Terms of Reference

- 1.1 In October 2002 the Assembly agreed that this Commission should be set up, and that it should commence in June 2003 and report in December 2003. We apologise that we are one month behind schedule.
- 1.2 Our membership was Councillors Denyer (Lead Member), Cook, Mrs Cridland, Mrs Flint, Mrs Hunt and Mrs West. Unfortunately Councillor Mrs Flint was unable to make all of our meetings due to her Mayoral commitments.
- 1.3 The lead officer was Nina Clark, Head of Democratic Support, and we were also supported throughout by John Barry, Democratic Services Officer and Ruth Du Lieu/Alex Deveraux, Policy Officers, all from the Corporate Strategy Department.
- 1.4 Our terms of reference were:
 - To identify best practice.
 - To develop a clear policy to improve service delivery and employment opportunities for people of all age groups, particularly younger and older people.
 - To develop a policy to ensure that the Council celebrates the contribution that people of all age groups make to the Borough, with a particular reference to younger and older people.
 - To identify the key actions that the Council needs to take in order to eliminate anti-age discrimination.
- 1.5 Like all Policy Commissions we were also asked to make sure that any general issues relating to equalities and diversity, social inclusion, sustainability and health and safety were mainstreamed into our deliberations. Also, that we should pay particular attention to making sure that appropriate consultation took place with stakeholders and that their views were taken on board in making recommendations.

2. The work of the Policy Commission

- 2.1 We met as a Commission ten times starting with our first meeting on 17 June and ending on 21 November.
- 2.2 It was clear from the lead officer's initial scoping report that there was a lot of national and other research into age discrimination. The officers helped us get off to a good start by summarising a wealth of information that they had picked up from different web sites and other sources. We also received an extensive list of potential stakeholders whom we might wish to talk to or at least make contact with. Additionally we had some census data around the age profile of the Borough and some initial statistics around recruitment and retention.
- 2.3 It was obvious that we would need to spend a great deal of our time talking to different people, both external and internal, so that we could get an

insight into whether or not age discrimination is an issue in this Borough - both in terms of services provided and in relation to our engagement and employment of staff.

2.4 The following is a summary of the people/groups who we invited to our meetings:

- The Lead Executive Members/Champions for Children, Equalities and Diversity and Older People
- The Interim Head of Organisational Development and Employee Relations, Corporate Strategy Department
- The Head of Corporate Human Resources (Development and Training), Corporate Strategy Department
- The Corporate Equalities and Diversity Advisor, Corporate Strategy Department
- The Operations Manager of the Youth Offending Team, Social Services Department
- The Head of the Youth Support and Development Service, Education, Arts and Libraries Department
- Representatives from the Trade Unions
- The Director of Age Concern Barking and Dagenham
- Representative from the Forum for the Elderly

2.5 We attended a meeting of the Youth Forum and we also held a special session with a representative sample from the Citizens' Panel. We noted related issues which have been raised at Community Forums.

2.6 We also held focus groups with staff in different age bandings, splitting managers from other staff to try to encourage full participation. The bandings were Career Trainees, 25-39, 40-50, and over 50. We were disappointed with the low number of staff who attended and were concerned that messages about the groups may not have filtered through to all staff from some managers.

2.7 Additionally, we wrote to the following:

- The two local Members of Parliament
- All Heads of Service across the Council
- The Council's Corporate Complaints Manager
- Colleagues in authorities across London through both the London Democratic Services Network and the London Scrutiny Network
- The Pensions Liaison Service
- The Association of London Government
- The Local Government Association
- The Local Government Information Unit
- The Improvement and Development Association

- The Employers' Organisation For Local Government
- The Ethnic Minority Partnership Agency
- Age Concern (nationally)
- Staff Groups (e.g. the Black Workers Group, the Women Managers Group)
- The Council's Community Safety Manager
- The Kings Fund
- The Primary Care Trust

and placed articles in The Citizen, Member Matters, and People Matters encouraging members of the public, Members and staff to come forward with any relevant information or experiences.

2.8 We asked the Council for Voluntary Service to place a short article in their regular newsletter to all voluntary organisations in the Borough seeking any comments or information that might be useful to us. Similarly we asked our Barking and Dagenham Partnership members for any information.

2.9 We tried to find out if there were any relevant Beacon Councils but were unable to come across any. Two "Age Positive Champions", Leeds City Council and Shropshire County Council, were contacted. Leeds responded to say they had carried out work to make sure age was not a discriminatory factor in relation to employment issues. Shropshire made initial contact but further details were not received.

2.10 Our Lead Member attended a Seminar on "Age Friendly Working Practices - The Challenge Ahead for Local Government" organised by the Local Government Information Unit. This focussed on employment issues.

2.11 Throughout our work we used the following definition of age discrimination (or "ageism" as it is sometimes referred to), as set out in the Council's Corporate Equalities and Diversity Policy Framework:

"Discrimination against people based on assumptions and stereotypes about their age. These stereotypes are based on 'perceived' notions of an individual's ability and potential (e.g. people over 50 may be considered to be economically unproductive, less able or willing to adapt to change, more difficult to train and a less worthwhile investment). Ageism can be directed at individuals at any age, but it is most commonly targeted at younger or older people. People and organisations acting on negative stereotypes of age lead to discrimination and disadvantage."

2.12 It is important to point out that we have not looked at employment aspects relating to schools as they are not bound by Council policies and practices. The Education, Arts and Libraries Department offers schools the relevant Council policies but it is their choice whether to adopt and use them. In general, however, we understand that the schools tend to adopt Council policies so we hope that anything which the Council agrees as a result of our work will be taken on board by them, as appropriate.

3. Our Findings

Nationally

- 3.1 We established at an early stage that, under an EU Directive, age discrimination in employment terms will be unlawful in this country and other European countries by the year 2006. Central government is examining related issues and has carried out some consultation. In particular, the Government's main focus seems to be on the statutory retirement age (currently 65 for men, and 65 or 60 for women depending on their year of birth) with a view to extending it to 70. Quite obviously, the Government's considerations are not related solely to stamping out age discrimination - financial implications/affordability in relation to state pensions are a major factor. Draft regulations are expected early in 2004.
- 3.2 There is a wealth of research into anti-age discrimination, particularly around issues of employment, the implications of an ageing work force, the effect on pensions and people of pensionable age, and the quality of life for elders. However, it would seem that few local authorities have actually done much work on anti-age discrimination. Probably, like Barking and Dagenham, a lot of equalities and diversity effort has centred on race and disability due to associated legislation and national reports which have required compliance in these areas. People are just starting to concentrate on the age issue particularly knowing that the next two to three years will require it.
- 3.3 Effectively, therefore, the work of this Policy Commission is timely but we have not been able to learn a great deal from others.

Locally

- 3.4 Our key finding is that generally there appears to be no apparent discrimination in relation to the services the Council provides. During our work we were slightly concerned that we seemed to be getting little feedback from people. However, in the face to face discussions that we had with external people, it became clear that there seemed to be very little, if any, experience or evidence of any age discriminatory factors related to service provision. Whilst undoubtedly this is good news, to a certain extent it made our job harder as we were getting little to work with!
- 3.5 In relation to employment issues, again it would seem that, in general terms, all our recruitment, selection, and employment policies/procedures, and training and development opportunities offer equality across all ages. Nevertheless, the Organisational Development and Employee Relations Division of the Corporate Strategy Department has plans to concentrate on various equalities and diversity issues during 2004/05 and specifically tackle age discrimination in the work place during 2005/06.
- 3.6 Having said this, there are a few important issues which came out of our discussions with staff and the unions:

- the fact that we ask applicants to declare their age (through asking for their date of birth) on job application forms was felt by some staff to discriminate against older applicants as there was a perception that the organisation would probably not want to take on someone older who would be retiring in a few years' time. There is no hard evidence that this is the case but most felt that they would prefer the d.o.b. to be removed from the form (notwithstanding that educational details on the inside page could reveal a person's approximate age). Only the career trainees welcomed the d.o.b. being shown as they felt it helped to explain why the rest of the form could not give much evidence of work experience
- some of the over 50 staff group felt discriminated against because of their age. A few said that they find it harder to accept modernisation and change as they are not always as quick to adapt and therefore they feel they are getting "left behind" to a certain extent. It is assumed that this does not matter because they are heading towards retirement at some stage anyway. Information technology was a particular concern as they felt less able to adapt to IT methods
- the Council's general policy is that the Council does not employ anyone (including agency staff) over the age of 65 yet there are a few examples of this happening through special arrangements which appear not to have been widely communicated or acknowledged
- it is felt that there is not enough provision made to help staff plan for retirement or redundancy although at present Organisational Development & Employee Relations are conducting research and exploring the possibility of running an in-house retirement programme.
- young staff had felt patronised by other colleagues. The career trainees commented that their title often meant that they were ignored to such an extent that some of them had started removing this from any written communications in order to be acknowledged
- it was felt by some staff that certain managers were not sufficiently flexible to help staff with personal needs (for example, when asking to take leave to attend a function at their child's school).

3.7 Almost every group or individual we spoke to made the comment that there is a lack of things to do for young people in the Borough and that the Council should be doing more. People acknowledged that the old youth club facility was good in its day but youngsters have different needs now. They want somewhere to go where they can simply chat to friends and listen to music and so on. Young people are seen as "bad" people because they tend to "hang around on street corners".

3.8 Communications generally appear to be an issue. The Citizen's Panel representatives, for example, commented that newcomers to the Borough had to find out for themselves what facilities/services were available. Introductory information from the outset would help to more positively promote the Council's image and save a great deal of time and frustration on the part of the resident. Whilst this is not directly about age discrimination, it does result in possible wasted time and delays which

could indirectly mean, for example, that an elderly person is disadvantaged by not being offered a social care facility at an earlier stage. (We were disappointed about the lack of general background information given to Citizen Panel representatives upon their appointment but this has been taken up separately.)

3.9 The Council's web-site was identified as being non-customer friendly to older people and others who might have difficulty reading small font. Also that it was not particularly interesting to different age groups. The point was made that, despite what some people think, older people are increasingly using computers. We were advised by the website staff that there is a facility to alter the font size when viewing our site but this in itself is not felt to be customer friendly in that unless you know what to do it would not be clear.

3.10 We are aware that two other Policy Commissions are looking at Social Inclusion and Community Empowerment and Engagement. However at the time of writing this report they had not finalised their conclusions so we do not know if there are likely to be any age related implications.

4. Ideas for Interaction between Younger and Older People or for Celebrating the Contribution that they make to the Borough

4.1 Some ideas were offered during our work:

- Extend concept of inviting older people into schools to work in a classroom setting, to talk about historical topics, read with young people and so on
- Job shadowing across different ages
- A multi age sporting event
- Workshops for all ages
- Joint projects - oral history, local history projects
- Something linked to the Borough's history of producing top class sportsmen and women
- An art project

4.2 With the exception of the first one, we have not made any specific recommendations on these ideas but Heads of Service are free to consider them when deciding on their action (see the Recommendations).

5. Policies to (a) Improve Service Delivery and Employment Opportunities for People of All Age Groups, particularly Younger and Older People, and (b) Make Sure that the Council Celebrates the Contribution that People of All Age Groups make to the Borough

5.1 Our terms of reference asked us to develop these type of policies. However, the Council's Corporate Equalities and Diversity Policy already includes age. A summary of the policy is:

- Barking and Dagenham Council is committed to promoting equality for everyone and reflecting the full diversity of the community it serves in all its activities and functions.
- We accept that the Council is not free of unintended institutional discrimination and we will work to eradicate it.
- The Council will strive to provide equality of access to our services for all citizens based on individual and community need.
- We must also provide services in a manner that is sensitive to the individual whatever their background.
- The Council will represent the needs of our diverse communities to other agencies and make equalities and diversity key guiding principles in all of our strategic partnership work.
- We will ensure that our workforce reflects the increasing diversity of the community it serves and build the Council's capacity to respond to changing patterns of local need.
- The Council also recognises the strength that lies in difference and the positive contribution that all forms of diversity make to the richness of life in the borough. We will take positive action as a Council to realise our declared equality and diversity objectives.
- The Council is committed to eliminating discrimination on the specific grounds of:
 - Class
 - Age
 - Disability
 - Colour, ethnic origin, nationality, national origin or race
 - Gender
 - Sexuality
 - Gender Re-alignment
 - HIV/AIDS
 - Marital status
 - Faith
 - Caring responsibility for dependants or
 - Unrelated criminal conviction"

5.2 The corporate policy is supplemented by supporting Statements of Principle for five key equalities and diversity areas : race, women, disabled people, lesbians and gay men, and older people.

5.3 As the existing policy includes age, an additional policy seems unnecessary. Instead we suggest that it is supplemented with a statement relating to age generally. We therefore recommend that the current Corporate Policy Statement of Principle on Equality for Older People be slightly amended to cover People of all Ages rather than just Older People, and retitled accordingly.

5.4 It is suggested that the new title and wording be as follows:

"Corporate Policy Statement of Principle on Equality for People of All Ages

The Council is committed to :

- Making sure that discrimination on the grounds of their age is not experienced by people either seeking employment or when in employment. Similarly that there is no age related discrimination when people seek to access, or use, Council Services.
- The belief that age related discrimination, which ascribes negative assumptions to employees and potential employees on the grounds of age, is unjustifiable, totally unfair to the individual concerned, and can deny the Council access to the skills and experience of diverse age groups.
- Recognising that age related discrimination can affect all age groups, particularly older people and younger people. The Council also recognises that as people get older, the problem of discrimination on the grounds of age can become more intense.
- Working to eliminate any unintended age related institutional discrimination in its employment related policies, procedures and practices.
- Making sure that all policies, procedures and practices are equal opportunities based in terms of age.
- Working with partners to eliminate any potential for age discrimination outside the Council.
- Bringing the policy to the attention of external people and companies who we engage to carry out work on the Council's behalf [for example contractors] , and require them to comply.
- A recruitment policy, which makes sure that ability to do the job, and that no other factor, including age, will constitute criteria for appointment. The only exceptions to this policy will be those minority of positions for which there is an age qualification [for example insurance requirements for vehicles].

- Implementing the Government's Code of Good Practice on tackling Age Discrimination in Employment and working towards implementing any national or EU Directives.
- Celebrating the diversity and the contribution that people of all age groups make to the Borough, with a particular reference to younger and older people.
- The Council recognises that people of all ages can also experience other forms of discrimination or disadvantage, and in its work to achieve equality for all age groups, it will ensure that full consideration is also given to the needs of all."

6. Supporting Information

6.1 For those who are interested in reading more detail, certain statistics and supplementary information is provided in the appendices as follows:

- Appendix A - population and employment statistics
- Appendix B - a summary of research material
- Appendix C - a summary of age-related Council services
- Appendix D - a summary of the key issues raised by different groups and people who we talked to or received comments from
- Appendix E - the current Statement of Principle on Equality for Older People

7 Appreciation

7.1 We wish to place on record our thanks to all those who contributed to our review through interviews, group work, by telephone or in writing. Without this valuable input from people in the community, Members and staff, we could not have carried out and concluded our work.

Background papers used in the preparation of this report:

Anti-Age Policy Commission agendas and minutes
 Research material as specified in the appendices

Consultations:

Those consulted on the final draft report were:
 The Executive portfolio Member for Equalities and Diversity
 The Children's Champion and the Older Person's Champion
 The Management Team
 The Interim Head of Organisational Development and Employee Relations
 The Corporate Equalities and Diversity Advisor
 The Head of Corporate Communications
 The Head of Customer First
 The Interim Head of Policy and Performance
 The Head of Business Services
 Trade Union representatives

Population Statistics

Census Data 2001

Age Summary

Total population of Barking & Dagenham 163,944

Age Span	Total Number	% of B&D population	Rank in London (Highest)
0-4	12542	7.65	4
5-7	7479	4.56	2
8-9	4984	3.04	2
10-14	11107	6.77	6
15	2242	1.37	3
16-17	4441	2.71	4
18-19	4176	2.55	6
20-24	10573	6.45	26
25-29	11959	7.29	29
30-44	38575	23.53	29
45-59	25590	15.61	20
60-64	6160	3.76	21
65-75	12105	7.38	5
75-84	9155	5.58	3
85-89	1923	1.17	13
90 +	933	0.57	11

Employment Statistics

Total numbers of staff (excluding staff in schools) as at 1st October 2003 broken down into age and management/non-management grades:

Total Staff = 4052, of these:

Staff Aged 16-24 = 240 (5.92%)
 Staff Aged 25-49 = 2399 (59.21%)
 Staff Aged 50+ = 1413 (34.87%)

Total Staff on LSMR Grades = 58, of these:

LSMR Grades Aged 16-24 = 0 (0%)
 LSMR Grades Aged 25-49 = 34 (58.62%)
 LSMR Grades Aged 50+ = 24 (41.38%)

Total Staff at JNC (Chief Officers and Heads of Service) Level = 44, of these:

JNC Aged 16-24 = 0 (0%)
 JNC Aged 25-49 = 32 (72.73%)
 JNC Aged 50+ = 12 (27.27%)

A Summary Of Research Material

TITLE	SOURCE	NOTES
Age Equality in Health and Social Care	Institute for Public Policy Research	<ul style="list-style-type: none"> • New legislation required to motivate staff to organize and deliver services in non-age discriminatory way. • Education and training also needed. • New resources needed to establish review bodies to ensure compliance with law • New resources also needed to manage consequences of ending age-based criteria for rationing of services. • Cost saved in health sector will fall on local authority social services and on social security budget. • Why does age discrimination occur? <ul style="list-style-type: none"> - low value placed on older people's lives - lower social and economic merits of care (eg arguments about older people being less likely to benefit from particular kinds of care). - Social Distance (studies suggest professionals modify information and advice according to the "social distance" between themselves and their patients). - perceptions of dependence (older people viewed as passive, dependent and a burden on society). - cultural differences (older people tend to be more acquiescent and less willing to speak out when dissatisfied) • What does evidence mean? <ul style="list-style-type: none"> - Current Relevance – some evidence of age discrimination now out of date. - Incidence – varies considerably from place to place and according to different types of care. - Visibility – we don't really know how widespread it is and therefore how serious a problem it is. - Controversy – research findings do not always provide conclusive proof that age discrimination is taking place. - Rationing Relevance – age related rationing is rarely acknowledged to be taking place.
Beacon Councils – Removing barriers to work	The Improvement and Development Agency (IDeA)	<ul style="list-style-type: none"> ▪ Various Councils are working to remove the barriers which prevent their local people from applying for jobs. ▪ They have focused on the groups and areas that have major problems and worked with these groups to provide solutions ▪ Built partnerships with bodies such as Connexions and Social Services to act as a facilitator to employment and the needs of employers.

<p>Beacon Councils – Social inclusion through information and communication technology (ICT)</p>	<p>IDeA</p>	<ul style="list-style-type: none"> ▪ Councils are ensuring equal access to opportunities for all sectors of the community. ▪ Some areas provide access to technology in local community halls for all members of the community. ▪ Councils have taken into account the interests of different community members when providing ICT.
<p>Issues for Older People</p>	<p>Age Concern</p>	<ul style="list-style-type: none"> ▪ Pensioner Poverty – Older people have the right to an income that provides an adequate standard of living which allows them to stay healthy, sociable and active. ▪ Since 1997, the Basic State Pension has risen and a new benefit for pensioners (Pension Credit) is in place. ▪ Despite this, national statistics show that one in five pensioners lives in poverty. ▪ Age Concern are calling for the Government to provide a basic state pension that covers basic living costs, listen to the views of disadvantaged older people and take action to prevent future pensioner poverty through state and non-state provision. ▪ They want the Government to produce a detailed plan on how it will end age discrimination in five key areas: employment, health, social care, learning and in the marketplace. ▪ Health – The Government has announced an increase in health care expenditure, a commitment to address age discrimination in the National Health Service and pledged to abolish 95% of mixed sex wards in England. ▪ With regards to the National Health Service, Age Concern wants the introduction of age discrimination legislation that makes it illegal to refuse or delay treatment on the basis of age and involve older people in devising, monitoring and updating how the National Health Service should meet their needs. ▪ Social Care – The Government has announced £1 billion extra for social services for older people by 2006 and the introduction of ‘free’ nursing care. People who pay for their own care in a nursing home will receive between £35 and £110 dependent on their nursing needs. ▪ Age Concern wants the provision of free personal care and for the Government to address the problems facing residents of homes that are closed down. Consultation with these residents should be mandatory. ▪ Housing – The Older People’s Housing Strategy (2001) aims to provide closer co-ordination between local councils, the National Health Service, housing associations and the voluntary and private sector. ▪ Age Concern wants an increase in housing options for older people and the provision of grants for older people to adapt, repair and maintain their homes. ▪ Transport – The Government provides concessionary travel for older people within their local authority area.

		<ul style="list-style-type: none"> ▪ Age Concern want the Government to extend the travel concession to any journey within England and Wales and commit to making residential areas safer for pedestrians ▪ Crime and Safety – The Neighbourhood Renewal Strategy and Action Plan sets out plans to tackle social exclusion by reducing crime and delivering neighbourhood improvements.
<p>Recruitment and Retention – Older Workforce</p>	<p>Employers Organisation</p>	<ul style="list-style-type: none"> ▪ Age discrimination has crept into many employers' recruitment processes due to the belief that older workers are less adaptable and capable of learning. ▪ Early retirement - Early retirement has been a key factor in producing a local government that differs from the wider economy. It can also result in organisations losing the knowledge and experience that older workers can provide. ▪ Ill health prevention – The Health and Safety Executive is developing a strategy to enable employers to understand the importance of managing their workforce to prevent ill health amongst workers. ▪ Training and development – There can be a misunderstanding amongst employers that older workers are less able to learn new skills. Research shows older workers are less likely to be given access to vocational training. ▪ To remove ageism the organisation must ensure that job descriptions are reviewed, advertisements specify relevant skills and abilities and selection is on merit using job, not age, related criteria.
<p>Independent Living for Older People</p>	<p>Office of the Deputy Prime Minister</p>	<ul style="list-style-type: none"> ▪ To gain beacon status a Council must ensure that older people have active, independent and secure lives. ▪ Older people should be involved and engaged in planning to ensure that services are based around the things they want and need. ▪ There should be access to good quality health and social care services. ▪ There should be no barriers to allowing older people access to the facilities, goods and services that everyone expects. ▪ Beacon councils should work towards the reduction of ill health and dependency amongst older people. ▪ Regular consultation with older people should take place to respond effectively to their needs. ▪ Through this consultation a strategy for an ageing population should be developed. ▪ Councils should address issues such as housing, transport and mobility, education, access to other facilities and any other 'quality of life' issues local older people consider important. ▪ The needs of older people from ethnic minority groups, those with sensory impairments or other disabilities, those in rural areas and others who are excluded or isolated should be considered.

Age Discrimination	The European Legal Alliance	<ul style="list-style-type: none"> ▪ As there is no legislation to protect against age discrimination employers are free to adopt an 'ageist' approach to recruitment promotion, training and dismissal. ▪ Britain has an ageing population and it is estimated that 40% of the labour force will be aged 45 and over by 2010. ▪ If employers recruit, promote or train based on age, they will become increasingly restricted. ▪ It is common view that older workers are less able/willing to learn new skills, lack energy and creativity, are prone to sickness/injury and are a less valuable asset to an organisation than younger workers. ▪ An example of discrimination against older people is employees over 65 are not entitled to redundancy or unfair dismissal rights. ▪ In October 2000 the Government signed the EC Directive on Equal Treatment in Employment and Occupation with a commitment to implementing age discrimination legislation covering employment, vocational training and guidance by December 2006 ▪ The Directive applies to both the public and private sector, covering all areas of employment, training and working conditions, including dismissals and pay. ▪ Until December 2006, age limits or age ranges in job adverts should be avoided and advertisements placed in different magazines which are aimed at different sectors of society
Ageism: Attitudes and Experiences of Young People	Age Positive	<ul style="list-style-type: none"> ▪ The findings were based on group discussions and depth interviews with a sample of young people aged 16 – 30 to show evidence of ageism against younger people in the workplace. ▪ All of the group discussion and depth interviews were tape-recorded, transcribed and then analysed. ▪ Incidents of ageism mainly related to management practices and inappropriate behaviour such as bullying, being made to do menial tasks, exclusion from occupational pension schemes and being passed over for promotion in favour of an older person 'with more experience'. ▪ Findings show ageism in the workplace can be overt (stipulating a minimum age in job advertisements) or covert (in the wording of job advertisements e.g. 'mature applicants needed'). ▪ In 1999, the Government issued a Code of Practice on Age Diversity in Employment. This offers employers guidance to ensure that they choose the best person for the job by eliminating age discrimination in recruitment, selection, promotion, training and development and redundancy and retirement. ▪ Research suggests that school leavers with few or no qualifications were more likely to experience age discrimination. They are more likely to be given less rewarding, menial jobs and found it hard to get training. ▪ Recruitment, selection, pay, training, promotion and pensions were given as examples of discrimination by young people. ▪ Ageism can fall into different categories: pure, partial, false and petty ageism.

<p>Delivering Age Equality in the Access and Provision of Education</p>	<p>Institute for Public Policy Research</p>	<ul style="list-style-type: none"> • Key to achieving age equality in education lies in shifting education policy towards broad vision of lifelong learning. • The current focus on young people reinforces age inequalities. • Three aspects are: systemic bias in favour of youth; issues to do with intergenerational relations; and cumulative inequality. • Vision of lifelong learning threatened by crude higher education targets and focus on workforce qualifications. • Measures in relation to education should be part of a wider move on age discrimination. • Reasons for Inequality: <ul style="list-style-type: none"> • general assumption that education is for the young; • assumptions about capacity of older people to learn; • concentration on economic rationale for investment in education; • assumption payback period is shorter for older people; • absence of pressure group comparable to parents of young students; • lack of confidence and motivation on the part of older people.
<p>Age discrimination</p>	<p>Age Concern</p>	<ul style="list-style-type: none"> • Age discrimination 'occurs when someone makes or sees a distinction because of another person's age and uses this as a basis for prejudice against and unfair treatment of that person'. • It can occur in the following areas: health and social care; employment; financial services; insurance; volunteering; and education and training. • The economic and social costs of age discrimination has been examined by the Employers Forum on Age and as part of the work of the Performance and Innovation Unit. • Other organizations active in campaigning against age discrimination include: ARP050; Equal Rights on Age; Third Age Employment Network; and Help the Aged. • Policy Statement: Older people should have the opportunity to participate in society, including through employment and volunteering, and should not have to overcome either explicit or implicit age barriers to achieve this. Goods and services should not be restricted either in availability or quality on the grounds of age. • Health & Social Care: a survey of GPs found 77% confirmed age-based rationing occurred; lower gross amounts for state-funded residential care for elderly compared to younger adult client groups; women between 50 and 64 screened for breast cancer every 3 years (will not be extended to 70 year olds until 2004). • Employment & Volunteering: annual cost of age discrimination to UK economy £31 billion; over-50s proportionally under-represented in voluntary activity; number of men between 50 and 65 who are not working doubled between 1991 and 2000.

<p>Help the Aged policy statement 2002</p>	<p>Help the Aged</p>	<ul style="list-style-type: none"> • The National Service Framework for Older People, published by the Department of Health in March 2001, requires health and local authorities to take action to identify and tackle discriminatory policies and practice. • Govt steps so far: adopted voluntary Code of Practice; run an Age Positive campaign; established and Age Advisory Group; and published its consultation document Towards Equality and Diversity: implementing the Employment and Race Directives. • Ireland has the most comprehensive age discrimination legislation in the EC. Other countries with some form of legislation include Finland, Belgium, France, Greece and Portugal. • Age Concern have developed Policy Objectives in the following areas: <ul style="list-style-type: none"> - Health and Social Care; - Social Security (where a number of benefits are only available to those below or above a certain age); - Volunteering and Lifelong Learning (there is an upper limit of 54 on loans to students in higher education and the use of retirement ages by volunteer involving organizations is widespread); - Employment (where the Government is obliged by the EU Directive to introduce equality in employment legislation by Dec 2006); - Goods and Services (where finance and access to insurance are both age-restricted) - Culture and Attitudes and the role of the Media (report published with the Independent Television Commission, Age in the Frame). - Legislation and Enforcement (as well as legislation, they would like an Age Equality Commission and a clear lead from Government in tackling policy and practical measures)
<p>Help the Aged policy statement 2002</p>	<p>Help the Aged</p>	<ul style="list-style-type: none"> • Ageism – prejudging or making assumptions about people simply because of their age • Age discrimination occurs when that prejudice is institutionalised, either explicitly, through rules and regulations, or implicitly, by custom and practice. • Direct age discrimination occurs when an individual is treated less favourably than another is or would be treated, on the grounds of their age. • Indirect age discrimination occurs when a condition or requirement is applied equally to all, but has a disproportionate and detrimental effect on one group and this cannot be objectively justified. • Changes occurring include: <ul style="list-style-type: none"> - Human Rights Act (Oct 2000) - The National Service Framework for Older People requires that age discrimination should be ‘rooted out’ of health and social care services. - European law requires UK to ban age discrimination by 2006 - Govt considering a Single Equalities Commission

		<ul style="list-style-type: none"> • The following seven areas of public policy were studied: • Education - Older people are under-represented throughout adult education, and student loans are not available to those aged 55 and over. • Employment - 50% of a sample of 500 companies had fewer than 10% of workers over 50, and 10% of companies had none. Working people over pension age have no employment rights. • Health - Older people face age barriers to screening programmes and treatment options in the National Health Service • Social Care – Local Authorities impose upper limits on amount they pay for an older person to be supported, less than that paid for young adults. • Social Security – Disability Benefits are discriminatory on grounds of age (eg mobility component not available to over 65s) • Transport – wide discrepancies in concessionary fare schemes. • Citizenship – Older people are excluded from civic duties such as sitting on a jury. • Help The Aged is running long term campaign which includes: demand for legislation; a Commission to monitor legislation; review of public policy; elders involved in devp new policies; age awareness training across public and private sector.
Bullying and age discrimination	Bully Online	<ul style="list-style-type: none"> • 80% of cases reported to the UK National Workplace Bullying Advice Line and Bully OnLine involve people over 40. • Factors for bullying seniors include: avoiding cost of redundancy; young recruits can be employed on short term contracts and tend to be more enthusiastic and cheaper to employ. • There are 2.5 million people between 50-65 without a job. • Young people can be bullied in the work place if they threaten the security of a group of older people with new ideas and plans. • A report in 2001 by the Employers' Forum on Age titled Ageism: Too Costly to Ignore, revealed that the number of people between the ages of 50-64 who were not in work and not seeking work had increased by 125,000 in the last two years. The authors of the report estimate that the cost to the UK's GDP of these lost workers is around £31 billion.

A Summary Of Age-Related Council Services

1. Sport & Leisure – Over 50's

- There are special classes aimed at the over 50's known as 'Elderberries', e.g. water confidence courses
- Chair based exercise classes take place in care homes to cater for those who can not travel
- The Leisure Pass scheme offers a concessionary pricing policy for pensioners which allows them to access facilities at the child price
- The 50 plus age group used to be a key target group for sports development in line with national campaigns – however this is no longer the case

2. Sport & Leisure - Under 18's

- Community sports leaders & junior sports leaders scheme carries a minimum age requirement
- Coaching courses have a minimum age requirement of 16 years plus
- There are courses run which positively cater for certain school age groups including after school & holiday activities
- Parks facilities tend to be of interest to certain age groups e.g. children's playgrounds for under 8's and under 12's, teen shelters, skate areas, 5 a side courts etc.

3. Community Support – all ages

- There is a social alarm service available to anybody who feels they need it and who meets the criteria, regardless of age.
- Emergency planning has no special provision for the elderly or the young – each case is dealt with in respect of needs depending on the nature of the incident.
- There are policies aimed at helping elderly residents redecorate and discretionary powers over help with repairs
- There are services for all ages with learning difficulties, physical or sensory disabilities, mental health needs and problems with substance abuse. Potentially, there is room for discrimination when a young person moves to adult services or adult to older person's services – (depending on age there are three different departments which provide the same service) An example of this would be where a person with a severe mental illness had been receiving services from the under 65 Mental Health Team reaches 65 - the decision to transfer their care (or not) is based around the person's mental health needs and who is best placed to meet those needs. So it is highly likely that in such a case the service user would continue to be supported by the under 65 MH Team.

This also applies to a younger person who may be experiencing early onset dementia. The Older Persons Service is best equipped to meet those needs, therefore we would engage with the most appropriate service in order to meet the individual needs of the service user.

4. Welfare Benefits – all ages

- Access and take up of benefits in general is being addressed by Housing Benefit & Council Tax sections – but this is for all ages. However, the nature of welfare benefits usually means that claimants on low incomes are the elderly or young parents. There is a home visiting service to help people claim Housing Benefit & Council Tax benefits & deal with queries.
- The service is promoting the ways in which residents can get discounts and / or reduce their Council Tax bill
- The service is trying to introduce different and varied methods of accessing the service e.g. automated payment phone lines, electronic service delivery etc.
- Changes to the payment of benefits from October 03 may make it more difficult for the elderly and young adults to access their money – all payments are to be made directly to the claimant's bank/post office account.

5. Housing

- A number of years ago Housing reviewed its requests for service, as some of their policies relied on the statutory retirement age as the eligible criteria. This meant that men were being discriminated against. They have now brought them in line so that where age is a stipulation, such as gardening help, the age is 65 years for men and women.
- For applications for sheltered housing the published policy for applications is 55 years of age. This is in line with government criteria, which has linked this type of accommodation and concessionary TV licences with an “older” age group. This policy is being reviewed following the recent Allocations reviews over recent years and the proposed Choice Based Lettings.
- Both the Gardening Help and Sheltered Housing service are based on need, but the age is used as the first eligibility criteria.
- The age of 65 is used for gardening as that is the state retirement age and as the help is on the grounds of inability to cultivate the garden due to age, or disability, the retirement age was taken as the eligibility criteria for the age related requests. Members had in the past wanted to be as flexible as possible, hence a fairly low level of age criteria. The budget for these works is very limited and there are far more applications than can be actually dealt with in most years.
- For sheltered housing the age is one linked to eligibility for concessionary TV licences (55 years old). Again the age is only the start of the eligibility criteria, the housing is then allocated on need for that type of housing. In some areas where the housing has been hard to let the strict age criteria has been relaxed.

6. Customer Services – all ages

- The new Customer First initiative will need to consider age discrimination when planning services – this is currently underway

7. Employment – all ages

- Housing and Health have introduced a policy to stop the ‘5 GCSE’ requirement as a standard measure of general education as this excluded older applicants. Instead, the criteria for education tends to be described

as “good general level of education or experience.” This recognises that older people, particularly women tended not to have qualifications.

- Adult Services gave examples of people aged 50+ being redeployed into day services. The staff themselves have given positive feedback in that where they felt that due to their age, they would not be able to find alternative employment, they have found the experience to be very positive and have not felt disadvantaged due to their age
- Asset Management & Design report that they run a shadow management group to combine officers of all ages with links to succession planning

8. Communications – young people

- Although The Citizen is very well received within the borough, it is known that some young people don't like or read it. The editor has tried to get their input and support but this is proving very difficult.

9. Community Engagement – all ages

- Specific work is carried out by Democratic Services to ensure the attendance of different age groups at Community Forums, e.g. inviting school children to address the meeting, liaison over agenda's with the BAD Youth Forum etc.
- In a bid to encourage parents to attend Community Forums, agendas have been targeted at issues like school admissions and initiatives, such as the introduction of crèche facilities.
- Representatives of the BAD Youth Forum and the Forum for the Elderly are invited to join with the chairs / deputy chairs of the Community Forums in quarterly meetings to discuss issues of common interest
- Contributors to Forums are briefed beforehand to think about their audience, e.g. reports from sports development target activity programmes for the over 50's
- Electoral Services are encouraging young people to vote in elections through advertising an a magazine called 'Unreel' which is given out at local cinemas & by sending them birthday cards on their 18th birthday

10. Older Persons Services (OPS)

The OPS works actively to promote fair and equal access to services based on need. The first standard of the National Service Framework for Older People, a ten-year plan to improve health and social care, is “rooting out age discrimination”. One of their first targets was to check all policies for discrimination. A Council Executive report dated 28/1/03 notes that:

Although no explicit discrimination was found in policy documents, the key aim of ensuring that older people are never unfairly discriminated against in accessing National Health Service or social care services as a result of their age remains as a major driving principle and guide to practice for all agencies and staff. New relevant initiatives include the development of the NSF champion roles, the launch of the PCT Patient Advice and Liaison Service, and the inclusion of equalities and diversity objectives within the Council and Older People Service Balanced Scorecards.

