

Notice of Meeting

THE EXECUTIVE

Tuesday, 17 February 2009 - 5:00 pm
Council Chamber, Civic Centre, Dagenham

Members: Councillor C J Fairbrass MBE (Chair); Councillor L A Smith (Deputy Chair); Councillor J L Alexander, Councillor G J Bramley, Councillor S Carroll, Councillor H J Collins, Councillor R C Little, Councillor M A McCarthy, Councillor M E McKenzie and Councillor Mrs V Rush

Date of publication: 9 February 2009

R. A. Whiteman
Chief Executive

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AGENDA

1. **Apologies for Absence**
2. **Declaration of Members' Interests**

In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting. **Members are reminded that the provisions of paragraphs 12.3 and 12.4 of Article 1, Part B in relation to Council Tax arrears and Council house rent arrears respectively apply to the agenda items 7 to 10.**

3. **Minutes - To confirm as correct the minutes of the meeting held on 20 January 2009 (Pages 1 - 6)**

Business Items

Public Items 4 and 5 are business items. The Chair will move that these be agreed without discussion, unless any Member asks to raise a specific point.

4. **Council Debt Write-Offs (Pages 7 - 15)**
5. **Treasury Management Annual Strategy and Prudential Indicators (Pages 17 - 52)**

Discussion Items

- 6. Budget Monitoring 2008/09 (Pages 53 - 85)**
- 7. Fees and Charges 2009/10 (Pages 87 - 123)**
- 8. Housing Revenue Account Estimates and Review of Rents and Other Charges 2009/10**

This report has been circulated separately as Supplementary Agenda 1.

- 9. The Capital Programme 2009/10 - 2012/13**

This report has been circulated separately as Supplementary Agenda 1.

- 10. Council Tax 2009/10**

This report has been circulated separately as Supplementary Agenda 1.

- 11. Dagenham and Redbridge Football Club (Pages 125 - 127)**

- 12. Any other public items which the Chair decides are urgent**

- 13. 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 (paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended).

- 14. Replacement of Customer Relationship Management (CRM) System (Pages 129 - 157)**

Concerns a contractual matter (paragraph 3)

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

THE EXECUTIVE

Tuesday, 20 January 2009
(5:00 - 5:43 pm)

Present: Councillor C J Fairbrass MBE (Chair), Councillor L A Smith (Deputy Chair), Councillor J L Alexander, Councillor G J Bramley, Councillor S Carroll, Councillor H J Collins, Councillor R C Little, Councillor M A McCarthy and Councillor Mrs V Rush

Apologies: Councillor M E McKenzie

109. Declaration of Members' Interests

Councillor Liam Smith declared a personal interest as a member of the Governing Body of Dagenham Park School in respect of the Trewern Centre (agenda item 10) in view of the proposed allocation of unused funding from an earlier project at Dagenham Park School to contribute to the proposed works at the Trewern Centre.

110. Minutes - 16 December 2008

Agreed.

111. Annual Performance Assessment of Social Care Services for Adults, 2007-08

Received and noted a report from the Corporate Director of Adult and Community Services which outlines the results of the annual performance assessment of the Council's Adult Social Care Services by the Commission for Social Care Inspection.

We are pleased with the Inspection results and would like to commend and congratulate all staff in Adult Services for their hard work.

112. Barking Park: Contract for Restoration and Improvement Works

Received a report from the Corporate Director of Adult and Community Services concerning procurement proposals for the restoration and improvement of Barking Park.

Agreed, in order to assist the Council to achieve its Community Priority of "Making Barking and Dagenham Cleaner, Greener and Safer", to:

- (i) approve the procurement strategy for a works contract for the restoration and improvement of Barking Park; and
- (ii) delegate authority to the Corporate Director of Adult and Community Services in consultation with the Lead Member for Culture and on the advice of the Legal Partners, to award the contract following the agreed procurement process.

113. Dagenham Washlands: External Funding And Long Term Management Arrangements

Received a report from the Corporate Director of Adult and Community Services concerning external funding for the enhancement, long term management and maintenance of Dagenham Washlands.

