

London Borough of Barking and Dagenham

Notice of Meeting

THE EXECUTIVE

Tuesday, 25 October 2005 - 7:00 pm
Council Chamber, Civic Centre, Dagenham

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

Declaration of Members Interest: In accordance with the Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.

14.10.05

R. A. Whiteman
Chief Executive

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AGENDA

1. **Apologies for Absence**
2. **Minutes - To confirm as correct the minutes of the meeting held on 11 October 2005 (circulated separately)**

Business Items

Public Item 3 and Private Items 11 to 14 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. **Feedback on Attendance at the CIPFA Conference 14-16 June 2005 (Pages 1 - 2)**

Discussion Items

4. **Budget Monitoring Report 2005/06 - April to August 2005 (Pages 3 - 25)**
5. **Human Resources Policies and Procedures (Pages 27 - 28)**

Appendices A and B have been circulated to Members under separate cover and are also available on the Internet, in the Members' Rooms and at public libraries.

6. **Licensing of Houses in Multiple Occupation (Pages 29 - 32)**
7. **Any other public items which the Chair decides are urgent**
8. **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

9. **The Procurement and Management Arrangements of Agency Staff (Pages 33 - 41)**

Concerns a contractual matter (paragraphs 8 and 9)

10. **Chadwell Heath Cemetery Extension Contract: Progress and Tender (to follow)**

Concerns a contractual matter (paragraph 8)

Business Items

11. **Award of Contract for the Provision of Interim Care Assessment Beds for Older People (Pages 43 - 47)**

Concerns a contractual matter (paragraphs 8 and 9)

12. **Customer Services Refurbishment Project - 90 Stour Road (Pages 49 - 55)**

Concerns a contractual matter (paragraphs 8 and 9)

13. Children's Services Inspection - Appointment of External Consultant to Facilitate Action Learning Sets (Pages 57 - 59)

Concerns a contractual matter (paragraphs 7 and 8)

14. Barking Magistrates' Court Annexe, 14-16 North Street, Barking (Pages 61 - 66)

Concerns legal proceedings involving the Council (paragraph 12)

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

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THE EXECUTIVE

25 OCTOBER 2005

REPORT OF THE DIRECTOR OF FINANCE

FEEDBACK ON ATTENDANCE AT THE CIPFA CONFERENCE 14-16 JUNE 2005		FOR INFORMATION
<p>Summary: This report is a formal report back to the Executive following the attendance by the Chief Executive and Director of Finance to the CIPFA Conference 2005.</p> <p>Wards Affected: None</p>		
<p>Implications:</p> <p>Financial: The cost of the Conference was funded from existing budgets.</p> <p>Legal: No implications</p> <p>Risk Management: No implications</p> <p>Social Inclusion and Diversity: No implications</p> <p>Crime and Disorder: No implications</p>		
<p>Recommendation</p> <p>The Executive is asked to note this report.</p>		
<p>Reason(s)</p>		
<p>Contact Officer: Julie Parker</p>	<p>Title: Director of Finance</p>	<p>Contact Details: Tel: 020 8227 2252 Fax: 020 8227 2995 E-mail: Julie.parker@lbbd.gov.uk</p>

1. Introduction and Background

- 1.1 The CIPFA Conference this year attracted 1000 delegates from a broad span of public, private and voluntary sectors. It took place in Manchester and had the theme of "Raising the Bar – Building Innovative and Enterprising Public Services".

2. Details

- 2.1 During the 3 days there was plenty of opportunity to visit the Conference exhibition and speak to exhibitors about their projects and the ways in which they could contribute to services improvements. Most of the suppliers were highlighting the market niche they could bring to assisting with sharing services, better procurement and efficiencies that can be achieved by better housekeeping. There was a heavy focus on pension fund management, treasury management and consultancies that support efficiency programmes.
- 2.2 Of the main Conference sessions the following were most memorable:-
 - 2.2.1 James Strachen, Chairman of Audit Commission opened the Conference launching the Commission's approach to CPA.
 - 2.2.2 Ben Page from MORI (who arrived late) flashing masses of power points on a screen to illuminate his very entertaining and well researched view of what the public think about local government, trends in views and the correlation between quality of service provision and trust in local government.
 - 2.2.3 Rob Whiteman chaired a session on Regenerating Cities involving Sir David Henshaw, Chief Executive of Liverpool City Council and Lin Homer Chief Executive of Birmingham City Council.
- 2.3 The conference fringe lecture was given by Rod Aldridge, Chairman of Capita, who was entertaining and challenging with his philosophy towards service provision.
- 2.4 A workshop run by the Audit Commission on world class financial management was standing room only and proved to be interesting as they used a keypad voting system to gauge the audiences view of financial management in the public sector. It helped gain an understanding of how the position is at Barking and Dagenham compares with others.
- 2.5 Another interesting workshop was on "Efficiency and is Gershon in the public interest". This covered a technical critique of the contents of the annual efficiency statements, views from a policy adviser to the cabinet on efficiency, an academics perspective and details of how the Government Office for Commerce would be contributing to efficiency. The panel were fairly upbeat but most of the debate from the audience was not as convinced.
- 2.6 The Conference ended with a well attended closing summit talk from Tony Benn. He spoke for 45 minutes in an extremely entertaining way, mainly on how important local government had been in his life. He had the delegates remaining, with no-one rushing off to get their train home. The session overrun significantly as the questions from the floor just kept coming – no-one wanted it to end.