In April 2003 the new Fair Access to Care (FACs) policy started. FACs is a local eligibility for community care services policy based on a national framework. The new local policy was agreed by the Executive on the 20 December 2002. FACs eligibility decisions are based on an individual assessment of need and risk to independence rather than client type or age.

The service is required to consider whether any age based services are in the interest of service users and justify commissioning services that separate older users from other adults.

It is still possible to find situations in which the treatment of older people may appear unfair or discriminatory. For example:

- The Council pays more for nursing homes for younger adults than for older people.
- Younger adults tend to receive more support at home than older people with similar needs and risks.
- Services for younger adults tend to be more active or ambitious in their aims than do those for older people.
- Some services still appear to have arbitrary age based cut off points.

In some of these situations discrimination seems to be embedded in market economics (care home charges); government rules; national funding mechanisms that allow more resources for younger peoples needs; and society at large which has quite different expectations of what should be done to help young and old people in need.

However there is no doubt that the National Health Service Plan, the National Services Framework, Fair Access to Care and new services such as intermediate care are driving a significant improvement in the range and quality of services for older people. Older people in the community are now far more likely to be offered rehabilitation than in the past (when permanent care started often started before other options were thoroughly explored or tested). Continuing improvement in the range and quality of services is dependent on adequate funding.

The Improving Social Services Financial and Commissioning Framework agreed by the Council Executive on the 18 March 2003 set out a funding and service development programme that aims to raise all areas of performance to three stars by 2005/6. The programme for older people includes new integrated home support services; a new palliative care service at home; new extra care housing for people with dementia; a new frail elders service; enhanced services for carers; and more effective integrated health and social care assessment teams.

National Regeneration Funds are being used to recruit a National Services Framework older people participation and involvement lead officer. In October 2002 over 40 older people met with doctors, nurses and social services staff to learn about the eight NSF standards, describe their experiences and say what they wanted to happen in the future. We intend to build on this event and

ensure that we have regular contact with older people – who are best able to tell us about discrimination within health and social care. The service aims to ensure that they are also in touch with existing groups representing older people and people who are not active members of any organisation.

Department of Health performance indicators for the assessment and provision of services to older people from ethnic minority communities are reasonably good. However the design of this indicator means that it doesn't pick up the under-representation of ethnic elders within service provision. OPS are now using new service developments – such as carer's support and palliative care to make new and more effective relationships with ethnic communities. They are also using mystery shopping to prepare further guidance for staff running receptions and covering duty telephones.

They will also act positively to encourage service take up and avoid feelings of discrimination by:

- Publishing a new Better Care Higher Standards Charter with an easy to read summary version.
- Actively using the press, the Citizen and newsletters to inform and engage with the public.
- Working to protect vulnerable adults from abuse
- Ensuring that we comply with all new domiciliary and residential registration standards
- Promoting customer care and equalities and diversity
- Helping staff through IIP, supervision and appraisal to provide the best service to users and carers.

11. Education and Lifelong Learning

- Specific consultation mechanisms have been organised to increase representation from young people including the BAD Youth Forum, Young People's Workers Forum, Voluntary Organisations Forum and other partnership work with agency and community based organisations.
- From consultations, young people have advised that they are subjected to different payment rules from a local restaurant where they are required to pay before they receive their meal and adults do not. The role of the Council in eliminating the particular discrimination experienced by young people in the community has been raised.
- The BAD Youth Forum meets to discuss unitary plans and make comments regarding Council services including teaching practices in schools
- BAD Youth Forum comments contributed to a review of and change to how sex education was delivered in schools.
- BAD Youth Forum has contributed to local Community Forums. However a survey found that the young people felt that the language used by some participants was patronising, producing a reluctance for the young people to further engage.
- A programme managed by the Children Fund and Social Services & supported by the Youth Support and Development Service (YSDS) contributed to improved consultation between young people identified as disenfranchised and disaffected within the Borough. From the consultation, outreach work with young people has been reviewed and subsequently

divided into two parts - advice provided in a specific location and more street-based inclusion work.

- Locally the FOCUS project (a joint initiative between Barking College and local secondary schools which aims to encourage students to continue with further education) has been of limited success as young people have been imposed with restricted access to particular parts of Barking College. Young people feel that their behaviour is closely monitored and their disenfranchisement is reinforced because of their association with the project.
- Council events and training opportunities for the community is currently aimed at adults and does not include specific provision for young people.
- Invitations via the YSDS Programmes aimed at cross-generation contact between young people and older people have produced responses to suggestions from young people that were age-related and minimised the value of young people's contribution.
- In response to comments of the under-representation of younger people at community forums and general community participation, YSDS is to organise programmes for younger people that incorporates race, gender and age issues to develop and improve communication between older and young generations.
- An arts & cultural programme, 'Step Africa' has been arranged for younger people that includes the opportunity for diverse participants to learn dance and stories from different countries.
- Some adult leisure classes have recurring participants and have, as a consequence, become associated with social events for specific generations and remain advertised as available to all members of the community. YSDS has responded by providing leisure activities for younger people.

12. Meals-on Wheels

The Meals on Wheels service is provided by Apetito under contract to Social Services. Assessment is undertaken by Social Services or in some cases by health care professions as part of the developing single assessment process. Whilst in practice the majority of meals are delivered to older people, the service is available for younger adults should this be an assessed need and preferred choice.

A Summary Of The Key Issues Raised By Different Groups And People Who We Talked To Or Received Comments From

Who was consulted	Key Points
<p>Councillor Wade (Portfolio Member for Equalities and Diversity)</p>	<ul style="list-style-type: none"> • Would like to think that there is no longer a problem in terms of the training being offered to all staff. • Problem of culture and habits in managers and senior staff – legislation can be changed more easily than culture and bad practise, so these aspects may take more time to deal with. • Need for more support for young people from the community • Supports the idea of removing age from application forms at the selection process. • Training should be properly targeted and management must avoid creating an expectation that because staff are being trained there is scope for continued promotion. • Celebrating diversity might involve the BAD Youth Forum.
<p>Cllr Osborn (Older Persons' Champion)</p>	<ul style="list-style-type: none"> • Important to take a more holistic approach, viewing ageism in the context of other forms of discrimination. • Dangers of institutional discrimination • There is much the Council can do to make its partners aware of age discrimination. • National issues that do crossover (for example, home insurance, home insurance and pensioners rights)
<p>Cllr Bramley (Children's Champion)</p>	<ul style="list-style-type: none"> • Arranging training and seminars about Looked After Children • Meeting with Social Services and Education to look at services in relation to children. • Reviving the Area Child Protection Committee. • Looking at the Children's Fund, with regard to how the money is being spent. • Implementing a report on Speech Therapy in relation to children's health. • Looking at the issue of recruitment of social workers. • The Primary Care Trust and the Audit section have been asked to report back on the development of Sure Start Programmes. • Concerted focus on performance indicators in relation to Children's services. • Producing an annual report on Children's services Spring 2004.

<p>Interim Head of Organisational Development and Employee Relations, Corporate Strategy</p>	<ul style="list-style-type: none"> • Age currently covered in Equalities Strategy, Harassment and Bullying Policy and Exit Policy. • Much work has already been done, including extensive monitoring and a 5 year Equalities Strategy
<p>Corporate Equalities and Diversity Advisor, Corporate Strategy</p>	<ul style="list-style-type: none"> • The priority for the equalities team is currently tackling discrimination on grounds of sexuality and faith • Policy Commission needs to cross reference and make connections between other forms of discrimination • Anti-age will need to link in at a relevant stage with the work being undertaken by the Council to develop Community Cohesion
<p>Head of Corporate Human Resources (Training and Development), Corporate Strategy</p>	<ul style="list-style-type: none"> • Training and development available to everyone • Various initiatives taking place such as Positive Action Training Highway, Chartered Institute Of Public Finance Accountants (CIPFA) trainees , and monitoring of age groups on courses via Oracle
<p>The Operations Manager of the Youth Offending Team, Social Services Department</p>	<p>A variety of initiatives to help young offenders:</p> <ul style="list-style-type: none"> • Anger management • Drugs awareness • Community payback • Work placements • The Motivations Project • The Be Safe scheme • Youth Inclusion Project • Positive Futures Sport Project • Parenting Skills
<p>The Head of the Youth Support and Development Service, Education, Arts and Libraries Department</p>	<ul style="list-style-type: none"> • The service has a Statutory Service Plan and a 3 Year strategic plan • Undertaking more targeted work • Currently engaging 16% of the Youth Population • Directory of youth activities produced • Directory of organisations working with young people

Trade Unions	<ul style="list-style-type: none"> • Disillusionment/frustration for staff being forced to retire early. • Old style managers tend not to develop staff (effect of CCT) • Retiring/redundant staff not getting support they need • Appraisals and PDP's being neglected • There is a perception of inconsistency and unfairness in that the Council already keeps some staff on beyond retirement age
Age Concern	<ul style="list-style-type: none"> • Age Concern staff have the choice of retiring at 65 or continuing • Everyone has the same opportunity to apply for promotions, training etc. • Returners to work are given support • Job share is encouraged • People appreciative of an employer trying to support them and therefore staff sickness low. • All staff given 2 week induction course so they're at ease coming into the organisation. • If someone is coming to retirement age Age Concern tries to prepare them by offering training that might benefit them afterwards, for example as a hobby or in taking up new employment.
Citizens Panel	<ul style="list-style-type: none"> • Not enough information when people move into the area • Not enough facilities for young people • Residential care homes stipulate that people have to be above a specific age before they can become residents • Older employees pressurised to take early redundancy • Older neighbours can be discriminatory against young families • Elderly activities in LBBD not advertised enough
Staff Focus Groups Career Trainees	<ul style="list-style-type: none"> • Patronising attitude of colleagues • Age important on job application forms • Experience and qualification specification can be age discriminatory on application forms • Too few young people work here • Youth provision lacking

25-39	<p><i>Non-Managers</i></p> <ul style="list-style-type: none"> • Date of Birth should be optional on application forms • Access to council buildings not appropriate for elderly • Facilities for pensioners dwindling • Ageist comments – people making judgements about staff on basis of age • More effort to encourage younger people to engage in local democracy
40-50	<p><i>Non-Managers</i></p> <ul style="list-style-type: none"> • No age discrimination in training offered to staff • LBBD could be more flexible for parents with young children
	<p><i>Managers</i></p> <ul style="list-style-type: none"> • Retirement cliff-face – flexible working, gradual easing off would be better • Retirement courses not specific enough- should be individualised • Should be a retired workers organisation for LBBD staff • Job appointment process doesn't appear to exhibit age discrimination • Don't always have the confidence when attending training
Over 50	<p><i>Non-Managers</i></p> <ul style="list-style-type: none"> • LBBD 15-20 years behind other employers • More Council organised social activity would bring staff together • People treated differently because of experience not age • Not enough support for older staff • Younger staff given higher grades (unjustifiably) can cause friction • No appropriate training to progress you • Qualification specification on application forms is wrong • Training geared towards managers • Half did not have Personal Development Plans • More focus on work-life balance • Some people staying beyond retirement age

	<p><i>Managers</i></p> <ul style="list-style-type: none"> • Training could take into account different ages • Use of jargon during training • Some felt left behind because of the speed of changes
Greater London Authority	<ul style="list-style-type: none"> • Undertakes a monitoring role by the HR department and is reported monthly to the Equalities Policy Team. • External Relations Departments have done quite a significant amount of work with Age Concern and other London age forums, whereby an Older People's Assembly was created. . • There is also a commitment in the business plan to develop an Age Equality Scheme next year. The Equalities Team will be leading on this.
Employers Organisation	<ul style="list-style-type: none"> • Their work is centred on how age issues affect the employment relationship. • Their Diversity unit does also provide advice to local authorities on the diversity aspects of service delivery. • They have also published work on age related matters such as engaging with young people and managing an older workforce • They have produced an age alert early warning advice note in conjunction with The Society Of Personnel Officers In Government Services (SOCPO) and the Employers Forum on Age. • They are also holding a number of seminars around the country in September in order to explain the proposed legislation and discuss the critical matters.
Forum For the Elderly	<ul style="list-style-type: none"> • Conflict between young and old -felt to be result of a lack of provision for young people. • Forum feels they are a low priority for the Council. • Older people have been asked to re-locate to Council homes more appropriate for their needs • There is insufficient information in the Citizen for older people. • Not all elderly people at the Forum understand the terms used by the Council
Age Positive Champion - Leeds County Council	<ul style="list-style-type: none"> • Recruitment advertisements do not, and have not for many years, specified age restrictions. Neither do job requirements directly or indirectly, use criteria which restrict success on age based criteria. • The councils equality policy specifically refers to non- discrimination on the grounds of age. • Recruitment, training and other monitoring information refers to the age of applicants/participants etc.

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| <ul style="list-style-type: none">• Celebrating the contribution of all age groups in the community doesn't really fall within the responsibility of HR but I would say that Leeds has a tradition of using diverse imagery, which by inference shows that we value young and old.• They value the contribution of their older workforce - the age profile leans to the older side.• Not sure that they do anything massively innovative but they consider that they have a culture of valuing staff for their contribution rather than stereotypical traits of younger or older people | |
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Corporate Policy Statement of Principle on Equality for Older People

The Council is committed to:

- Expressing its concern about the discrimination experienced both in seeking employment and when in employment by people on the grounds of their age. The Council is also concerned about any age related discrimination when seeking to access or when using Council Services.
- The belief that age related discrimination, based on a wider prevalent ageism, which ascribes negative assumptions to employees and potential employee on the grounds of age is unjustifiable and can deny the Council access to the skills and experience of diverse age groups.
- Recognising that ageism or age related discrimination affects both older people and younger people. However, the Council also recognises that the older you become, the more intense the problem of discrimination on the grounds of age becomes.
- Working to eliminate any age unintended related or unintended institutional discrimination in its employment related policies, procedures and practices.
- The Council is further committed to ensuring that future policies, procedures and practices are equal opportunities based in terms of age.
- A recruitment policy, which ensures that ability to do the job, and no other factor, including age, will constitute criteria for appointment. The only exceptions to this policy will be those minority of positions for which there are an age qualification, for example insurance requirements for vehicles.
- Implementing the Government's Code of Good Practice on tackling Age Discrimination in Employment and working towards implementing the forthcoming EU Directive.
- The Council recognises that older people can also experience other forms of discrimination or disadvantage, and in its work to achieve quality for older people, it will ensure that full consideration be given to the heads of black and minority ethnic people, disabled people, women, lesbians and gay men and other relevant disadvantaged groups.

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THE EXECUTIVE**16 DECEMBER 2003****REPORT OF THE DIRECTOR OF CORPORATE STRATEGY**

ANNUAL REPORT ON EQUALITIES AND DIVERSITY IN EMPLOYMENT	FOR DECISION
<p><i>This Annual Report is presented to the Executive as it provides information regarding the Council's performance in respect of equalities and diversity in employment. It also proposes an action plan for equalities and diversity in employment for 2003 / 2004.</i></p> <p><u>Summary</u></p> <p>This report presents</p> <ul style="list-style-type: none"> • Statistical information regarding the workforce and our recruitment and selection activity; and • Details of the actions taken in 2002 / 03 <p>in respect of our performance in the area of equalities and diversity in employment.</p> <p>The report proposes a number of actions, in accordance with the Council's 5 Year Equalities and Diversity in Employment Strategy and in response to the information presented in the report, to be taken in 2003 / 04.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note the contents of the Annual Report on Equalities and Diversity in Employment; 2. Agree to the actions recommended for 2003/04, in accordance with the Council's 5 Year Strategy on Equalities and Diversity in Employment; and 3. Agree to the additional actions recommended for 2003/04, see Appendix 1. <p><u>Reasons</u></p> <p>Equalities and Diversity in Employment is one of the 5 key areas identified in the Council's Corporate Equalities and Diversity Policy Framework. It is essential that we continue to develop in this area, so that our practice remains in line with national and local developments and enables the Council to become a best practice employer of choice. We must therefore embark upon a planned programme of continuous improvement.</p>	
<p>Contact Officer: John Tatam</p>	<p>Director of Corporate Strategy</p> <p>Tel: 020 8227 2138 Fax: 020 8227 2918 Minicom: 020 8227 2865 E-mail: john.tatam@lbbd.gov.uk</p>

1. Introduction

- 1.1 For a number of years the Council has produced an Annual Report on Equalities and Diversity in Employment. The Council has a special duty to monitor employment under the Race Relation (Amendment) Act 2000 (CRR(A) A).
- 1.2 This year's Annual Report, covering the period 2002/03, will be in a different format to usual. It will better represent the approach used to develop equalities and diversity in employment in the Council.
- 1.3 In June 2002 the Council adopted a 5 year Equalities and Diversity in Employment Strategy. The overall aim of this strategy is to achieve, in relation to employment, the Council's community priority "Promoting Equal Opportunities and Celebrating Diversity".
- 1.4 The Strategy sets a number of strategic aims for equalities and diversity in employment. These strategic aims were further endorsed by the adoption of the new Equalities and Diversity in Employment Policy on 11 March 2003.
- 1.5 The Council's strategic aims in respect of equalities and diversity in employment are as follows:
- To create an environment which, through all our staff and their individual behaviours and actions, values diversity in the broadest sense. This will include individual's:
 - Culture
 - Age
 - Race
 - Gender
 - Ability
 - Sexuality
 - Gender realignment
 - Class
 - HIV status
 - Religious beliefs or faiths
 - Caring responsibilities for dependants
 - Unrelated criminal convictions
 - Marital status
 - Trade Union membership
 - To create an environment where all staff will seek out and express differing opinions and experiences to bring about new solutions, creative ideas and added value for our customers.
 - To have a workforce that reflects, at all levels and in all occupations, the diversity of the community and customers we serve by achieving year on year improvements in the make up of diversity in our workforce.
 - To have a discrimination-free working environment that treats people with fairness, dignity and respect and where the talents and resources of all staff are fully used.
 - That our working practice remains in line with all legal requirements.
 - To provide greater opportunity for everyone to apply for and obtain jobs and promotion, and for individuals in under-represented groups to compete on equal terms.
 - To increase opportunity for all staff to develop and progress within the organisation.

- To increase motivation, commitment, and in turn productivity of all staff, and the retention of skilled and experienced staff in a competitive market place.
- For our practice to continue to be in line with the accreditation standards for “Positive About Disabled People” (Two Tick Symbol).
- To develop the Council’s reputation as a progressive and fair employer and as a result reduce the likelihood of any legal action against the Council.
- To achieve level 5 of the Equalities Standard for Local Government in respect of employment and training.

1.6 The strategy also set a series of actions to be taken over the 5 year period. Appendix 1 gives:

- details of achievement against the performance indicators in relation to each strategic aim as at 31.03.03;
- details of the actions taken in 2002/03 in relation to each strategic aim;
- details of the actions proposed for 2003/04 in relation to each strategic aim.

1.7 Each action is aligned to at least one of the strategic aims which will assist the Council in achieving its overall strategic aim.

1.8 The actions also ensure the Council adheres to national issues, e.g. the Stephen Lawrence Inquiry recommendations.

1.9 Performance indicators have also been aligned to each strategic aim so we can measure our success in achieving it. Some of the indicators are long term, to measure our success at the end of the 5 year period the strategy covers.

2. Most significant findings are:

2.1 In 2002/03 only 1.99% of all applications received were from disabled people. To help increase representation of disabled people in the workplace, it is recommended that we undertake the following in addition to the pre-planned activities in the strategy.

- Managers and other staff must develop an understanding and acceptance of disabled staff, it is recommended that we investigate developing a partnership with an external organisation that places disabled people with employers. The results of these investigations will be reported to the Executive before any formal partnership is agreed.
- It is proposed that we hold a register of disabled people that are interested in working for the Council and automatically send them details of appropriate vacancies every week. If they are interested in any of them they would need to be apply through the usual process. In order to develop the register it would need to be advertised, with local disability community groups, the local Job Centres, and through placing an amended “Look At The Difference” advert in Disability Now. The latter would need to be funded from existing advertising budgets.

- These activities would also help in achieving the performance indicator – “to continually achieve the standards of the ‘Two Tick Employer’ Award”. Recommendations made in respect of that indicator will also assist with this Best Value Performance Indicator.

2.2 The Council must evidence what has been achieved in respect of the employment of disabled people and plan ways to improve, in order to retain “Two Tick” status. It is therefore recommended that we undertake the following in 2003/04 in addition to the pre-planned activities in the Strategy:

- As part of the work to obtain “Two Tick Employer” status, an audit of disabled staff was undertaken in February 2002. It is proposed that a further audit is carried out again in 2003/04, to see if the situation for disabled staff has improved over the last year and the impact of some of the specific initiatives introduced in relation to our “Two Tick Employer” application. The results of the audit and any areas for action that it highlights will be reported in next year’s annual report.
- In its application to become a “Two Tick Employer” the Council achieved all the award’s criteria, except for 2 of the desirables, they are:
 - Develop Job Search Assistance for disabled staff who can not be retained
 - Consider taking disabled people, through the Local JobCentre Plus, on Work Preparation Trials with the Council

2.3 It is recommended that these are undertaken in 2003/04.

- The “Positive About Disabled People” Working Group, which was established to progress the Council’s application to become a “Two Tick Employer” and has now been disbanded, recommended that the following should be undertaken:
- Work with Corporate Procurement and Approved Employment Agencies’ Contract Managers to ensure that the “Two Tick” requirements are built into contract specifications.
- Develop work experience placements in the Council for disabled children who attend Trinity School.
- Work with the Council’s Occupational Health Service, so that improved information is received regarding disabled staff.

3. **Our aim is to ensure that “The diversity of the workforce is reflected in the disciplinary action taken against the staff”.**

3.1 Over the last year:

- 53.07% of disciplinaries were against men, whilst only 28.9% of the total workforce is male.
- 32.65% of disciplinaries were against black & minority ethnic community staff, whilst only 9.9% of the total workforce is black or minority ethnic. Appendix 2 outlines further investigation into departmental activity.

4. **“The diversity of the workforce is reflected in the grievances brought by staff”**

4.1 There were 9 grievances raised in 2002/03. 11.11% of grievances were raised by disabled staff i.e. 1 disabled person and 33.33% of grievances were raised by black and minority ethnic community i.e. 3 people from black & minority ethnic community. It is therefore difficult to draw conclusion based on this low level of grievances, but careful monitoring should continue.

5. **“Internal appointments to higher graded jobs reflects the diversity of the workforce”**

- To help our performance in this area in 2003/04 places on the Council’s Management Development Programme will be ring-fenced for women, staff from black & minority ethnic communities and disabled staff. In terms of further positive action initiatives that would assist our performance in this area, we would recommend that these wait until 2004/05 (as already pre-planned in the Strategy). In 2003/04 we will work towards raising the workforces’ awareness of what positive action means (see action number 9), then in 2004/05 we could provide training around “Developing your Career” for under-represented groups.

6. **“The % of voluntary leavers from under-represented groups is reflective of the total number of staff who voluntarily leave the Council”**

- No further action is being recommended at this stage. The information we will gather from the Exit Procedure will help us to understand why more women in management and black & minority ethnic community staff leave, using this information we will be able to respond better and recommend more targeted actions if necessary in next years annual report.

7. **Work undertaken under the Council’s statutory Race Equality Scheme (RES)**

(see Appendix 3).

Background Papers used in the preparation of this report

- Modernising Employment - Equalities and Diversity - 5 Year Equalities and Diversity in Employment Strategy (June 2002)
- A Corporate Equalities and Diversity Policy Framework for the Council - Executive (9 April 2002)
- Recruitment & Selection Monitoring Annual Report 2002/03 - Executive (29 July 2003)

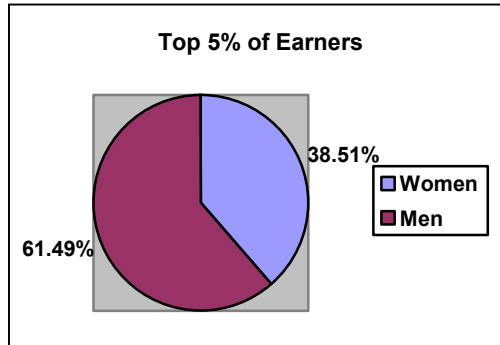
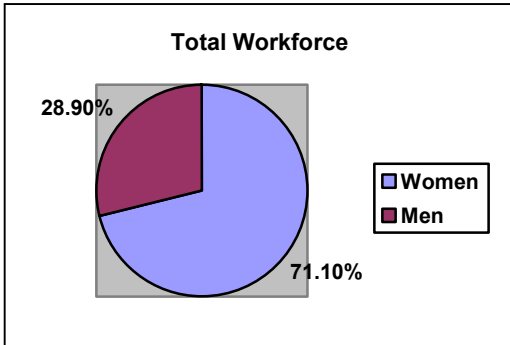
Actions	
1	To introduce a new Equalities & Diversity in Employment Policy
2	To ensure the inclusion of equalities and diversity into both the Appraisal and the Personal Performance Management processes
3	To incorporate up-dated Equalities into the Corporate Induction Programme (Annual Action – to continue in 2003/04)
4	To review the Quick Guide to Managing People and improve the equalities and diversity information within it (Annual Action – to continue in 2003/04)
5	To provide Equalities & Diversity in Employment training for Managers (Annual Action – to continue in 2003/04) (from 2003/04 this will include developing Managers' competence to challenge, deal with conflict and empower people in respect of equalities)
6	To undertake actions as necessary arising from the Council's Race Equality Scheme (Annual Action – to continue in 2003/04)
7	To provide training & development in line with the mainstreaming equalities & diversity strategy (Annual Action – to continue in 2003/04)
8	To consult with internal and community groups to establish how the Council can attract more applicants and ensure a working environment that supports the diversity of staff
9	To provide Employing Disabled People Briefings for Managers
10	To fully implement the new Equalities & Diversity in Employment Policy
11	To consult with internal and community groups to establish how the Council can attract more applicants and ensure a working environment that supports the diversity of staff (this will be linked to the consultation necessary to meet the RES Year 2 requirements)
12	Review Person Specifications requirements to include bilingual skills and knowledge of black & minority ethnic communities
13	To consider equalities as a competence when the Leadership Competencies are reviewed
14	To develop the Council's Website to include information about equalities in employment
15	To raise the workforces' awareness of what Positive Action means and why we support it
16	To provide Employing Disabled People Briefings for Managers (Annual Action – to continue in 2004/05)
17	To promote the Council as an employer with under-represented groups by placing a generic advertisement (Look at the Difference) in specialist minority press
18	To introduce a new Recruitment & Selection Policy which strengthens the equalities & diversity in employment approach
19	To provide a Guide on Employing Disabled People

20	To develop an Exit Procedure which will enable the organisation to learn how to improve its equalities in employment practice.
21	To undertake qualitative monitoring of individual recruitment & selection processes to ensure they are discrimination free (Annual Action – to continue in 2003/04)
22	To ensure that managers responsible for recruitment and selection have completed the Selection Interviewing training course and the Equalities in Employment training course, or were appropriately accredited (Annual Action – to continue in 2003/04)
23	To advertise all posts in the disability press in order to let disabled people know we are serious about employing them
24	To fully implement the new Recruitment & Selection Policy
25	To establish the Translation & Interpretation requirements of individuals within our workforce and set up systems of communication that meet their needs.
26	To introduce a policy to deal with Harassment in the workplace (including bullying and victimisation) which adopts the Stephen Lawrence Inquiry's definition of a racist incident.
27	To monitor the diversity of involuntary leavers from the Council (Annual Action – to continue in 2003/04)
28	To fully implement the Council's Dealing with Harassment & Bullying at Work Policy & Procedure
29	To work on Single Status Equal Pay issues (Annual Action – to continue in 2003/04)
30	To develop and provide positive action training (Annual Action – to continue in 2003/04)
31	To consider and develop Family Friendly policies and procedures that will assist staff in managing their work-life balance and support working parents
32	To achieve the "Positive about Disabled People – Two Tick Employer" Award, awarded by the Department for Work & Pensions
33	To provide an Annual Report to the Department of Work and Pensions in line with the requirements of the Two Tick standard (Annual Action – to continue in 2003/04)
34	To ensure that the outstanding actions needed to meet Level 2 are achieved.

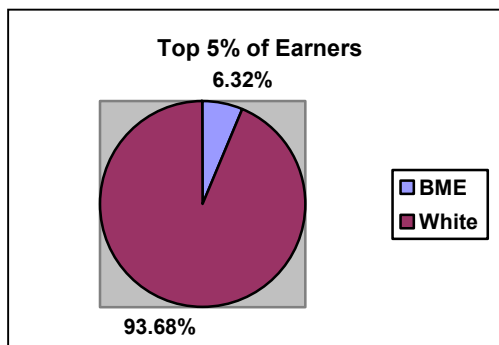
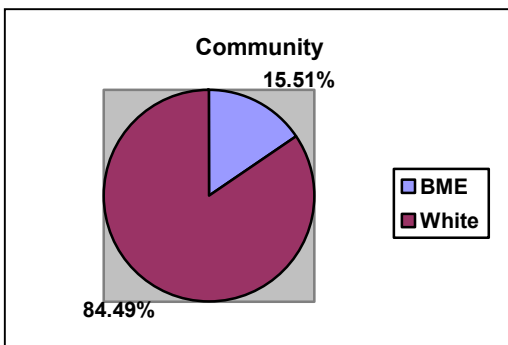
Strategic Aim	Performance Indicator	Actions Achieved 2002/03	Actions not achieved 2002/03	Actions Proposed 2003/04
<ul style="list-style-type: none"> To create an environment which, through all our staff and their individual behaviors and actions, values diversity in the broadest sense. 	<ul style="list-style-type: none"> % of staff that feel that their diversity is valued. 	1,2,3,4,5,6 & 7	8 & 9	10,11,12,13, 14,15 & 16
<ul style="list-style-type: none"> To create an environment where all staff will seek out and express different opinions and experiences to bring about new solutions, creative ideas and added value for our customers. 	<ul style="list-style-type: none"> % of staff that feel that they can use their own experiences to be creative and suggest new solutions and ideas. 	1,2,3,4 & 5	8 & 9	10,11,13 & 16
<ul style="list-style-type: none"> To have a workforce that reflects, at all levels and in all occupations, the diversity of the community and customers we serve by achieving year on year improvements in the make up of diversity in our workforce. 	<ul style="list-style-type: none"> See Attachment 1. 	17,18,19,20, 21, 22 & 23	8&9	24 & 25
<ul style="list-style-type: none"> To have a discrimination-free working environment that treats people with fairness, dignity and respect and where the talents and resources of all staff are fully used. 	<ul style="list-style-type: none"> See Attachment 2. 	26 & 27	8 & 9	10,11,13,15 & 16
<ul style="list-style-type: none"> That our working practice remains in line with all legal requirements. 	<ul style="list-style-type: none"> No equality related Employment Tribunals 	1,3,4,6,19,20, 21,22,26 & 29	9	10,16 & 28
<ul style="list-style-type: none"> To provide greater opportunity for everyone to apply for and obtain jobs and promotion, and for individuals from under-represented groups to compete on equal terms. 	<ul style="list-style-type: none"> See Attachment 3. 	1,4,17,18,19, 21, 22,23 & 30	8 & 9	10,11,12,15, 16,24 & 25
<ul style="list-style-type: none"> To increase opportunity for all staff to develop and progress within the organisation. 	<ul style="list-style-type: none"> See Attachment 4. 	1,2,3,4,19, 20 & 30	8 & 9	10,11,12,15 & 16
<ul style="list-style-type: none"> To increase motivation, commitment, and in turn productivity of all staff, and the retention of skilled and experienced staff in a competitive market place. 	<ul style="list-style-type: none"> See Attachment 5. 	1,3,4,19,20, 26 & 30	8 & 9	10,11,15,16, 25,28 & 31
<ul style="list-style-type: none"> For our practice to be in line with the accreditation standards for "Positive About Disabled People" (Two Tick Symbol). 	<ul style="list-style-type: none"> To met and continue to achieve these standards. 	1,2,3,4,5,19, 21,22,23 & 32	9	10,16 & 33
<ul style="list-style-type: none"> To develop the Council's reputation as a progressive and fair employer and as a result reduce the likelihood of any legal action against the Council. 	<ul style="list-style-type: none"> See Attachment 6. 	1,3,4, 6,17,18,19,21,22, 23 & 26	8 & 9	10,11,14,16, 24,28 & 31
<ul style="list-style-type: none"> To achieve level 5 of the Equalities Standard for Local Government in respect of employment and training. 	<ul style="list-style-type: none"> To meet the employment requirements of the level of the Equality Standard that the Council has set (set by Policy & Performance). 			34

Attachment 1

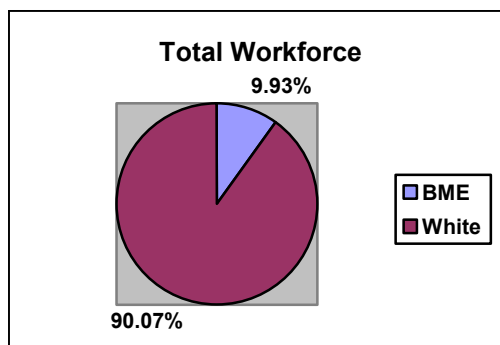
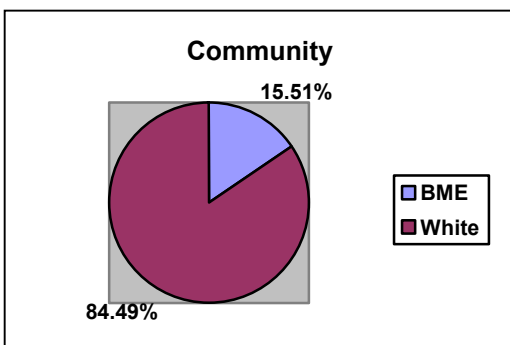
Performance Indicator	Result 2002 / 03
By the 31.03.06 the % of women in the top 5% of earners will be the same as the % of women in the total workforce (this is a BVPI)	See diagrams



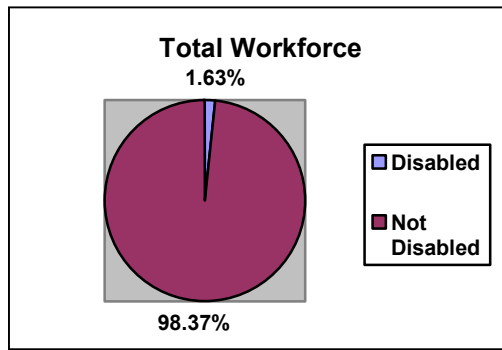
Performance Indicator	Result 2002 / 03
By the 31.03.06 the % of staff from black & minority ethnic communities in the top 5% of earners will be the same as the % of people in the community from black & minority ethnic communities (this is a BVPI)	See diagrams