Agreed, in order to assist the Council to achieve its Community Priority of “Making Barking and Dagenham Cleaner, Greener and Safer”, to:

- (i) enter into a 99 year lease with the Land Restoration Trust in respect of the Council’s land holdings known as The Leys and the southern part of Beam Valley Country Park Local Nature Reserve in order to facilitate the management by the Land Restoration Trust of the entire 53 hectare site on behalf of the current land owners as part of the Thames Gateway Parklands enhancement scheme and
- (ii) authorise the Corporate Director of Adult and Community Services, in consultation with the Legal Partners, to agree the detailed terms of the lease arrangements on the terms outlined in the report.

114. Procurement of Design and Consultancy Services for the Restoration and Improvement of Abbey Green

Received a report from the Corporate Director of Adult and Community Services concerning proposals for the procurement of Design and Consultancy Services for the restoration and improvement of Abbey Green.

Agreed, in order to assist the Council to achieve its Community Priority of “Making Barking and Dagenham Cleaner, Greener and Safer”, to:

- (i) approve the procurement strategy outlined in this report (design contest) for the procurement of design and consultancy services for the restoration and improvement of Abbey Green; and
- (ii) delegate authority to the Corporate Director of Adult and Community Services in consultation with the Lead Member for Culture and on the advice of the Legal Partners, to award the contract following the agreed procurement process.

115. Scrattons Eco Park Extension: Land Restoration and Land Transfer

Received a report from the Corporate Director of Adult and Community Services concerning the tendering of the Scrattons Farm Eco Park remediation project.

Agreed, in order to assist the Council to achieve its Community Priority of “Making Barking and Dagenham Cleaner, Greener and Safer”, to:

- (i) officers inviting, appraising and evaluating tenders for the remediation of the contaminated land at neutral cost to the Council as described in the report subject to planning consent and resident support; and to note that if the tender process does not produce a cost neutral situation the scheme will not proceed.

- (ii) The acquisition of a long term lease of 2550 sq. metres of land, to the south of Levine Gardens, from its current owners Network Rail, at a nominal rent (peppercorn), as shown on the plan attached to the report. This will be carried out in accordance with the Council's land acquisitions and disposal rules. The subsequent contract will be for a peppercorn consideration; and
- (iii) delegate authority to the Corporate Director of Adult and Community Services in consultation with the Lead Member for Culture and on the advice of the Legal Partners, to award the contract following the agreed procurement process.

116. Provision of Wheelie Bins for Household Waste - Pilot Outcomes and Borough Roll-Out

Received a report from the Corporate Director of Customer Services outlining the results of the wheelie bin pilots that have taken place in five areas across the borough and proposals to roll-out the system across the Borough.

Agreed, in order to assist the Council to achieve its Community Priorities of "Making Barking and Dagenham Cleaner, Greener and Safer" and "Raising General Pride in the Borough"

- (i) to the adoption of the system throughout the Borough and
- (ii) that implementation of the borough-wide scheme is subject to capital and revenue resources being approved as part of the Councils 2009/10 budget process.

117. Trewern Centre: Additional Accommodation and Disability Discrimination Act Compliance

Received a report from the Corporate Director of Children's Services concerning proposals to improve the facilities at the Trewern Centre to comply with the provisions of the Disability Discrimination Act (DDA) 2005.

Agreed, in order to assist the Council to achieve its Community Priorities of "Better Education and Learning For All" and "Promoting Equal Opportunities and Celebrating Diversity", to:

- (i) The proposals for the creation of additional accommodation and other works to meet DDA requirements at the Trewern Centre as detailed in the report;
- (ii) that the following sums be vired to support the proposals in the report, providing a total capital sum of £443,000:
 - a. underspend of Big Lottery funding on Dagenham Park Sports Hall and the Trewern Climbing Wall Schemes of £300,000
 - b. £143,000 from the DDA budget
- (iii) the procurement proposal as set out in the report, using a specialist provider to support the design process;

- (iv) authorise the Corporate Director of Children's Services to conduct a design contest to procure the works to the Trewern Centre and that such procurement be made in consultation with and on the advice of Corporate Procurement and the Legal Partners and in compliance with EU and national procurement regulations and in accordance with the Council's Standing Orders and Contract Rules and
- (v) delegate authority to the Corporate Director of Children's Services, on the advice of Legal Partners, to award the contract to the successful candidate after the tender process is complete.