3. Consultees

- 3.1 Chief Executive

Background Papers Used in the Preparation of the Report:

- Conference Programme

THE EXECUTIVE

25 OCTOBER 2005

REPORT OF THE DIRECTOR OF FINANCE

BUDGET MONITORING REPORT 2005/06 - APRIL TO AUGUST 2005	FOR DECISION
<p>Summary:</p>	
<p>The report updates the Executive on the Council's revenue and capital position from the beginning of April to the end of August 2005.</p>	
<p>For revenue, it highlights continuing pressures on Regeneration and Environment, Social Services and Housing and Health departmental budgets totalling about £1.25 million with other remaining Council services on target to meet their budget requirements by the year end. This is slightly offset by a favourable position of interest on balances of £500,000 giving an overall projected overspend for the Council's budget of around £0.75 million by the year end. This is some £0.8m lower than that reported in last months monitoring report.</p>	
<p>It is expected such variances are early indications of pressures and should not impact on the outturn position for the year but in these areas of service overspend continual work is required by Directors to ensure a reduction in these current forecasts.</p>	
<p>In order to alleviate the projected service overspends by the year-end the relevant Director's are currently reviewing elements of their Service budgets to ensure a balanced budget is achieved by the year end. The Regeneration and Environment Management Board has produced an action plan for implementation to achieve a balanced budget and is continually monitoring this. If the need arises for an action plan in other areas to address the highlighted pressures then these will be reported, as necessary, in future monitoring reports.</p>	
<p>For the Housing Revenue Account, minimal pressures currently exist but these are being offset by better income through service charges, rental income and interest. The resultant position expected is for the relevant working balance to remain at £2.9 million by the year end in line with original budget.</p>	
<p>For capital, the latest position is that there has been spend of around £20.8 million on the overall original budgeted programme of £96.3 million, with a current projection of a total spend of around £100.2 million (104%) by the year end. This aspect will need to be closely monitored by Directors throughout the year to ensure maximum programmed spend is achieved by the year end.</p>	
<p>Wards Affected:</p>	
<p>This is a regular budget monitoring report of the Council's resource position and applies to all wards.</p>	

Implications:**Financial:**

The overall revenue budget is indicating a £0.75 million overspend against budget with Directors taking action to ensure a balanced position by year end. The capital programme is reported to exceed the original budget of £96.3 million but to be within the working budget of £120.5 million.

Legal:

There are no legal implications regarding this report.

Risk Management:

The risk to the Council is that budgets are overspent and that this reduces the Council's resource position. Where there is an indication that a budget may overspend by the year end the relevant Director has been asked to review the Departmental budget position to achieve a balanced position by the year end. This may involve the need to produce a formal action plan to ensure delivery of this position. Similarly, if there are underspends this may mean a lower level of service or capital investment not being fully delivered.

Specific procedures and sanctions are in place through the Resource Monitoring Panels, Corporate Programme Management Office (CPMO), Corporate Management Team and the Executive.

Social Inclusion and Diversity:

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

Crime and Disorder:

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

Recommendation

The Executive is asked to:

1. Note the current position of the Council's revenue and capital budget;
2. Note that the Regeneration and Environment Management Board and Directors of Social Services and Housing and Health are currently reviewing their budgets to ensure a balanced position by the year end and that the Directorate of Regeneration and Environment is continuing to address the position through an action plan;
3. Note the position and projected out-turn for the Housing Revenue Account; and
4. Agree the reprofiling of capital programme schemes as laid out in Appendix D.

Reason(s)

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

Contact Officer

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Services

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1. Introduction and Background

- 1.1 It is important that the council regularly monitors its revenue and capital budgets to ensure good financial management. It is practise now within the Council for this monitoring to occur on a regular monthly basis, which helps members to be constantly updated on the council's overall financial position and to enable the Executive to make relevant decisions as necessary on the direction of both the revenue and capital budgets.
- 1.2 The report is based upon the core information contained in the Oracle general ledger system supplemented by detailed examinations of budgets between the budget holders and the relevant Heads of Finance to take account of commitments and projected end of year positions. In addition, for capital monitoring there is the extensive work carried out by the Capital Programme Management Office (CPMO).
- 1.3 The monthly Resource Monitoring Panels chaired by the lead member for finance, which monitor the detail of individual departments revenue and capital budgets also enhance and form the basis of the report.

2. Current Position

2.1 Overview for Revenue Budget

At the end of August 2005, the Council has an initial projected overspend of around £0.75 million for the year end. This has moved from a projected overspend position of £1.55m in the last monitoring report. The main change has been the decrease in the projected overspend position for the Regeneration and Environment Department.

Current projections indicate that there are financial pressures within the Regeneration and Environment, Social Services and Housing and Health budgets. The update position at the end of August for the year end position is that for Regeneration and Environment there is a projected overspend of about £996,000. For Social Services there is a projected overspend of £125,000 and for Housing and Health of £129,000. Slightly offsetting these factors is currently a favourable position on interest on balances of around £500,000.

3. Service Position

3.1 General

- 3.1.1 Details of each service's current financial position are provided in Appendix A. It is expected such variances are early indications of pressures and should not impact on the outturn position for the year but in these areas of service overspend continual work is required by Directors to ensure a reduction in these current forecasts.
- 3.1.2 At the Executive meeting on 12th July, Members approved that roll forwards from 2004/05 for the revenue budget amounting to some £3.0 million (2003/04 £1.9 million) be added to the relevant Departmental budgets for 2005/06. It is important to remind Members that Directors need to use these

funds to deliver the relevant services associated with the agreed roll forwards and that the appropriate work is undertaken to ensure delivery of full spend by the year end. Additionally, consideration by Directors on the use of these roll forwards will need to be made where Departments are currently projecting overspends. Further updates on progress will be provided in future budget monitoring reports.

3.2 Corporate Strategy

At the end of August, Corporate Strategy has a projected year-end balanced position.

Within this overall break even position there are offsetting variances are these explained below for each Division of Corporate Strategy.

3.2.1 Corporate Human Resources (HR)

Corporate HR has projected a break-even position. The HR Departments are currently undergoing a restructuring in order to centralise the HR processes across the Council. As a result, savings are expected to be achieved and therefore the potential overspend on the current level of operation will be absorbed within this process.

3.2.2 Legal Services

At the end of August, Legal Services has projected a break-even position.