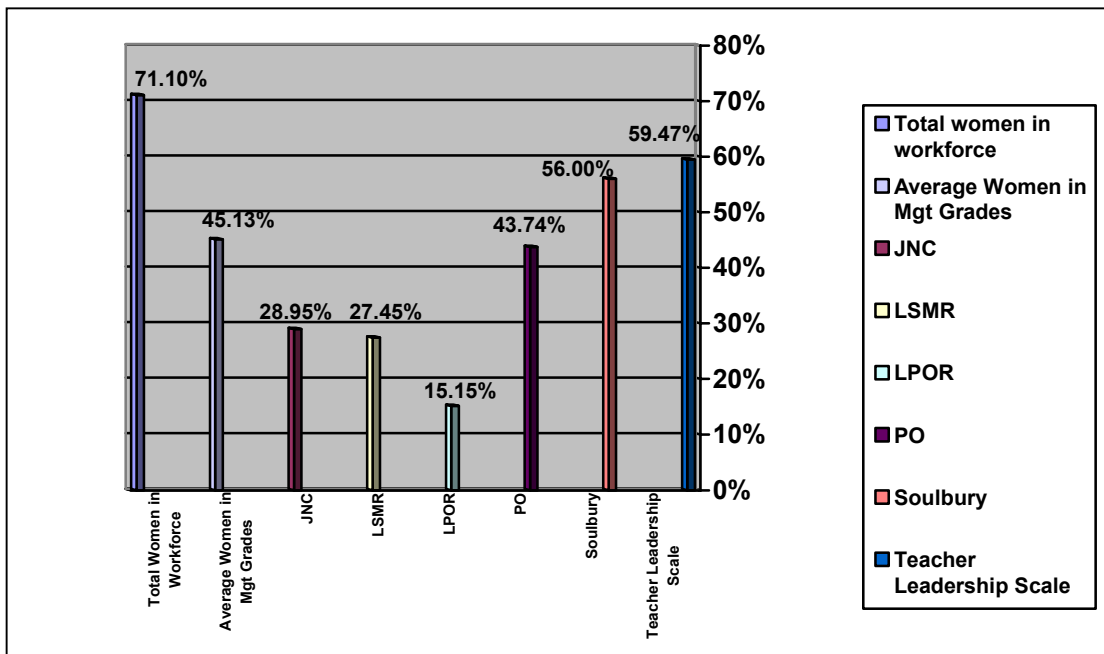
Performance Indicator	Result 2002 / 03
By the 31.03.06 the % of black & minority ethnic staff in the total workforce will be the same as the % of people in the community from black & minority ethnic communities (this is a BVPI)	See diagrams



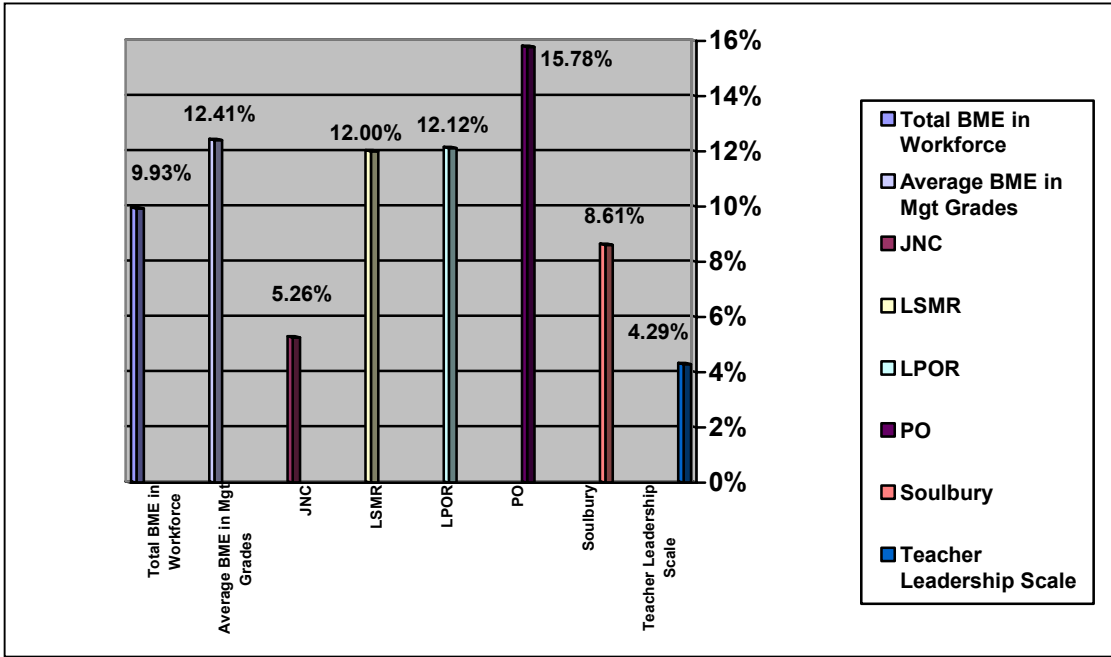
Performance Indicator	Result 2002 / 03
By the 31.03.06, 3% of the total workforce will be staff who are self assessed disabled (this is a BVPI)	See Diagram



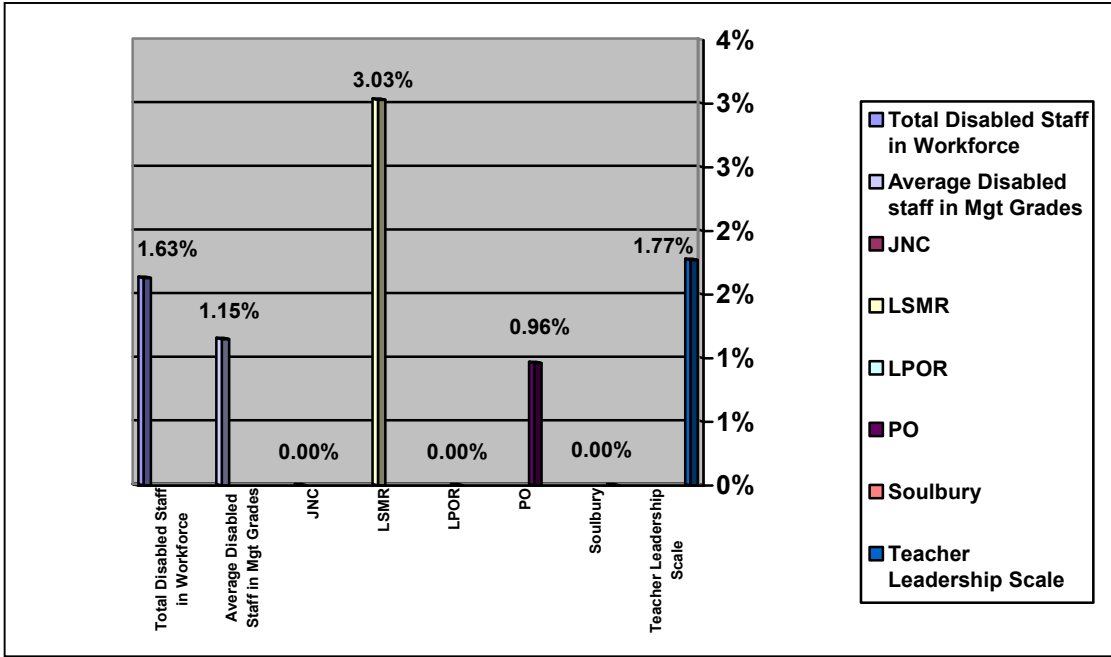
Performance Indicator	Result 2002 / 03
By the 31.03.06 the % of women in the management grades will be the same as the % of women in the total workforce	See diagram



Performance Indicator	Result 2002 / 03
By the 31.03.06 the % of black & minority ethnic community staff in the management grades will be the same as the % of black & minority ethnic community staff in the total workforce	See diagram

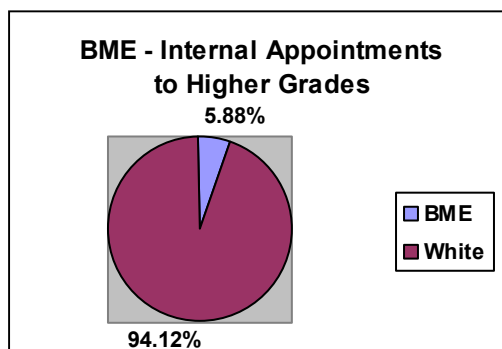
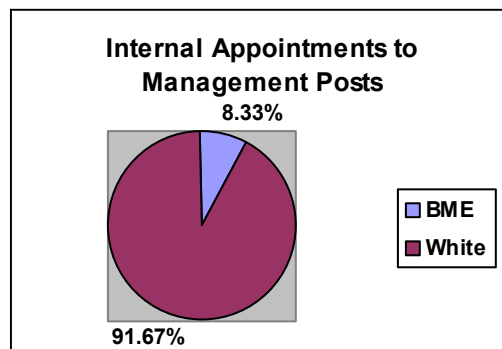
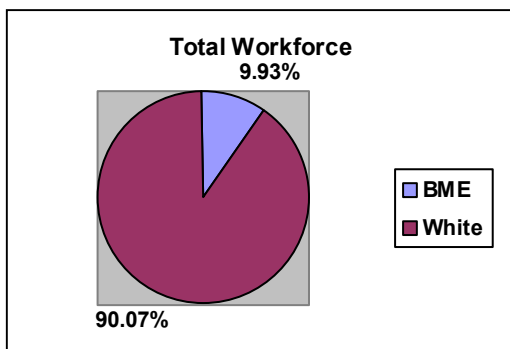
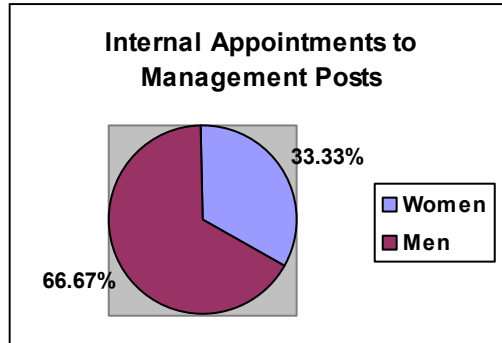
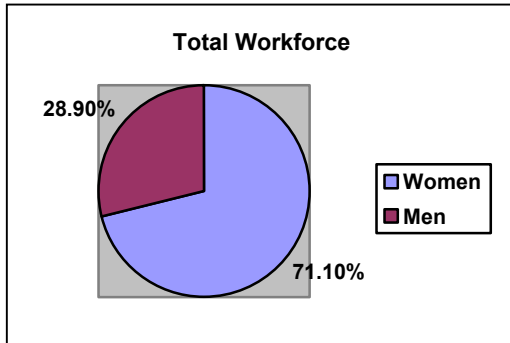


Performance Indicator	Result 2002 / 03
By the 31.03.06 the % of disabled staff in the management grades will be the same as the % of disabled staff in the total workforce	See diagram



Attachment 2.

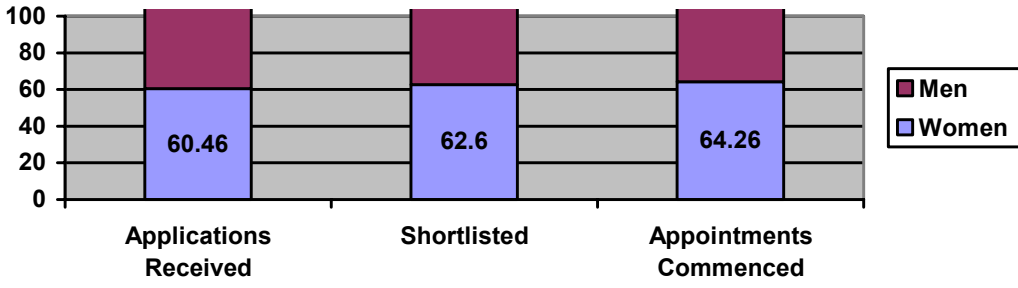
Performance Indicator	Result 2002 / 03
Internal appointments to higher graded jobs reflects the diversity of the workforce	See Diagrams No internal appointments, whether to a management post or a higher grade generally, were disabled staff.



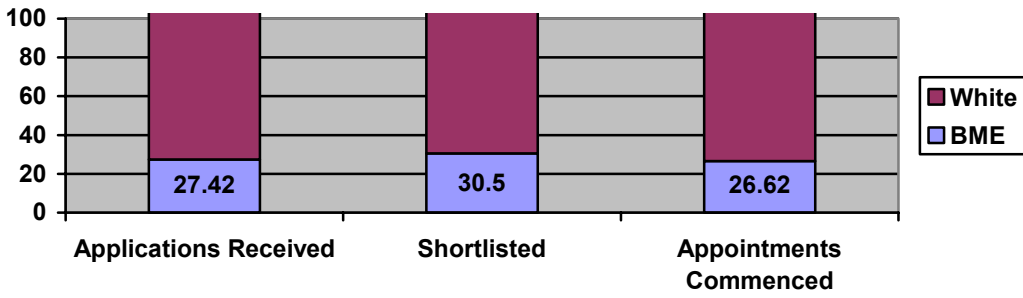
Performance Indicator	Result 2002 / 03
Applicants for internal appointments for higher graded jobs reflects the diversity of the workforce.	This has started to be monitored as from 01.04.03. 2003/04 data will be presented in next years annual report.

Performance Indicator	Result 2002 / 03
There is consistency in all stages of the Recruitment & Selection process in respect of applications made by women, men, people from black & minority ethnic communities and disabled people	See diagrams

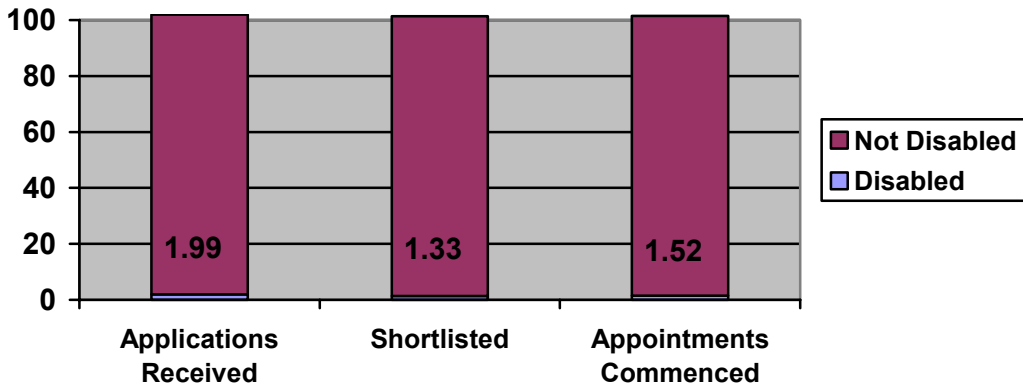
Men/Women in the Recruitment Process



BME in the Recruitment Process (%)

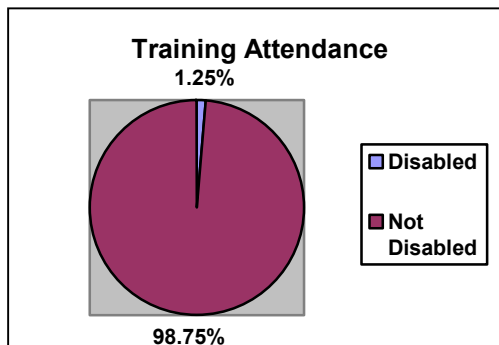
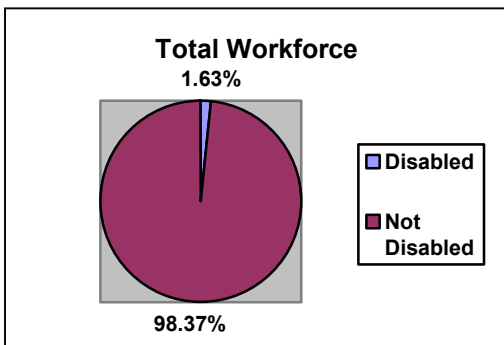
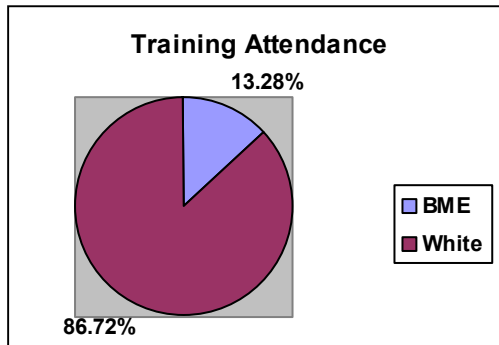
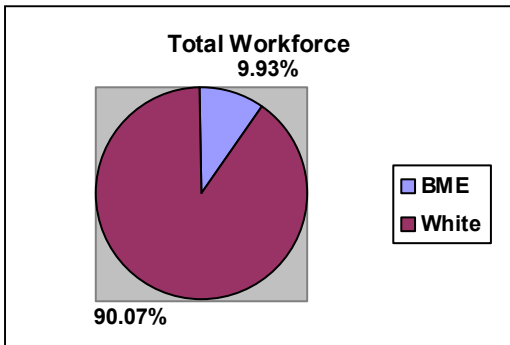
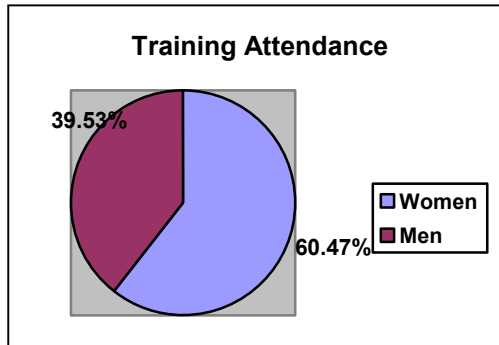
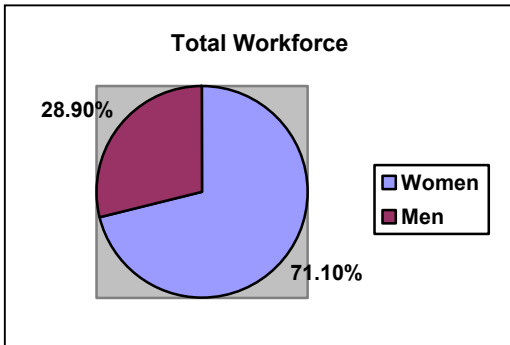


Disabled People in the Recruitment Process (%)



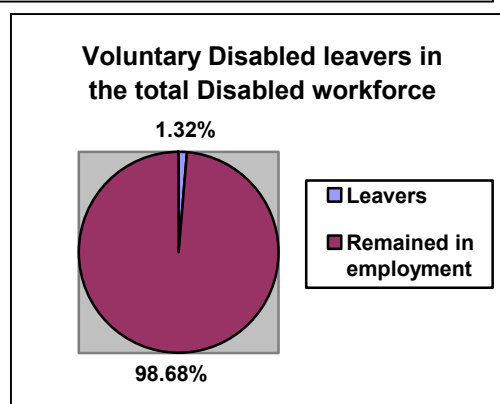
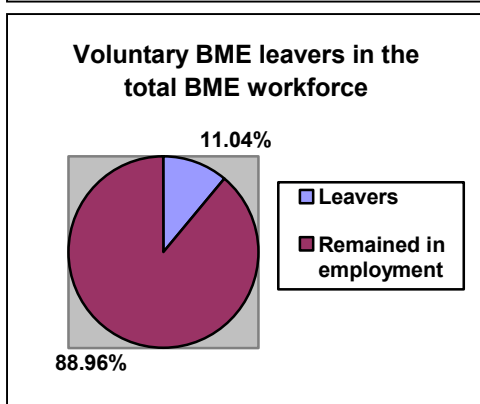
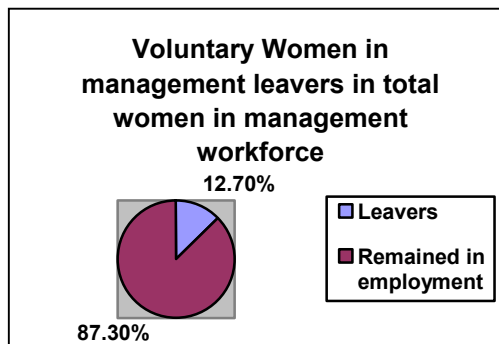
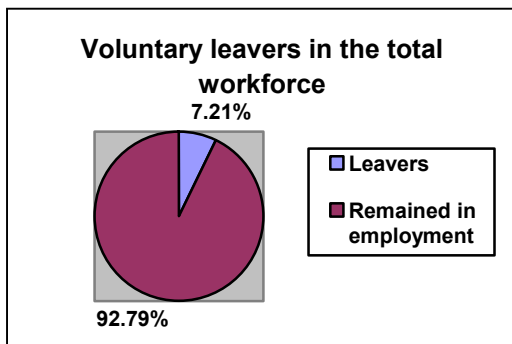
Attachment 3.

Performance Indicator	Result 2002 / 03
Internal appointments to higher graded jobs reflects the diversity of the workforces.	See paragraph 2.6
Attendance at training courses is reflective of the diversity of the workforce.	See Diagrams



Attachment 4.

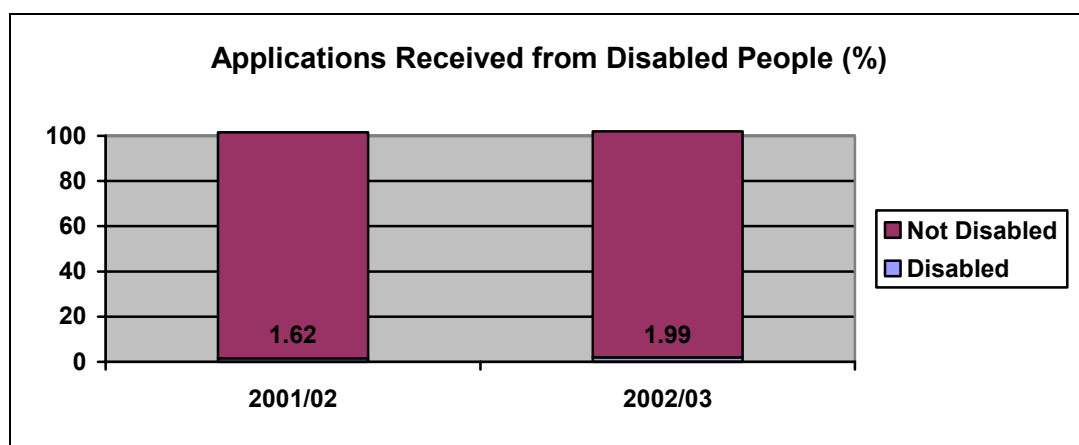
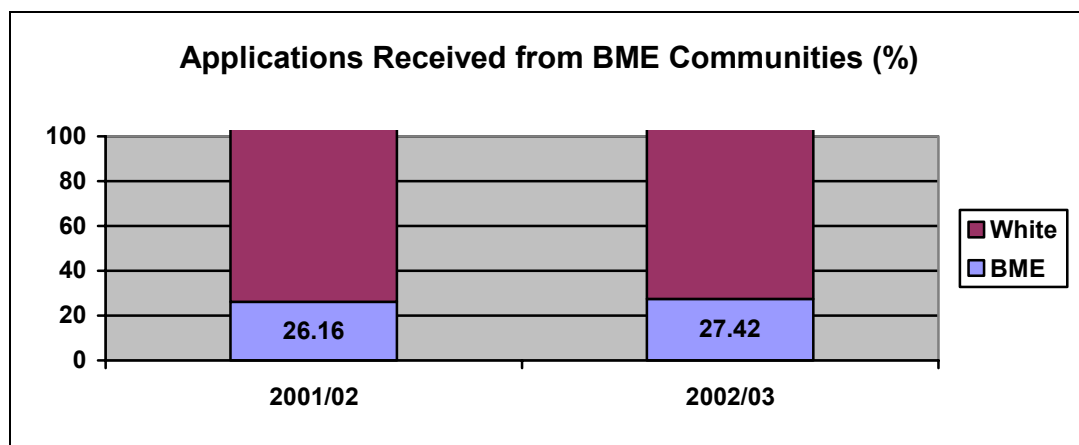
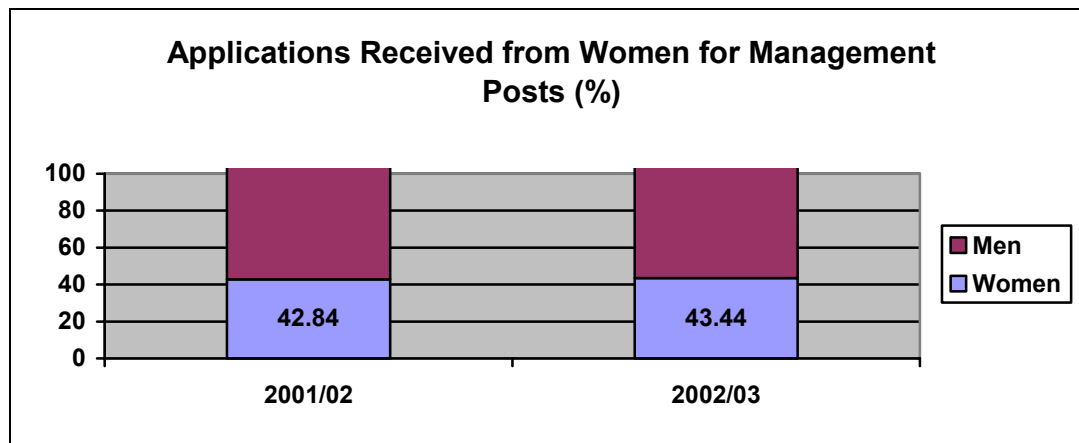
Performance Indicator	Result 2002 / 03
The % of voluntary leavers from under-represented groups is reflective of the total number of staff who voluntarily leave the Council.	See diagrams



Performance Indicator	Result 2002 / 03
Individuals do not leave the Council's employment because they feel we are not supportive of particular under-represented group.	2003/04 will be used to establish baseline data (through Exit Procedure effective from 01.04.03)
% of staff that feel motivated	2003/04 will be used to establish baseline data (through Staff Attitude Survey)
% of staff that feel committed to the organization	2003/04 will be used to establish baseline data (through Staff Attitude Survey)

Attachment 5.

Performance Indicator	Result 2002 / 03
No Equality related Employment Tribunals	There were no equality related Employment Tribunals.
Improved attraction of applications from people from under-represented groups	See diagram



Performance Indicator	Result 2002 / 03
Production of Annual Report, shared internally and with the community	If the Executive approves this annual report, work will be undertaken with Corporate Communications to ensure that the information in it is shared appropriately.

Disciplinary Data

- Chief Executives (period covered is before change to Corporate Strategy and Finance) -
3 disciplinary cases - 1 woman, 2 men - due to the small number of cases it is difficult to draw any meaningful conclusion. All were white british.
- Department of Education, Arts & Libraries -
3 disciplinary cases - 1 woman, 2 men - due to the small number of cases it is difficult to draw any meaningful conclusion. 1 was white british, 2 were black & minority ethnic community staff - due to the small number of cases it is difficult to draw any meaningful conclusion.
- Housing & Health -
12 disciplinary cases - 1 woman, 11 men - Housing & Health's workforce (prior to the transfer with Accord) consisted of more men than women, 65.09% men and 34.91% women. 7 of the 11 men disciplined were from the same service area, which was 100% male. One of the male disciplinary was because of sickness absence in accordance with the standard procedure so there was no discretion. It would therefore seem that the level of disciplinaries against men is justified. 10 were white british, 2 were black & minority ethnic community staff, this means 16.66% of the disciplinaries were against black & minority ethnic community staff which is not so vastly disproportionate.
- Leisure & Environmental Services -
20 disciplinary cases - 11 women, 9 men - Leisure & Environmental Services' workforce (at 31.03.03) was 49.71% women, 50.29% men, so their disciplinaries are proportionate. 16 were white british, 4 were black & minority ethnic community staff - the 4 black & minority ethnic staff all work in Buildings Cleanings where there is a higher level of diversity (23.27% of the Buildings Cleaning workforce are black & minority ethnic community staff). Also all 4 were disciplinaries because of sickness absence in accordance with the standard procedure so there was no discretion.
- Social Services -
11 disciplinary cases - 9 were women, 3 were men - Social Services' workforce (at 31.03.03) was 87.53% women, 12.47% men, so their disciplinaries are proportionate. 5 were white british, 6 were black & minority ethnic community staff - Social Services has a higher level of diversity in its workforce (17.63% of the workforce are black & minority ethnic staff), the black & minority ethnic staff that were disciplined worked in 5 different teams, the average diversity in those teams is higher than that of the total workforce - 17.70%. However the level of disciplinaries against black & minority ethnic staff is still disproportionate. Further investigation showed that 2 of the disciplinaries were taken because of fraudulent information, both of which were identified by Audit. Two of the disciplinaries were because individuals had been sleeping whilst on duty, and 1 was because of sickness absence in accordance with the standard procedure. In all cases there is no discretion over taking disciplinary action. It would therefore seem that whilst the level of disciplinaries against black & minority ethnic staff is high, it is justified.

Human Resource Work under the Council's statutory Race Equality Scheme (RES)

In addition, to our priorities last year, arising from the five year strategy, we also imputed in to the work arising from the human resources (Year One) priority in the Council's statutory Race Equality Scheme.

Our priority in the first year of the RES was to ensure that Council staff are equipped to meet the needs of all sections of the community. We aimed to show that we were 'putting our own house in order' so that all local people felt confidence in the Council. This involved examining how the Council recruits, promote, train and develop and manage staff. It also focused upon ensuring that our staff are able to meet the specific needs of black and minority ethnic people, along with all other sections of the local community.

Members have already received a separate report on this aspect of the RES work. However, to briefly summarise, achievements against the RES action plan, in 2002/03, include:

- √ Audited all existing HR policies, practices and procedures for their race equality impact
- √ Established a plan for carrying out Impact Assessments on HR policies, practices and procedures during years 2 and 3 of the RES
- √ Put in place plans to consult with BME groups in the community and the workforce on the results of the HR Impact Assessments
- √ Completed consultation with BME communities on the Council's current 5 Year Equalities and Diversity Strategy in Employment, analysed the views arising and fed in to the proposals
- √ Commissioned a research project to facilitate the creation of a representative workforce and feed its findings in to the Council's 5 Year Strategy
- √ Ensured that the above research project covers an evaluation of positive action initiatives
- √ Integrated race equality in to all person specifications, core competencies for managers, personal appraisal and performance management tools
- √ All staff trained on the Council's duty to promote racial equality through induction, staff team briefings, staff/management equalities and diversity training courses and specific targeted sessions on the RR(Act) 2000 And the Council's RES
- √ Mainstreamed race equality in to all corporate and departmental training programmes, and work with approved consultants to achieve this objective
- √ Utilised national and regional links to identify more training providers/consultants with specialist skills
- √ Consulted with BME staff on the training and development commissioning process
- √ Began the process of mainstreaming race equality in to the strategic procurement/contracting process

The priority in the current year is continue this work by ensuring that corporate and departmental HR policies, services and functions are systematically impact assessed to identify and tackle evidence of institutional discrimination. This process will also be extended to cover the wider range of equalities and diversity issues such as gender, disability, sexuality, age and faith.

THE EXECUTIVE**16 DECEMBER 2003****REPORT OF THE DIRECTOR OF SOCIAL SERVICES**

LIFT PROGRAMME	FOR DECISION	
<i>This report is of strategic significance to the Council in improving health and social care resources.</i>		
<u>Summary</u>		
<p>The Executive has received a number of reports on the LIFT programme. This is a substantial capital programme, which will radically transform the provision of Health and Social Care Resources in the borough. A total of 12 projects in two phases over the next 10 years are planned. The LiftCo company is formed and the decision the Executive needs to finalise is whether to confirm joining up at Level 3, given the legal advice offered, or remain at Level 2.</p>		
<u>Recommendation</u>		
<p>That the Executive appoints an elected Member to represent the Council on the newly formed Strategic Partnership Board of LiftCo.</p>		
<p>That the Executive note the legal advice and concludes that the Council should confirm joining at level 3 but not become a shareholder, with the expectation that more specific legal advice will be required for some developments.</p>		
<u>Reason</u>		
<p>To progress the partnership with LiftCo, to decide the level of joining up and Council representation.</p>		
Contact Officer: Julia Ross	Director Social Services	Tel: 020 8227 2332 Fax: 020 8227 2241 Minicom: 020 8227 2462 E-mail: julia.ross@lbbd.gov.uk

1. Background

- 1.1 The Executive received a report on 15.4.03 recommending that the Council should join at level 3. The report is attached as is the minute of that meeting as Appendix 1 and 2. The Executive also called for further legal advice before a final decision was made. This advice is attached and an analysis of that advice has been undertaken.

2. Analysis of legal advice

- 2.1 The letter dated 21/7/03, addressed to Assaf Chaudry, does not deal with the substantive issues, it outlines some points in relation to the Shareholders Agreement (SHA) and the Lease Plus Agreement (LPA).
- 2.2 The Local Authority is not at this time being asked to enter into either of these agreements, or to take shares in the local LIFT Company when it is set up. Therefore this report does not address the points made in this letter. If this position is reviewed then further legal advice should be sought.
- 2.3 The letter dated 24/7/03, addressed to Assaf Chaudry, it looks at issues relating to the Strategic Partnering Agreement (SPA), which the Council is being asked to consider signing.
- 2.4 The letter sets out a number of points, namely the risks of signing the SPA for the Council, and a possible conflict of interest regarding membership and participation in the Strategic Partnership Board (SPB). Each point is addressed in turn.
- 2.5 Level 3 Participation – Signing the SPA

The current position is as follows:

- The Council is already formally signed up to Level 2, and has already been named as a contracting authority in the OJEC notice that was issued to seek a partner for the Barking and Havering LIFT project. As such the Council has already signalled the possibility of using the Barking and Havering LIFT CO when set up, for Council developments at some time in the future. This is without in anyway providing a guarantee to do so (there is no exclusivity clause). The advice received indicates that the Council should choose this position now – in fact the Council already has made this choice, and the issue now is whether to progress beyond this position.
 - The Council has actively engaged to date in the development of the LIFT project, and has been a key part of the success of the project to date – officers in the areas of housing, leisure and environment, social services and finance, have already played a key part in the procurement of the Barking and Havering LIFTCo.
 - Council members have also been active supporters of the project, with support provided through individual members attending User Group meetings, the advice and guidance of the NHS scrutiny panel, and full Council receiving presentations and providing feedback to the project. This engagement at all levels embodies the principals of partnership working that we all adhere to.
- 2.6 The legal advice received implies that there is more than one SPA – and that it could be engaged in by separate departments of the Council. The reality is that there is only one SPA, and this is all encompassing. It embodies the intention to work in partnership across all disciplines and functions to best achieve the objectives of maximising delivery of services to the local population. Therefore the decision requested relates to the whole Council signing the agreement. The Council

can also choose how it is represented on the Strategic Partnering Board – a point which will be covered later.

- 2.7 Moving to Level 3 – the Council can give consideration to moving to Level 3 – what this means is that the Council is requested to sign the Strategic Partnering Agreement. This is a 20 year commitment to work in partnership with the local health economy, as represented by the local PCTs and mental health trust.
- 2.8 The document is a standard document, drawn up by Partnerships for Health (which is a government agency whose responsibility is to deliver LIFT nationally). The document has been fully reviewed by 4 General Practitioner's who are widely recognised as providers of advice to Local Authorities across the country.
- 2.9 The advice received does not outline any actual risks of signing the SPA – it merely advises confirming the need to sign the SPA against the objectives of the Council. The purpose of signing the SPA is to demonstrate full engagement in partnership working with the local health economy. The benefit of signing the SPA is the opportunity to influence and contribute to the decisions being made within the sphere of activity of the Barking and Havering LIFTCo (development of healthcare and other facilities). The downside is the need to commit a representative to attend the SPB meetings, and to allow that person the authority to vote on the Council's behalf at meetings of the SPB. These votes will be about the activities of LIFTCo, and will not be about disposition of Council assets, which would continue to be dealt with through existing Council procedures.
- 2.10 The benefits of joint working are well known to the Council, and the ethos of partnership working is one that is fully supported. Therefore signing the SPA is entirely consistent with the objectives of the Council and gives a greater opportunity to influence future health care developments in Barking and Dagenham.