118. Demographic Change Influences on School Places Demand for Autumn Term 2008

Received a report from the Corporate Director of Children's Services detailing steps taken over the Summer and Autumn of 2008 in response to the demand for School places in the primary phase and regularising financial arrangements to ensure that projects are contained within existing resources.

Agreed in order to assist the Council to achieve its Community Priority of "Better Education and Learning For All", to:

- i) The actions taken by the Corporate Director of Children's Services in making available additional school places as set out in the report; and
- ii) The capital budget provisions as detailed in the report and that the appropriate amendment is made to the Capital Programme for allocating grant income from DCSF against the following capital schemes:

Gascoigne Primary	£229,000
Ripple Infant & Junior	£170,000
Beam Primary	£197,000
Cambell Infants	£50,000
Marsh Green Primary	£85,000
Five Elms Primary	£65,000
Thames View Infants	£75,000
Richard Alibon Primary	£5,000
Rush Green Infant	£65,000
Total	£941,000

119. Budget Monitoring 2008/09 - April to November 2008

Received a report from the Corporate Director of Resources providing an update on the Council's revenue and capital position for the period April to November of the 2008/09 financial year.

The position for revenue expenditure indicates that current budget pressures exist across four departments amounting to £2.9million which are offset by projected underspends in one other department. Overall this reflects a £700k reduction from the position reported in October.

Agreed, in order to assist the Council to achieve all of its Community Priorities and as a matter of good financial practice, to:

- (i) note the current position of the Council's revenue and capital budget as at 30 November 2008;
- (ii) note the position and projected out-turn for the Housing Revenue account; and
- (iii) note that where pressures and targets exist, Directors are required to identify and implement the necessary action plans to alleviate these budget pressures to ensure that the necessary balanced budget for the Council is achieved by year end.

120. Revised Budget 2008/09 and Base Budget 2009/10

Received a report from the Corporate Director of Resources setting out the Council's revised revenue budget for 2008/09 and a base budget position for 2009/10.

Agreed in order to assist the Council to achieve all of its Community Priorities and as a matter of good financial practice to

- (i) note the current revised budget for 2008/09 ;
- (ii) the base budget for 2009/10 ; and
- (iii) note the position on the current projected outturn for 2008/09.

121. Private Business

Agreed to exclude the public and press for the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

122. Contract for the Provision of Fleet Vehicles, Plant and Associated Services

Received a report from the Corporate Director of Customer Services concerning proposals for tendering the provision of Fleet Vehicles, Plant Hire and Associated Services.

Agreed, in order to assist the Council to achieve all of its Community Priorities,

- (i) That based on the outcome of the fleet procurement process and market testing, the maintenance of the council vehicle fleet and associated plant is outsourced to a third party organisation, using the council facilities at Frizlands Depot and transferring 10 affected staff to the service provider under TUPE arrangements.
- (ii) That the Council engage in contract discussion with the three short-listed third party organisations to establish the optimum provider based on the evaluation criteria.
- (iii) That the final decision regarding appointment of the preferred supplier is delegated to the Corporate Director of Customer Service and the Corporate

Director of Resources.

123. Review of Council Car Allowance Scheme

Received a report from the Corporate Director of Resources concerning proposals to revise the Essential Car User Allowance scheme that applies to Council staff

Agreed in order to assist the Council to achieve all of its Community Priorities, to:

- (i) The new criteria for the entitlement of Essential Car User Allowance and the rates as outlined in the report;
- (ii) The new rate for Casual Car Users as outlined in section 5 of the report;
- (iii) The additions to the Council Travel Allowance scheme as outlined in section 6 of the report; and
- (iv) that the new arrangements be introduced from 1 May 2009 with the relevant protections as outlined in section 7 of the report.