As a result of the previously reported change in market conditions, it is anticipated that income for Land Charges of £485,000 will be achieved by year-end against the budget of £659,000. However, £200,000 is available, if required, from the contingency reserves to cover the actual shortfall at year-end, as agreed at the Executive on 22 March 2005.

3.2.3 Corporate Communications, Democratic Services, Policy and Performance and Grants.

All of the above services are not projecting any material variance on their budgets at the year end.

3.3 Education

There are a number of additional budget pressures totalling £375,000 that have been identified, including the carried forward overspend from 2004/05 of £216,000, however, positive action is being taken to ensure that these additional costs are covered and it is anticipated, at this stage, that the budget will break-even including the carried forward sum from 2004/05.

Arts and Libraries

The Arts & Libraries element for this Department's budget is also projected to breakeven.

There are some overspends at present, but these will be offset by underspends within other areas of the overall budget by the year end.

3.4 Finance

The Finance Department is projecting an overall year-end break-even position.

3.4.1 Financial Services

Financial Services has a projected under-spend of £66,000 and this is mainly due to staff vacancies, which are currently in the process of being filled through recruitment.

3.4.2 Internal Audit

Internal Audit has a projected under-spend of £19,000. This is mainly as a result of the delays in filling staff vacancies.

3.4.3 Information Management and Technology (IM&T)

I M & T is projecting to overspend by £85,000. The Division is currently experiencing budget pressures in employee expenses in the delivery of the support service across the Council. However, a review of spending in other areas of the Finance Department is being undertaken in order to identify areas to cut spending and ensure that the Department remains within budget.

3.4.4 Revenue Services

Revenue Services is projected to break-even.

Employee expenses is projected to overspend due to the use of Agency staff to cover vacancies at higher rates than budget salaries. This overspend has been offset by the projection of Housing Benefits overpayment Income in excess of the budget. Efforts are being made to successfully recruit to vacant posts in order to reduce the reliance on agency staff and therefore ensure that the Division remains within Budget.

3.4.5 Business Services

Business Services is projected to break-even. The projection includes a contingency of £54,000 to engage consultants to deal with systems development work for which we do not have the skills in house.

3.5 Housing and Health

3.5.1 Housing General Fund

Although the Housing General Fund will again be under pressure this year due to the costs of Temporary Accommodation, measures have been put in place to monitor the spend closely to ensure it remains within budget by the year end. The use of Private Sector Leasing is proving to be advantageous and the latest position on Bed and Breakfast is that there is now only 1 placement in this form of accommodation.

3.5.2 Health and Consumer Services

Health and Consumer Services is expected to overspend in 2005-06 by £129,000 due to delays in staffing reductions from 2004-05.

This is from Trading Standards where this area is forecast to overspend by £104,000 and Environmental Health is forecast to overspend by £25,000, both due to the capital cost of early retirement now being charged to revenue. Further work is being undertaken by the Director to balance this projected overspend position.

3.6 Regeneration and Environment

Overall the department is continuing to project an overspend. Following a detailed review and management action the projected overspend is currently £0.996 million, a reduction of £0.31 million on last month.

The significant overspends therefore continue to be

- Sports Centres – loss of income and additional employee costs, £640,000
- Highways maintenance, £200,000.
- Trade waste potential additional disposal costs, £136,000.

Roll forward requests from 2004/05 totalling £1.159 million were agreed at Executive on 12 July 2005 and have been reflected in the working budget. These have been robustly reviewed and where appropriate the funding will be used to help meet the projected overspend – currently projected as a contribution of £80,000.

A number of further actions designed to reduce the projected overspend are being implemented. This includes consideration of a freeze on purchase of consumables and other supplies and services and additional income.

3.6.1 Regeneration Implementation Division

Regeneration Implementation Division are now projecting to overspend by £95,000 (last month £52,000). This arises from additional costs associated with the BURA conference, the new lobbying contract, and the South Dagenham Arts Centre.

3.6.2 Planning and Development

Planning and Development continue to project to spend to budget on base budget but have identified a £50,000 contribution from the 2004/05 roll forwards.

3.6.3 Asset Management and Development

Asset Management and Development income budgets for 2005/06 were increased to reflect the strong performance in 2004/05. Expenditure and income continue to project to budget. There are known pressures in the rental income budget where tenants have vacated premises and this budget continues to be kept under close scrutiny.

3.6.4 Environment, Highways, Roads and Transport

Parking income projection remains at a net additional income of £160,000.

The cost of the stores function is not being met by offsetting income and there is now a projected overspend in this area of £72,000 (£80,000 last month).

Further work on the potential impact of ELWA trade waste charging now shows a projected overspend of £136,000 (£171,000 last month). Officers are contesting the analysis by ELWA, and its authority to change the commercial disposal charges in-year. A review of the trade waste function is under way to ensure there has been no subsidisation to the business sector.

Agency cover for long term sick leave in the 24/7 Care line function is now projected to reach £78,000 over the budget.

Other areas of pressure are around wages, additional traffic light maintenance costs, reduced grant funding, highways maintenance IT and consultancy costs.

3.6.5 Leisure and Amenities

This salary projected overspend of £165,000 is partly offset by additional income generated from schools - £67,000. The effect of the closure of the Dagenham Small Pool has resulted in further reduced income and despite the re-opening of Goresbrook Leisure Centre income continues to project below budget by £542,000.

A range of Leisure and Community Services budgets are being actively managed to contain costs and a contribution of £110,000 towards the projected overspend has been identified.

3.7 Social Services

The Department is presently projecting a £125,000 over-spend for the 2005/06 financial year (approx 0.1%), although caution is advised on full year projections after only five months' activity. This is a significant improvement from the previous month, and it is anticipated If trends continue that the budget will be neutral by next month.

Significant financial pressures are within the service, in line with looking after more clients, and in pursuit of improved performance. It is the intention of the Management Team that by year end the overall financial position will be neutral.