3. Representation on the Strategic Partnership Board

- 3.1 The advice received expresses some concerns regarding a possible conflict of interest for the officer or member chosen to represent the Council at the SPB. Any officer or Member delegated to represent the Council at the SPB will need to have the delegated authority to vote on proposals put to the SPB. These will relate to future schemes that the local economy wish to see developed. The SPB will not be considering matters that are within the scope of the Council alone, e.g. disposition of Council assets. The power given to the Council representative is within the Council's gift to manage and agree, and any decisions that require specific Council approval (such as the sale of a piece of land, for instance), will of necessity revert through Council procedures.
- 3.2 The intention behind the suggestion of the Director of Housing as the Council representative was the need to connect as closely as possible the future housing developments in the Borough into the provision of health care. It is essential to the development of infrastructure within the Borough that we closely align new housing with new health facilities. As this seems to be one of the biggest challenges facing us together, it seems appropriate to make this connection through the SPB. There are already very well embedded connections between Social Services and Health. The intention was to widen and deepen that connectivity, so that we can together

maximise the benefits to our population. This role can equally well be carried out by an elected Member with appropriate senior officer support.

3.3 Whoever is chosen to represent the Council on the SPB is entirely the choice of the Council, but the person ideally will have a wide knowledge of the Council objectives and agendas, and will be sufficiently senior to be able to vote on the Council's behalf at the monthly SPB meetings. This position is not remunerated. In addition the Director of Social Services was previously on the Strategic Partnership Board in her role as Executive Director. There is therefore no participation on the SPB from the Council at present.

3.4 They may require more specific advice from time to time. Any lease plus or shareholders proposal would also need further detailed legal advice.

4. Chair of LIFTCo

4.1 Previously the Council lead was the former Director of Leisure and Environmental Services, Jack Knowles, this position is currently held by the Director of Housing and Health although he does not attend the Board pending consideration of this report. Mr Knowles is now under consideration as the independent chair of LIFTCo. This is a remunerated position, appointment to which is made independently of any participating body.

5. Conclusions

5.1 The Executive decided on 15 April 2003 to sign up at Level 3 and to become a shareholder pending further legal advice. This advice has now been taken. It is recommended that the Council confirms signing up at Level 3 but reverses the original decision to become a shareholder. This was not in fact feasible as being a shareholder is a possibility only at Level 4. It is over six months since the Executive made that decision.

5.2 It is also recommended that the Council represented on the Strategic Partnership Board by an elected Member.

Background Papers

(Appendix including the legal advice as appendix 3)

PRIVATE AND CONFIDENTIAL
(Not for Publication)

AGENDA ITEM 18 (i)

THE EXECUTIVE

15 APRIL, 2003

REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES
AND EXECUTIVE DIRECTOR OF HEALTH AND SOCIAL CARE

This report is exempt from publication as it contains information relating to the business affairs of a particular Company and the terms of a contract relating to the disposal of land.

**BARKING AND HAVERING NHS LOCAL IMPROVEMENT
FINANCE TRUST (LIFT)**

FOR DECISION

This report is submitted to the Executive for decision as relates to strategic matters relating to the delivery of Health Service Provision in the Borough, and the Authority's role in that process.

Summary:

This report sets out the current position of the Barking and Dagenham LIFT Project and seeks the Executive's ratification of the Project Board's decision to offer preferred bidder status to the Primaria Consortium.

Recommendation

The Executive is asked to:-

1. Note the current position of the Barking and Havering LIFT Project and the various land transfers,
2. Indicate whether it wishes to become a shareholder of LIFT Co. and to indicate by what means it wishes to make the investment, whether by cash or by equivalent land transfer, which would be the subject of a further report after a full financial appraisal of any risks to the Council
3. Indicate whether they wish to raise the participation in LIFT from level 2 to level 3
4. Ratify that the decision of the main Project Board which has nominated the Primaria Consortium as the preferred bidder.

Reason

This will allow the LIFT process to proceed and thus improve the health of the residents of the two boroughs by providing modern services in appropriate buildings in locations where they are required.

Contact D.J Knowles	Director of Leisure and Environmental Services	Tel: 020 8227 3200 Fax: 020 8227 3205 Minicom: 020 8227 3034 E-mail: jack.knowles@lbbd.gov.uk
J. Ross	Executive Director Of Health And Social Care	Tel. 020 8532 6334 Fax. 020 8532 6337 E-mail: julia.ross@bdpct.nhs.uk

1. Background

- 1.1. At the meeting on the 23 July, 2002, the Executive received a report on NHS Local Improvement Finance Trust (LIFT) which included the first annual Strategic Service Development Plan (SSDP) for Barking, Dagenham and Havering, which set out how the programme was to be delivered.
- 1.2. The NHS Local Improvement Trust (LIFT) is a government sponsored vehicle to aid the improvement and development of local primary and community care facilities. The local LIFT is a joint venture between the Department of Health, Barking and Dagenham PCT, Havering PCT, London Borough of Barking and Dagenham, London Borough of Havering and the Mental Health Trust and a private sector partner. The project is aimed at helping to improve the health of the residents of the two boroughs by providing modern services in appropriate buildings in locations where they are required.
- 1.3. In August 2002 an advertisement was placed in the Official Journal of the European Communities (OJEC) seeking a private sector partner to deliver the Barking, Dagenham and Havering projects.
- 1.4. The Council has agreed to engage as a contracting authority in the LIFT process. This means that the Borough has been named in the OJEC notice for the procurement, and has reserved the option to include any Council development project as part of LIFT.
- 1.5. There is, however, no obligation to do so, and this is identified as a level 2 engagement. The Council could upgrade its engagement to level 3, which implies that there is a strong presumption that some of the Borough's schemes will be given to LIFT Co. The benefit of which would be the possibility of getting a more competitive price from the company. However, there is no significant benefit other than this.
- 1.6. At its meeting on 29th October, 2002, the Executive agreed in principle to the disposal of various sites to the LIFT Co. at market rates; and that the Council would be willing to waive its pre-emption rights on two sites, namely the Julia Engwell and Thames View Clinics, in exchange for either an assessed financial settlement, or in shares in LIFT Co.

1.7. Shares of the company will be allocated in the following proportions:

Private Partner	60%
Department of Health (Partnership for Health)	20%
Public Bodies (local authorities, PCT's. Mental Health Trust)	20%

1.8 The Council has the opportunity to take a shareholding of up to 4% which would be an investment of approximately £400,000. Such an investment would be a real sign of partnership working with the local PCT and LIFT Co. and is an opportunity to benefit from the growth potential of LIFT Co.

1.9 The investment in LIFT Co. would mean the Council would be taking an equity share in the company and would carry the normal risks of equity ownership. It would also accrue the benefits of capital growth and dividend payment as and when these occur.

1.10 If the Council wish to invest in LIFT Co. a simple solution for the equity purchase in through pre-emptive rights/land transfer at the value of the shares.

1.11 The sale of the pre-emption rights can be considered as "opportunity income" as it does not figure in the current financial strategy and has only become available as a result of the LIFT proposals.

1.12 As a contracting authority, the Borough has a seat on the Strategic Partnering Board, which is the steering group for LIFT Co. The Borough will continue to have a seat on the Board irrespective to whether it is a shareholder or not.

1.13 In the opinion of The Head of Corporate Finance (acting Section 151 Officer), it is difficult for Members to make an objective decision on whether or not to own equity in the property development company without a detailed list of the benefits and risks accruing from this decision. For Example;

- What costs could the Authority be liable for if properties owned by the company are vacant?
- What is the gearing of this company - how much will the company borrow against our initial investment and what are the risks associated with this?
- If we wish to sell our shares at a later date how will they be valued?
- How will any future profits be allocated or will they be re-invested?
- How can we be assured that we will receive £400,000 of the company in value terms?
- What influence does a 4% holding give the authority over and above leasing property from the company?

2. **Preferred Partners:**

2.1. From the respondents to the OJEC notice, eight consortia were long-listed following receipt of pre-qualification questionnaires. The eight long-listed organisations were then reduced to a short list of three.

- 2.2. The three short listed bidders were issued with the Invitation to Negotiate and had three months to prepare their submissions. The bids included design proposals for four sample schemes as well as funding and legal solutions. The evaluation report to the Board is attached as **Appendix 'A'** to this report.
- 2.3. The preferred bidder recommended to the Board by the evaluation panel was the consortium Primaria.
- 2.4. The Director of Leisure and Environmental Services represented the Council on the evaluation panel.

3. **Status Report on Barking and Dagenham Schemes:**

- **Thames View Health Centre:**

The Authority has nearly completed the sale of the site adjacent to the new Sure Start to the PCT for use in this scheme. An outline planning application has been received and the chosen partner will now progress this through to detailed planning. The sale of the land has been at a price of £1,181,000, less contamination costs which have still to be finalised as agreed with the DV as representing best consideration. The scheme will comprise accommodation for GP and community services, and will be complementary to the Sure Start building next door. The development will be sympathetic to the local neighbourhood and a key part of the regeneration of the Bastable Avenue area. Negotiations are continuing with regard to the value of the pre-emption right on the existing clinic's site in the Council's favour.

- **Morland Road Day Hospital**

This scheme will replace the existing Over 65 Mental Health Day Hospital with a combined mental health and primary care centre incorporating GP and community services. The sale of the site has been agreed between the Borough and the PCT at a price of £650,000.

- **Annie Prendergast Health Centre**

This scheme will begin to be developed over the next month or two. Currently the intention is to sell the whole of the Annie Prendergast site to LIFT Co., and to then redevelop the site. It is possible that LIFT Co. may look for an alternative site, given the size of the development, and the complexities of the existing site. If this occurs then the site could be freed for redevelopment for residential use. In the meantime the sale of the site to LIFT Co. is being progressed. The scheme will house GP and community services, and reprovide the existing Family Centre facilities.

- **Ford Road Clinic**

An alternative site to reprovide this clinic has been identified as the car park on the corner of Church Elm Lane and Charlotte Road. The sale of this site to LIFT Co. for a sum of approximately £632,000, subject to deduction for contamination, is being progressed. The scheme will result in the subsequent reprovision and closure of the existing Ford Road Clinic building. The scheme will house GP and community services.

- **Julia Engwell Clinic**

Currently there are two possible solutions to the reprovision of this site:

either use of part of the plot known as the Gale Street Allotments (rear of Hedgemans Road houses), or become part of the proposed Jo Richardson School Development on Castle Green. The latter course is currently being pursued.

Negotiations are continuing with regard to the value of pre-emption rights in the Council's favour.

- **Marks Gate Health Centre**

The proposal here is to redevelop the existing Health Centre, to extend it to include further GP and community service accommodation.

- **Porters Avenue Clinic**

The published proposal is to redevelop the existing redundant clinic to the left of the site. There is a possibility to consider a whole site development to include the reprovision of the mental health day facility and the luncheon and leisure club. This is currently being given consideration by service and user representation. The health element of the scheme will include GP and community health services accommodation, including a walk-in centre, with outpatient physiotherapy services.

4. **Consultation**

Dick Trott, Interim Head of Property Services Assets & Management and Terry Huff, Head of Corporate Finance, have been consulted on this report and their comments have been included.

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Extract from the Minutes of The Executive

Tuesday, 15 April 2003

409. * Barking and Havering NHS Local Improvement Finance Trust (LIFT)

Further to Minute 72 (30 July 2003) received a report setting out the current position of the Barking and Dagenham LIFT Project, various land transfers and arrangements to select a private sector partner to deliver the Barking and Dagenham and the Havering projects.

Agreed, in order to enable the LIFT process to proceed and result in improvements to the health of the residents of the two boroughs through the provision of modern services in appropriate buildings in locations where they are required, that:

1. Participation in the LIFT Co. be raised from level 2 to level 3;
2. Barking and Dagenham become a shareholder in the LIFT Co. funded through the investment of equivalent land transfer values subject to a full financial appraisal of any risks to the Council; and
3. The decision of the main Project Board, which has selected its preferred bidder, be endorsed.

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APPENDIX 3

Your reference:
Our reference: BJLW/2007856-0127-0
Document number: bjlw192bjlw.doc

Direct line: +44(0)121 456 8226
Direct fax: +44(0)121 456 8481
johann.wylyly@mills-reeve.com

MILLS
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REEVE

Mr A Chaudry
London Borough of Barking & Dagenham
DX 8511
BARKING

24 July 2003

Also sent by DX

Dear Assaf

**Advice relating to NHS LIFT
Strategic Partnering Agreement**

Thank you for letting us have further instructions with regard to this matter, and for forwarding the Strategic Partnering Agreement (SPA) to me as discussed. You have requested advice on two separate but related points as follows:

1. The Council requires specific advice on the basis of an analysis of the risks inherent in entering the SPA at Level 3, as opposed to Level 2. In fact, the Council is contemplating entry at Level 3 at this point. As a matter of fact, the client Social Services Department is not proposing to hold shares in the LIFT Company at this stage (there is no obligation for it to do so anyway, but it is recognised that this may be an option in the future); nor will they be entering into any LeasePlus Agreement.
2. Further, the client Department has concerns regarding any conflict of interest which may arise from a Chief Officer sitting on the Strategic Partnering Board (SPB) and advice is requested on this aspect of the proposal.

I have discussed this with Sheila Waddington who is a Partner specialising in the Health Sector with extensive experience of advising on LIFT arrangements, and she has also contributed to the advice given below.

Before dealing with your specific points, it is important for the Council to understand the basis of the SPA in the LIFT scheme of things. The SPA establishes the SPB which is the 'body' through which the parties to the LIFT Agreement secure the delivery of the LIFT CO services and establish a mechanism for partnering with LIFTCO at a strategic level.

It is a non-statutory Board which has no functions delegated to it by any of its members but which is designed to guarantee LIFTCO exclusivity in the delivery of primary care facilities throughout the term of the LIFT Contract. It also provides a high degree of control in respect of the running of the entire Project. The exclusivity granted to LIFTCO includes that in

respect of all the construction work in respect of primary care facilities in the area of benefit of the PCTs for the life of the Agreement. The SPB could not control the Council's own procurement of facilities or services, but if it sits as a member of the SPB, the Council would have a say in how, and to what extent, social care premises are provided in the local area through the vehicle of the LIFT arrangements.

1. Entry in SPB at Level 3

In order to advise the Council as to the risks of entry of the SPB at Level 3 we would need to know more about the Council's strategic plans for its own development of social care premises and how it could benefit in the long term from the arrangements proposed in the SPA via the SPB.

Is the Council ready at this stage to enter at Level 3? Level 3 means that the Council would be a contracting authority for the purposes of future social care development in the area of benefit. It signs up to the SPA *but does not grant* the exclusivity provided for in the SPA. The requirements of entering at Level 3 do mean a high level of commitment from the Council, involving representation on the SPB and the contractual obligations within the SPA. But what benefits are obtained?

It is essential that the Council first considers whether it is ready to give this level of commitment. It will require a clear understanding on the part of the client Department of their aims and objectives of joining the Project – what do they want from it? Once this has been established, each obligation contained in the SPA would need to be considered and perhaps negotiated with the other parties, depending on the obligations the Council wishes to adopt. This would entail a meeting with the relevant client Department(s) to discuss the Project in detail. It would be counter-productive at this stage to examine each element of the SPA in any detail, without fuller instructions as to what the Council actually wants to achieve, when the Council seems uncertain of what it wishes to gain from this Project.

From the information given, I can only ascertain that the Social Services Department has been involved in parts of the negotiations, and, for entrance at Level 3 to be viable, there would need to be a greater involvement from other Departments within the Council, including potentially property, estates, and economic development. In our view, there does not appear to be sufficient time to carry out these collateral arrangements with other Council Departments to promote entry by the Council as corporate body into the Project at Level 3 and to commit to the obligations of the SPA. The portfolio holder of the Cabinet for Well-being arrangements would have to be involved in taking this further.

2. Chief Officer representation on the SPB

There may well be a number of difficulties with a Chief Officer (such as Dave Woods who, it is understood, is a Housing Chief Officer and it is not clear why he would be involved) having membership of, and representation on, the SPB. There are associated benefits of discounted procurement which may cause a conflict of interest, depending on the capacity which the Officer may have within the Council vis-à-vis procurement. To advise in further detail, it is necessary to understand the basis of his capacity, whether it be an advisory role, or a deeper responsibility, or whether he has delegated authority to deal comprehensively with procurement on behalf of the Council in areas such as development policy or promotion of social care and well being projects. The Council may have a policy on procurement, and this could help to identify any potential conflicts.

To understand the issues which could arise the Council would need to compare the terms of reference of the SPB with the existing Cabinet structure and scheme of officer delegation within the Council to ensure that there was no *cross cutting* of existing Council

arrangements. These issues frequently arise in non-statutory Board arrangements and issues of accountability would have to be fully investigated, including any Standing Order interface issues.

In our view, the Council should consider if there are any greater advantages of entering at Level 3 rather than at Level 2, at this point. As far as we can see, Level 2 is likely to offer the best solution for the Council at this stage. Entering at Level 2 would allow the Council to be involved to a sufficient degree in the control of the procurement process in the local area, and it would not mean that they would have to be involved as a member of the SPB. It would have the freedom to sign up to the SPA in the future, if it deems it appropriate to do so, once it has decided on its aims and objectives, allowed sufficient time to involve all the relevant Departments, considered the obligations of the SPA in detail, and assessed the degree of conflict which may arise from membership of the Board.

In conclusion, if the Council decides that the benefits of entering at Level 3 will satisfy its aims and objectives, and that it can devote sufficient resources to the preparation of entrance at this Level, then we suggest that a meeting is convened so that the necessary detailed instructions can be given. Otherwise, we advise that entrance at Level 2 would be a far safer option at the present time, as it enables more time for the Council to give consideration to the whole Project as a corporate body. It does not rule out a greater commitment in the future, and ultimately will not mean that the Council loses any great degree of control within the Project at the end of the day.

Please do not hesitate to contact me in the first instance, or Sheila Waddington, if you would like to discuss anything further.

Yours sincerely

Johann Wyllly

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Direct line: +44(0)121 456 8226
Direct fax: +44(0)121 456 8481
johann.wyly@mills-reeve.com

MILLS
— & —
REEVE

Mr A Chaudry
Property Lawyer
Property & Contract Law
London Borough of Barking & Dagenham
DX 8511
BARKING

21 July 2003

Dear Assaf

Advice relating to NHS LIFT

Wesley Hall and I are pleased to let you have our broad advice in connection with what appear to be the risks which may arise from the Council entering into the various LIFT Agreements at level 3, at the present time. At this early stage, and in the time allowed, it is only possible to let you have a general overview of the risks associated with entering into an arrangement of this nature. Once matters become clearer, and the Council is certain of a) its shareholding and b) what its final commitment to the Project will be, we can then provide you with more detailed advice in terms of the Shareholders' Agreement and due diligence regarding the Company formation. What is important to note at this stage, is that the obligations of the LeasePlus Agreement are very different to those contained in any ordinary Lease, and we have included a very broad indication of the main features. We recommend that once the detail of the Project becomes clearer (if the Council decides to formally commit to the Project), then a specialist Property lawyer should look at the obligations contained in the LeasePlus Agreement in greater detail, so that the Council's various interests are accorded such protection as is deemed appropriate.

Primarily, we have considered the obligations imposed by Level 3. The Council will enter into various Agreements, in which it is named as a Contracting Authority. It 'signs up' to the Strategic Partnering Agreement (SPA) as a core statutory body or "Participant". The SPA is a separate document to the Shareholders' Agreement, but is also integral to the documentation as it will impact upon the other Agreements (we have not yet had sight of the SPA). The Shareholders' Agreement requires the Council to become a Shareholder in the LIFT Company (LIFTCO). The Council will also enter into the LeasePlus Agreement as a Participant of the LIFT Company who is the Landlord, but at the same time, receive the Services and Accommodation provided, as a Tenant. The Council will therefore have an interest in the Lease as both Landlord and Tenant which may, to some extent, balance the obligations and benefits of the Lease. We have looked at each aspect of the Project and their implications under separate headings below.

1 Local Government Implications

As you know, Local Authorities are able to form or participate in Companies, including joint venture companies, pursuant to the Local Government Act 2000, provided that they are satisfied that the formation of, or participation in, a particular company is likely to achieve the promotion or improvement of the economic, social or environmental well being of the area. The Council is likely to be able to satisfy this requirement as the purpose of participating in the LIFT Company is to enable joined-up service delivery for the benefit of end users and cost efficiency, and it is hoped that this outcome will be the improvement of the Primary Care premises in the area.

The LIFT Company is a Company limited by share capital. It is necessary to consider whether the company will be a Controlled, Influenced, Regulated or Minority Interest company under the terms of the Local Government and Housing Act 1989, and the Local Authorities (Companies) Order 1995. If a Local Authority holds more than half the shares or the voting rights in a company, then it is classified as Controlled by the Authority. All Controlled companies are also defined as Regulated companies which means that they are subject to the terms of the Companies Order. We do not think, on the face of it, that the Council will hold a controlling share of the company and therefore will not be a Controlled company.

If a Local Authority's interest is less than 20%, the company is automatically classified as Minority Interest and therefore in the Private Sector. It is accordingly not defined as Regulated and not subject to the Companies Order. Companies where the Local Authority interest is between 20% and 50% are defined as Influenced, if certain other tests are met. Those tests are that either:

1. there is a business relationship between the Authority and the company accounting for over 50% of the company's turnover; or
2. the company is located on land obtained from the Authority at less than best price.

We are not able to ascertain at the present time, from the information provided, whether the Council's interest is less than 20% or more than 20%. Perhaps you will be able to confirm this at a later date, when you are clear what the total interest will be.

Influenced companies are then subdivided into two categories :

- Where the Local Authority has no effective control, the company is Private Sector Influenced and not Regulated (ie not subject to the Companies Order).
- Where there is effective control, the company is Public Sector Influenced and Regulated (ie subject to the Companies Order).

As mentioned, it is not possible to ascertain at this stage, the extent of effective control (if any) which the Council will have within the Company. Generally, effective control can potentially be exercised in various ways, such as holding rights to appoint or dismiss the majority of Directors, controlling pricing, investment or borrowing, or managing the company's business or operations, and so on. If the Council has some control, the Company may be Public Sector Influenced (ie Regulated) and subject to the Companies Order.

If this is the case, the LIFT Company would be a Company subject to Local Authority Influence, as described in Section 69 of the Local Government and Housing Act 1989. It would need to comply with the rules thereunder, and the Local Authorities (Companies) Order 1995, the provisions of which will also apply. The main rules arising out of the above

legislation (for Regulated Companies) relate to clear identification of the Company; payment to Directors; disqualification; publication of political material; and provision of information (including information to the Council's Auditors).

For Minority Interest and Unregulated Influence Companies, there are rules regarding disqualification of Councillors; access to information; and confidentiality.

Further advice on the above could be provided at a later stage, once we have details of the Council's total shareholding.

2 Company Law Implications

As the company is a "body corporate" ie a legal person distinct from its Shareholders and Directors, it is liable for its own debt, and may sue and be sued. The liability of the Shareholders of the company is limited, however, to the value of the shares and the Shareholders' Agreement provides for payment for the shares to be made immediately upon execution of the Agreement. This means that there will be no liability for the company's debts in the event of liquidation, as the shares will be fully paid up.

We have not yet had sight of the LIFT Company's Memorandum of Association, which should contain details of the Company's authorised share capital and how it is divided into shares of a specified nominal value. This would give details of the Council's total shareholding. Perhaps you may wish to let us have this in due course.

There are circumstances in which a Director may become personally liable for the actions of the Company. Section 213 of the Insolvency Act 1986 provides that any person who is knowingly a party to fraudulent trading by a company whose business is being carried on with intent to defraud creditors or other persons, may be liable to pay the debts of the Company. This liability arises only if the Company is being wound up (although criminal liabilities may be imposed even if the Company is not being wound up). Personal liability may also arise on the part of the Directors in cases of wrongful trading, if the Company is being wound up.

The Shareholders' Agreement is structured to allow the LIFT Company's management to manage the business with all the necessary commercial freedoms, whilst providing some protection to all of the Shareholders about the activities of the company. The Shareholder Consent matters at Clause 10 and the Share Transfer provisions at Clause 15 reflect these safeguards, as Shareholders Consent matters include the market testing of a supply chain (including an Associate of the Private Sector Partners), and the Share Transfer provisions lock the initial Shareholders in for a defined period, give "pre-emption rights" to Partnerships for Health and local stakeholders over each others' Shareholdings, and ensure the suitability of any successor Private Sector Partners. The Shareholders' Agreement may not be time limited, and it can survive the expiry of the Strategic Partnering Agreement, for example where Leases are still operational. GPs may also become Shareholders where this is appropriate to local circumstances.

The main risks which may arise out of the Shareholders' Agreement are as follows:

- The Council will hold B shares according to Schedule 2 of the Shareholders Agreement and therefore, the shareholders holding a majority of the B shares are entitled to nominate and appoint one Director. Shareholders are not entitled to purchase any further shares in the Company. If the Board decides that the Company requires further funding, the Board must consult with the other Shareholders about how such additional funding should be obtained. This effectively gives the parties a right to veto over the

issue of shares or further Loan Stock (or however the Board decides to acquire further funding), but it would, of course, be subject to the relative power of the Shareholders within the Company and the voting rights of the Directors.

- It should be remembered that a Shareholders' Agreement is a contract. Each party provides consideration by agreeing to abide by the terms of the Agreement. It follows from this that if the Agreement is broken, the other parties can claim damages. The Agreement can also be enforced by an injunction which requires a Shareholder who is a party to it not to vote in a way contrary to the terms of the Agreement. It may also be enforced by a positive injunction requiring a Shareholder who is a party to it to vote in accordance with its provisions.
- Liability may also arise if the Director appointed by the Council is removed from office.

3 Strategic Partnering Agreements

A Strategic Partnering Agreement (SPA) will also be created (besides the Shareholders' Agreement) which will involve the Strategic Partnering Board. The SPB is a forum which will agree the local health and social care communities needs for local services and facilities to be provided by the LIFT Company (LIFTCO). The SPA is for 20 years and the Council will be a Participant in this Agreement. The SPA should establish the LIFTCO as the partner for the provision of new services and facilities. The LIFTCO should provide the Partnering Services in a way which provides Value For Money for the Strategic Partnering Board. However, this will not mean that the Council will have to grant the exclusivity provided for in the SPA. The grant of exclusivity is only intended to apply to Primary Care and integrated Primary and Social Care facilities within the locality, and explicitly does not apply to the requirements of owner/occupier GPs, acute NHS services, or to other Local Authority services (although Local Authorities can request the LIFT Company to provide such services under Level 4).

4 LeasePlus Agreement

We are not clear at this stage how the Council will occupy the Premises to be provided for local social and health care, but we have assumed that the Council will in some way occupy the Premises at some stage, perhaps through the provision of social care via its Social Services Department. As the Lift Company is expected to enter into a LeasePlus Agreement as Owner with the occupants of the accommodation, the Council is therefore likely to be both part of the Company, and also the Landlord and the Tenant of the accommodation.

However, there are risks for both the Tenants and the Landlord (the LIFT Company), arising out of the LeasePlus Agreement. The general implications highlighted below does not purport to be an exhaustive list of risks for the Council as both Tenant, Landlord and Shareholder within the LIFT Company. We suggest that you seek further specialist advice on the detailed aspects of the LeasePlus Agreement later.

The LIFT Company as landlord takes on the responsibility for the repair, maintenance and insurance of the Premises throughout the term. The most significant aspects of the LeasePlus Agreement in terms of risk, are that if the accommodation is not available for use, the Tenant (eg individual GPs, dentists, pharmacists or PCT, Local Authority or voluntary sector occupants), is, in principle, not required to pay for it (subject to the detailed provisions of the LeasePlus Agreement). If the required standards are not met, but the failure does not prevent the facility being useable, then the Tenant will have a right to remedy the failure at LIFTCO's expense (once defined response and rectification times have passed). These are the main features of the LeasePlus Agreement.

THE EXECUTIVE

16 DECEMBER 2003

REPORT OF THE DIRECTOR OF SOCIAL SERVICES

BARKING HOSPITAL SITE	FOR DECISION	
<p><i>This report is submitted to the Executive to decide the Council's interests in relation to the Barking Hospital site.</i></p> <p><u>Summary</u></p> <p>This report was scheduled to go to the Joint Health and Social Care Management Board on 9 September 2003, the Board meeting was subsequently cancelled (Appendix 1). A decision now needs to be taken on how to progress this matter in the light of recent changes in the senior management of the Primary Care Trust (PCT) and developments in the PCT's Project Group.</p> <p><u>Recommendation</u></p> <p>The Executive is asked to note the clarification needed on the strategic future of this key site and consider how to develop any further possibilities once a response is received from the PCT.</p> <p><u>Reason</u></p> <p>Need to set out here the reasoning behind the recommendation.</p>		
<p>Contact Officer: Julia Ross</p>	<p>Director of Social Services</p>	<p>Tel: 020 8227 2332 Fax: 020 8227 2241 Minicom: 020 8227 2685 E-mail julia.ross@lbbd.gov.uk</p>

1. **Background**

- 1.1 The attached report was drafted following a decision by the Chair of the PCT that the PCT did not wish to lead on the whole site configuration but only on the future of certain health facilities. The report recommended that the Terms of Reference are amended and that the Council sets up a separate strategic group to consider the future potential of the site.
- 1.2 Since then, the PCT Project Group has given further consideration to the way forward and certain changes have been put into place with the Chair of the PCT withdrawing from the Project Group. The Group will now be lead by a clinician from the Professional Executive Committee. In addition, it has become necessary with the change of senior management arrangements across the PCT and Social Services and the emergence of the LIFT programme, that to clarify the NHS and PCT's intentions in relation to the future of the site. This should take place before the Council engages in any formal way with future developments.

- 1.3 This is a key site of huge strategic importance to the borough, especially given the projected population growth and lack of facilities to support this growth. The site is currently a muddle with wasted space, Barking Hospital itself as a long stay rehabilitation hospital with circa 100 beds, 60% of these beds are for Redbridge residents; there is also a Minor Injuries Unit, Community Mental Health Team on the land owned by NELMHT and various dilapidated out-buildings including the Genito Urinary clinic.
- 1.4 The site is currently owned by BHRT and NELMHT. The future ownership of the site, it's possible transfer to the PCT and the financial ramifications both capital and revenue need to be clarified before the Council can enter into more detailed discussion. It is hoped that this will be resolved by a formal communication between the Council and PCT on this matter (Appendix 2).
- 1.5 Meanwhile, Social Services and PCT officers will be mapping out the integrated health and social care service requirements for this site which could be provided there, or alternatively closer to the new population expansion.

Background Papers

- Previous report 21 August 2003 attached.

Title: Terms of Reference and Progress on the Project Group for Barking Hospital and Site

Purpose of Report:

To agree new Terms of Reference for work on the strategic future of Barking Hospital site to work alongside the project group on health reconfiguration which is Chaired by Ray Parkin.

Summary:

This report summarises the work done by the PCT to date on the future of the site as it impacts on the local health services, the Acute Trust and NELMHT and proposes a more strategic approach towards the development of the whole site.

1. Introduction

- 1.1 The Primary Care Trust embarked upon a project to ascertain the future of the Barking Hospital, and its associated site late last year. This work is being undertaken in partnership with the site's owner, the Barking, Havering & Redbridge Hospitals NHS Trust, as well as other partners.

2. Background

- 2.1 Barking, Havering & Redbridge Hospitals are currently in the process of developing a new hospital in Romford under the PFI initiative. This will allow it to reduce its four sites to two; the disposal of the Barking Hospital site will form part of this strategic approach. The Barking & Dagenham Primary Care Trust has been identified as a possible inheritor of this asset. The acute trust is also examining the need for additional beds at the King George Hospital under a separate business case.

At the same time, the Havering PCT, which owns St George's Hospital is developing a related business case to transfer services from that site to the Harold Wood Hospital (again part of the Barking, Havering & Redbridge Hospitals). Barking & Dagenham PCT commissions services at the St George's Hospital.

Barking & Dagenham PCT and Havering PCT are a second wave LIFT area, a significant project to invest in modern buildings to deliver modern primary care. It is anticipated that if the Barking & Dagenham PCT takes on the hospital, it could be transferred to LIFTCo, who would then move on to develop more detailed plans for the future of the site and the services there. However, the development of services for older people does.

Barking Hospital Site and Land

The site currently provides a range of services, including (less acute) older people's care, mental health community services, and the Upney Lane Centre, which hosts a minor injuries unit and outpatient and diagnostic services (including an outreach service from Moorfields Eye Hospital). The site is owned and managed by Barking, Havering & Redbridge Hospitals NHS Trust, with agreements with Moorfields and the NE London Mental Health NHS Trusts.

Much of the land was sold for residential development some years ago. The Hospital is very much seen as a part of the Barking community and a strong desire to see it developed as part of the PCT has been expressed. The business case for the new hospital indicates that the Trust does not see its retention as part of its estate, and the PCT would be the inheritor of the facilities, but not necessarily the site.

There is considerable scope to the future development of this site which is located adjacent to the Upney Lane District Line.

3. Health Services on the Site

3.1 Barking Hospital Services for Older People

The development of an appropriate model of care for older people across the Borough is well advanced. With the development of an intermediate care strategy and a more community-focused approach, our requirements for the facilities on site as part of a continuum of care have been reviewed. This will inform our contribution to Havering PCT's Business Case for St George's/Harold Wood.

- 3.2 The Project Group, Chaired by Ray Parkin has indicated that the PCT would also wish to review the current utilisation of the Upney Lane Centre with a possibility being the development of a walk-in centre. There is also a need to make progress on the development of as many outpatient services within community settings, as part of the Barking, Havering & Redbridge clinical services strategy and we would need to exploit current facilities for both consultants and primary care specialists. The availability of diagnostics on site also needs to be factored into this workstream; they clearly need to support outpatient activity as well as mainstream primary care.

4. Project Group work to date

- 4.1 The Project Group is chaired by the Chair of the PCT Ray Parkin. The Terms of Reference are attached at Appendix A. It was set up in December 2002 in response to the urgency of the commissioning agenda, the need to develop a Business Case and the urgent need to develop more responsive, accessible and available primary and community based services. This would fit with the NHS Business Cases for Barking, Havering & Redbridge Trust (BHRT) and the new

Romford Hospital. The development of the new Romford Hospital is dependent on capital receipts from this site so it is critical.

4.2 The first meeting of the Project Group took place on 24.1.03 but no further work was progressed and the next meeting on 10.3.03 was cancelled. This was because a shortfall in the PCT funding meant that a Project Manager could not be engaged. Further meetings will be scheduled now that the Project Management has been selected.

4.3 Meanwhile, the Primary Care Team of the PCT put in an application for Thames Gateway capital to the Strategic Health Authority for development of a Walk in Centre at Barking Town Centre as an alternative to building on the current popular but limited Minor Injuries Unit at Barking Hospital. This bid has been rejected.

The PCT awaits further advice from the Primary Care Transformation Unit on how the Minor Injuries Unit development as a Walk in centre might be achieved.

The revenue consequences are in the region of £300k. It is not possible to prioritise this expenditure in the PCT's current financial climate but it remains a priority.

4.4 Project Management Requirements

The Primary Care Trust has now engaged project management support to take forward this project. The following section describes the work required from a project manager:

- Collating and developing the strategic context for the business case from existing strategies
- Engaging stakeholders in the process, in particular Barking, Havering & Redbridge Hospitals and the community
- Developing options for the future delivery of services, which may include Barking Hospital
- Examining the scope for the PCT to take on the management of elements of the current hospital service, notably intermediate care
- Ensuring synergy with the local LIFT, Diagnostic and Treatment Centre and walk-in centre/primary care centre developments
- Appraising the PCT of the risks associated with the potential transfer of the site asset to the PCT
- Delivering the Business Case to the PCT and its partners

4.5 Placement of a GP at Upney Lane.

More recently, a proposal to place a GP at the Minor Injuries Unit was raised. This was discussed with the new Interim Director of Primary Care, seconded from the Strategic Health Authority. The advice was that this should probably be taken forward within the context of the Walk in Centre and that it would be

unwise to take precipitate action as cover arrangements, clinical protocols and Service Level Agreements would need to be put in place. The Primary Care Transformation Unit has been asked to assess and advise further on this development.