EXECUTIVE

17 FEBRUARY 2009

REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES

Title: Debt Write Offs October - December 2008 (3rd Quarter)	For Information
<p>Summary:</p> <p>Barking and Dagenham Direct is made up of a number of service areas. One of these (Income & Collection) is linked to the billing, collection and recovery of the vast majority of debts that fall due to be paid to the Council for chargeable services and statutory levies such as Council Tax and Business Rates.</p> <p>The value and type of debts written off as uncollectible within these two sections, must be reported to the Executive on a quarterly basis in line with the Council's financial regulations. This is the third such report for the financial year 2008/9 and provides a summary of debts written off for Q3 i.e. October to December 2008 shown in table 3 of appendix A. In total £1.049m of debts have been written off for the 2008/09 year up to 31 December.</p> <p>Wards Affected: None.</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to note the debt write-offs for the 3rd quarter of 2008/09 as detailed in the report and that a number of these debts will be publicised in accordance with the policy agreed by Minute 69 (6 November 2007).</p>	
<p>Reason(s)</p> <p>As a matter of good financial practice and to accord with the Council's Financial Rules.</p>	
<p>Implications:</p> <p>Financial:</p> <p>All debts written off, will have been provided for within the Council's Bad Debt Provision and as such there should be no specific financial implications. However, there is the possibility that unforeseen and unplanned additional write offs occur, which lead to the value of debts written off in any year, exceeding the agreed bad debt provision.</p> <p>Where this is likely to happen, this quarterly report will act as an early warning system and will enable additional control measure to be agreed and taken, to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.</p> <p>Legal:</p> <p>As this report is likely to be a public report, there should not be any legal implication of publicising the details of individual debts. In addition, any lists publicised will be limited to</p>	

those cases where prior to the debt being written off, the debt has been proven at Court as rightly and properly due.

Risk Management:

No specific implications save that of this report acting as an early warning system to any problems in the area of write offs.

Social Inclusion and Diversity: No specific implications.

Crime and Disorder: No specific implications.

Options Appraisal: Not applicable.

Contact Officer: Jackie Adams	Title: Group Manager (Income and Collection)	Contact Details: Tel: 020 8227 2507 Fax: 020 8227 2574 E-mail: Jackie.adams@lbbd.gov.uk
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1. Introduction and Background

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

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

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

3. Authorisation to write off debts

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

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

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

4. Current Position

4.1 The net value of debts written off for the third quarter (Q3) of 2008/9 (i.e. October 2008 – December 2008) was £457,966.66 as shown in table 3 of appendix A. The total cumulate debt write off for 2008/09 now stands at £1.049m.

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

5.1 Council Tax and Business Rates are both statutory debts and for the most part, regular monthly write offs take place.

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

5.3 Home Care and Residential Care debts are also dealt with within the General Income section and are shown separately.

6. Publication of individual details of debts written off

6.1 A number of Authorities publicise the details (names, addresses etc.), of residents who have had debts written off. In the vast majority of cases, these debts have been written off where the debtor has absconded.

6.2 The Executive agreed in November 2007 (Minute 69, 6 November 2007) that a list showing the details of debtors, who have had debts written off, would be attached to this report. A list has been attached at Appendix B. The list has been limited to the top ten debts only.

6.3 As outlined within recommendation 2 above, the Executive is asked to consider the publication of this list of debtors locally (e.g. within the Citizen, local newspapers etc).

6.4 As was previously outlined within the 6th November 2007 Executive report, It was recommended that the following types of debt write offs are excluded from this publicised list:

- (a) Debts that have been written off following a corporate complaint being upheld

- (b) Debts that have been written off due to the debtor falling within one of the many vulnerable groups (e.g. elderly, disabled, infirm etc.)
- (c) Where the original debt was raised in error
- (d) Where debts have been written off, but no legal action has been taken to prove that the debt was legally and properly due
- (e) Where the debt has been written off following bankruptcy or insolvency action (the majority of these cases will be individually publicised)

6.5 The exclusion of the category of debts listed above will eliminate the possibility of any unnecessary and potentially costly legal challenges from debtors, who take issue with their details being publicised. It is intended that where the details or whereabouts of debtors become known following publication, those debtors will be pursued as far as is possible, to secure full payment of the debt.