Within the gross expenditure budget of £102 million, there are presently four significant pressure areas occurring – namely

- Children's Out-Borough Residential Placements
- Physical Disability Care Packages
- Learning Disability Residential Care Services
- Looked after Children's Support budget

The budget pressures in these areas are being off-set by favourable budget positions in some service areas, but substantively from unallocated resources and slippage from government grant's, and a modest departmental contingency for such occurrences.

The department's management team, have discussed those areas at length, and action plans have been devised by budget holders to reduce the expenditure and eliminate the forecast overspend.

3.7.1 Children's Services

Modest financial pressures are continuing in Social Work recruitment, especially around high cost agency staff usage, and in particular regarding support budgets for Looked after Children such as Section 17 support. The biggest pressure in Children's services at present is within the out-borough Placements budget. This budget is now projecting an overspend of circa £400,000 due to demands and additional numbers of children being placed.

3.7.2 Older Persons Services

The budget is broadly on target when taking into consideration grant slippage and contingencies with particular financial pressures in the Care Management staffing area (£257,000 projected overspend), where staff numbers are now reducing. Also, there is a significant pressure on the Care Packages budget. These pressures are offset by a favourable budget position in Delayed Transfers of Care (DTC) / hospital discharge arrangements, due to whole systems working with Health and investment in preventive services.

3.7.3 Adults with Disabilities

Significant pressures (£399,000) on the budget for Physical Disability care packages, linked to increased demands and growth in Direct Payment packages.

Also, residential care and care packages are under significant pressure in Learning Disabilities (currently projecting overspends in total of £670,000). Factors contributing to this position include additional costs of existing placements, new volume, particularly around inter-face with PCT re. placements.

Due to contingencies and delays in the full implementation of new mental Health initiatives, there is presently an underspend of circa £250,000 which is helping the overall position in Adults. There is also likely to be provision for Section 117 settlements, which will be used to off-set the divisional overspend. In aggregate though the Adult's with Disabilities Division is reliant on departmental and other service area's contingencies to break even.

3.8 Customer First

The budget for Customer First is contained within the Corporate Strategy Department's overall budget and is £3.072 million for 2005/06. The current position is that full spend is anticipated for this budget, which is primarily the running costs associated with the call centre, the project implementation team and customer service team.

4. Housing Revenue Account (HRA)

- 4.1 The Housing Revenue Account is forecast to spend to budget in 2005-06. Additional monitoring at a Cost Centre level, along with continued overall subjective monitoring, will ensure a sufficient HRA cash balance is maintained.
- 4.2 2005/06 budgets have been issued to Cost Centre Managers and meetings have been held to discuss any issues that may arise during 2005/06, which may impact on the final outturn position.
- 4.3 Although the Repairs and Maintenance budget is currently under pressure, work is currently taking place to ensure it does not overspend at year end.
- 4.4 Salary and Agency costs, are currently underspent, but recruitment to vacant posts during the remainder of 2005/06, means these cost headings are forecast to spend to budget at year end.

5. Interest on Balances

- 5.1 The current position is that this area of the budget is showing signs of improved performance and that current projections show a favourable variance on the budget by the end of the year. As at the end of August this is estimated at about £500,000 for the year. The favourable position is arising due primarily to performance on investments being slightly better than expected coupled with a larger investment base due to a much lower than expected spend on the Capital Programme in 2004/05, which was identified in the outturn report to Members on 12th July. This positive position will allow the strengthening of Council balances at the year end.

6. Savings and Pressures – Budget Decisions 2005/06

- 6.1 The Savings and Pressure items approved by Members as part of the 2005/06 budget process is being closely monitored by relevant Directors and the Director of Finance. Total savings for the EPCS block amounted to £7.017 million and pressures of £3.424 million. A summary by Department on their performance to date for meeting these targets is shown at Appendix B.
- 6.2 The latest position for 2005/06 is that the majority of the level of savings required and pressures commitment is being contained within relevant Departmental budgets. Where specific savings items are not being actioned the relevant Directors have reviewed their budgets appropriately. This relates to the Regeneration and Environment Department where the Director is identifying other areas of savings to ensure the identified target has been met for the year.

7. Capital Programme

- 7.1 The Capital Programme is being managed by the Capital Programme Management Office (CPMO) team in the Department of Regeneration and Environment alongside financial input from the Finance Department. A Summary of the latest position for the 2005/06 programme is shown in Appendix C.

- 7.2 As at the end of August, approximately £20.8 million of this year's programme has been spent out of an overall original budget for the year of around £96.3 million. 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, however, the spend to the end of August is 21.6% of the total programme.
- 7.3 Included within the working budget includes the net roll forwards from 2004/05 totalling £14.1 million to assist with better delivery of the overall programme. The relevant schemes associated with the rollforward sums are continuing be monitored through the Resource Monitoring Panels and by the Corporate Programme Management Office (CPMO)
- 7.4 The current projections indicate that there will be an overall spend by the year end of some £100.2 million, and is higher than the original budget for the year by some £3.9 million. The projected percentage final spend of the capital programme is 104% of the original budget and 83.1% against the working budget.
- 7.5 Regular liaison between the CMPO and project sponsors is taking place to ensure that projections of spend on capital schemes are robust and achievable by the year end. It is important, therefore, that Directors are closely monitoring this position to achieve identified spend of their programmed budgets by the year end. The CPMO and Finance Department are regularly challenging projections by Departments and mentioned in the last monitoring report reasons for major variances will be identified and reported as part of future monitoring reports. Attached at Appendix D is a list of capital schemes which require reprofiling of their budget into later years due to relevant circumstances as laid out in the Appendix.