5. Barking Hospital Site and new Terms of Reference

5.1 The main issues here relate to the future ownership of the site and the associated resources (including staffing). Subsequent to this, there needs to be strategic consideration of the requirements of any unoccupied land on the site and the potential for its disposal to fund future developments. The role of LIFTCo needs to be agreed here.

5.2 Primary Care

As part of the above, there is a further linked piece of work to develop primary care. This will need to take on board enhancing and maintaining the range and quality of general medical services, as well as developing alternatives to secondary care within primary care settings. This will be the service development angle on the LIFT project, which is concerned with delivering modern facilities for modernised services.

5.3 Terms of Reference for the Future of the Whole Site

5.3.1 It is proposed that the current Project Group is supplemented and complemented by a borough led partnership. Project Group which takes forward the strategic ownership and development future of the whole site. The Chair of the PCT has indicated that this should be a separate piece of work.

5.3.2 To make recommendations to the Joint Board, Local Strategic Partnership and Strategic Health Authority on the future ownership and development of this site. Membership of the Strategic Project Group will include all stakeholders and the Chair will be selected.

5.3.3 Within this context, the Project Group on the service and revenue models of health development, needs to report urgently.

Terms of Reference

The following bullet points describe the overall terms of reference of the project. Each of the three workstreams will need some more specific terms of reference, suited to the aims of each piece of work.

- To meet a model of enhanced primary care for Barking & Dagenham
- To ensure that the business case supports capacity planning outputs
- To quantify the impact of such developments on current secondary care providers, in particular BHRT
- To ensure that LIFT developments are integral to this project
- To map the current financial flows and to identify future funding requirements in primary care, with mechanisms to re-engineer flows
- To identify the competences required amongst health care professionals to deliver services in a community setting via health planning from LIFTCo
- To oversee the implementation plan

Barking Hospital services

- Agree model of care for older people
- Agree requirements for facilities, in context of St George's/Harold Wood and LIFT
- Negotiate transfer of services and resources from BHRT to PCT
- Ensure support of Redbridge PCT for developments

Barking Hospital site

- Develop accurate description of site (including condition surveys and valuation)
- Negotiate transfer of asset from BHRT to PCT
- Devise development control plan for site
- Identify scope for utilising land for community-related developments
- Identify opportunities for release of surplus land

Primary Care

- support programmes to ensure practices deliver high quality minimum standards of general medical care, linking to PTI, appraisal etc
- develop strategic approach to moving secondary care services out of hospital settings into the community
- ground work in clinical governance framework, to ensure delivery of safe, high quality services
- ensure clinical engagement mechanisms are sound
- support capacity planning mechanisms in cluster

Accelerating the pace of change

There is an urgent need to make adjustments to bed numbers and use and intermediate care implementation alongside this programme of change. This work is already underway

Appendix 2

Rebecca Scott
Interim Chief Executive
B&D Primary Care Trust
The Clockhouse
East Street
Barking Essex IG11 8EY

Reference:
Phone: 020 8227 2332
Fax: 020 8227 2241
Minicom: 020 8227 2462
E-mail: julia.ross@lbbd.gov.uk

20 November 2002

Dear Rebecca

Project Group for Barking Hospital Site

Following the implementation of the new management arrangements and the determination of the Council to work in partnership with the LIFT programme, I am writing to ask for clarification on the intentions of the NHS and PCT in relation to the Barking Hospital site.

It would be helpful for the Council to be aware, given the strategic importance of this site of the PCT's intentions.

- Could you confirm the current ownership of the site and any special codicils.
- Could you clarify the total market and Trust book value if they are different
- Could you clarify whether the PCT intends to seek the transfer of the site from NELMHT and BHRT to the PCT and what the capital and revenue consequences of this would be.
- What would the intentions of the NHS or PCT be in relation to the Minor Injuries Unit and Barking Hospital. Will both these facilities remain open?
- Would the PCT consider closing Barking Hospital?
- At what stage would the PCT wish to discuss the future of the site with the Council?
- Would it be likely that the PCT would engage LIFTco in any future plans?

I realise that it will not be possible to be absolute on all these matters at this stage. However, clarification would be helpful before the Council takes a view on whether and how to become more involved on the whole site issues. Social Services will continue to work with the PCT on the development of services on site.

2/...

Presumably, also formal consultation would take place should there be any service change. Perhaps you could confirm the arrangements for this.

I will look forward to hearing from you in order that I can brief the Executive Committee on 16 December 2003.

Yours sincerely

Julia Ross
Director of Social Services

Civic Centre
Dagenham, Essex
RM10 7BW

THE EXECUTIVE**16 DECEMBER 2003****REPORT OF THE DIRECTOR OF CORPORATE STRATEGY**

LONDON BOROUGH GRANTS SCHEME	FOR DECISION
<p data-bbox="150 450 935 483"><i>This report is about a major issue affecting the Council.</i></p> <p data-bbox="150 521 300 555"><u>Summary</u></p> <p data-bbox="150 595 1442 846">The current London Boroughs Grants Scheme has to terminate on 31 March 2004 as the London Borough of Richmond-upon-Thames has given notice of its withdrawal from the position of designated council (effectively a lead Borough role). This means that a new Scheme needs to be agreed by a majority of Grants Scheme members to enable it to continue from 1 April. The Corporation of London has agreed to take on the designated council function from that date. The Scheme is managed by the Association of London Government Grants Committee.</p> <p data-bbox="150 891 1442 1032">The Association of London Government is aware of growing concern amongst some Boroughs, particularly outer London Boroughs, about the level of contributions and has given a commitment to carrying out a review of the overall level of the grants expenditure budget, including looking at new options and definitions.</p> <p data-bbox="150 1077 1442 1144">The report also deals with the Grants Scheme budget for 2004/05. This represents a 4.5% reduction in Borough contributions compared to this year.</p> <p data-bbox="150 1182 440 1216"><u>Recommendations</u></p> <p data-bbox="150 1256 647 1290">The Executive is asked to formally:</p> <ol data-bbox="201 1330 1442 1619" style="list-style-type: none"> <li data-bbox="201 1330 1442 1397">1. Approve a variation to the ALG Agreement, as set out in the Appendix, to enable the London Boroughs Grants Scheme to continue from 1 April 2004; <li data-bbox="201 1442 1442 1509">2. Approve the Grants Scheme budget for 2004/05 as set out in Section 3 of the report; <li data-bbox="201 1554 1442 1619">3. Endorse the Chief Executive's response to the Association of London Government dated 4 December 2003. <p data-bbox="150 1659 284 1693"><u>Reasons</u></p> <p data-bbox="150 1733 1442 1800">Decisions on these matters are legally required under the terms of our membership of the London Boroughs Grants Scheme.</p>	

Contact officers: Nina Clark	Head of Democratic Support	Tel: 020 8227 2114 Fax: 020 8227 2171 Minicom: 020 8227 2685 E-mail: nina.clark@lbbd.gov.uk
Paul Feild	Corporate Lawyer Solicitor	Tel: 020 8227 3133 Fax: 020 8227 3698 Minicom: 020 8227 2685 E-mail: paul.feild@lbbd.gov.uk

1. Background

- 1.1 The London Boroughs Grants Scheme funds eligible voluntary organisations who operate across more than one London Borough, sub regionally, or across London as a whole.
- 1.2 All London Boroughs and the Corporation of London are constituent members of the Scheme (33 in total).
- 1.3 The Scheme is set up under the Local Government Act 1985 and this Council, like other constituent members, is legally bound by it.
- 1.4 Annual subscriptions from each member fund the Scheme. Contributions are allocated according to population. This Council will pay £630,000 in 2003/04 in quarterly instalments.
- 1.5 The total budget for the Scheme for 2003/04 is just under £29 million - the total of the 33 contributions.
- 1.6 The annual budget for the Scheme and accordingly the contributions by individual members, is recommended by the Association on London Government (ALG) Leader's Committee. At least two-thirds of constituent members, (22), have to pass resolutions approving the recommended budget. If this number is not forthcoming the Secretary of State can use his powers to set a budget at the previous year's level.
- 1.7 The Scheme is managed by the ALG Grants Committee. Each constituent member has one representative on the Committee. Councillor Wade is our representative; Councillor Davis is his deputy.
- 1.8 The Scheme is currently administered by the London Borough of Richmond-upon-Thames but they have given notice to withdraw from this role at the end of the current financial year. The role is legally that of designated council - without a designated council, the Scheme terminates.
- 1.9 Grants generally range from very small amounts (a few thousand pounds) to £500,000. The current grant funding regime looks towards a four-year priority setting cycle. As this is fairly new, some of the grants already awarded through the Scheme are for long periods through to 2007, and are for substantial sums.

- 1.10 Barking and Dagenham fares poorly out of the Scheme as the value of benefits to organisations who have a client base in the Borough is low compared to the contribution we make. The value of the benefits that local community groups receive from the Scheme is approximately one-sixth of our annual contribution.
- 1.11 Spending on the London Scheme also needs to be seen in the context of financial pressures on the Council's own grants scheme.

2. Agreement to a New Scheme

- 2.1 Following the withdrawal of Richmond-upon-Thames as the designated council, the current Grants Scheme will terminate on 31 March 2004.
- 2.2 This means that a new Scheme needs to be made by a variation to an ALG Agreement dated 13 December 2001. The variation will substitute a new Grants Scheme with effect from 1 April 2004. The ALG advises that the new Scheme does not differ in any significant respects from the current arrangements. A copy is attached at Appendix A.
- 2.3 It is noted that the name of the Scheme is to be changed from the London Boroughs Grants Scheme to the Association of London Government (ALG) Grants Scheme.
- 2.4 The agreement of a simple majority (17) of the constituent members is required and the new Scheme will then be binding on them all.
- 2.5 Whilst the Corporation of London will take over as the designated council the ALG is keen to eventually carry out the functions itself and it is having discussions with the Office of the Deputy Prime Minister with a view to the removal of the designated council requirement to enable it to do this.
- 2.6 If agreement to the new Scheme is not reached by a majority of the members, the Scheme would have to be wound up. However, there would be significant financial commitments due to the level of grants already agreed over the next three years, together with other costs such as the cost of closing down the Grants Unit.

3. The Grants Scheme Expenditure

- 3.1 On 11 November 2003 the ALG Leaders' Committee concurred with the recommendations of the ALG Grants Committee held on 10 November on the level of Grants Scheme expenditure for 2004/05.
- 3.2 The proposed overall budget is £28.029m (comprising £26.4m for grants and the balance for administrative expenditure). Borough contributions will total £26.429 with the balance being met from interest and balances. In real terms, £1.5m has been taken from balances to reduce contributions from Boroughs. The Grants element remains at the same level as this year.
- 3.3 The overall level of Borough contributions represents a 4.3% decrease compared to this year.

- 3.4 The budget must be agreed by two-thirds of constituent members otherwise a budget at the current year's level is set by the Secretary of State.
- 3.5 Boroughs have until 16 January 2004 at the very latest to formally respond.

4. Review of the Grants Expenditure

- 4.1 The ALG is aware of increasing concerns, particularly from outer London Boroughs such as Barking and Dagenham, about the imbalance between contributions made and the value to their areas. The ALG Leaders' Committee has therefore recently agreed to carry out a thorough review, including forming a small group to consider new options and definitions. Views on this have been invited from Boroughs and the Chief Executive has responded following consultation with the Leader and Deputy Leader of the Council.
- 4.2 Copies of the correspondence are attached at Appendices B and C
- 4.3 There has also already been an acknowledgement by the Chief Executive of the ALG that outer London Boroughs need to be more successful in their bidding. A North East London Network has been set up comprising officers from Barking and Dagenham, Havering, Redbridge and Waltham Forest, and relevant Directors of Councils for Voluntary Service. Currently it is looking at lobbying for more funding for outer London. The Network is funded and facilitated by the ALG.

Background papers used in the preparation of this report:

ALG Chief Executives' Circulars 54/03, 60/03 and 63/03
Letter from ALG CE dated 3 April 2003
Letter from Chair of ALG to Borough Leaders dated 17 November 2003

Consultations

The following have been consulted:

Councillors Geddes and Wade (ALG Leaders Committee and Grants Committee representatives respectively and relevant portfolio holders)
Chief Executive and Director of Finance
Corporate Lawyer - Solicitor
Community Development Manager
Head of Financial Services

DATED

2003

ASSOCIATION OF LONDON GOVERNMENT

**VARIATION TO AGREEMENT DATED 13 DECEMBER, 2001
TO EFFECT A NEW SCHEME FOR GRANTS TO VOLUNTARY ORGANISATIONS**

Ref: PR6602/54 /LJ

THIS AGREEMENT is made on _____, 2003

BETWEEN the Councils listed in Schedule 1 (“the London Local Authorities”) in pursuance of arrangements made under section 48 Local Government Act 1985

WHEREAS:

- (A) The London Local Authorities are the constituent councils for the purposes of section 48 Local Government Act 1985 (Grants to Voluntary Organisations).
- (B) On 17th October, 1985, a Scheme for the making of grants to voluntary organisations was made by the constituent councils in accordance with the requirements of section 48 Local Government Act 1985 and the London Borough of Richmond upon Thames consented to act as designated council for the purposes of the Scheme.
- (C) By an agreement dated 1st April, 2000 (“the First Agreement”) the London Local Authorities established a joint committee under sections 101 and 102 Local Government Act 1972, resolved to delegate various functions to the joint committee and agreed to name the joint committee the Association of London Government (“ALG”).
- (D) The First Agreement made amendments to the Scheme referred to in Recital (B) above and the amendments to the Scheme were set out in Schedule 4 of the First Agreement.
- (E) An agreement dated 13th December, 2001 (“the Second Agreement”) confirmed the arrangements established by the First Agreement in accordance with the requirements of Part II Local Government Act 2000 (Arrangements with regard to Executives etc.) and continued the previous arrangements in respect of the Scheme, which was set out in full as Schedule 5 to the Second Agreement.
- (F) The London Borough of Richmond upon Thames has given notice in accordance with section 48(9) Local Government Act 1985 withdrawing its consent to act as designated council with effect from 31st March, 2004.
- (G) It is expedient that a new Scheme for the making of grants to voluntary organisations is made by the constituent councils and the Common Council of the City of London has agreed to act as designated council with effect from 1st April, 2004.

IT IS HEREBY AGREED AS FOLLOWS:

1. This Third Agreement shall establish a new Scheme for the making of grants to voluntary organisations in Greater London (“the ALG Grants Scheme”) and the ALG Grants Scheme which is set out in Schedule 2 hereto shall be substituted for the Scheme set out in Schedule 5 of the Second Agreement with effect from 1st April, 2004.

2. The Second Agreement is hereby varied as follows:
 - 2.1 The following is substituted for Clause 1.5: “The London Local Authorities are the constituent council for the purposes of section 48(1)(a) Local Government Act 1985 and by an agreement dated (“the Third Agreement”) have agreed to establish a new Scheme for the making of grants to voluntary organisations in Greater London in accordance with the provisions of the Third Agreement.”
 - 2.2 In Clause 1.6, “and the ALG Grants Scheme is set out in Schedule 2 of the Third Agreement” is substituted for “and the London Boroughs Grants Scheme as amended is set out in full in Schedule 5 hereto”.
 - 2.3 In Clause 4.8, “the ALG Grants Scheme as set out in Schedule 2 of the Third Agreement” shall be substituted for “the London Boroughs Grants Scheme as set out in Schedule 5”.
 - 2.4 The following shall be substituted for Clause 6.10: “The Common Council of the City of London shall discharge the designated council function in accordance with section 42(2)(a) Local Government Act 1985 and the ALG Grants Scheme as set out in Schedule 2 of the Third Agreement.”
 - 2.5 “ALG Grants Scheme” shall be substituted for “London Boroughs Grants Scheme” in Clauses 7.1, 11.1 and 11.2. and for “London Boroughs Grants” or “LBG” wherever they appear in Schedules 7 and 8.
3. The terms and conditions of the Second Agreement shall remain in force and be binding on all the London Local Authorities except the terms and conditions expressly varied by this Third Agreement.
4. This Agreement is executed by each Party by signing the annexed Memorandum of Participation on behalf of that Party and such Memorandum of Participation shall be evidence of execution by that Party when Memoranda executed by a majority of the Parties are incorporated into this Agreement.

SCHEDULE 1

The City of Westminster
The London Borough of Barking and Dagenham
The London Borough of Barnet
The London Borough of Bexley
The London Borough of Brent
The London Borough of Bromley
The London Borough of Camden
The London Borough of Croydon
The London Borough of Ealing
The London Borough of Enfield
The London Borough of Greenwich
The London Borough of Hackney
The London Borough of Hammersmith and Fulham
The London Borough of Haringey
The London Borough of Harrow
The London Borough of Havering
The London Borough of Hillingdon
The London Borough of Hounslow
The London Borough of Islington
The Royal Borough of Kensington and Chelsea
The Royal Borough of Kingston upon Thames
The London Borough of Lambeth
The London Borough of Lewisham
The London Borough of Merton
The London Borough of Newham
The London Borough of Redbridge
The London Borough of Richmond upon Thames
The London Borough of Southwark
The London Borough of Sutton
The London Borough of Tower Hamlets
The London Borough of Waltham Forest
The London Borough of Wandsworth
The Common Council of the City of London

SCHEDULE 2

ASSOCIATION OF LONDON GOVERNMENT (ALG) GRANTS SCHEME

**Made under section 48 of the Local Government Act 1985
by the London Borough Councils and
the Common Council of the City of London**

INTRODUCTION

- 1.1 This Scheme for the making of grants to eligible voluntary organisations in Greater London is made in accordance with section 48 of the Local Government Act 1985 (hereinafter referred to as the Act) to replace the Scheme which will terminate on 31st. March, 2004, when the withdrawal of the consent of the London Borough of Richmond upon Thames to act as designated council takes effect.
- 1.2 This Scheme is made by the London Borough Councils and the Common Council of the City of London (hereinafter referred to as the constituent councils).
- 1.3 This Scheme is effective commencing 1st. April, 2004.

THE GRANTS COMMITTEE

- 2.1 There shall be an ALG Grants Committee consisting of one elected member representative from each constituent council which shall make all decisions relating to the making of grants and the operation of the Scheme save those which are reserved to constituent councils under paragraph 8 below.
- 2.2 If the representative of a constituent council is unable to be present at a meeting of the Grants Committee, the council may be represented by a deputy who shall be an elected member of that council. A deputy attending a meeting of the Grants Committee shall declare themselves as such. Having done so the deputy shall be eligible to speak and vote as if they were a member of the Grants Committee.
- 2.3 The Grants Committee may establish such sub-committees and other groups of members as it considers appropriate.
- 2.4 The Grants Committee shall appoint a Chair, Vice-Chair and Deputy Chair, in accordance with the standing orders of the Grants Committee.

ELIGIBLE VOLUNTARY ORGANISATIONS

- 3.1 For the purposes of this scheme "voluntary organisation" means a body the activities of which are carried out on otherwise than for profit but does not include any public or local authority and "eligible voluntary organisation" means a voluntary organisation whose activities will directly or indirectly benefit the whole of Greater London or any part of it extending beyond the area of any particular constituent council.
- 3.2 The Grants Committee may define supplementary criteria of eligibility which shall be communicated to voluntary organisations applying for grants under the scheme.

REVIEW OF NEEDS

- 4.1 The constituent councils have resolved to delegate the function specified in section 48(10) Local Government Act 1985 (review of needs of Greater London) to the ALG Leaders' Committee from 1 April 2000. The ALG's Social Policy and Grants Division shall submit, via the Grants Committee, a proposal for reviewing the needs of Greater London to ALG Leaders' Committee for approval in September of each year.

THE DESIGNATED COUNCIL

- 5.1 The Common Council of the City of London ("the Corporation") shall be the designated council for the purposes of section 48(2)(a) Local Government Act 1985 (making of grants).

ALG SOCIAL POLICY AND GRANTS DIVISION

- 6.1 The Social Policy and Grants Division shall be responsible to the ALG Leaders' Committee and the ALG Grants Committee through its Director and staff for the efficient administration of the scheme and for advice on policies and priorities towards grant-giving within and between services being funded.
- 6.2 In particular the Social Policy and Grants Division shall -
- (1) keep under review the needs of Greater London and report to the Grants Committee and ALG Leaders' Committee from time to time on a strategy for collective grant giving devised with due regard to those needs;
 - (2) draw up and submit for consideration and approval by the Grants Committee detailed criteria and policies for grant giving in the light of the agreed strategy;
 - (3) prepare and submit an annual budget for consideration by the Grants Committee and ALG Leaders' Committee by the end of November each year for the financial year commencing the following April. This budget shall include the costs of staffing, office and support services considered necessary to facilitate the effective and efficient operation of the Scheme, as well as expenditure proposals for grant aid to eligible voluntary organisations, and any contingency provision;
 - (4) receive, assess and process grant applications from eligible voluntary organisations and report on them and make recommendations to the Grants Committee and or any Sub-Committees it may establish;
 - (5) administer the payment of approved grants to eligible voluntary organisations and monitor the use made of such funding;
 - (6) convene and service meetings of the Grants Committee, its sub-committees and any other bodies established by it.

MEETINGS

- 7.1 There shall be meetings of the ALG Grants Committee at least twice a year in July and November, and on such other occasions as may be decided by the Committee or its Chair or in accordance with the Standing Orders of the Committee.

- 7.2 A meeting may be requisitioned by not less than one third of the members of the ALG Grants Committee. Any such requisition shall be delivered to the Director, Social Policy and Grants Division, not less than ten working days before the date of the meeting and shall specify the business to be transacted at the meeting. No business other than that set out in the summons shall be transacted at such a meeting.
- 7.3 The quorum of any meeting of the ALG Grants Committee or a Sub-Committee shall be one -third of the number of members entitled to be present. No business shall be transacted at any meeting unless a quorum is present.
- 7.4 The July meeting of the ALG Grants Committee shall approve the strategy, priorities and any delegation to sub-committees and to the Director, Social Policy and Grants Division, for recommendation to the ALG Leaders' Committee. That meeting shall also receive a forward plan and budget for the following financial year for consideration and for approval by the ALG Leaders' Committee.
- 7.5 The November meeting shall receive details of the budget for the following financial year as approved by the ALG Leaders' Committee and shall make recommendations as to the level of overall expenditure for the consideration and approval of constituent councils as provided for under the Act. The budget shall include proposals for expenditure on grants to eligible voluntary organisations, the administrative and staffing costs of the Grants Unit and any contingency provision. In order that the level of expenditure may be speedily determined constituent councils shall respond to the recommendations of the Grants Committee by not later than the third Friday of the following January.
- 7.6 The ALG Grants Committee may make such other arrangements for the conduct of meetings as it considers appropriate.

CONTRIBUTIONS TO EXPENDITURE

- 8.1 The constituent councils shall be required to contribute to any expenditure of the designated council which has been incurred with the approval of at least two-thirds of the constituent Councils; and the amounts of the contributions shall be determined so that the expenditure in respect of which they are payable is borne by the constituent councils in proportion to the populations of their respective areas.
- 8.2 For the purpose of approving expenditure under the Scheme, constituent councils' approval to overall expenditure for the year shall require the appropriate majority to agree¹ but decisions with regard to the allocation of expenditure within the overall expenditure approved shall be taken by the ALG Grants Committee in accordance with the Scheme and the detailed operational arrangements.

¹ The Grants to Voluntary Organisations (Specified Date) Order 1992 provides that if the total expenditure to be incurred in any financial year is not approved as required by the Scheme before 1st February in the year in which that financial year begins, the constituent councils shall be deemed, subject to any order which has been made under section 48(5) Local Government Act 1985, all to have given their approval for that financial year to total expenditure of an amount equal to the amount that was approved or, as the case may be, deemed to have been approved for the preceding financial year.

- 8.3 For the purposes of paragraph 8.1 above the population of any area shall be determined in accordance with Regulation 6(8) of the Levying Bodies (General) Regulations 1982 (or a re-enactment or modification of such Regulations²).
- 8.4 The total annual expenditure incurred under the scheme by the designated council shall not exceed such amount as is prescribed by an order made by the Secretary of State, if so prescribed.
- 8.5 The designated council (or the ALG on behalf of the designated council) shall invoice constituent councils one month in advance for their contributions to the approved budget for the Scheme in the following way:
- (1) in March and December of each year for half the costs incurred by the designated council in discharging the designated council function and a quarter of the expenditure proposed for grants to eligible voluntary organisations and any agreed contingency provision;
 - (2) in June and December of each year for a quarter of the expenditure proposed for grants to eligible voluntary organisations and any agreed contingency provision.
- 8.6 Constituent councils shall pay their contributions to the Scheme not later than the 8th day of April, July, October and January of each financial year in order that payments of approved grants may be made to eligible voluntary organisations before the end of those months, generally in quarterly instalments.
- 8.7 The ALG shall keep proper records of income and expenditure, and shall prepare for the July meeting of the Grants Committee a statement of account for the financial year ended on the previous 31 March. The statement shall be approved by ALG Leaders' Committee and audited by independent auditors appointed by the ALG.

OPERATIONAL MATTERS AND SUPPLEMENTARY PROVISIONS

- 9.1 This Scheme shall be read in conjunction with the Eligibility Criteria approved by constituent councils and reported to the Grants Committee on 17 October, 1985, and the Decision-Making Procedures and Operational Arrangements in force from time to time. Any provisions of the Scheme which are supplementary to those prescribed by section 48 Local Government Act 1985 may be varied by a two-thirds majority of the constituent councils acting by ALG Leaders' Committee on a recommendation from the ALG Grants Committee.

² Regulation 6(8) of the Levying Bodies (General) Regulations 1992 provides:

A levying body shall secure that the expenses to be met by levies issued by it under these Regulations by reference to the relevant precepting power conferred by section 48 or 88 of the Local Government Act 1985 are borne by the relevant authorities in a proportion calculated by reference to the total population of the area of each relevant authority on 30th June in the financial year beginning two years before the beginning of the financial year in respect of which the levy is issued, as estimated by the Registrar General.

PERIOD OF OPERATION OF THE SCHEME

- 10.1 The scheme will continue in force for at least two financial years after that in which it is made, that is at least until 31st. March 2006.
- 10.2 Subject to paragraph 10.1, the Scheme may be revoked by the constituent councils (or, in the absence of agreement between all of them, by a majority of those councils) with effect from the end of any financial year after that in which the decision to revoke is made.
- 10.3 The designated council may, by giving not less than twelve months' notice to the other constituent councils withdraw its consent to act as designated council with effect from the end of any financial year not earlier than the second financial year after that in which this Scheme was made; and in that event this Scheme shall terminate when the withdrawal takes effect.

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Graham Farrant
Chief Executive
Civic Centre
Rainham Road North
Dagenham ESSEX
RM10 7BN

Contact: Martin Pilgrim
Direct line: 020 7934 9500
Fax: 020 7934 9624
Email: martin.pilgrim@alg.gov.uk

Our reference:
Your reference:
Date: 17 November 2003



ALG GRANTS SCHEME

I enclose a letter from the Chair of the ALG, Sir Robin Wales, to your Leader. You will see that we are anxious to secure approval to the change in lead borough. I would be very grateful if you could let me know as soon as possible how you think your borough will decide on this issue. Please also let me know if Robin or I need do any more to secure your borough's agreement.

I look forward to hearing from you.



London Borough of Barking & Dagenham
Civic Centre
Facilities & Support

Rec'd 18 NOV 2003

Referred to _____

Martin Pilgrim
Chief Executive

cc: Andrew Colvin, Corporation of London
Loretta Jennings, Corporation of London

To: Borough Leaders

Contact: Marylyn Rankin
Direct line: 020 7934 9504
Fax: 020 7934 9624
Email: Marylyn.rankin@alg.gov.uk

Our reference:
Your reference:
Date: 17 November 2003

Dear Colleague

LONDON BOROUGHS GRANTS SCHEME (ALG Grants Committee)

As you know the London Borough of Richmond upon Thames has given notice of withdrawal from the role of designated council ("lead borough") for the Grants Scheme with effect from 31 March 2004. Since Richmond advised the ALG of this, we have been working to establish new arrangements to take effect from 1 April 2004. We had hoped to find a way for the ALG itself to take on the largely formal lead borough duties but this is now not possible for 2004-2005. We are therefore grateful to the Corporation of London for its taking on the lead borough role. We continue to discuss with the Government the longer-term solution of these duties falling to the ALG Joint Committee.

To effect the change in lead borough, the current Grants Scheme formally terminates on 31 March 2004 and a new Scheme will be made by variation to the ALG Agreement dated 13 December 2001.

The draft variation to the ALG Agreement has today been circulated by the ALG's legal adviser to each borough legal adviser, seeking your council's formal agreement before 31 December 2003. Your Chief Executive was asked to plan for this in your council's decision-making processes in a circular from the ALG on 23 September 2003. A simple majority of boroughs is needed to effect this change to the ALG agreement.

I understand that some boroughs feel that this relatively minor administrative change provides an opportunity to end the Grants scheme. As I said above, the change in lead borough does formally terminate the Grants scheme. I am also aware of the dissatisfaction shared by many boroughs about the Grants scheme, including the costs incurred by a borough and the perception of the local benefits to the borough. . You will know that on 11 November 2003, the Leaders' Committee of the ALG resolved to undertake a review of the

overall level of the grants expenditure budget. This, together with the use of the mechanisms within the statutory scheme, is the proper way to address boroughs' concerns.

In my view, it would be extremely unwise to use a procedural device to end preemptorily the scheme, which plays such an important part in the voluntary sector in London. I would be happy to discuss this further with any Leader who cares to contact me. However, I do hope that in the light of this letter your borough will formally approve the variation to the ALG agreement necessary to change the lead borough arrangements. We will be in touch soon about how we propose to undertake the review of grants expenditure and I look forward to receiving your borough's views on that review.

With best wishes



Sir Robin Wales
Chair

Copy: London Borough Chief Executives

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Martin Pilgrim
Chief Executive
Association of London Government
59 Southward Street
London
SE1 0AL

Reference: GF/KB
Phone: 020 8227 2789
Fax: 020 8227 2279
Minicom: 020 8227 2685
E-mail: graham.farrant@lbbd.gov.uk

4 December 2003

Dear Martin

ALG Grants Scheme

Thank for your letter dated 17 November 2003. As you know, we are very concerned about the huge disparity between the contributions made by outer London Boroughs such as Barking and Dagenham and the benefit, which is derived, for our communities. In the case of Barking and Dagenham, we receive benefit through local community groups of approximately one sixth of our annual contribution. Those pan London organisations that we have looked into find it very difficult to justify any use of their services by Barking and Dagenham residents. The large geographical nature of the outer London Boroughs also makes it much more difficult to achieve cross Borough working in the voluntary sector and therefore it is our view that cross Borough groups are more likely to be set up in inner London where the population is more concentrated.

However having said that my view is that the council is likely to agree to the change in Lead Borough and the budget proposed, but this will be dependant on a number of factors:

1. That there is a three year target set for removing the subsidy paid by the outer London Boroughs such that contribution to groups operating in the area will be equivalent to the contribution paid by the council each year.
2. No more long-term commitments are to be entered into by or through the Scheme until the completion of the Scheme and an action plan to implement a review has been completed and agreed through the ALG Grants Committee and through the Leaders Committee.
3. That there is a root and branch review of the scheme and this reports in the second quarter of 2004/5 with the specific target to review the validity of the Grants Scheme and to end the subsidy of the Scheme through outer London Boroughs.

Having said that, this is my view following informal discussions with leading members. It is obviously subject to formal decision by the Executive and I confirm that we will take this decision through our Executive Committee in sufficient time to respond within your deadline.

The report is currently scheduled to be considered by our Executive on 16 December 2003.

In writing, I should re-emphasise that this Council is facing severe financial constraint next year and is likely to have a heavy savings target imposed in the EPCS block, which is where the ALG Grants Contribution is funded from. We will be considering cuts to our local grants programme of a magnitude far greater than the 4% reduction offered in the ALG contribution for next year. It is simply not sustainable at the current level in my view.

I hope this letter helps you. Please let me know if you need any further information.

Yours sincerely

Graham Farrant
Chief Executive

THE EXECUTIVE

16 DECEMBER 2003

REPORT OF THE DIRECTOR OF FINANCE

STATEMENT OF ACCOUNTS 2002/2003	FOR INFORMATION
<p><i>To present the final Statement of Accounts for 2002 / 2003.</i></p> <p><u>Summary</u></p> <p>The Authority's accounts have now been audited by the appointed auditors with an unqualified Audit Certificate. The fully revised sets of final accounts are presented for Members' information in accordance with relevant legislation and accounting standards.</p> <p><u>Recommendations</u></p> <p>To note the final Statement of Accounts for 2002/2003 incorporating the unqualified Audit Certificate from the appointed auditors.</p> <p><u>Reason</u></p> <p>To comply with Statute and Accounting Standards.</p>	
Contact Officer Joe Chesterton	Head of Financial Services Tel: 020 8227 2932 Minicom: 020 8227 2413 E-mail: joe.chesterton@lbbd.gov.uk

1. Background

- 1.1 The Accounts and Audit Regulations issued by the Secretary of State for the Office of the Deputy Prime Minister sets out the requirements for the publication of the Annual Statement of Accounts. These regulations were revised in 2003, and for the financial year 2002/03 require local authorities to present a full draft set of final accounts to Members by the 30th September each year and publish these by the 31st December.
- 1.2. In complying with these regulations a full draft set of final accounts was presented to the Executive on 29th September 2003.
- 1.3 Since then, the accounts for 2002/2003 have been subject to their usual scrutiny by the Authority's appointed auditor. As part of that process a number of technical changes and presentational adjustments have been requested for the Authority's accounts. A schedule of the major changes requested are included as Appendix A. The required changes have now been incorporated and a revised statement of accounts including the auditors unqualified Audit Certificate are now attached as Appendix B.

- 1.4. New Auditing Standards commencing for the 2002/03 accounts also require the appointed auditors to issue a SAS 610 (Statement of Auditing Standards) report. This is intended as a formal report from the auditor identifying issues arising from the audit of the Financial Statements 2002/03. The relevant report from our auditors is attached as Appendix C. As the Corporate Monitoring Group is charged with governance for the Authority, the report will also be presented to this group for their consideration.
- 1.5. Once approved by Members, the 2002/03 accounts will be published before the 31st December deadline.

London Borough of Barking and Dagenham

Significant adjustments to the accounts 2002/2003

- Consolidation of the Housing Revenue Account into the Consolidated Revenue Account
- Assets not adding value accounted for in the fixed assets note
- Writing off deferred charges
- Inclusion of figure for amortisation of government grants deferred
- Analysis of debtors and creditors in the notes to the balance sheet
- Adjustment to account accurately for disposals in the Statement of Reserves
- Amendment of capital charge in the Housing Revenue Account
- Inclusion of disclosure relating to retirement benefits (FRS17)
- Adjustment to the use of reserves from £4.5m to £4.3m
- Re-statement of the 2001/02 Consolidated Revenue Account, Housing Revenue Account and Consolidated Balance Sheet to reflect best practice in accounting treatment as set out in CIPFA's Statement of Recommended Practices 2002.

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LONDON BOROUGH OF
BARKING AND DAGENHAM

THE
STATEMENT
OF
ACCOUNTS

2002/2003

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EXPLANATORY FOREWORD

This forward provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main features of the Council's financial position at 31st March 2003.