6.6 The list provided at appendix B does not include any debts or debtors that fall within categories a-e above, so the list as it stands can be publicised.

7. Ongoing debt recovery and tracing work

7.1 It should be noted that debt recovery and tracing work is an ongoing activity within the Income & Collection section. Some form of tracing work continues on debts even after the debt has been written off. In many cases, tracing and follow-up work can continue for up to a year after the debt has been written off (e.g. in the case of higher debts) and debtors have been known to resurface up to five years after a debt has been written off.

7.2 Where debtors are located after a long period of time, measures are taken to recover the debts and in some cases, the debt is written back on so that legal action can commence or be picked up from where it was left.

8. Consultees

- Councillor Graham Bramley- Lead Member Resources
- Joe Chesterton -Divisional Director of Corporate Finance
- Bola Odunsi - Head of Barking & Dagenham Direct
- Yinka Owa – Legal Partner & Deputy Monitoring Officer

Background Papers Used in the Preparation of the Report:

- Report to Executive on 6/11/07 titled “Council Debt Write Offs” Minute 69, November 2007
- Policy for write off of irrecoverable debts and unclaimed credits
- Income & Collection tracing procedure

Debts written off 2006/7
Table 1

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

Debts written off during 2007/8
Table 2

Write Offs	General Income Debts	Former Tenant Arrears	Home Care	Residential Care	Council Tax	NNDR	TOTAL
2007-8 Totals	£165,413	£373,275	£ -	£10,543	£ 668,163	£169,657	£1,387,051

Debts written off 2008/09
Table 3

Debts Written Off during 2008/09 Quarter 1

Write Offs	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NNDR	TOTAL
Apr-08	Under £2k	£476.87		£108.26	£644.29	£58,937.17		£81,415.38
	Over £2k	£37,545.09				£2,507.91		£40,053.00
	Over £10k							£0.00
	Total	£58,793.88	£476.87	£0.00	£108.26	£644.29	£61,445.08	£0.00
May-08	Under £2k	£72.12			£159.00	£29,413.39		£42,506.17
	Over £2k					£5,330.73		£5,330.73
	Over £10k							£0.00
	Total	£12,861.66	£72.12	£0.00	£159.00	£34,744.12	£0.00	£47,836.90
Jun-08	Under £2k	£2,472.94	£590.43	£81.94	£347.18	£28,852.60		£32,345.09
	Over £2k					£11,709.69		£11,709.69
	Over £10k							£0.00
	Total	£0.00	£2,472.94	£590.43	£81.94	£347.18	£40,562.29	£0.00
Quarter 1 Totals	£71,655.54	£3,021.93	£590.43	£190.20	£1,150.47	£136,751.49	£0.00	£213,360.06

Debts Written Off during 2008/09 Quarter 2

Write Offs	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NDR	TOTAL
Jul-08	Under £2k	£6,073.39		£112.50		£27,522.81		£33,708.70
	Over £2k		£16,602.87			£7,067.28		£23,670.15
	Over £10k							£0.00
	Total	£6,073.39	£16,602.87	£0.00	£112.50	£0.00	£34,590.09	£0.00
Aug-08	Under £2k	£18,613.28	£5,931.43	£135.99		£21,880.04		£46,560.74
	Over £2k	£16,618.43				£13,495.98		£30,114.41
	Over £10k							£0.00
	Total	£35,231.71	£5,931.43	£0.00	£135.99	£0.00	£35,376.02	£0.00
Sep-08	Under £2k	£53,325.14	£95,191.28	£132.99		£39,752.50		£188,401.91
	Over £2k	£6,788.57	£48,337.15					£55,125.72
	Over £10k							£0.00
	Total	£60,113.71	£143,528.43	£0.00	£132.99	£0.00	£39,752.50	£0.00
Quarter 2 Totals	£101,418.81	£166,062.73	£0.00	£381.48	£0.00	£109,718.61	£0.00	£377,581.63