8. **Consultees**

- 8.1 The members and officers consulted on this report are:

Lead Member, Councillor Bramley
Corporate Management Team
Heads of Finance
Capital Programme Management Office

Background Papers Used in the Preparation of the Report:

Oracle reports
CPMO reports

REVENUE BUDGET 2005/2006**SUMMARY OF POSITION - APRIL TO AUGUST 2005**

	<u>Original Budget</u>	<u>Working Budget</u>	<u>Budget to date</u>	<u>Actual to date</u>	<u>Projected Outturn</u>	<u>Projected Outturn Variation</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Department</u>						
Corporate Strategy	5,118	5,161	1,140	1,089	5,161	0
Education, Arts & Libraries	141,359	144,187	60,078	58,560	144,187	0
Finance	-	-	-	0	0	0
Housing & Health	4,260	5,641	14,543	13,668	5,770	129
Regeneration and Environment	29,910	30,273	12,953	12,206	31,269	996
Social Services	71,263	71,664	34,318	32,687	71,789	125
Total for Department's	251,910	256,926	123,032	118,210	258,176	1,250
<u>Other Services</u>						
Corporate Management	5,673	5,673	2,363	2,175	5,673	0
General Finance	-32,319	-37,269	-15,550	-16,340	-37,769	-500
Contingency	1,082	1,016	-	-	1,016	0
Levies	5,906	5,906	2,461	2,926	5,906	0
Total for Other Services	-19,658	-24,674	-10,726	-11,239	-25,174	-500
Total Council Budget	232,252	232,252	112,306	106,971	233,002	750

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BUDGET SAVINGS AND PRESSURES 2005/06

SAVINGS

BUDGET SAVINGS 2005/06		
SUMMARY		
Department	Amount £'000	Projected Outturn £'000
Corporate Strategy	687.7	*687.7
Education, Arts and Libraries	77	77
Finance	503	503
Housing and Health	645	645
Regeneration and Environmental Services	1,592	1,487
Social Services	1,570	1,570
Corporate	1,942	1,942
TOTAL	<u>7,016.7</u>	<u>6,911.7</u>

Comments:

*In addition to these EPCS savings there are savings to ring-fenced areas of £90.9k which are on target to be met.

Additionally a saving of £225k within the Housing Revenue Account has been made, as a contribution to Corporate and Democratic Core costs.

PRESSURE

BUDGET PRESSURE 2005/06		
SUMMARY		
Department	Amount £'000	Projected Outturn £'000
Corporate Strategy	1,541.5	1,541.5
Education, Arts and Libraries	33	33
Finance	310	310
Housing and Health	0	0
Regeneration and Environmental Services	491	399
Social Services	0	0
Corporate	1,048	1,048
TOTAL	<u>3,423.5</u>	<u>3,331.5</u>

Comments:

All services are intend to utilise all additional budget pressures apart from DRE.

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CAPITAL PROGRAMME 2005/2006SUMMARY OF EXPENDITURE - APRIL TO AUGUST 2005

	<u>Original Budget</u>	<u>Working Budget</u>	<u>Actual to date</u>	<u>Projected Outturn</u>	<u>Projected Outturn Variation against Working Budget</u>	<u>Projected Outturn Variation against Original Budget</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Department</u>						
Corporate Strategy	4,069	5,012	433	3,739	-1,273	-330
Education, Arts & Libraries	20,287	29,482	4,419	16,819	-12,663	-3,468
Finance	4,041	5,358	498	4,841	-517	800
Housing & Health	38,627	41,788	7,799	40,746	-1,042	2119
Regeneration and Environment	25,942	34,331	5,943	29,615	-4,716	3,673
Social Services	3,286	3,812	1,739	3,736	-76	450
Total for Department Schemes	96,252	119,783	20,831	99,496	-20,287	3,244
<u>Accountable Body Schemes</u>						
Regeneration and Environment	-	710	1	710	0	710
Total for Accountable Body Schemes	-	710	1	710	0	710
Total for all Schemes	96,252	120,493	20,832	100,206	-20,287	3,954

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CAPITAL PROGRAMME 2005/06**REPROFILING OF SCHEMES****Education, Arts & Libraries Department****Dagenham Park: Sports Hall/ Dance Studio and Fitness Suite**

The scheme has had to be advertised through the European Journal to appoint the appropriate design consultants for the professional disciplines. This has now been completed and the design development stage is underway. As part of the original planning condition an archaeological survey was proposed as the site was considered to be of some historic interest. Again this has been completed with some interesting early discoveries which required a further full electronic scan to ensure that there were no other items of interest which would have been lost once building works commenced.

Subject to the regional Lottery Board approving the final construction costs, once the tenders have been received by the Council, we have now programmed a commencement of the construction phase in late January early February. A revised profile of the spend for this scheme is therefore:

	Revised Spend Profile	Existing Spend Profile* <i>(*inc roll forward)</i>
Spend Prior to 2004	0	0
Actual Spend 2004/05	0	0
Projected Spend 2005/06	600,000	3,200,000
Projected Spend 2006/07	3,000,000	1,260,000
Projected Spend 2007/08	860,000	0
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TOTAL	£4,460,000	£4,460,000
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Warren Comprehensive School - Science Facilities

This project has always been designed as more than a Science Block, as there are a number of issues around the school which need to be addressed as a matter of urgency to provide additional teaching space for the school. Additionally, with our involvement in Building Schools for the Future (BSF) funding does mean that we have to think differently about the way that we invest in our secondary schools. The Warren Comprehensive School is the first school where we have an opportunity to review the new facilities that are planned to ensure that we don't compromise investment for the future.

For information, the first phase to improve the reception and some administrative working areas by converting existing accommodation is now complete. A contract to provide some

additional practice rooms in the Music Suite is progressing on site, and things are moving forward.