1. THE ACCOUNTING STATEMENTS

The Authority's accounts for the year 2002/2003 are set out on the following pages. They consist of:-

	Page
• Responsibilities for Statement of Accounts	(v)
• The Statement on the System of Internal Financial Control	(vii)
• The Statement of Accounting Policies	1
• The Consolidated Revenue Account:- which sets out income and expenditure on all services.	9
• The Housing Revenue Account:- which shows in detail income and expenditure on Council Housing.	17
• The Collection Fund Account:- which shows the receipt of Council Tax, Community Charges, Non Domestic Rates and Government Grants, which are then used to finance services provided by the Authority and the Greater London Authority.	22
• The Consolidated Balance Sheet:- which sets out the assets and liabilities of the Authority on the 31 st March 2003, excluding the Pension Fund (which is shown separately).	25
• The Total Movement in Reserves:- which shows the movement to/from reserves in the Authority's accounts for 2002/2003.	36
• The Cash Flow Statement:- which shows the movements in cash of the Authority's funds for 2002/2003, excluding the Pension Fund and Trust Funds.	38
• The Pension Fund Accounts :- which provide for retirement benefits for past and present employees of the Authority and the Admitted Bodies, with the exception of teachers who contribute to a scheme administered by the Department for Education and Skills.	41
• External Audit Report	47
• Signature of Chairman of the Executive to the approval of Statement of Accounts	49

2. REVENUE BUDGET

The following table sets out the overall comparison of original estimates and actual expenditure (in millions) on the day to day running costs of services for the area and shows where the money comes from.

	Budget	Actual
	£m	£m
<u>Money Spent</u>		
Barking & Dagenham Council Spending on Services:-		
• Education	116.2	119.7
• Social Services	50.5	54.7
• Other Services	16.2	12.2
	182.9	186.6
Levying Authorities		
• East London Waste Authority	4.2	4.2
• Lee Valley Regional Park Authority	0.1	0.1
• Environmental Agency	0.8	0.8
• London Pensions Fund Authority	0.2	0.2
• Greater London Magistrates Court Authority	0.2	0.2
	188.4	192.1
Precepting Authorities		
• Greater London Authority	9.0	9.0
	197.4	201.1
Total Money Spent	197.4	201.1
Net Contribution to Reserves		
• Schools' Balances	0	(1.3)
	197.4	199.8
Net Contribution from Reserves		
• LBB&D	(1.9)	(4.3)
	195.5	195.5
<u>Where the Money Comes from</u>		
• Council Taxpayers	47.3	47.3
• Government Grants	102.0	102.0
• Business Rates	46.2	46.2
	195.5	195.5

2.1 Revenue Services - Financial Performance

During 2002/03 spending exceeded the budget in the following main areas:

- Education (£1.84m) – This related to special educational needs transport, non-maintained school fees, staffing for the LEA and schools long term absence cover.
- Information Technology (£1m) – Implementation of the Oracle Financials System required additional resources during the year.

These overspends were offset by additional income from interest on balances.

However the 2002/03 budget did require an additional contribution from reserves of £2.4m to support expenditure on Council Services.

There are 2 main reasons for this additional expenditure being:

- £1.4m of expenditure related to works which were delayed from 2001/02. However an equivalent contribution of £1.4m was made to reserves in 2001/02 to support this known expenditure.
- The early implementation of stage 2 of the Social Services computer system (known as 'SWIFT') which was originally programmed for 2003/04 but was accelerated into 2002/03 at a cost of £500,000.

The Council has in place a medium term financial plan which aims to return the authority to a balanced budget in years 2004/05 and 2005/06 i.e. recurring revenue services will not be supported from General reserves.

The Council's General and School reserves position as at 31/3/2003 is as follows:

	<u>31/3/2002</u>	<u>31/3/2003</u>
	<u>£000's</u>	<u>£000's</u>
General Reserves	20,709	16,421
School Balances	3,107	1,806

The full reserves position is shown at page 36.

2.2 Government Standard Spending Grant

Government Standard Spending Grant is calculated as the difference between the Authority's Standard Spending Assessment (SSA) and the amount deemed to be raised locally by levying the National Standard Council Tax (CT) and the proceeds from the National Non Domestic Rating (NNDR) Pool i.e.

$$\text{Government Standard Spending Grant} = \text{SSA} - (\text{CT} + \text{NNDR})$$

The Standard Spending Assessment is set annually by the Government and is their estimate of the amount needed to be spent locally to provide a standard level of service.

2.2 Government Standard Spending Grant (continued)

In 2002/2003 the Council together with the five levying authorities budgeted to spend £188.4m. This amount is £4m over the Standard Spending Assessment of £184.4m.

3. CAPITAL BUDGET

In addition to the Revenue Budget there is a Capital Budget covering spending on construction and substantial improvements to Council housing, schools, roads, sports facilities and other buildings.

Capital Programme spending in 2002/2003 was £92.2 million compared with the planned expenditure level of £96.0 million.

At 31st March 2003, the Authority had £46.8m in Capital Receipts available to finance future years' capital programmes.

4. ACCOUNTING POLICIES

The accounting policies adopted by the Authority comply with the relevant recommended accounting practices. The Authority's policies are explained fully in the Statement of Accounting policies set out in pages 1 to 8.

5. FURTHER INFORMATION

Further information about the accounts is available from :-

Director of Finance, London Borough of Barking and Dagenham Civic Centre, Dagenham, Essex. RM10 7BY

In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection has been advertised in the local press. The accounts have been audited and the auditor's report is on pages 47 and 48.

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required:-

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance;
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- To approve the Statement of Accounts

Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the Council's statement of accounts in accordance with proper practice as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice'); and is required to present fairly the financial position of the Council and its Pension Fund at the accounting date and its income and expenditure for the year ended 31st March 2003.

In preparing this statement of accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code of Practice.

The Director of Finance has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTOR OF FINANCE'S CERTIFICATION
TO THE STATEMENT OF ACCOUNTS**

For the purpose of identifying the relevant accounts on which the Auditors are to express their opinion pursuant to Section 18(i) of the Local Government Finance Act 1982, I certify that the accounts of the Authority set out on pages 1 to 40 and its Pension Fund on pages 41 to 46 have been submitted to the Authority's Auditors – PricewaterhouseCoopers – LLP - and that they present fairly the financial position and transactions of the Authority and its Pension Fund at 31st March 2003, and their income and expenditure for the year then ended.

DIRECTOR OF FINANCE

DATE

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

1. This statement is given in respect of the Statement of Accounts for the London Borough of Barking and Dagenham. I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulation, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular, the system includes:
 - Comprehensive Budgeting Systems
 - Regular review of periodic and annual financial reports which indicate financial performance against the budget.
 - Setting targets to measure financial and other performance.
 - The preparation of regular financial reports which indicate forecasted expenditure against the budget.
 - Clearly defined capital expenditure guidelines, and
 - As appropriate, formal project management disciplines.
4. For the financial year 2002/03 Deloitte and Touche undertook the testing and review of internal controls operating within the Council's systems. The Deloitte and Touche contract is managed by the Council's Head of Audit Services who is also responsible for a small in house team. That team is primarily concerned with fraud and disciplinary enquiries and other ad hoc work. In 2002/03 the Deloitte and Touche work was reported to senior managers of the Council and to the Director of Finance. The work of the in house team was reported to the Council's Standards Committee. In 2003/04 these reporting arrangements will be strengthened by developing the role of the Corporate Monitoring Group, to monitor both the Deloitte and Touche work and the reports of the Council's external auditors, PricewaterhouseCoopers.
5. A risk based approach was used in the development of each department's audit plan and Deloitte and Touche terms of engagement required them to operate in accordance with CIPFA guidelines.

6. My review of the effectiveness of the system of internal financial control is informed by:

- The work of managers within the Council.
- The work of the internal auditors as described above.
- The external auditors in their annual audit letter and other reports.

7. For the financial year 2002/2003 the Council confirms that there are no significant weaknesses in the system of internal financial control.

**DIRECTOR OF FINANCE'S CERTIFICATION
TO THE STATEMENT ON THE SYSTEM
OF INTERNAL FINANCIAL CONTROL**

DIRECTOR OF FINANCE

DATE

London Borough of Barking and Dagenham

Accounting Policies

1. Introduction

- 1.1 These accounting policies are based on UK accounting standards (except where they conflict with specific statutory accounting requirements). The Council's accounts have been drawn up in accordance with these standards and fairly present the financial position and transactions of the Council.
- 1.2 The Statement of Accounts complies with the basic accounting concepts set out in CIPFA's Statement of Recommended Practices 2002 ("SORP") and the Best Value Accounting Code of Practice ("BVACOP"). These Accounting Policies have updated since the 2001/02 Statement of Accounts.
- 1.3 The Statement of Accounts provides information about the Council's financial performance and position that can be used in assessing its stewardship of public funds. The financial information can be depended upon to represent the substance of the transactions and events that took place during this financial year. The Statement of Accounts is free from deliberate or systematic errors, free from material error, complete within the bounds of materiality and has been prudently prepared where there is any uncertainty.
- 1.4 The financial information included in the Statement of Accounts is material where its misstatement or omission might be expected to influence any assessment of the Council's stewardship of public funds.
- 1.5 The Statement of Accounts is prepared on an accruals basis that requires the non-cash effects of transactions to be reflected in the financial statements for the accounting period in which those effects are experienced and not in the period in which any cash is received or paid.
- 1.6 The accounts are prepared on a going concern basis and assume that the Council will continue in existence for the foreseeable future. There is no intention to significantly curtail the scale of operations.

2. Accruals of Income and Expenditure

2.1 Customer and Client Receipts

Customer and client receipts for sales, fees, charges and rents that relate to this financial year have been accrued and accounted for. Where there is doubt that outstanding income will be received in the future, appropriate provision has been made.

2.2 Employee Costs

The full cost of employees in 2002/2003 has been charged to the year's accounts. Any significant retrospective adjustments or special payments (such as pay awards or redundancy payments) are charged or credited to the accounts with the additional amount as soon as it can reasonably be estimated.

2.3 Interest

Interest income has been accrued and accounted for in this financial year. This income has been credited to the Consolidated Revenue Account and the Housing Revenue Account based on the level of their respective cash balances. Interest is also credited (or debited) periodically to the delegated budgets of schools and the Adult College according to their under/overspend. Amounts are calculated using money market rates.

3. Supplies & Services

The cost of supplies and services received and works completed during this financial year been accrued and accounted for in this financial year, together with an estimate of all amounts in excess of £500 where the exact amount was not known.

4. Deferred Charges

Deferred charges represent expenditure which may be properly deferred, including expenditure that may properly be capitalised, but which does not result in or remain matched with tangible assets. An example is house renovation grants. The policy of the Council is to amortise the charge to service revenue account over an appropriate period based on the benefit obtained by the service from the expenditure in a consistent and prudent manner.

5. Fixed Assets

5.1 Recognition

A fixed asset is defined as one that adds benefits to the Council for more than one financial year.

5.2 Measurement

All expenditure on the acquisition, creation or enhancement of fixed assets has been capitalised on an accruals basis. The cost of a fixed asset is its purchase price plus any other costs directly attributable to bringing it into a working condition for its intended use.

A *de minimis* level of £20,000 has been used for the majority of asset valuations, with £6,000 used for vehicles.

The following types of assets have been valued in the balance sheet at the lower of net current replacement cost or net realisable value.

Class of Asset	Valuation Method
Council Dwellings	Depreciated Replacement Cost
Other Land & Buildings	Depreciated Replacement Cost
Vehicles, Plant & Equipment	Depreciated Replacement Cost
Investment Properties	Open Market Value

The net current replacement cost of assets is defined as following: -

- Specialised operational properties are valued based on their depreciated replacement cost (DRC).
- Investment properties are valued based on their open market value (OMV).

Infrastructure assets from the 1st April 1994 are included in the balance sheet at historic cost net of depreciation.

Community assets are included in the balance sheet at nominal values.

Any increase in an assets value would be reflected in the Consolidated Balance Sheet and the fixed asset restatement reserve is adjusted to take account of the increase in value.

Assets that are included in the balance sheet at current value must be formally revalued at intervals of not more than five years. These accounts are based in the main upon a certificate issued by the District Valuer as at 1st April 2000. The next revaluation is due on 1st April 2005.

5.3 Disposals

Receipts from the disposal of fixed assets are credited to the capital receipts reserve on an accruals basis. Upon disposal, the net book value of the asset is written off against the fixed asset restatement reserve.

If an asset was disposed by an exchange for another asset, this other asset is included in the Consolidated Balance Sheet at its Fair Value.

5.4 Depreciation

Depreciation is provided for all fixed assets with a finite useful life (determined at the time of acquisition or revaluation). For fixed assets (other than non-depreciable land and non-depreciable operational investment properties) the only ground for not charging depreciation is that the depreciation charge is immaterial. Assets in the course of construction are stated at cost and not depreciated until brought into use.

Assets, other than land, are depreciated over their useful economic life as follows:

Asset Type	Depreciation Method
Buildings	HRA Dwellings - Basis is an equivalent charge to the Major Repairs Allowance (MRA) Non-HRA Buildings - Straight line basis over their useful economic life as determined by the district valuer.
Vehicles, Plant & Equipment	Straight line basis on an individual asset basis. This is generally between 5 and 10 years.
Computer Equipment	Straight line over 5 years
Infrastructure	Straight line over 20 years

6. Charges to Revenue

The capital charges made to service revenue accounts, central support services and trading accounts, equate to the sum of depreciation plus a notional interest charge based on the net amount at which the fixed asset is included in the balance sheet at 1st April 2002. The notional rates of interest used are 6% for those fixed assets included in the balance sheet at current value and 6% for infrastructure assets and community assets which are included in the balance sheet at historical cost.

7. Foreign Currency Transactions

Income and expenditure arising from transactions denominated in foreign currencies are translated into Sterling at the exchange rate in operation on the date on which the transaction occurred. If rates do not fluctuate significantly during the financial year, then an average rate is used. If individual transactions were settled at a contracted rate, then that rate has been used. At the end of the financial year, monetary assets and liabilities denominated in a foreign currency (mostly for the Euro) are translated by using the closing rate or, where more appropriate, the rates of exchange under the terms of the relevant transaction.

8. Government Grants

8.1 All Revenue grants have been matched with their related expenditure. Grants provided to finance the general activities of a local authority or to compensate for a loss of income have been credited or accrued to the revenue account in this financial year.

8.2 Where the acquisition of a fixed asset is financed either wholly or in part by a government grant or other contribution, this amount has been credited to the Government Grants Deferred account. In order to offset the depreciation of the asset, a debit is being written off to the Asset Management Revenue account over the useful life of the asset.

8.3 Government grants or other contributions have been accounted for on an accruals basis, and are included in the financial statements when the conditions for their receipt have been complied with, and there is reasonable expectation that the grant or contribution will be received.

9. Investments

Short-term investments are included in current assets and are stated at the lower of cost or net realisable value.

10. Leases

The Council has no Finance Leases. Rental payments on Operating Leases are charged to revenue on a straight-line basis over the term of the lease.

11. Costs of Support Services

- 11.1. Charges or apportionments covering support service costs are made to all users, including services to the public, divisions of services, trading undertakings, capital accounts, services provided for other bodies and other support services. The costs of service management have been apportioned to the accounts in the same way, representing the activities managed.
- 11.2. The basis of the apportionments adopted has been used consistently for all users. The costs of managerial and professional services (such as architects, engineers, finance, legal and property professionals) are allocated on the basis of time spent or units of output. The cost of administrative buildings is allocated on the basis of floor areas occupied.
- 11.3. Best Value Accounting Code of Practice (BVACOP) requires the cost of service strategy and regulation of any service to the public to be allocated to a separate objective expenditure head in the accounts of that service. The costs of the corporate and democratic core and of unapportionable central overheads are allocated to a separate objective expenditure head and not apportioned to other expenditure heads.

12. Pension Costs.

- 12.1. The Council participates in the Local Government Pension Scheme, a defined benefit scheme, with employer and employee contributions paid into a separate Pension Fund. The amount of contributions is in line with actuarial advice and the pension costs included in the accounts have been determined in accordance with relevant government regulations. The cost of providing pensions for employees is charged to the accounts in accordance with the statutory requirements governing the pension scheme.
- 12.2. The Council currently pays an employer's contribution of 8%, which includes an element for Pension increases for all employees in the Council's Pension Scheme. Further details can be found in Note 1 to the Pension Fund Accounts (Page 43).
- 12.3. Where there are any variations from the regular cost of pensions (for example through changes to regulations and existence of fund surplus or deficits) these will be fully disclosed in the accounts.

13. Provision for Bad and Doubtful Debts

The amount carried forward for debtors has been adjusted for the provision for bad and doubtful debts. Where debts are totally uncollectible then they have been written off.

14. Other Provisions

Where the Council has an obligation that is a result of statutory provisions, contractual terms or a past event arising from the Council's actions, reasonable provision is made for any future financial liabilities and is charged to the appropriate revenue account.

Provisions are not made for either any future operating loss, nor for any situation where the Council anticipates it will be unable to cover future expenditure with income. Any such deficits would be accounted for in the current financial year.

15. Reserves

Amounts set aside for purposes falling outside the definition of provisions are treated as reserves. They fund future projects, unplanned expenditure and irregular but recurring expenditure. Transfers to and from reserves are distinct from service expenditure shown in this Statement of Accounts and the purpose, usage and the basis of such transfers are clearly identified in this Statement of Total Movements in Reserves on (Page 36).

16. Stocks and Long Term Contracts

Revenue goods and materials (stocks) that were not consumed by the end of the year have been carried forward. Stocks are included in the Consolidated Balance Sheet at the lower of cost or net realisable value. Interim valuations have been made for long-term contracts and work in progress. They have been valued at cost. Payments received or receivable on account have been deducted in arriving at the Consolidated Balance Sheet valuation.

17. Value Added Tax

All transactions are shown net of any Value Added Tax, whether capital or revenue, unless for some specific reason it is irrecoverable. As in the case of all Local Authorities, the Council is able to recover a major part of Value Added Tax incurred from H.M Custom & Excise. Any balance due to the Council is included in the debtors figure shown in the Consolidated Balance Sheet.

18. Capital Receipts

Local Authorities cannot credit Capital Receipts to the revenue account. Separate accounts are maintained for Capital Receipts that may be used to finance new capital expenditure, or set aside to pay credit liabilities in accordance with Sections 58 to 61 of the Local Government and Housing Act 1989. Following the repayment of all external debt during 1992/3, the Authority is (with certain minor exceptions) is currently able to utilise all new capital receipts received.

CONSOLIDATED REVENUE ACCOUNT

2001/2002 (RE-STATE) NET EXPENDITURE	SERVICE	2002/2003			
		NOTES	EXPENDITURE	INCOME	NET EXPENDITURE
£'000			£'000	£'000	£'000
	CONTINUING OPERATIONS	1			
3,768	Central Services to the Public		7,047	3,227	3,820
88	Court Services		141	47	94
24,329	Cultural, Environmental, and Planning Services		36,197	11,636	24,561
114,975	Education Services		154,588	36,072	118,516
11,546	Highways, Roads and Transport Services		14,650	1,669	12,981
37,587	Housing Services		153,906	121,630	32,276
46,095	Social Services		83,880	32,968	50,912
5,186	Corporate and Democratic Core		7,913	3,645	4,268
647	Unapportionable Central Overheads		695	0	695
244,221	NET COST OF SERVICES		459,017	210,894	248,123
950	Net deficit on Trading undertakings	9			1,059
(60,135)	Asset Management Revenue Account	4			(55,867)
7,744	Amounts due to - precepting authority				8,959
4,733	- levying authorities	2			5,485
(7,083)	Interest on Balances				(7,416)
190,430	NET OPERATING EXPENDITURE				200,343
	APPROPRIATIONS				
(2,153)	Transfer to/from HRA balances				2,621
579	Contributions to/from Specific Revenue Reserves				1,177
8,533	Revenue contribution to Capital Financing				4,915
(8,159)	Contributions to/from Capital Financing				(8,008)
(296)	Contributions to/from LMS Reserves				(1,301)
188,934	NET EXPENDITURE (the amount to be met from Government Grants and Local Taxpayers)				199,747
	SOURCES OF FINANCE				
(104,140)	General Government Grants				(102,040)
(42,247)	Non Domestic Rate Income				(46,200)
(43,977)	Council Taxpayers				(47,219)
(190,364)	TOTAL REVENUE FINANCING				(195,459)

(19,279)	BALANCE AT 1ST APRIL 2002				(20,709)
(1,430)	NET GENERAL FUND (SURPLUS)/DEFICIT FOR YEAR				4,288
(20,709)	BALANCE AT 31ST MARCH 2003				(16,421)

Note to Consolidated Revenue Account

The 2001/02 Consolidated Revenue Account has been re-stated to reflect best practice in accounting treatment as set out in CIPFA's Statement of Recommended Practices 2002.

This has resulted in a number of changes to the face of the Consolidated Revenue Account although these changes do not alter the overall net expenditure on services as reported in the 2001/2002 Statement of Accounts.

The changes are as follows:

- Identification of costs relating to Unapportionable Central Overheads;
- Detailed consolidation of the Housing Revenue Account into the Consolidated Revenue Account;
- Changes to the accounting treatment of amortisation on Government Grants Deferred.

<p style="text-align: center;">NOTES TO THE CONSOLIDATED REVENUE ACCOUNT</p>

1. SERVICE ANALYSIS

The Authority has analysed expenditure in accordance with the new requirements of the CIPFA Best Value Accounting Code of Practice, published in 2000. Details of main services are shown below:-

Central Services To the Public

- Local tax collection
- Registration Of births Deaths and Marriages
- Emergency planning
- Local Land Charges

Court Services

- Coroners Court

Cultural, Environmental and Planning Services

- Culture and Heritage
- Recreation And Sport
- Tourism
- Library Services
- Cemeteries
- Environmental Health
- Flood Defences
- Waste Collection
- Street Cleansing
- Planning and development

Education Services

Highways, Roads and Transport Services

- Transport Planning Policy and Strategy

Housing Services

Social Services

Corporate And Democratic Core

- Democratic representation and management
- Corporate Management

▪ Unapportionable Central Overheads

2. LEVIES

	2001/2002	2002/2003
	<u>£'000</u>	<u>£'000</u>
East London Waste Authority	3,432	4,165
Environmental Agency	760	770
Lee Valley Regional Park Authority	133	136
London Pensions Fund Authority	172	167
Greater London Magistrates Court Authority	236	247
	4,733	5,485

3. DEBT REDEMPTION

As the Authority is a debt free authority and had a negative credit ceiling at 1st April 2000, it was not required to make a minimum revenue contribution under Section 63(i) of the Local Government and Housing Act 1989. The Authority has no outstanding commitment in respect of credit liabilities. In addition to the beneficial effect on Capital Financing (the Authority being able to use all its capital receipts with certain minor exceptions rather than setting aside a prescribed proportion) the annual burden of debt repayment on the revenue account no longer applies.

4. ASSET MANAGEMENT REVENUE ACCOUNT

	2001/2002	2002/2003
	<u>£'000</u>	<u>£'000</u>
Grants released from Government Grants Deferred Account	(714)	(939)
Provision for Depreciation	24,690	24,565
Capital Charges to Service Accounts (notional interest)	(59,421)	(54,928)
Capital Charges to Service Accounts (depreciation)	(24,690)	(24,565)
Transfer to Consolidated Revenue Account	(60,135)	(55,867)

5. **SECTION 5 - PUBLICITY EXPENDITURE**

Section 5 (1) of the Local Government Act 1986 requires Authorities to keep a separate publicity account. The definition of publicity is given as any communication, in whatever form, addressed to the public. A detailed account of this expenditure is available for inspection from:-

Director of Finance,
(Financial Services Division),
London Borough of Barking and Dagenham,
Civic Centre,
Dagenham,
Essex.
RM10 7BY

	<u>2001/2002</u>	<u>2002/2003</u>
	<u>£'000</u>	<u>£'000</u>
Staff Advertising	1,870	2,325
Non Staff Advertising	254	369
Printing	38	119
Publicity & Publications	251	391
TOTAL	2,413	3,204

6. **AGENCY SERVICES**

The Authority carries out certain work for the East London Waste Authority on an agency basis for which it is reimbursed. The areas of work involved are:-

- As Clerk to the East London Waste Authority (ELWA), carrying out administrative and legal work on their behalf. The value of these works was £206k in 2002/2003, (£206k in 2001/2002).
- ELWA also made a contribution to the Civic Amenity site of £17k in 2002/2003, (£22k in 2001/02).

7. **LOCAL AUTHORITY (GOODS AND SERVICES) ACT 1970**

The Council is empowered under this Act to provide goods and services to other public bodies. Income was received under the subsection 1. (1)b of the Act for the provision of administrative, professional and technical services, in respect of contracts with the Barking College Corporation and Futures (former Careers Service) as follows:-

Service Provided	<u>2001/2002</u>	<u>2002/2003</u>
	<u>£'000</u>	<u>£'000</u>
Security – Expenditure - Income	5	0
Total Net Expenditure	5	0

8. **PENSION COSTS**

• **PENSION FUND**

In 2002/2003 the Authority paid an employer's contribution of £5.5 million into the Pension Fund (2001/2002 £5.0 million) representing 8% of pensionable pay. The contribution rate is determined by the Fund's Actuary based on a triennial actuarial valuation, the last review being 31st March 2001. Under Local Government Pension Scheme Delegations, contribution rates are set to meet overall liabilities of the fund. In addition, the Authority is responsible for all pension payments relating to added year's that it has awarded, together with related increases. In 2002/2003, these discretionary payments amounted to £561k (£505k in 2001/2002) which represented 0.81% of pension pay (0.8% in 2001/02).

• **TEACHERS**

In 2002/2003 the Authority paid £3.0 million (£3.5 million in 2001/2002) to the Department of Education and Skills in respect of teacher's pension costs. In addition, the Authority made discretionary payments during 2002/2003 of £306k (£298k in 2001/2002) which represents 0.62% of total pensionable pay (0.64% in 2001/02).

9. TRADING UNDERTAKINGS

The Council has established 20 trading units where the service manager is required to operate in a commercial environment and balance their budget by generating income from other parts of the authority or other organisations. Details of these unit's expenditure and income in 2002/03 are as following:

	Expenditure £'000	Income £'000	Net Expenditure £'000	Memo Capital Charges Included £'000
Community Halls	978	(255)	723	216
Teachers Accommodation	185	(200)	(15)	42
Barking Market	555	(555)	0	0
Land	1,475	(1,397)	78	796
Eastbury House	282	(57)	225	2
Highways Maintenance	443	(443)	0	1
Building Services	12,413	(12,413)	0	30
Building Cleaning	3,154	(3,154)	0	0
Security	682	(682)	0	0
Other Cleaning	2,213	(2,213)	0	28
Grounds Maintenance	4,456	(4,462)	(6)	24
Welfare Catering	176	(177)	(1)	0
Other Catering	245	(208)	37	0
Refuse Collection	1,883	(1,883)	0	0
Vehicle Maintenance	1,457	(1,457)	0	0
Leisure Management	2,440	(2,440)	0	0
Parking Enforcement	539	(539)	0	0
Construction/Property Services	4,292	(4,274)	18	0
Housing Management	2,168	(2,168)	0	0
Housing Rents	696	(696)	0	0
Upvc/Joinery Factory (closed 31 st July 2002)	798	(798)	0	15
Total	41,530	(40,471)	1,059	1,154

Figures for the UPVC/Joinery factory are up to 31st July 2002 when the unit closed. There are no outstanding liabilities.

10. MEMBERS ALLOWANCES

The total amount paid to councillors in 2002/03 for member's allowances was £570,074 (£434,501 in 2001/02).

11. REMUNERATION OF SENIOR STAFF (INCLUDING TEACHERS)

Details of sums paid to or receivable by senior staff, sums due by way of expenses allowances and the monetary value of any benefits received other than in cash are as follows:-

2001/2002	Value Of Remuneration	2002/2003
Number of staff		Number of staff
109	£40,000 to £49,999	191
31	£50,000 to £59,999	39
12	£60,000 to £69,999	16
4	£70,000 to £79,999	7
4	£80,000 to £89,999	4
0	£90,000 to £99,999	1
0	£100,000 to £109,999	0
1	£110,000 to £119,999	0
0	£120,000 to £129,999	1

12. RELATED PARTY TRANSACTIONS

The Code of Practice requires a disclosure of any material transactions between the Council and its related parties. In early April 2003 all Councillors and Chief and Statutory Officers were canvassed to identify any such transactions that have taken place during 2002/2003. The following Members of the Authority have materially related party transactions with the Authority.

MEMBER	TRANSACTION DURING THE YEAR
T WADE	Cllr Wade & Mrs Wade are members of the Friends Of The Osborne Partnership. £211,000 services purchased.

13. BUILDING CONTROL SERVICES

The Building Control (Local Authority Charges) Regulations 1999 gave Local Authorities Powers to set their own charges for building control activities where a charge is imposed. The new charging regime became operative from 1st April 1999 and the Authority is required to break even against its chargeable services over a three year consecutive period.

Building control services which do not attract charges are defined in the regulations and include activities such as dealing with dangerous structures, administration and enforcement of safety at sports grounds, entertainment licensing and general advice to council members and the public.

The following statement shows the total cost of operating the Authority's Building Control Service apportioned between chargeable and non chargeable activities. Certain activities performed by the Building Control Unit (such as providing general advice and liaising with other statutory authorities) cannot be charged for. The service has achieved its financial objective of breaking-even over the past three years. The financial performance is summarised as follows:

Financial Year	<u>(Surplus)/Deficit</u> <u>£'000</u>
2000/2001	(4)
2001/2002	(25)
2002/2003	(2)

14. BUILDING CONTROL ACCOUNT

Expenditure	Chargeable £'000	Non Chargeable £'000	Total £'000
Employee Expenses	140	129	269
Transport	7	6	13
Supplies and Services	6	6	12
Agency	48	0	48
Support	113	84	197
Recharges	0	(37)	(37)
Total Expenditure	314	188	502
Income			
Building Regulations	(316)	0	(316)
Total Income	(316)	0	(316)
(Surplus)/Deficit	(2)	188	186

HOUSING REVENUE ACCOUNT

2001/2002 (RE-STATED)				2002/2003		
£'000	£'000	£'000		£'000	£'000	£'000
			INCOME			
	62,662		Rents of Dwellings		64,132	
	2,097		Non Dwelling Rents		2,169	
	2,803		Other Charges		2,026	
	21,881		Government Subsidy		24,367	
		89,443	TOTAL INCOME			92,694
			EXPENDITURE			
			Supervision & Management -			
			• General	12,460		
			• Special	5,985		
11,243					18,445	
5,780					17,624	
	17,023		Repairs & Maintenance (inc:DSO deficit)			
	17,683		Depreciation –MRA		15,147	
	15,220		Depreciation Other HRA Assets		471	
	704		Rents, Rates and Other Charges		1,160	
	1,317		Capital Charge		33,421	
	38,033		Increase in Bad Debt Provision		0	
	100		Housing Benefits		36,205	
	34,947					
		125,027	TOTAL EXPENDITURE			122,473
		35,584	NET COST OF SERVICE			29,779
		(38,033)	Capital Charges			(33,421)
		(2,219)	Interest receivable			(2,576)
		(4,776)	NET OPERATING EXPENDITURE			(6,218)
			Appropriations			
		7,525	Revenue Contributions to Capital			4,068
		(704)	Contribution from MRR			(471)
		2,153	TOTAL: (SURPLUS) OR DEFICIT FOR THE YEAR			(2,621)
		(3,109)	Working Balance B/F			(956)
		(956)	Working balance C/F			(3,577)

Note to the Housing Revenue Account

The 2001/02 Housing Revenue Account has been re-stated to reflect best practice in accounting treatment as set out in CIPFA's Statement of Recommended Practices 2002.

This has resulted in one change to the face of the Housing Revenue Account although this change does not alter the overall net expenditure on the service as reported in the 2001/2002 Statement of Accounts.

The change undertaken relates to the financing of Non Housing depreciation which is now appropriated from the Major Repairs Reserve as opposed to the previous adjustment to reflect capital charges.

NOTES TO THE HOUSING REVENUE ACCOUNT

1. THE COUNCIL'S HOUSING STOCK ON 31ST MARCH 2003 CONSISTED OF:-

	Houses	Flats	Total
One Bedroom	264	5,445	5,709
Two Bedroom	5,618	3,462	9,080
Three Bedroom	4,540	2,255	6,795
More than Three Bedrooms	161	22	183

During the year, 585 properties were sold under the Right to Buy legislation, a further 88 were sold to a Housing Association as part of the Voids Disposal Programme, 48 properties was demolished and 1 property was transferred into the Housing Revenue Account. The above figures exclude the hostel at Thompson Road, which provides 7 units and the Councils proportion of shared ownership properties.

2. VACANT DWELLINGS

The vacant possession value of dwellings at 31st March 2003 was £1,100m (31st March 2002 £1,168m). The vacant possession value, when added to the balance sheet value of dwellings gives the economic cost of providing council housing at less than open market rents.

3. RENT ARREARS

	31ST March 2002 £'000	31ST March 2003 £'000
Current Tenants	2,547	2,283
Past Tenants	441	395
Total Housing Tenants	2,988	2,678
Commercial Rents	718	801
Total Rent Arrears	3,706	3,479
Provision For Bad Debts	2,100	2,100

These arrears exclude rates collected on behalf of Essex & Suffolk water.

4. ASSET VALUATIONS

The assets of the HRA are valued as follows:

<u>Fixed Assets Operational</u>	<u>31st March 2002</u> <u>£'000</u>	<u>31st March 2003</u> <u>£'000</u>
Council Dwellings	549,185	516,941
Other Land And Buildings	7,829	5,990
Fixed Assets Non –Operational	13,204	13,628
TOTAL ASSET VALUATIONS	570,218	536,559

5. MAJOR REPAIRS RESERVE (MRR)

The major repairs allowance account is as follows:

	<u>2001-02</u> <u>£</u>	<u>2002-03</u> <u>£</u>
Opening Balance	0	12,385,158
Contributions During Year	15,923,561	15,618,037
Expenditure Incurred During Year	(2,834,842)	(17,517,319)
Contribution towards depreciation charge	(703,561)	(471,136)
Closing Balance	12,385,158	10,014,740

6. HOUSING SUBSIDY

New subsidy arrangements were introduced by the Local Government Finance Act 1989, which amalgamated the Rent Rebate Subsidy with the General Housing Subsidy. Prior to 1993/94, there were negative entitlements which obliged the Council to transfer an amount equivalent to the negative subsidy from the Housing Revenue Account to the credit of the General Fund. From 1993/94 the subsidy calculation has produced a positive amount thus resulting in subsidy being paid by the Office of the Deputy Prime Minister. For 2002/2003 this was £24.37 million (2001/2002 £21.88 million). Details of the subsidy calculation are as follows:-

<u>2001-2002</u>			<u>2002-2003</u>	
<u>£'000</u>	<u>£'000</u>		<u>£'000</u>	<u>£'000</u>
28,970		Rent Rebates	30,162	
33,669		Notional Management and Maintenance	35,659	
15,220		Major Repairs Allowance	15,147	
137		Other Reckonable Costs	-	
	77,996	Notional Rent	(55,024)	80,968
(53,929)		Interest On Credit Ceiling	(1,573)	
(2,186)	(56,115)			(56,597)
	21,881	Subsidy Entitlement		24,371
		Adjustment from 2001/2002		(4)
				24,367

7. CAPITAL RECEIPTS GENERATED

The capital receipts generated are as follows:

	<u>2001-02</u>	<u>2002-03</u>
	£	£
Right to Buy receipts	18,127,390	26,781,744
Mortgage principal repayments	1,350,000	1,418,158
Trickle transfer sales	8,926,150	8,072,064
Sales of HRA land	-	1,876,766
	28,403,540	38,148,732

8. SUMMARY OF HRA CAPITAL EXPENDITURE

<u>2001-02</u>		<u>2002-03</u>
£	<u>Expenditure</u>	£
18,715,846	Shape UP For Homes	22,528,865
2,834,842	Major Repairs Programme	7,333,027
556,701	Lift Replacement Programme	86,795
1,263,391	Capitalised Repairs	399,110
1,290,287	Disabled Adaptations	1,338,740
0	Wantz Depot	1,000,000
24,661,067	Total Capital Expenditure	32,686,537
	<u>Financed By</u>	
14,301,225	Usable Capital Receipts	11,101,218
7,525,000	Revenue Contributions	4,068,000
2,834,842	Major Repairs Reserve	17,517,319
24,661,067	Total	32,686,537

9. HOUSING RENTS

On the 5th April 1999 a new points based rents system was introduced. This allows initially, differential rents for types of properties i.e. Houses, Low Rise, Medium Rise, High rise and sheltered Flats, as well as number of bedrooms, parlours and garages.

Rents were increased on the 4th April 2002 by an average of £1.91 taking the average rent for all dwellings to £56.47 per week.

10. DEPRECIATION

<u>2001/2002</u>		<u>2002/2003</u>
15,220,000	Land	15,146,901
	Houses	
453,235	Other Property	438,965
	Operational Assets	
250,326	Non-operational assets	32,170
15,923,561	TOTAL	15,618,036

11. FURTHER INFORMATION

Resource Accounting was introduced from the 1st of April 2001 with one of the main objectives being to increase the transparency of the HRA. This is achieved by showing the value of the housing assets and the level of subsidy needed to maintain them. The main accounting changes are the introduction of a capital charge to reflect the cost of capital employed in providing housing assets and an allowance for depreciation.

The charge for depreciation, which has been set at the MRA level, is offset in the accounts by an equivalent increase in the subsidy paid by Central Government.

The new charges for capital and depreciation of other non-HRA assets are included within “the net cost of service” in order to show the true cost of maintaining the housing stock, but are contra’d out under net operating costs to ensure these notional costs do not fall on the tenants.

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THE COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT 2002/2003

2001/2002			NOTES	2002/2003	
<u>£'000</u>	<u>£'000</u>			<u>£'000</u>	<u>£'000</u>
		<u>INCOME</u>			
33,222		Net Income receivable from Council Tax	(2)	35,864	
11,344		Transfers from the General Fund:- Council Tax Benefits		12,145	
40,860		Income collectable from Business Ratepayers		40,480	
78		Transfers from General fund:- Discretionary relief		79	
	85,504	TOTAL INCOME			88,568
		<u>EXPENDITURE</u>			
43,546		Precepts	(3)	46,961	
39,954		Business Rate:- Payment to National Pool	(5)	39,167	
431		Costs of Collection		438	
1,338		Bad and Doubtful Debts/Appeals:- Write offs		1,584	
(518)		Provisions		352	
510		Surplus transferred	(4)	311	
	85,261	TOTAL EXPENDITURE			88,813
	243	SURPLUS/(DEFICIT)			(245)
	525	Balance at 1st April 2002			768
	768	Balance at 31st March 2003			523

NOTES TO THE COLLECTION FUND ACCOUNT

1. GENERAL

This account reflects the statutory requirement for the Council to maintain a separate Collection Fund. This shows the transactions of the Council in relation to non-domestic rates, council tax and residual community charges and illustrates the way in which these have been distributed to preceptors and the General Fund. The Collection Fund is consolidated with other accounts of the Council. Council Tax is shown net of benefits, discounts for prompt payments and transitional relief.

2. COUNCIL TAX

The Council levied a Council Tax of £911.43 for a Band 'D' property in 2002/2003 comprising:-

London Borough of Barking and Dagenham	£ p
Greater London Authority	737.55
	173.88
	911.43

The taxbase used to determine this figure was Band 'D' equivalent properties calculated as follows:-

BAND	NUMBER OF PROPERTIES IN BANDS	BAND 'D' EQUIVALENT PROPERTIES
A	7,494	4,173.6
B	9,941	6,738.9
C	40,408	32,468.2
D	7,562	6,969.5
E	1,750	1,973.9
F	316	432.6
G	46	79.2
H	23	3.5
	67,540	52,839.4

Allowance was made for additions to the list during the year and a non-collection rate of 2.5% this reduced the above figure to 51,525 Band 'D' equivalent properties.

3. PRECEPTING AUTHORITIES

The precepts levied on the Collection Fund in 2002/2003 were as follows:-

	£'000
London Borough of Barking and Dagenham	38,002
Greater London Authority	8,959
	46,961

4. SURPLUS TRANSFERRED

This figure represents the transfer of the estimated surplus on the Council Tax Collection Fund account as at 31st March 2002 to the London Borough of Barking and Dagenham's General Fund, and to the Greater London Authority in 2002/2003.

5. NATIONAL NON DOMESTIC RATES (NNDR)

Under the arrangements for Uniform Business Rates, the Council collects rates in the Borough based on rateable values which are assessed by the District Valuer, multiplied by a uniform rate in the pound which is set each year by the Government.

The total proceeds, less certain reliefs and allowances are paid into a central pool managed by the Government and these in turn are redistributed to local authorities as a standard amount per head of relevant population.

The Council's contribution to the pool in 2002/2003 has been calculated as follows:-

	£'000	£'000
Amount due from ratepayers net of transitional, mandatory and empty property reliefs		40,611
Less Amount of additional discretionary reliefs granted chargeable to pool	52	
Less Cost of Collection Including Interest	438	
Provision for Bad Debts and Write-offs	954	
Contribution to Pool		39,167

The contribution received from the pool in 2002/2003 was £46.2m and this was credited direct to the Council's General Fund.

The Rateable value at 31st March 2003 was	109,887,315
The Uniform rate in the pound (or multiplier) for 2002/2003 was	43.7

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2003

2001/2002 (RE-STATED)				NOTES	2002/2003		
£'000	£'000	£'000			£'000	£'000	£'000
549,185			FIXED ASSETS				
311,710			OPERATIONAL ASSETS				
6,865			• Council Dwellings	1,2,3,5	516,941		
29,963			• Other Land and Buildings		304,280		
2,252			• Vehicles, Plant, Furniture & Equipment		7,308		
			• Infrastructure assets		34,240		
			• Community assets		2,884		
	899,975		Investment Properties			865,653	
	39,771	939,746	TOTAL FIXED ASSETS			51,763	917,416
			DEFERRED CHARGES	2			
203			• Improvement Grants/Other		509		
5,909	6,112		• Long Term Debtors	6	4,421	4,930	
		945,858	TOTAL LONG TERM ASSETS				922,346
			CURRENT ASSETS				
822			• Stock	7	624		
30,920			• Debtors	8	43,395		
(5,452)			Less: Provision for Bad Debts		(5,803)		
164,417			• Investments - Short Term	9	155,282		
43	190,750		• Cash at Bank		47	193,545	
		1,136,608	TOTAL ASSETS				1,115,891
			CURRENT LIABILITIES				
(6,078)			• Receipts in Advance	10	(4,942)		
(31,225)			• Creditors	11	(40,637)		
(14,630)			• Cash Overdrawn		(5,063)		
	(51,933)		TOTAL ASSETS LESS CURRENT LIABILITIES			(50,642)	
		1,084,675					1,065,249
		(4,854)	PROVISIONS	12			(5,044)
		(4,614)	DEFERRED LIABILITIES	13			(4,497)
		(16,381)	GOVERNMENT GRANTS DEFERRED				(24,726)
		(7,206)	DEFERRED CAPITAL RECEIPTS				(7,517)
		1,051,620	NET ASSETS				1,023,465
			REPRESENTED BY:				
		698,492	FIXED ASSET RESTATEMENT RESERVE				639,765
		214,008	CAPITAL FINANCING RESERVE				242,844
		45,023	CAPITAL RECEIPTS (USABLE)				46,838
		23,153	CAPITAL RECEIPTS (SET-ASIDE)				26,149
		70,944	FINANCIAL & SPECIFIC RESERVES				67,869
		1,051,620					1,023,465

Note to the Consolidated Balance Sheet

The 2001/02 Consolidated Balance Sheet has been re-stated to reflect best practice in accounting treatment as set out in CIPFA's Statement of Recommended Practices 2002.

This has resulted in a number of changes to the face of the Consolidated Balance Sheet although these changes do not alter the overall value of assets and liabilities as reported in the 2001/2002 Statement of Accounts.

The changes made are as follows:

- Re-classification of works in progress to Debtors
- Re-classification of Creditor items to Receipts in Advance
- A separate identification for Set-aside Capital receipts

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. INFORMATION ON ASSETS HELD

Fixed Assets owned by the Council include the following:-	Number as at 31 st March 2002	Number as at 31 st March 2003
Council Dwellings	22,490	21,767
Operational Buildings		
• Youth Service	10	10
• Conveniences	9	9
• Community Halls	19	19
• Registrars	1	1
• Office Buildings	11	11
• School Sites	49	49
• Libraries	11	11
• Sports and Other Leisure Centres	15	14
• Residential Homes	26	23
• Museums and Galleries	2	2
• Depots and Workshops	9	8
• Cemeteries	3	3
Operational Equipment		
• Vehicles	265	208
• Plant	518	538
Infrastructure Assets		
• Highways (kilometres))	306	318
Community Assets		
• Parks and Open Spaces (hectares)	445	445
• Allotments	16	16
Investment Properties		
• Strategic Land Holdings	53	50

2. DEFERRED CHARGES

	<u>£'000</u>
Balance 1/4/2002	203
Expenditure	5,014
Amounts funded by Capital Receipts	(2,225)
Amounts written-off in Year	(2,483)
Total Deferred Charges	509

Expenditure during the year is shown net of grants received.

3. CAPITAL EXPENDITURE AND FINANCING

Capital Programme expenditure for 2002/2003 (including deferred charges) amounted to £92.25 m (£84.2m in 2001/2002).

	2001/2002	2002/03
	£'000	£'000
Direct Revenue Financing	11,367	22,432
Capital Receipts – Usable	42,486	34,991
Capital Receipts – Set Aside	13,427	23,153
Government Grants	14,681	11,661
Other Contributions	439	372
Amounts Financed For Previous Years	(4,660)	(6,455)
Amounts Not yet Financed	6,455	6,092
	84,195	92,246

4. CAPITAL COMMITMENTS

Significant contractual commitments for future capital expenditure in the Authority's approved programme at the 31st March 2003 were:-

SCHEME	BALANCE OUTSTANDING AT 31/3/2003
	£'000
Shape Up for Homes Programme – External works	2,139
-Door & Window supply and Installation	5,000
-Rewiring	2,577
-Roof Repairs/Replacement	5,408
-Kitchen supply and installation	4,063
Jo Richardson Community School Temporary Accommodation	2,024
Lift replacement	296

5. MOVEMENT OF FIXED ASSETS 2002/2003

	Council Dwellings	Other Land and Buildings	Vehicles, Plant and Equipment	Infrastructure Assets	Community Assets	Non Operational Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Book Value at 1st April 2002	578,869	323,977	15,766	31,995	2,301	39,773	992,681
Additions (See Note 1)	30,348	10,659	2,027	5,834	665	11,429	60,962
Disposals	(18,532)	(460)	(1,529)			(57)	(20,578)
Reclassifications		(620)				620	0
Revaluation's	(30,348)	(10,659)					(41,007)
Gross Book Value as at 31st March 2003	560,337	322,897	16,264	37,829	2,966	51,765	992,058
DEPRECIATION							
Balance at 1st April 2002	(29,684)	(12,267)	(8,901)	(2,032)	(49)	(2)	(52,935)
Depreciation for Year	(15,147)	(6,401)	(1,427)	(1,557)	(33)		(24,565)
Reclassifications							
Disposals	1,435	51	1,372				2,858
Balance as at 31st March 2003	(43,396)	(18,617)	(8,956)	(3,589)	(82)	(2)	(74,642)
Net Book Value as at 1st April 2002	549,185	311,710	6,865	29,963	2,252	39,771	939,746
Net Book Value as at 31st March 2003	516,941	304,280	7,308	34,240	2,884	51,763	917,416

Note 1: Additions to Fixed Assets exclude deferred charges of £31,285k which have been written-off during 2002/03
Additions to fixed assets and deferred charges represent total capital expenditure for 2002/03 as shown in note 3 (page 27)

6. LONG TERM DEBTORS

- **Deferred Capital Receipts:-**

These are in respect of mortgages granted to former tenants who have purchased their dwellings from the Authority.

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Mortgages Outstanding 1st April	7,037	5,796
Principal Repayments During Year	(1,241)	(1,473)
New Advances during Year	0	0
Mortgages Outstanding 31st March	5,796	4,323

- **Other Mortgage Advances:-**

Mortgages advanced for the purchase of Private Dwellings

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Mortgages Outstanding 1st April	145	113
Principal Repayments During Year	(32)	(15)
New Advances during Year	0	0
Mortgages Outstanding 31st March	113	98

TOTAL LONG TERM DEBTORS	5,909	4,421
--------------------------------	--------------	--------------

7. STOCK

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Stock	822	624
TOTAL	822	624

8. DEBTORS

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Debtors	30,920	43,395
Less Bad Debt Provision	(5,452)	(5,803)
	25,468	37,592

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Analysis:		
• Government Departments	5,920	11,701
• Other Local Authorities & organisations	1,968	8,082
• Council Tax Payers etc.	5,194	4,056
• Housing Rents	3,493	3,488
• Employee Loans	745	742
• Prepayments	561	1,180
• Other	7,587	8,343
TOTAL	25,468	37,592

9. SHORT-TERM INVESTMENTS

The Authority has total investments of £155.3 m at 31st March 2003 of which £100.0m is managed by two external Fund Managers. The remaining funds are managed in-house.

The funds are in respect of capital receipts from Council House Sales together with reserves and cash balances and are managed with a view to maximising the return on investment within defined policy guidelines limiting risk. All investments are in Money Market Instruments.

The Council does not have investments in any related companies.

10. RECEIPTS IN ADVANCE

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
NNDR	382	261
Council Tax	685	805
Section 106 Planning Agreements	1,427	1,647
Other	3,584	2,229
	6,078	4,942

11. CREDITORS

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Government Departments	10,818	16,499
Other Local Authorities	1,725	1,207
Housing Rents	865	612
Other	17,817	22,319
TOTAL	31,225	40,637

12. PROVISIONS

Details of self insurance provisions are as follows:-

	<u>2001/2002</u> <u>£'000</u>	<u>2002/2003</u> <u>£'000</u>
Balance brought forward	4,147	4,854
Claims made	(2,053)	(1,143)
Contributions to (from) Provisions	2,760	1,333
Balance carried forward	4,854	5,044

This provision relates to outstanding self insurance claims as determined by the Council's insurer. Owing to the nature of these insurance claims the expected timing of transfers of economic benefits cannot be determined.

13. DEFERRED LIABILITIES

As at the 31st March 2002 the majority of the deferred liabilities related to dwelling stock transferred from the London Borough of Redbridge on 1st April 1994 for which there is still outstanding debt of £3.8m administered by them. The remaining deferred liabilities of £0.7m relates to leaseholder contributions to capital works.

14. LONG TERM BORROWING

The Authority no longer has any long term borrowing, having decided to repay all such borrowing during 1992/93 by using set aside capital receipts specifically intended for this purpose.

15. NET ASSETS EMPLOYED

Net assets employed are analysed as follows:-

	<u>2001/2002</u> <u>£000</u>	<u>2002/2003</u> <u>£000</u>
General Fund & HRA	1,050,852	1,022,942
Collection Fund	768	523
	1,051,620	1,023,465

16. PROVISION FOR CREDIT LIABILITIES (MEMORANDUM ACCOUNT ONLY)

Movement in provision for credit liabilities was as follows:-

	<u>2001/2002</u> <u>£000</u>	<u>2002/2003</u> <u>£000</u>
Amount set aside as provision to meet credit liabilities at April 1 st	40,000	49,726
Use of PCL monies to finance capital expenditure etc.	(13,427)	(23,153)
New reserved receipts in year	23,153	26,149
Amount set aside as provision to meet credit liabilities at March 31 st	49,726	52,722

17. TRUST FUNDS

The Authority acts as trustee for eleven small trust funds. These funds provide education prizes and assistance to needy local residents.

	<u>2001/2002</u> <u>£000</u>	<u>2002/2003</u> <u>£000</u>
Trust Fund balances at 1st April	79	83
Payments from funds during year	0	0
Income received by funds in the year (including new funds)	4	3
Balance at 31st March	83	86

18. OTHER MATTERS/CONTINGENT LIABILITIES

For certain capital schemes, the Council may be liable for further payments under the terms of the contract as a result of contractors claims which are under negotiation. The precise amount is not quantifiable.

19. RESERVES AND BALANCES HELD BY SCHOOLS UNDER DELEGATED SCHEMES

	2001/2002		2002/2003	
	<u>No of Schools</u>	<u>£'000</u>	<u>No of Schools</u>	<u>£'000</u>
Schools in Surplus	53	3,367	38	2,997
Schools in Deficit	6	(260)	21	(1,191)
TOTAL	59	3,107	59	1,806

The authority's 'Scheme for Financing Schools' requires that schools carrying forward deficit balances must plan to recover the deficit from the following year's budget.

Where this is not practicably possible, schools may apply to the authority for permission to set a licensed deficit budget under the terms of the scheme, which if approved, allows schools to plan to eliminate the deficit over a longer period up to a maximum of 5 years.

20. RETIREMENT BENEFITS (FRS 17)

In accordance with Financial Reporting Standard No. 17 - Retirement Benefits (FRS 17) the London Borough of Barking and Dagenham (the Council) is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

The Council participates in the Local Government Pension Scheme and acts as an Administering Authority. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary.

The most recent valuation was carried out as at 31st March 2001, and has been updated by independent actuaries to the Council Pension Fund (the Fund) to take account of the requirements of FRS17 in order to assess the liabilities of the Fund as at 31 March 2003. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

The Council's contribution rate over the accounting period was 133.3% of members' contributions. The contribution rates certified for the Council at the 31st March 2001 valuation are as follows:

- April 2002 to March 2003 - 133.3% of members' contributions
- April 2003 to March 2004 - 141.67% of members' contributions
- April 2004 to March 2005 - 150% of members' contributions

These figures include the past service element of the contribution rate.

The main assumptions used for the purposes of FRS 17 are as follows:

	<u>31st March 2003</u>	<u>31st March 2002</u>
Discount rate	6.1% pa	6.4% pa
Rate of increase in salaries	4.5% pa	4.8% pa
Rate of increase in pensions in payment	2.5% pa	2.8% pa
Rate of increase in deferred pensions	2.5% pa	2.8% pa
Rate of inflation	2.5% pa	2.8% pa
Long-term expected rates of return on:		
Equities	8.0% pa	7.5% pa
Bonds	4.8% pa	5.5% pa
Property	6.0% pa	6.0% pa
Other assets	4.0% pa	4.0% pa
Average long term expected rate of return	7.3% pa	7.3% pa

Assets are valued at fair value, principally market value for investments, and comprise:

	<u>31 March 2003</u> <u>(£m)</u>	<u>31 March 2002</u> <u>(£m)</u>
Equities	222.6	344.2
Bonds	41.4	22.5
Property	20.2	4.5
Other	6.0	11.8
Total	290.2	383.0

The proportions of total assets held in each asset type, shown above, reflect the proportions held by the Fund as a whole at 31 March 2003 and 31 March 2002.

The following amounts were measured in accordance with the requirements of FRS 17:

	<u>31 March 2003</u> <u>(£m)</u>	<u>31 March 2002</u> <u>(£m)</u>
Share of assets in the Fund	242.5	317.4
Estimated liabilities in the Fund	336.1	316.0
Council's surplus (Deficit) in the Fund	(93.6)	1.4

The surplus or deficiency revealed above should be borne in mind when considering the amount of overall reserves held.

The movement in net surplus for the year to 31 March 2003 is as follows:

	<u>£m</u>	<u>£m</u>
Net surplus at beginning of year		1.4
Movement in year:		
Operating Charge:		
- Current service cost	(9.3)	
- Past service costs	(0.4)	
- Gain/loss on any settlements or curtailments	(1.6)	(11.3)
Total Operating Charge		
Contributions		5.5
Finance Income:		
- Expected return on Pension Fund assets	2.8	
- Interest on pension scheme liabilities	0.0	2.8
Total Finance Income		
Actuarial gain/loss		(92.0)
Net surplus (deficit) at end of year		(93.6)

The actuarial gain/loss can be further analysed as follows:

	<u>Amount</u> <u>(£m)</u>	<u>Percentage</u>
Actual return less expected return on assets	(91.0)	37.5% of scheme assets
Experience gains and losses on pension liabilities	(1.0)	0.3% of scheme liabilities
Changes in assumptions underlying the present value of pension liabilities	0.0	
Total	(92.0)	

The deficit represents the full impact of future liability and asset assumptions discounted as at 31st March 2003. As the LGPS is a statutory scheme, the funding position is kept under review and any deficit will be met by local taxpayers over a period of time.

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STATEMENT OF TOTAL MOVEMENTS IN RESERVES 2002/2003

	CAPITAL RESERVES				REVENUE RESERVES						
	Fixed Asset Restatement Reserve £'000 (698,492)	Capital Financing Reserve £'000 (214,008)	Set-aside Capital Receipts £'000 (23,153)	Usable Capital Receipts £'000 (45,023)	General Fund £'000 (20,709)	Specific Reserves General Fund £'000 (30,410)	HRA Working Balance £'000 (956)	Specific Reserve HRA £'000 (14,994)	Collection Fund £'000 (768)	LMS** £'000 (3,107)	TOTAL £'000 (1,051,620)
Balance as at 1.4.2002											
Net (Surplus)/Deficit for year Contributions (Received)/Made Transfer between Reserves Unrealised (Gains)/Losses on Revaluation of Fixed Assets	41,007					(1,648)	(2,621)	1,510	245	1,301	3,075
Effects of Disposals of Fixed Assets: Cost or Value of Assets Disposed Proceeds of Disposals	17,720		(26,149)	(37,241)							41,007
Capital Financing:											17,720
From Consolidated Revenue A/c From Housing Revenue Account		(844) (21,585)									(63,388)
From set aside Capital Receipts		(29,956) 24,565	23,153	35,426							(844) (21,585) 23,153
Depreciation		(77) (939)									5,470 24,565
Adj assets not adding value Writing down Deferred Liability Writing off Government Grants											(77) (939)
*Other Movements											
Balance as at 31.3.2003	(639,765)	(242,844)	(26,149)	(46,838)	(16,421)	(32,058)	(3,577)	(13,484)	(523)	(1,806)	(1,023,465)

* Note:- Other movements in the capital financing reserve relate to the writing off of historic Government Grants.

** Note: - Schools balances represent sums delegated to Schools in accordance with the Education Reform Act 1988 which had not been spent at 31st March 2003

PURPOSE OF RESERVES

RESERVE	PURPOSE	USAGE	BASIS OF TRANSACTIONS
CAPITAL Fixed Asset Restatement	To enable current values to be included in the balance sheet.	Cannot be used in any way to finance revenue or capital expenditure.	The reserve is increased when valuations are increased and decreased when assets are sold or downward valuations are applied.
Capital Financing	To account for the cost of capital financing.	Cannot be used in any way to finance revenue or capital expenditure.	Largely replaces Capital Discharged (receiving credits for Capital Receipts applied and Direct Revenue Financing), but also contains Reserved Capital Receipts.
Usable Capital Receipts/ Set-aside Capital Receipts	To meet the cost of capital expenditure for the current and future financial years.	To finance Capital Programme.	Part of year end capital financing.
REVENUE (SPECIFIC) Capital & Revenue Support	To meet the cost of capital and revenue expenditure for the current and future financial years on such schemes or programmes of work as the Finance Committee approves.	To finance Revenue or Capital Programme.	Part of year end capital or revenue financing.
Capital	To provide cover for planned Capital Expenditure should anticipated Capital Receipts fail to arise.	To Finance Capital Expenditure.	Part of year end Capital Financing.
Repairs and Renewals	To meet the cost of replacement vehicles/equipment/plant at the end of their useful life.	To finance purchase of new vehicles, plant etc.	Part of year end capital financing.
Insurance	To provide a contingency sum to finance potential unquantified insurance losses.	As and when appropriate.	By transfer to Provisions when value of loss is established.
REVENUE (OTHER) Fund Balances (General, Housing, Collection Fund)	Accumulated balances.	Consideration is given to the availability of balances in overall financing options for each year.	Part of overall revenue funding
LMS	Accumulated balances on Local Management of Schools in accordance with Education Reform Act 1988.	At discretion of Schools' Governing Bodies.	As part of normal revenue transactions of individual schools.

CASH FLOW STATEMENT

	2001/2002	2002/2003
<u>REVENUE ACTIVITIES</u>	£'000	£'000
<u>Expenditure</u>		
• Cash paid to and on behalf of employees	150,086	162,163
• Other Operating Costs	103,842	120,262
• Housing Benefit Paid Out	14,623	16,256
• Non Domestic Rate Payments To National Pool	39,954	39,167
• Precepts Paid To Other Authorities	7,744	8,959
Total Expenditure (A)	316,249	346,807
<u>Income</u>		
• Council Tax Income (Net of Rebates)	(33,177)	(35,553)
• Community Charge Income	(1)	0
• Non-Domestic Rates Received from National Pool	(40,006)	(46,200)
• Revenue Support Grant	(104,140)	(102,040)
• Other Government Grants	(60,319)	(82,516)
• Rents (Net of Rebates)	(27,877)	(27,630)
• DSS Grants for Rebates	(24,931)	(28,280)
• Cash Received for Goods and Services	(23,478)	(20,801)
Total Income (B)	(313,929)	(343,020)
Revenue Activities Net Cash Flow (A less B)	2,320	3,787
<u>RETURNS ON INVESTMENTS</u>		
<u>Income</u>		
• Interest Received	(5,071)	(7,005)
Returns on investments Net Cash Flow (C)	(5,071)	(7,005)
<u>CAPITAL ACTIVITIES</u>		
<u>Expenditure</u>		
• Purchase of Fixed Assets	20,646	61,324
• Deferred Charges	34,270	31,285
	54,916	92,609
<u>Income</u>		
• Sale of Fixed Assets	(53,541)	(62,953)
• Capital Grants & Development Grants Received	(14,829)	(26,874)
	(68,370)	(89,827)
Capital Activities Net Cash Flow (D)	(13,454)	2,782
(Increase)/Decrease in Cash Equivalents (A+B+C+D)	(16,205)	(436)

NOTES TO THE CASH FLOW STATEMENT

1. RECONCILIATION OF REVENUE CASH FLOW

	2001/2002	2002/2003
	£'000	£'000
(Surplus)/Deficit per Consolidated Revenue Account	(1,430)	4,288
(Surplus)/Deficit per Housing Revenue Account	2,153	(2,621)
(Surplus)/Deficit per Collection Fund	(243)	245
NET (SURPLUS)/DEFICIT	480	1,912
Interest	5,071	7,005
Non Cash Transactions:		
Contribution to Provisions	707	190
Contribution (to) from Reserves	(13,296)	1,163
Contribution to Capital	(8,311)	(4,068)
Variations in Creditors	(6,157)	(8,639)
Variations in Debtors	6,039	12,365
Other Movements	17,787	(6,141)
Revenue Activities Net Cash Flow	2,320	3,787

2. MOVEMENT IN CASH & CASH EQUIVALENTS

	As at 31/3/2002	As at 31/3/2003	Movement
	£'000	£'000	£'000
Temporary Loan Investments	164,417	155,282	9,135
Cash at Bank	43	47	(4)
Cash Overdrawn	(14,630)	(5,063)	(9,567)
Net Cash (Inflow)/Outflow	149,830	150,266	(436)

3. ANALYSIS OF GOVERNMENT GRANTS ETC.

	2001/2002	2002/2003
	£'000	£'000
Revenue Support Grant	104,140	102,040
DSS Grants for Rebates:		
• Private Tenants' Rent Allowance	13,581	15,947
• Council Tax Benefit Subsidy	10,474	11,389
• Housing Benefit Administration	508	547
• Council Tax Benefit Administration	368	397
	24,931	28,280
Other Revenue Grants:		
• Education & Libraries	14,431	29,240
• Housing Revenue Account	21,881	24,367
• General Purposes	17	76
• Social Services	20,529	23,574
• Housing and Health	61	71
• SRB	3,400	5,188
	60,319	82,516
Capital Grants:		
• Transport Supplementary Grant	1,628	2,258
• Derelict Land Grant	224	0
• London Development Agency	0	164
• SRB/Lottery Grants	12,673	7,455
• Developer Contribution	185	65
• Home Office (CCTV)	119	86
• Sure Start	0	458
• MRA	0	15,147
• Government Office For London	0	1,241
	14,829	26,874
Total of Government Grants	204,219	239,710

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PENSION FUND ACCOUNT

2001/2002			2002/2003	
£'000	£'000		£'000	£'000
		FUND ACCOUNT		
		Contributions and Benefits		
		Contributions receivable:		
5,638		• from employers(scheduled bodies)	6,118	
237	5,875	(admitted bodies)	261	6,379
4,521		• from employees (scheduled bodies)	5,048	
215	4,736	(admitted bodies)	238	5,286
	3,409	Transfers in (Note 5)		4,528
	14,020			16,193
		Benefits payable:		
12,456		• Pensions (scheduled bodies)	13,285	
101	12,557	(admitted bodies)	123	13,408
2,224		• Lump sums (scheduled bodies)	3,189	
63	2,287	(admitted bodies)	93	3,282
		Payments to and on account of leavers		
	121	• Refunds of contributions		191
	1,878	• Transfers out (Note 5)		1,775
	302	• Administrative and other expenses		336
	17,145			18,992
	(3,125)	Net withdrawals from dealing with members		(2,799)
		Returns on investments		
10,616		• Investment income		9,840
(13,287)		• Change in market value of investments (realised and unrealised)		(96,958)
(1,115)		• Investment management expenses		(1,011)
(3,786)		Net returns on investments		(88,129)
	(6,911)	Net increase (decrease) in the fund during the year		(90,928)
	389,795	Opening net assets at 1 st April 2002		382,884
	382,884	Closing Net Assets At 31st March 2003		291,956

Return On Investments

2001/2002			2002/2003	
£'000	£'000		£'000	£'000
	389,795	Net Assets at 1st April		382,884
6,376		Net new money invested (Surplus for the year)	6,030	
(12,061)		Change in market value of investments:		
(1,226)		Net realised profits (losses)	(33,444)	
		Net unrealised profits (losses)	(63,514)	
	(6,911)			(90,928)
	382,884	Closing Net Assets At 31st March		291,956

PENSION FUND NET ASSETS STATEMENT
--

31st March 2002			31st March 2003	
£'000	£'000		£'000	£'000
		INVESTMENT ASSETS		
22,469		Fixed Interest Securities – Public Sector	9,448	
0		Index Linked Securities	10,885	
183,727		U.K. Equities – quoted	132,111	
0		U.K. Equities – unquoted	7	
102,837		Foreign Equities	75,978	
0		Foreign Fixed Interest Securities	0	
12,492		Management Funds – Property	14,563	
45,187		Management Funds – Other	35,527	
4,555		Freehold and Leasehold Property (Note 6)	5,665	
	371,267			284,184
		CURRENT ASSETS		
3,529		Debtors	1,887	
8,465		Temporary Investment	3,700	
3,413		Cash	2,544	
	15,407			8,131
		CURRENT LIABILITIES		
	(3,790)	Creditors		(359)
	382,884	TOTAL NET ASSETS		291,956

NOTES TO THE PENSION FUND ACCOUNTS

1. OPERATIONS AND MEMBERSHIP

The Fund is established under the provisions of the Superannuation Act of 1972 to provide pensions and other retirement benefits for the Council's employees, other than teachers, and the Scheduled and Admitted Bodies detailed below. The employees' basic contributions are 5% of remuneration for manual workers and 6% for officers. All new employees joining since 1st April 1998 make contributions at 6%. The Employers make a contribution as determined by the Actuary, who makes a valuation of the Fund every three years. The latest valuation took place as at 31st March 2001 and is effective from 1st April 2002 (see note 3). The employer's contributions are:-

EMPLOYER	Minimum Contribution for the year ending		
	31/3/2003	31/3/2004	31/3/2005
Scheduled Bodies:			
• London Borough of Barking & Dagenham	8%	8.5%	9%*
• University of East London	5%*	5.5%*	6%*
Admitted Bodies:			
• Barking Council for Voluntary Services	7%*	7.5%*	8%*
• Barking & Dagenham Old People's Welfare Association	7%*	7.5%*	8%*
• Abbeyfield Barking Society	7%*	7.5%*	8%*
• Barking College	7%*	7.5%*	8%*
• Disablement Association for Barking & Dagenham	10%*	10.5%*	10.5%*
• Barking & Dagenham Citizens Advice Bureau	10%*	10.5%*	10.5%*
• Heart of Thames Gateway Plc	10%*	10.5%*	10.5%*

*plus any early retirements costs based on the methods and assumptions issued by the Council's actuary.

2. ACCOUNTING POLICIES

- (i) **Investment Valuation** - All investments are shown at their market value.
- (ii) **Accruals Basis** - The accounts are prepared on an accruals basis. Any material transactions that were found to be for this financial year which arose or were received after the end of the year are enclosed in these pension financial statements.
- (iii) **Foreign Currency Translation** - The valuation of foreign equities is calculated by using the overseas market price current at the relevant date and the exchange rate for the appropriate currency at the time to express the value as a sterling equivalent.
- (iv) **Costs of Acquiring Investments** – these costs are included in the value of the assets.
- (v) **Investment Management Expenses** – Fees charges for the investment and custodial arrangements of the fund.
- (vi) **Materiality** - the financial information which is included in this Pension Statement is material: that it includes all items where the misstatement or omission of the transactions or net assets of the fund may be expected to influence the assessment of the Council's stewardship.

3. ACTUARIAL POSITION

The triennial review of the fund took place as at 31st March 2001 and the salient features of that review are as follows:-

- The funding policy of the scheme is to meet 100% of the liabilities
- The key financial assumptions adopted at this valuation are:-
 - Future levels of price inflation.
 - Future levels of real pay increases-i.e. over and above price inflation.
 - The discount rate applied to future liabilities to determine their present value.
 - The market values of the pension scheme's assets at the date of the valuation were: £389.8million. There has not been a review of the market values since this valuation.

For liabilities in respect of service prior to the valuation date it is assumed that the discount rate is equal to the expected future investment return from the existing assets at current market conditions. For liabilities which will accrue in respect of service after valuation date a discount rate has been adopted which is initially the expected return from existing assets at current market conditions but which in the longer term reverts to the actuaries assumptions.

Financial assumptions (current Market Conditions)	Nominal % p.a.	Real % p.a.
Investment Returns		
Equities	6.25	3.45
Bonds	5.25	2.45
75% Equities/25% Bonds	6.00	3.20
Pay Increases (excl. increments)	4.80	2.00
Price Inflation/Pension Increases	2.8	0

Financial assumptions (Longer Return))	Nominal % p.a.	Real % p.a.
Investment Returns		
Equities	6.75	3.95
Bonds	5.75	2.95
75% Equities/25% Bonds	6.50	3.70
Pay Increases (excl. increments)	4.80	2.00
Price Inflation/Pension Increases	2.80	0

- The Employer's contribution rate has been determined at 8%, effective from 1st April 2002. This includes an allowance of 1% to cover early retirement costs.
- A comparison of the value of the assets with the value of the liabilities as at 31/3/2001 which have already built up is shown in the following table:-

Past Service Liabilities	£m
Active Members	170.3
Deferred Pensioners	33.5
Pensioners	156.2
Total	360.0
Assets	409.3
Surplus (Deficit)	49.3
Funding Level	114%

Employer Contribution Rates	%of payroll
Future Service Funding Rate	13.3
Past Service Adjustment	(5.3%)
Total Contribution Rate	8.0%

- The financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

4. PURCHASE AND SALE OF INVESTMENTS

During the year the Fund purchased investments totalling £142 million and sold investments at a price of £132 million, including net realised losses of £33.4 million.

5. TRANSFER VALUES PAYABLE AND RECEIVABLE

Transfer Values payable and receivable are included within the accounts on a cash basis.

6. FREEHOLD AND LEASEHOLD PROPERTY

All property is Freehold.

7. FUND MANAGERS

All the assets of the Authority's pension fund are managed by Deutsche Asset Management.

8. STOCK RELEASED TO THIRD PARTIES

The fund is involved with a stock lending agreement via its custodians. As at 31-Mar-2003 £2.6m of stock was lent to counterparties with 100.39% collateral exposure.