The big phase of work, having regard to the above, has required a little more planning and organisation. Meetings have been held with the School to look at a purpose built single building that would not compromise things for the future. This will mean that the need that the school has for accommodation to meet curriculum needs can be achieved. These proposals will mean it is possible to free up space in the main building and we can still achieve some of the refurbishment work to obtain some Science teaching as well as Media, IT and Drama that the school so needs. This does mean, however, that the planned spend of resources will change, as follows:

	Revised Spend Profile	Existing Spend Profile* <i>(*inc roll forward)</i>
Spend Prior to 2004	18,873	18,873
Actual Spend 2004/05	392,258	392,258
Projected Spend 2005/06	402,000	2,287,556
Projected Spend 2006/07	1,785,556	0
Projected Spend 2007/08	100,000	0
TOTAL	£2,698,687	£2,698,687

John Perry Children's Centre

Construction of this project started on site at the end of January 2005 and completion is expected to be achieved at the end of December 2005. There has been some slippage in the overall programme which was primarily related due to delays in obtaining planning consent. This was because of local objections to perceived increasing traffic to the new facility. The programme is revised to reflect these slight changes as follows.

	Revised Spend Profile	Existing Spend Profile* <i>(*inc roll forward)</i>
Spend Prior to 2004	0	0
Actual Spend 2004/05	£256,855	£256,855
Projected Spend 2005/06	£1,188,145	£1,023,463
Projected Spend 2006/07	£52,541	0
Projected Spend 2007/08	0	0
TOTAL	£1,497,541	£1,497,541

William Bellamy Children's Centre

This is an extremely complex project involving partial demolition to part of the Infant School, which, as we have developed the project, has revealed particular aspects around asbestos removal. Other works at the school to replace some of the windows has also meant some asbestos removal, both programmes seem to have converged on the school and have caused some complexities which are being managed out.

Following completion of the two stage tender process, Borrás Construction were appointed to complete the construction of the Children's Centre at William Bellamy Infant School. Enabling works (consisting of the demolition of the school's Administration block, following relocation of staff, furniture and equipment and asbestos removal) were completed in time for the schools return from the summer recess on the 12th September.

Construction of the Children's Centre commenced at the end of September 2005 and completion is anticipated around mid May 2006. The projected spend will be as follows:

	Revised Spend Profile	Existing Spend Profile* <i>(*inc roll forward)</i>
Spend Prior to 2004	0	0
Actual Spend 2004/05	£21,273	£21,373
Projected Spend 2005/06	£1,195,715	£1,318,727
Projected Spend 2006/07	£423,012	£299,900
Projected Spend 2007/08	0	0
TOTAL	£1,640,000	£1,640,000

Becontree Children's Centre

Enabling works for this project commenced in May 2005 and were completed in September 2005. The construction of this Children's Centre has been awarded to Thomas Sinden Building Contractor, following a tender and cost reduction exercise. An early September start on site was anticipated for the main construction work on the two new wings to the existing building. However, the contractor was unable to procure the timber frame for the extensions within this timescale. The main construction work will now commence early October and complete at the end of June 2006. The revised spend profile reflects this staggered start to this project.

	Revised Spend Profile	Existing Spend Profile* <i>(inc roll forward)</i>
Spend Prior to 2004	0	0
Actual Spend 2004/05	£48,960	£48,960
Projected Spend 2005/06	£843,623	£1,203,040
Projected Spend 2006/07	£609,417	£250,000
Projected Spend 2007/08	0	0
TOTAL	£1,502,000	£1,502,000

School Modernisation Fund

The School Modernisation fund is a capital grant awarded to the Council to upgrade school premises in relation to the Education Asset Management Plan, it was formerly known as New Deal for Schools. Within the past year the DfES received updated information from the Council in relation to its Education Asset Management Plan which has resulted in an additional funding being awarded. The DfES have now clarified the extent of the grant along with the conditions, which allow the Council three years in which to plan and spend this resource for maximum benefit and in line with our condition priorities for schools. It is intended to utilise this resource to be invested alongside other funding available to schools in their Devolved Formula Capital allocations, and in this way it is anticipated that maximum benefit can be achieved through joint funding of projects to improve school facilities. The proposed spend profile is as follows

	Revised Spend Profile	Existing Spend Profile* <i>(*inc roll forward)</i>
Projected Spend 2005/06	2,390,000	45,000
Projected Spend 2006/07	2,383,360	0
Projected Spend 2007/08	2,383,360	0
TOTAL	£7,156,720	£45,000

Valence House Museum

This project is dependent upon Heritage Lottery Fund resources, together with matched funding from the Council. At the present time negotiations are ongoing with HLF and projected spend is set out below.

	Revised Spend Profile	Existing Spend Profile* (*inc roll forward)
Spend Prior to 2004	15,000	15,000
Actual Spend 2004/05	59,992	59,992
Projected Spend 2005/06	125,999	931,008
Projected Spend 2006/07	63,000	870,000
Projected Spend 2007/08	1,052,500	0
Projected Spend 2008/09	1,052,500	0
Projected Spend 2009/10	130,000	0
	<hr/>	<hr/>
TOTAL	£2,498,991	£1,876,000

NB: The above amounts include the funding that would be received from the Heritage Lottery Fund which would be approximately 75% of project costs. These amounts are only estimates as yet as no agreement has been reached with the HLF.

Community Music Service

This project has struggled to move forward over the last two years and this is primarily due to the fact that the design did involve the demolition of an old wooden building which was occupied for many years by a boxing club. Various relocation options were proposed to the club and turned down but eventually following protracted negotiations the council were able to relocate the club to a former redundant community hall, this was subject to a separate report to the Executive. The project is currently out to tender and the revised spend profile reflects the new building programme as follows:

	Revised Spend Profile	Existing Spend Profile* (*inc roll forward)
Spend Prior to 2004	0	0
Actual Spend 2004/05	25,000	25,000
Projected Spend 2005/06	250,000	975,000
Projected Spend 2006/07	675,000	0
Projected Spend 2007/08	50,000	0
	<hr/>	<hr/>
TOTAL	£1,000,000	£1,000,000

Corporate Strategy Department

Foundation Contact Centre

The working budget for 2005/2006 is £2,975k which includes an estimate of £1,208k for the costs associated with the One Stop Shop at the Barking Life Learning Centre (BLLC). The one-stop shop at the BLLC was originally planned to open in January 2006 but there is a delay in the scheme until July 2006. The £1,208k expenditure includes the Customer First contribution to the build costs plus hardware, software, furniture and equipment costs etc. and these will not be incurred until the building is available.