9. FURTHER ANALYSIS OF INVESTMENTS

The Council is required to disclose a further analysis of the investments between UK and Foreign, and between Listed and Unlisted investments. This information is included in the Net Assets Statement on Page 42.

Auditors' Report to the London Borough of Barking and Dagenham

Auditors' Report to London Borough of Barking and Dagenham

We have audited the statement of accounts on pages (i) to 46, which has been prepared in accordance with the accounting policies applicable to local authorities. The statement of accounts comprises the Council's accounts, on pages 9 to 40, which have been prepared in accordance with the accounting policies set out on pages 1 to 8, and the accounts of the Pension Fund, on pages 41 to 46, which have been prepared in accordance with the accounting policies set out on page 44.

This report is made solely to the London Borough of Barking and Dagenham, in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

Respective Responsibilities of the Chief Financial Officer and Auditors

As described on page (v) the Chief Financial Officer is responsible for the preparation of the statement of accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2002. Our responsibilities, as auditors, are established by statute, the Code of Audit Practice issued by the Audit Commission and our profession's ethical guidance.

We report to you our opinion as to whether the statement of accounts presents fairly the financial position and results of operations of the Council.

We review whether the statement on the system of internal financial control on page (vii) reflects compliance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2002. We report if it does not meet the requirements specified by CIPFA/LASAAC or if the statement is misleading or inconsistent with other information we are aware of from our audit of the statement of accounts. We are not required to consider whether the statement on the system of internal control covers all risks and controls, or to form an opinion on the effectiveness of the authority's system of internal financial control. Our review was not performed for any purpose connected with any specific transaction and should not be relied upon for any such purpose.

We read the other information published with the statement of accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the statement of accounts. The other information comprises only the explanatory foreword.

Basis of audit opinion

We conducted our audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant auditing standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of accounts. It also includes an assessment of the significant estimates and judgements made by the council in the preparation of the statement of accounts, and of whether the accounting policies are appropriate to the council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we evaluated the overall adequacy of the presentation of the information in the statement of accounts.

Opinion

In our opinion the statement of accounts presents fairly the financial position of the London Borough of Barking and Dagenham as at 31 March 2003 and its income and expenditure for the year then ended.

Opinion on the pension fund accounts

In our opinion the statement of accounts presents fairly the financial transactions of the London Borough of Barking and Dagenham Pension Fund during the year ended 31 March 2003, and the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Signature:

Date:

**SIGNATURE OF THE CHAIRMAN OF THE EXECUTIVE TO THE
APPROVAL OF THE 2002/2003 STATEMENT OF ACCOUNTS**

This Statement of the Authority's accounts for 2002/2003 was agreed by the Council's Executive on 16th December 2003.

Signed:

Councillor Charles Fairbrass, Chair of the Executive

Dated:

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London Borough of Barking and Dagenham

SAS 610 Report

December 2003

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Statement of Responsibilities of Auditors and Audited Bodies

In April 2000, the Audit Commission issued a revised version of the Statement of Responsibilities of Auditors and Audited Bodies. It is available from the Chief Executive of each audited body.

The purpose of the Statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas.

Our reports to management and management letters are prepared in the context of this statement.

Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any director or officer in their individual capacity, or to any third party.

1 Introduction

Statement of Auditing Standard (SAS) 610: ‘Communication of audit matters to those charged with governance’ is applicable to the 2002/03 financial year and onwards. This SAS requires auditors to plan with those charged with governance the form and timing of communications to them. We have discussed this with Officers and Members, and have determined that, for the purposes of the SAS, “those charged with governance” are the Corporate Monitoring Group. In our Audit Strategy we outlined the ways in which we would communicate with those charged with governance.

This report contains issues arising from the audit of the financial statements for 2002/03. In January 2004, we will present our Audit Letter to the Assembly, which summarises the results of our entire Code of Audit Practice audit for 2002/03 and will include our opinion on the Best Value Performance Plan for 2003/04.

2 Status of the audit

The audit fieldwork for the financial statements is now [*almost*] complete. Prior to signing the financial statements audit opinion, we will need to substantially complete the audit fieldwork on two major grant claims, relating to housing benefits and housing subsidy. This work is currently in progress with a view to signing the financial statements audit opinion in mid December 2003.

3 Expected moderations to the audit report

Subject to satisfactory completion of the grants audit work referred to above, we anticipate giving an unqualified audit report on the 2002/03 accounts.

4 Unadjusted misstatements

There are no unadjusted misstatements arising from our audit work that we wish to report to this committee.

5 Material weaknesses in the accounting and internal control systems identified as part of the audit

As part of our audit work each year, we consider the reconciliation between the Council’s bank statement as at 31 March 2003, and the cash figure within the general ledger at that date. This “bank reconciliation” is considered to be a fundamental control within any organisation. We noted that a discrepancy existed between outstanding cheques in the payables system, and the Oracle general ledger to the extent of £185,000. This error has been amended in the financial statements.

However, it is a concern that such a fundamental control had not been in operation during 2002/03 or for 6 months of this financial year and that the Council has had limited assurances over its cash balance during that period. Furthermore, we have noted that, as the income system was transferred to Oracle on 1st April 2003, additional errors have been identified within the reconciliation. We have noted, however, that officers have been performing a daily reconciliation between payables and the ledger since the end of October 2003, which has gone back to April. This closer scrutiny should ensure that any further discrepancies can be resolved in a timely manner.

We will issue an internal control report to the Director of Finance early in the New Year, which will cover the issue raised above and other less significant control weaknesses that we do not need to report to this committee at this stage.

6 Our views about the qualitative aspects of the Authority’s accounting practices and financial reporting

We agreed with Officers to begin our audit in the first week of August. As a result of problems in the closedown of the general ledger, the deadline for the production of the statutory accounts was revised to the last week of August. However, we did not receive a full set of accounts until the 15th September. In the context of the problems experienced in closing the Oracle general ledger in 2001/02, when we did not receive a full set of financial statements until the last week of November, this represents a significant improvement in the timeliness of the process. However, it still reveals that there are flaws in the accounts production process. They include:

- A lack of resources and skill mix in central finance to carry out the closedown and accounts preparation process effectively;
- A lack of communication between central finance, and departmental finance departments, where many of the figures originate from; and
- A large number of miscoded and “suspense” transactions not cleared throughout the year, increasing the burden on central finance staff at the year-end.

In the context of these difficulties, we have noted that the Council is taking action. The posts of Head of Financial Services and Head of Corporate Finance have both been filled, and a move to increase the numbers of qualified staff in central finance.

We would like to take this opportunity of thanking the Director of Finance and her team for the co-operation we have received during the course of our audit work.

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THE EXECUTIVE**16 DECEMBER 2003****REPORT OF THE DIRECTOR OF FINANCE**

BUSGET MONITORING REPORT APRIL TO SEPTEMBER 2003 / 2004	FOR DECISION
<p><i>This report relates to the regular monitoring of the Council's budget.</i></p> <p><u>Summary</u></p> <p>The report updates the Executive on the Council's revenue and capital position from the beginning of April to the end of September 2003.</p> <p>For revenue, it highlights continuing pressures on Education and Social Services totalling about £1.8 million with remaining Council services targeted to meet their budget requirements by the year end. This is a reduction from last month's overall projected overspend of around £2.1 million.</p> <p>In order to alleviate these projected overspends by the year-end the Director of Education, Arts and Libraries and Director of Social Services are continuing to closely monitor their set action plans to address the situation. In respect of the Social Services action plan the latest position is that the projected overspend has now reduced from £658,000 at the end of September to the latest position of about £450,000 with continued action to eliminate this position by the year end.</p> <p>For the Housing Revenue Account, pressures of around £1.3m still exist which are to be contained within the relevant working balance.</p> <p>For capital, the latest position is that approximately £34 million has been spent out of the overall revised budgeted programme of £76.1 million. The only identified major variance to the budget at this stage is within the Housing Programme where a shortfall of around £3 million on major works is anticipated.</p> <p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Note the current position of the Council's revenue and capital budget; 2. Agree that the Director of Education, Arts and Libraries and the Director of Social Services ensure continued delivery of their proposed Action Plans and that Members receive further updates on their progress in future budget monitoring reports; 3. Agree that if any service overspends arise at the year end, that they are considered as part of the final outturn report to be met from the following year's budget; 4. Note the position and projected out-turn for the Housing Revenue Account; and 	

5. Approve the carry forwards from the 2002/03 Capital Programme to be incorporated into this and future year's programmes, as attached at Appendix C.

Reason

As a matter of good financial practise, the Executive should be regularly updated with the position on the Council's budget.

Contact Joe Chesterton	Head of Financial Services	Tel: 020 8227 2932 Fax: 020 8227 2995 E-mail: joe.Chesterton@lbbd.gov.uk
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1. Overview

- 1.1 At the end of September 2003 the Council had a net underspend of about £3.2 million against a profiled budget for the same period of £77.3 million. Current projections indicate that there are still significant financial pressures within Education and Social Services that may impact on the position by the end of the current financial year. The position at the end of September is that for Education there is a projected overspend of £1.157 million and for Social Services a projected overspend of some £0.658 million. In addition, there are pressures on Housing due to homelessness but the intention is to balance this budget by the year end. Offsetting these factors is currently a favourable position on interest on balances of £0.7 million.

	Expenditure to end September 2003	Over/ (under) spend to end September 2003	Full year: Projected Out-turn	Full year: Projected Over/ (under) spend
	£'000	£'000	£'000	£'000
General Fund Services	74,133	(3,151)	200,123	1,115

2. Service Position

- 2.1 Details of each service's current financial position are provided in Appendix A. There are a number of variations to individual service accounts that should not be regarded as significant at this point in the financial year. It is expected that such variances will reduce as the year progresses and out-turns for the full year are currently expected to be within the budgets agreed, except for those identified above for Education and Social Services unless the action plans now in place are not fully delivered.

2.2 Education

In respect of Education, projections still show's an anticipated overspend by the year end of £1,157,000 which arises from:

- **SEN Transport (home to school) - £350,000.** This has been demand-led, but is being partially abated by a reduction in the number of pupils educated outside the borough. A revised transport policy is also being developed reducing dependence on taxis and there will be a review of school bus routes.

- **Non-maintained School Fees - £ 287,000.** The Authority has a statutory duty to place pupils at specialist establishments. The costs involved have risen steeply and are difficult to predict, although demand and costs are being carefully monitored and some in-house provision has been developed.
- **Education Administration Staff Costs - £320,000.** Restructuring in 2002-03 was not completed when the budgets were set. Action is now being taken to agree a fixed establishment, the costs of which will be met from existing resources. In addition, there is the use of agency staff and one-off adaptation costs of additional office accommodation.
- **Nursery Education Funding - £200,000.** The Nursery Education Grant ceased in 2003/2004 and LEA's are required to continue payments to providers of external nursery places for 3 and 4 year olds.

In the light of this projected overspend the Director of Education, Arts and Libraries is continuing to monitor an Action Plan aimed at bringing the budget back into line by the year end. The Action Plan currently in operation is attached as Appendix B(i). Detailed work has been undertaken on the specific area of Standards Fund expenditure from the LEA controlled Standards Funds. It is fully expected that once this work is complete the attached Action Plan will be amended, which will result in the overspend being addressed by the year end.

2.3 Social Services

In respect of this Service it is anticipated that at the end of September an overspend of £658,000 will arise if no further action is taken. The areas where the overspend principally arises from are:

- **Children's Social Work:** Agency costs and advertising to fill vacant posts. A review of all agency costs with a view to reducing these and ensuring that the recruitment programme reduces dependence on agencies as soon as possible is in place.
- **Older Persons:** There is increased demand for the provision of care packages for the elderly following discharge from hospital, and there are significant cost pressures around agency and contract payments. Contracted care packages are now being reviewed and the expected overspend is expected to be eliminated by the end of the financial year.

The Action Plan approved by the Executive in the last monitoring report is being closely monitored by the Director of Social Services to address the anticipated overspends to ensure a balanced budget is achieved by the year end. This is attached as Appendix B(ii). The Action Plan is continuing to impact on the overspend and at the time of writing this report the projected overspend for Social Services is still targeted to be eliminated by the year end.

3. Housing Revenue Account

- 3.1 The latest position for the Housing Revenue Account shows that there is still a reduction in rental income of around £700,000 than originally estimated, due to a higher level of right to buy sales. Coupled with this are the one-off redundancy costs agreed by Members earlier in the year following the outsourcing of the repairs service to Accord. Overall, these and other pressures are amounting to some £1.3 million for the year but are being managed within the working balance. The level of balances is still expected to be around the budgeted figure of £1.4m by the end of this financial year.

4. Interest on Balances

- 4.1 The current position is that this area of the budget is relatively buoyant and that current projections show an anticipated favourable variance by the end of the year of around £0.7 million. The favourable position is arising due to performance on investments being better than expected coupled with a larger investment base due to earlier Capital receipts being generated from land disposals and right to buy sales. This positive position will allow the strengthening of Council balances at the year end.

5. Savings Implementation Plan

- 5.1 The Savings Implementation Plan previously agreed by Members is being closely monitored by relevant Directors and the Director of Finance. The latest position for 2003/04 is that the level of savings expected is being contained within relevant Departmental budgets. Further updates will be provided in future monitoring reports.

6. Capital Programme

- 6.1 The Capital Programme is being actively managed by the Capital Programme Management Office (CPMO) team in the Department of Leisure and Environmental Services alongside financial input from the Finance Department. To date approximately £34 million of this year's programme has been spent out of an overall budget for the year of £76.1 million. The Capital Programme has reduced from the original programmed level of £96.7 million by £20.6 million due to the Government's withdrawal of financial support for the Local Authority Social Housing Grant Programme. It is quite usual for the majority of spending on capital schemes to occur in the latter part of the year as a result of tender exercises, consultation etc.
- 6.2 The overall position is that most schemes are on target to achieve against the budget allocation by the year end. Currently, the major exception to this is a potential underspend of around £3 million on Housing major works schemes by the year end, which is mainly due to various contractual issues. To enable a fuller picture of the Capital Programme, after allowing for various Executive decisions to change the programme and the inclusion of carry forwards, future monitoring reports will show a full breakdown of Capital Programme schemes giving the relevant budget and spend position.

- 6.3 As part of the on-going management and monitoring of the Capital Programme it is necessary for the Executive to approve the total of carry forwards of unspent monies from last year's Capital Programme for on-going schemes. These are attached at Appendix C and equate in total to some £24 million. Of this sum about £11 million relates to externally funded schemes, £4 million to Major Repairs Allowance (MRA) and £9 million for schemes funded from local authority resources. Some of these carry forwards have already been approved as part of detailed Capital Programme amendment reports, which the Executive has already seen this year.

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COUNCIL REVENUE BUDGET MONTHLY MONITORING STATEMENT

APRIL TO SEPTEMBER 2003-04



COUNCIL WIDE SUMMARY
BY SERVICE

	ORIGINAL BUDGET 2003/04 £000	REVISED BUDGET 2003/04 £000	YEAR TO DATE BUDGET £000	YEAR TO DATE ACTUAL £000	YEAR TO DATE VARIANCE (UNDER)/OVER £000	PROJECTED OUTFURN £000	PROJECTED (UNDER)/ OVER SPEND £000	PROJECTED OUTFURN Variance % tage
EDUCATION	125,892	127,601	38,314	38,674	360	128,758	1,157	0.91%
ARTS, LIBRARIES AND CULTURAL SERVICES (J)	5,022	5,349	2,726	2,726	0	5,349	0	0.00%
Total DEAL	130,914	132,950	41,040	41,400	360	134,107	1,157	0.87%
SOCIAL SERVICES	59,125	59,125	26,895	27,344	449	59,783	658	1.11%
HOUSING GENERAL FUND (GA)	2,430	2,486	1,243	1,288	44	2,486	0	0.00%
HEALTH & CONSUMER	2,560	2,500	1,247	1,247	0	2,500	0	0.00%
Total HH (ex HRA)	4,990	4,986	2,490	2,535	44	4,986	0	0.00%
DLES PLANNING AND DEVELOPMENT (HA, HB, HE)	1,755	1,752	934	766	-168	1,752	0	0.00%
REGENERATION PLANNING AND DEVELOPMENT	1,158	1,158	630	661	31	1,158	0	0.00%
TECHNICAL SERVICES	17,336	17,336	11,415	11,355	-59	17,336	0	0.00%
LEISURE AND AMENITIES	8,209	8,206	4,428	4,489	61	8,206	0	0.00%
LAND	841	837	186	186	0	837	0	0.00%
Total LES	29,299	29,289	17,593	17,457	-135	29,289	0	0.00%
CORPORATE STRATEGY	7,608	7,630	3,875	3,587	-288	7,630	0	0.00%
THAMES GATEWAY (Z)	0	0	-55	-55	0	0	0	0.00%
FINANCE	0	-3	64	-2,561	-2,625	(3)	0	0.00%
GENERAL FINANCE (MA)	-32,931	-34,969	-14,617	-15,574	-956	(35,669)	(700)	2.00%
Total Finance	-32,931	-34,972	-14,608	-18,190	-3,581	(35,672)	(700)	2.00%
TOTAL GENERAL FUND	199,005	199,008	77,285	74,133	-3,151	200,123	1,115	0.56%
HOUSING REVENUE ACCOUNT (RA00)	0	0	0	-1,408	-1,408	0	0	0.00%
TOTAL INCLUDING HRA	199,005	199,008	77,285	72,725	-4,559	200,123	1,115	0.56%

Summary of DEAL Action Plan to Reduce Budget Overspend

Projected Overspends

	Budget £000	Projected Outturn £000	Projected Overspend £000
1. Admin Department	2,952	3,272	320
<p>Additional costs arising from the restructure of the Department, use of agency staff and non-recurring adaptation costs of additional office accommodation</p> <p>ACTION</p> <ul style="list-style-type: none"> • Formal staff establishment lists • Review of all staffing levels • Review of accommodation provisions 			
2. Non-maintained School Fees (SEN)	1,263	1,550	287
<p>The LEA has a statutory duty to fund this if it is specified as the appropriate provision on pupils' statements of SEN</p> <p>ACTION</p> <ul style="list-style-type: none"> • Develop in house provision 			
3. SEN Home to School Transport	1,800	2,150	350
<p>It is a statutory requirement to provide home to school transport if specified on pupils' SEN statements.</p> <p>ACTION</p> <ul style="list-style-type: none"> • Reduce numbers transported by rigorous assessment of need • Reduce use of taxis 			
4. Early Years External Providers	300	500	200
<p>The Nursery Education Grant ceased in 2003/2004 and LEA's are required to continue payments to providers of external nursery places for 3 and 4 year olds.</p> <p>ACTION</p> <ul style="list-style-type: none"> • Revise nursery class funding in schools formula to allow resources to be transferred to this area. 			
Totals	6,315	7,472	1,157

Appendix B (i)**£000****Proposed Funding of Overspend**

1. Freeze on all further non-committed expenditure from centrally held standards funds and redirection of this funding to cover appropriate expenditure within the revenue budget (actual value of this to be quantified)

600

2. Funding arising from the pupil number adjustment of school delegated budgets.

200

3. Freezing of two advisory teacher posts

50

4. Freeze on expenditure from other EAL budgets. (to be determined)

307

Total**1,157**

SOCIAL SERVICES REVENUE MONITORING - ACTION PLAN

Action plans to address the departments projected £944k year end overspends were drawn up and agreed by the Director of Social Services, the Head of Finance, and the three Heads of Service after August's figures. The action plans helped reduce the projected overspend to £658k by September, and to £448k by the end of October. Significant improvements have been made in the adults divisions, and also with the further usage of Grants. Further pressures have been curbed in children's social Work, but pressure still remains in Older Persons services, and attention is now focussed on further net reductions in these areas.

Social Services Management Team will continue to take appropriate action to eliminate the projected overspend by the year end.

This Appendix is a summary of the three divisional documents that were drawn up.

Older Persons Division

	£
Care Packages overspend -	378,000
** Review packages over £300 p.w.	
** Utilise residential home closure savings	
** Protocol needed, to limit care packages growth	
** Maximise use of Grants (Access, DTOC, and Fining) to mitigate current overspends.	
Care Management Overspend -	15,000
** Utilise Access Grant to cover ICAT team overspend.	
Occupational Therapy Overspend -	255,000
** Review the structure of the Team - Including use and number of agency staff.	
** Maximise recharge of O.T.s to Capital budget	
** Maximise use of Grants (Access, DTOC, and Fining) to mitigate current overspends.	
Emergency Duty Team Overspend -	20,000
** Resolve HR issues contributing to overspend.	

Children and Families Division

Social workers agency costs Overspend -	535,000
** Review the use of all agency staff - Snr Management re-approvals to be sought.	
** Re-look at highest cost agency with a view to reduce.	
** Where possible speed up current Overseas recruitment (N.Zealand Nov - Feb)	
** Ensure no slippage on current recruitment activity (Interviews Oct.)	
** Reduce agency staff overall .	
LAC (Looked After Children Costs) Overspend -	251,000
** Analyse and review Section 17 and Section 20 budgets use for LAC	
** Review all Out of Borough placements expenditure - cases	
** Immediate action in relation to implement ceiling on external placements, to be approved by Head of Service.	
** Day Care and Placement Team overspend to be reduced to zero to mitigate.	

Adults with Disabilities Division

Care Packages & Divisional Overspend -	295,000
** Expedite work on Lodge Ave. contract regarding DLA / ILF contributions.	
** Review all agency staff usage and re-see approval	
** Review all care packages	
** Freeze current underspends within service	
** Maximise use of Grants to mitigate current overspends.	

TOTAL PROJECTED OVERSPEND,S	£1,749,000
LESS DEPARTMENTAL CONTINGENCY S & UNDERSPENDS	-£1,091,000
CURRENT NET PROJECTED END OF YEAR OVERSPEND	£ 658,000

FIGURES AS AT END OF SEPTEMBER

Although the overspend as projected at the end of September amounted to nearly £660k, it is salient to remind Members that Social Services Gross expenditure is over £90m per annum, which together with income in excess of £30m amounts to equivalent turnover of £120m plus - In this context a projected overspend of approx. £658k is less than 0.55% of activity, and not insurmountable.

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ROLL FORWARDS 2002/03

Appendix C

		2002/03 Final BUDGET £000	Final spend 31 Mar 2003 £000	(Under)/over spend 2002/03 £000	ROLL FWD REQUESTS £000
BLOCK 1 - DEAL					
<i>PRIMARY SCHOOLS</i>					
THAMES VIEW INFANTS	NURSERY FACILITIES	1,136	144	(992)	992
JOHN PERRY PRIMARY	REPLACE DEMOUNTABLE NURSERY	100	51	(49)	49
RIPPLE INFANTS	RECEPTION AREA	90	10	(80)	81
RODING INFANTS	REPLACE KITCHEN	20	4	(16)	16
GASCOIGNE PRIMARY	SPORTS CENTRE (Sport England)	428	22	(406)	368
GRAFTON JUNIORS	ART ROOM (Sport England)	300	25	(275)	275
MANOR INFANTS	ENERGY IMPROVEMENT PROGRAMME	20	19	(1)	1
WARREN JNR	ENERGY IMPROVEMENT PROGRAMME	20	12	(8)	8
EASTBURY INFANTS	CONTRIBUTION RE FENCING & WINDOWS	7		(7)	7
RUSH GREEN INFANTS	PROVISION OF NEW ACCESS LIFT & DISABLED TOILET	157	133	(24)	24
MANOR INFANTS	WINDOW REPLACEMENT & INTERNAL IMPROVEMENTS	27	3	(24)	24
DOROTHY BARLEY JUNIORS	WINDOW REPLACEMENT & EXTERNAL REDECORATION	50	3	(47)	47
MONTEAGLE PRIMARY	INTERNAL & EXTERNAL DECORATIONS	25	10	(15)	15
THOMAS ARNOLD PRIMARY	WINDOW REPLACEMENT	50	27	(23)	23
HENRY GREEN	WINDOW RENEWAL	30	1	(29)	29
MANOR INFANTS & JUNIORS	FEASIBILITY RE REPLACEMENT OF HEATING PIPEWORK	3	1	(2)	2
FURZE INFANTS	FLAT ROOF & HIGH LEVEL WINDOWS	40	5	(35)	35
WILLIAM BELLAMY JNR	REPAIRS TO PLAYGROUND AND DOORS	3	1	(2)	1
ST JOSEPHS BARKING	HEATING REPAIRS	7		(7)	7
<i>SECONDARY SCHOOLS</i>					
ALL SAINTS	SCIENCE TECHNOLOGY	238	173	(65)	65
ROBERT CLACK PHASE 4	SPECIALIST TEACHING ACCOMMODATION	548	507	(41)	41
ROBERT CLACK PHASE 5 (FINAL)	P.E. HALL AND EXTERNAL WORKS	1,787	1,623	(163)	163
DAGENHAM PRIORY PHASE 3	MAINHALL AND FOOTPATH DIVERSION	250	87	(163)	167
BARKING ABBEY COMP	REPAIR ROOF	331	15	(316)	204
THE ADULT COLLEGE	RENEW BOILER	61	50	(11)	11
BARKING ABBEY COMP	PLAYGROUND REPAIRS	100	36	(64)	1
DAGENHAM PRIORY	NOT FUNDED THROUGH PFI	500		(500)	500
BARKING ABBEY PHASE 3	MUSIC, DRAMA AND CLASSROOM BLOCK	2,711	1,063	(1,648)	1,654
<i>OTHER SCHEMES</i>					
PFI	FEES	535	499	(36)	36
ADULT COLLEGE	RECEPTION / CONFERENCE AREA	333	72	(261)	261
EASTBROOK GARAGE	HEALTH AND SAFETY MATTERS	32	20	(12)	12
RELOCATION OF EASTBROOK GARAGE		879	13	(866)	866
WARREN JUNIOR /SECONDARY SCHOOL	PHASE 1/2	18	4	(13)	13
ERKENWALD PUPIL REFERAL UNIT	HEALTH / ED / SS / PRU	603	317	(286)	286
BROADWAY THEATRE	REDEVELOPMENT	500	355	(145)	145
ENERGY TENDER & CONTRACT	ALL SCHOOLS	12	4	(8)	8
BECON YOUTH CENTRE		10		(10)	10
DDA ACCESS COSTS		(55)		55	(55)
SCHOOLS REBOILER PROGRAMME		12		(12)	12
EDUCATION SHAPE UP	VARIOUS SCHOOLS	9		(9)	9
<i>ARTS AND LIBRARIES</i>					
EASTBURY HOUSE	REPAIRS PLAN - WINDOWS BRICKWORK ETC	1,228	916	(312)	312
BROADWAY THEATRE	REWIRE	500	97	(403)	403
TOTAL BLOCK 1		13,653	6,323	(7,330)	7,128
BLOCK 2 - HOUSING AND HEALTH					
<i>HRA</i>					
LIFT REPLACEMENTS	SHELTERED HOUSING	98		(98)	98
LIFT REPLACEMENTS	HIGH RISE BLOCKS	583	87	(496)	496
CAPITALISED REPAIRS	SHAPE UP PROGRAMME	21,873	22,529	656	(656)
NEW DEPOT	WANTZ ROAD	1,263	1,060	(204)	204
MAJOR CAPITAL WORKS (MRA) FUNDED		11,768	7,732	(4,036)	4,036
<i>Non HRA</i>					
HOUSE RENOVATION GRANTS	RENOVATION GRANTS	600	128	(472)	472
HOUSE RENOVATION GRANTS	DFG'S	911	507	(404)	404
E GOVERNMENT		2,000	418	(1,582)	1,582
TOTAL BLOCK 2		39,097	32,461	(6,636)	6,636
BLOCK 3 - DLES					
<i>TECHNICAL</i>					
TRAFFIC MANAGEMENT PARKING / DEVELOPMENT / PUBLIC TRANSPORT/SAFETY SCHEMES		506	322	(184)	50
STREET LIGHTING PROGRAMME	ANNUAL PROGRAMME	495	511	17	(17)
HIGHWAYS STRUCTURAL REPAIRS	ANNUAL PROGRAMME	1,724	1,835	112	(112)
RESIDENTS PARKING	CONVERSION OF AMENITY GREENS	206	132	(74)	74
DAGENHAM ROAD - HIGHWAY IMPROVEMENTS		202	31	(171)	171
DETRUNKED SECTION OF A13		384	384		25
MANAGEMENT OF TRAFFIC	Traffic reduction & traffic congestion	200	137	(63)	51
HOME ZONE SCHEME		30		(30)	30
A13 MITIGATION WORKS	Gascoigne Road & King Edwards Road	28		(28)	28
DETRUNKED SECTION OF A13 Phase II	Heathway to Link Road	500	460	(40)	40
<i>NON-TECHNICAL</i>					
EASTBROOK COUNTRY PARK / BEAM VALLEY	PHASE 1 DAGENHAM EAST	225	253	28	4
INITIAL PARKS PLAYGROUND EQUIPMENT		82	42	(40)	40
PARK PAVILIONS	SECURITY SHUTTERS TO WINDOWS & DOORS	13	1	(12)	12

		2002/03 Final BUDGET £000	Final spend 31 Mar 2003 £000	(Under)/over spend 2002/03 £000	ROLL FWD REQUESTS £000
RIVER RODING	TIDAL BARRIER		34	34	(34)
RIPPLE OFFICES	COMFORT COOLING	94	7	(86)	63
FRIZLANDS DEPOT		150	22	(128)	128
CENTRAL PARK DEPOT IMPROVEMENTS		50	25	(25)	25
GOESBROOK LEISURE CENTRE	Repairs to Filtration Plant	600	334	(266)	266
MAYESBROOK ATHLETICS TRACK	Major imps to running track	220	213	(7)	7
STATE OF THE LAKES		100	47	(53)	53
REFURBISHMENT OF TENNIS COURTS		50	44	(6)	6
GREEN SPACE STRATEGY		170	115	(55)	55
CENTRAL PARK NURSERY	RECONSTRUCT ACCESS ROAD	55	8	(47)	65
CEMETERIES	Asset management improvements	134	105	(29)	29
CEMETERIES	New Cemetery site	100	65	(35)	35
BEAM VALLEY PHASE 2	Dagenham Village Trail	469	256	(213)	209
RIPPLE OFFICES	UPGRADE FIRE ALARM		2	2	(2)
BEAM VALLEY PHASE 3 & 4			23	23	(23)
TOTAL BLOCK 3		6,786	5,412	(1,374)	1,278

BLOCK 4 - SOCIAL SERVICES

334 HEATHWAY	REFURBISHMENT	204	172	(32)	32
GASCOIGNE DAY CENTRE	FLAT ROOFING		(2)	(2)	2
ST GEORGES CENTRE	Relocation of Voluntary Sector	50	38	(12)	12
TOTAL BLOCK 4		254	208	(46)	46

BLOCK 5 - REGENERATION/ CORPORATE STRATEGY

RODING VALLEY (ROUND 1 and 2)	REGENERATION PROJECT SRB SCHEME	1,354	280	(1,074)	1,074
A13 ARTS LOTTERY		2,846	565	(2,281)	2,281
VALENCE LEARNING VILLAGE EXTENSION	SRB5	12	9	(3)	3
SURE START ROSE LANE	SHOP FRONT CONVERSION	75	73	(2)	2
HEART OF THAMES GATEWAY	BRITTONS LEARNING VILLAGE		(154)	(154)	154
EAST THAMESSIDE PARTNERSHIP	RIVER ROAD IND AREA PROJECT		(8)	(8)	8
THAMES VIEW COMMUNITY COMPLEX		1,838	1,260	(579)	579
HEART OF THAMES GATEWAY	REALIGNMENT OF FERRY LN & COLDHARBOUR LN	1,036	765	(271)	271
HEART OF THAMES GATEWAY	MUDLANDS & FOUNDRY ENABLING WORKS	3,593		(3,593)	3,593
HEART OF THAMES GATEWAY	DAGENHAM VILLAGE - NEIGHBOURHOOD CENTRE UPGRADE	681	373	(308)	308
SURE START MARKS GATE	NURSERY	550	13	(537)	537
HEART OF THAMES GATEWAY	INDUSTRIAL ESTATES REVITISATION	115	52	(63)	63
HEART OF THAMES GATEWAY	LA SALETTE PRIMARY SCHOOL	31	26	(5)	5
HEART OF THAMES GATEWAY	ENVIRONMENTAL BAP	33	16	(17)	17
TOTAL BLOCK 5		12,165	3,270	(8,895)	8,895

APPROVED BIDS TOTAL

71,956	47,674	(24,282)	23,983
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THE EXECUTIVE**16 DECEMBER 2003****REPORT OF THE DIRECTOR OF FINANCE**

PASSPORTING OF SCHOOLS FSS INCREASE AND TAKE UP OF THE STANDARDS FUND GRANT ALLOCATION 2004 / 2005		FOR DECISION
<i>This report concerns a significant financial matter.</i>		
<u>Summary</u>		
<p>Authorities are required to confirm to the Department for Education and Skills (DfES) whether they intend to passport the full amount specified by the DfES to the Schools Block for 2004 / 2005, and take up the full allocation of 2004/05 Standards Fund grants by 31 December 2003.</p>		
<u>Recommendation</u>		
<p>The Executive is asked to agree to the Director of Education, Arts and Libraries informing the DfES that the Authority intends to passport the required increase in schools' funding of £5.97m in full to the Schools Block, and to take up in full the Standards Fund grant allocation for 2004 / 2005.</p>		
<u>Reasons</u>		
<p>A decision is needed on the proposed schools budget before 31 December 2003.</p>		
Contact Officer: Paul Pearson	Head of Finance Education, Arts & Libraries	Telephone: 020 8227 3497 Fax: 020 8227 3159 E-mail: paul.pearson@lbbd.gov.uk

1. Education Formula Spending Share (EFSS)

1.1 The provisional EFSS allocation for 2004/05 is £115.035m and is made up of the following elements:

- The Schools Block which covers the Individual Schools Budget (ISB) and other services providing direct support for pupils such as Special Education Needs and provision for pupils out of school which are controlled by the LEA.
- The LEA Block which covers the remaining areas of education spending

1.2 The Authority's provisional 2004/05 FSS for the schools block in isolation is £101.91m which represents an effective increase of £5.97m compared with 2003/04. The Secretary of State for Education and Skills has written to Directors of Education indicating that he expects all LEAs to passport their full increase in schools FSS into the schools budget. Where LEAs fail to do so, the Secretary of

State has indicated that he will use his powers under the Education Act 2002 to set a minimum schools budget for that LEA unless it can be demonstrated that there are exceptional circumstances.

- 1.3 Based on the DfES formula, the minimum schools budget required to passport in full from the total EFSS, as defined on the DfES Section 52 Budget Statement 2004/05, is £102.794m. This is subject to any changes in the baseline budget which may subsequently be made by the DfES. In addition to this, the DfES also include within their passporting calculation the ring fenced Excellence in Cities grant of £1.787m, which has to be allocated to schools in full. The total provisional passporting requirement is therefore £104.581m.
- 1.4 The Authority has also been allocated £1.546m in 2004/05 for transitional targeted support for schools with particular difficulties and will receive 50% of this sum in 2005/06. This grant is payable to those Authorities identified by the DfES as being particularly disadvantaged by the formula changes introduced in the 2003/04 settlement and has to be fully allocated to schools. If the Authority does not passport its full increase in schools FSS there is a significant risk that the DfES will withdraw this grant, as passporting is detailed as one of the grant conditions.

2. Standards Fund Grant Allocations 2004 / 2005.

- 2.1 Currently the DfES has notified the Authority of grant allocations amounting to £11.182m, most of which has to be devolved to schools.
- 2.2 The majority of these grants are fully funded by the DfES, however there are a number that require an LEA contribution in order to take them up. Currently the total LEA contribution required is £2.619m.
- 2.3 There are still a few large grants to be announced by the DfES, which are expected to be 100% funded.

Background Papers

- DfES correspondence
- Westminster Council FSS information and analysis
- FSS Information and Analysis

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