As a result of these delays it is proposed to re-profile £1,208k from the 2005/06 financial year into the 2006/07. The revised profiling of this scheme is as follows:

	2005/06	2006/07	2007/08	Total
	£'000	£'000	£'000	£'000
Current Profile	2,975	2,456	0	5,431
Proposed Profile	1,767	3,664	0	5,431

Office Accommodation – Customer First

This budget relates to the costs of any office accommodation improvements required to create a one-stop shop at the Town Hall. As a result of the Council's current accommodation review it is considered that any spend on these improvements be deferred until the outcome of the review are known. In this way any required improvements will complement any accommodation changes and ensure that resources are efficiently utilised.

The revised profile is as follows:

	2005/06	2006/07	2007/08	Total
	£'000	£'000	£'000	£'000
Current Profile	1,016	0	0	1,016
Proposed Profile	21	995	0	1,016

St. Georges - new voluntary sector building

We have over the last year been investigating with property services, to find a piece of Land to build on which was unsuccessful, a month ago we meet with our colleagues in regeneration, who with us have now come up with two possible sites in Barking town centre.

We are about to interview and then appoint a consultant to look at both sites and provide to us options on which are best site and a business plan/financial appraisal etc.. There will consult all concerned including the voluntary sector, so that this scheme can move forward in year 2006/7.

We have consulted ward councillors and Executive member who support this proposal.

The re-profile is as follows:

	2005/06	2006/07	2007/08	Total
	£'000	£'000	£'000	£'000
Current Profile	238	800	0	1,038
Proposed Profile	0	200	838	1,038

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THE EXECUTIVE

25 OCTOBER 2005

REPORT OF THE DIRECTOR OF CORPORATE STRATEGY

HUMAN RESOURCES POLICIES AND PROCEDURES	FOR DECISION
<p>Summary:</p> <p>Over the past 12-18 months, a number of HR policies and procedures have been reviewed or are currently under review, to bring them in line with recent employment legislation and best practice.</p> <p>The most recent policies and procedures to be finalised are: Managing Attendance - Sickness Absence; and Redundancy, Redeployment and Assimilation. These have been subject to extensive consultation with the trade unions and departments and their comments have been taken on board, as appropriate, in the final documents. Copies of the policy documents are attached at Appendices A and B.</p> <p>These procedures were considered by the Employee Joint Consultative Committee on 15 August 2005, and the EJCC agreed to recommend the documents to the Executive for approval.</p> <p>Wards Affected: None</p>	
<p>Implications:</p> <p>Financial:</p> <p>There are no direct financial implications as a result of producing the new policies and procedures. Sickness absence does, however, represent a major cost to the Council and proper arrangements for managing sickness can have significant financial implications.</p> <p>Legal:</p> <p>The policies and procedures take into consideration the provisions of the Employment Rights Act 1996, the Employment Act 2002, the Disability Discrimination Act 1995, the Race Relations (Amendment Act) 2000, the Employment Act 2004 and the ACAS Code of Practice on Disciplinary and Grievance Procedures.</p> <p>Risk Management:</p> <p>A number of briefing sessions have been held for managers in order that they understand the aims and objectives of the new policies and procedures and how to operate within them. This means that these can be implemented with immediate effect.</p> <p>Should the policies and procedures not be agreed, existing procedures will continue to apply.</p> <p>Social Inclusion and Diversity:</p> <p>The Race Relations (Amendment) Act 2000 places a requirement on local authorities to make an assessment of the impact of new and revised policies in terms of race equality. Existing policies have already been subjected to impact assessments. This Authority has adopted an approach of extending the impact to cover gender, disability, sexuality, faith, age and community cohesion.</p>	

A Policy Proofing process has been introduced to assess such impacts and the outcome insofar as this report is concerned is that no adverse impact was found. The impact of the new policies will be monitored.

Crime and Disorder:

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

Recommendation(s)

The Executive is asked to agree:

1. the policies and procedures on Managing Attendance – Sickness Absence and Redundancy, Redeployment and Assimilation as detailed in Appendices A and B, and
2. the implementation date of 1 November 2005.

Reason(s)

To ensure up-to-date and consistent procedures are operational across the Council.

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Background Papers Used in the Preparation of the Report:

None

THE EXECUTIVE

25 OCTOBER 2005

REPORT OF THE DIRECTOR OF HOUSING AND HEALTH

LICENSING OF HOUSES IN MULTIPLE OCCUPATION	FOR DECISION
<p>Summary: The Housing Act 2004 received royal assent on 18 November 2004. Part 2 of the Act introduces a mandatory licensing scheme, which will apply to larger 'high' risk Houses in Multiple Occupation (HMO). There is also provision for a discretionary licensing scheme where a local authority wishes to extend the licensing regime to other, smaller HMOs, subject to consultation and the Secretary of State's approval.</p> <p>This report seeks approval to the extension of the licensing scheme to cover smaller HMOs within the borough.</p> <p>Wards Affected: All</p>	
<p>Implications:</p> <p>Financial:</p> <p>The licensing scheme is intended to be self-financing and will therefore need to generate around £30,000 per annum fee income. Currently there are known to be around 200 HMOs within the borough which implies an average fee level of £150 per HMO per year. At this stage no exact figure has been finalised for the fee amount to be charged. Consistency with neighbouring boroughs is important and advice will be sought from the ODPM. Currently only 56 HMOs are registered. The greater level of resources available will ensure higher levels of enforcement and payment.</p> <p>Legal:</p> <p>By extending the licensing scheme to cover smaller HMOs within the borough, it will be possible to ensure that these HMOs are let out to an acceptable standard. It would make it a criminal offence to control or manage a HMO which does not have the required licence. A person convicted of such an offence will be subject to a maximum fine of £20,000 and £5,000 fine for a breach of any condition of a licence.</p> <p>Risk Management:</p> <p>HMOs are an important contributor to transience in the borough. Residents of HMOs are at higher risk of fire and other hazards than residents of single household units. Management is also often of a lower standard. Neighbours are at greater risk of nuisance and anti social behaviour from HMOs which are not properly managed. The residents of HMOs are often vulnerable in terms of dependency on benefits and low pay. For many residents, HMOs are their only real housing option.</p> <p>To manage these risks to HMO residents and their neighbours it is considered necessary to have a licensing regime for all HMOs, not just those covered by the Government's mandatory scheme.</p>	

Social Inclusion and Diversity:

The Race Relations (Amendment) Act 2000 places a requirement on local authorities to make an assessment of the impact of new and revised policies in terms of race equality. Existing policies have already been subjected to impact assessments. This Authority has adopted an approach of extending the impact to cover gender, disability, sexuality, faith, and age and community cohesion.

A Policy Proofing process has been introduced to assess such impacts and the outcome insofar as this report is concerned is that people with disabilities of a physical, mental and dependency nature are disproportionately represented amongst HMO residents.

Crime and Disorder:

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals. In relation to this report, badly managed HMOs can be a focus of anti social behaviour and a cause of nuisance to neighbours. HMO residents are often more vulnerable to harassment and illegal eviction. The licensing regime is the best method of dealing with these issues.

Recommendation(s)

The Executive is asked:

1. To note the provisions under Part 2 of the Housing Act 2004 with regards to the licensing of mandatory three storey HMOs with five or more occupants.
2. To agree to the additional licensing of all HMOs within the borough.
3. To agree to delegate authority to the Director of Housing and Health, or his nominee, to set fee levels for the licensing scheme.

Reason(s)

1. To ensure that HMOs continue to play a worthwhile role in the private rented sector in the borough by providing good quality accommodation for those who need it.
2. To protect (often vulnerable) residents of HMOs from the increased risks of fire, harassment and other hazards
3. To mitigate the effects of transience and protect neighbours from anti social behaviour and nuisance emanating from HMOs
4. To ensure that the service is properly resourced

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Title:

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Standards officer

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1. Background

- 1.1 Typically, the worst housing conditions in the private sector rented sector exist in Houses in Multiple Occupation (HMOs); however, HMOs are also a valuable source of affordable accommodation for vulnerable and transient groups.
- 1.2 In Barking and Dagenham known HMOs constitute a small proportion of the stock, currently estimated at around 200 properties. Nevertheless they do provide a valuable housing resource for certain people who live in them by choice because it suits their life-style, and for many because they have no alternative.
- 1.3 Since at least 1961, because of the problems associated with HMOs, specific legislative powers have been available to councils. One of these control measures is the discretionary HMO Registration scheme, which the Council has been running since 2001.
- 1.4 The current registration scheme requires the person responsible for the house to register its details with the Council and to pay a registration fee. Currently that fee is set at £80 per house and the registration lasts for five years. There are currently 56 HMOs registered with the Council.
- 1.5 Part 2 of The Housing Act 2004 has introduced a new mandatory licensing scheme for HMOs of three or more storeys and in which five or more people live. The local authority has a legal obligation to licence these particular properties and to carry out enforcement action when necessary. There are very few HMOs of this type in Barking & Dagenham.
- 1.6 The Housing Act also provides discretionary powers for local authorities to adopt additional licensing schemes for HMOs not covered by the mandatory scheme. Subject to approval by the ODPM.
- 1.7 Increase in buy-to-let property in the borough has resulted in a general increase in private rented properties which has caused increased levels of transience. HMOs typically experience high turnover rates with attendant management problems. They also provide homes for vulnerable people who have little housing choice. A badly managed HMO with a high turnover of tenants is likely to impact on neighbours' sense of security and damage community cohesion.

2. Proposal

- 2.1 The proposal is, subject to ODPM approval, to set up an additional Licensing scheme for all HMOs in the borough not covered by the mandatory scheme. This would effectively be a better resourced continuation of the current scheme. A scheme cannot come into operation earlier than three months after it has been approved by the ODPM. The scheme will normally be in force for maximum periods of five years.
- 2.2 Currently, there are only four HMOs, which would fall under the mandatory Licensing scheme known of in the borough while there are at least 200 other HMOs. Therefore the Mandatory licensing scheme alone would not enable the council to target all HMO problem properties, and would allow landlords to escape enforcement.

- 2.3 During the last year, a total of 137 notices have been served in respect of sub-standard HMOs. 86 notices have so far been complied with and 22 unfit properties made fit. Nearly all of these notices were served in respect of non-mandatory HMOs. This indicates a high demand for enforcement action which would not be possible without an additional Licensing scheme.

3. Financial Implications

- 3.1 The licensing scheme is intended to be self-financing and will therefore need to generate around £30,000 per annum fee income. Currently there are known to be around 200 HMOs within the borough which implies an average fee level of £150 per HMO per year. At this stage no exact figure has been finalised for the fee amount to be charged. Consistency with neighbouring boroughs is important and advice will be sought from the ODPM. Currently only 56 HMOs are registered. The greater level of resources available will ensure higher levels of enforcement and payment.

4. Staffing Implications

- 4.1 Increased enforcement levels will involve a degree of reshaping of the service provided by the Private Sector Housing Team which can be funded by the additional fees.

5. Consultation

5.1 Officers

Ken Jones – Head of Housing Strategic Development
Colin Rigby – Head of Finance Housing & Health
Muhammad Saleem – Solicitor to the Council

6. Background Papers Used in the Preparation of the Report:

- The Private Sector Housing Strategy October 2003
- The Housing Act 2004, Part 2

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