Debts Written Off during 2008/09 Quarter 3

Write Offs	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NNDR	TOTAL
Oct-08	Under £2k	£100,698.71						£175,100.67
	Over £2k	£9,614.17						£24,045.44
	Over £10k							£24,998.34
	Total	£113,831.57	£110,312.88	£0.00	£0.00	£0.00	£0.00	£224,144.45
Nov-08	Under £2k	£75,005.57			£510.65			£109,898.68
	Over £2k	£9,348.41						£46,542.87
	Over £10k							£0.00
	Total	£43,730.87	£112,200.03	£0.00	£510.65	£0.00	£0.00	£156,441.55
Dec-08	Under £2k						£14,470.53	£22,286.42
	Over £2k	£4,913.61					£15,873.59	£20,787.20
	Over £10k						£34,307.04	£34,307.04
	Total	£12,729.50	£0.00	£0.00	£0.00	£0.00	£64,651.16	£77,380.66
Quarter 3 Totals	£170,291.94	£222,512.91	£0.00	£0.00	£510.65	£0.00	£64,651.16	£457,966.66

2008/09 Totals	£343,366	£391,598	£590	£572	£1,661	£246,470	£64,651	£1,048,908
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Top 10 debts written off in Quarter 3

Reference	Date of Invoice	Name	Address	Comment	Value
GI20005851	20.10.08	Mr A M Jam	109 Ripple Rd, Barking	Invoice raised 31.3.00 and held, charging order was not obtained..	£24,998.34
GI9900313X	8.10.08	T Noble	13 Bradwell Ave, Dag.	Collection agency has been unable to collect.	£7,167.73
70433042	30.6.03	Mr & Mrs Elmes	765 Longbridge Rd, Dag.	All tracing unsuccessful.	£6,018.78
61394571	24.11.08	Mr G L Bombata	103 Ilchester Rd, Dag.	Bankrupt	£6,170.55
71082622	7.8.06	Mr Nnamudi Ezike	50 Cape Close, Barking	Returned from Newylns bailiff unable to recover debt.	£4,380.39
71098589	8.12.03	Mrs Tina Westley	160 Ibscott Close Dagenham	Old Debt that has been stuck in Caseflow recovery system	£3,958.18
70724133	9.7.07	Mr & Mrs Misauskas	148 Chelmer Cres. Barking	All tracing unsuccessful.	£3,679.05
71218777	15.3.04	Susan Walker	17 The Linton, Barking	All tracing unsuccessful.	£3,648.22
70802624	19.6.06	Mr Anthony Terry	69 Cobham House, St Margaret's, Barking	All tracing unsuccessful.	£3,547.72
71391815	2.7.07	F Bock	41 Nash Road, Chadwell Heath	All tracing unsuccessful.	£3,494.57

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THE EXECUTIVE

17 FEBRUARY 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

TREASURY MANAGEMENT STRATEGY	For Decision
<p>Summary</p> <p>This report deals with the Treasury Management Annual Investment Strategy Statement, Prudential Indicators, Annual Investment Strategy and borrowing limits, in compliance under section 15 (1) (a) of the Local Government Act 2003 for consideration by the Executive.</p> <p>The production and approval of a Treasury Management Annual Strategy Statement and Annual Investment Strategy are requirements of the Council under Section 15(1) of the Local Government Act 2003. It is also a requirement of the act to set an authorised borrowing limit for the forthcoming financial year.</p> <p>The Local Government Act 2003 also requires the Council to have regard to the Prudential Code, and to set prudential indicators which take into account the Council's capital investment plans for the next 3 years.</p> <p>Wards Affected All wards.</p>	
<p>Recommendations</p> <p>The Executive is asked to consider and refer the following to the Assembly on 25 February 2009 for approval:</p> <ol style="list-style-type: none"> 1. The Treasury Management Strategy Statement for 2009/10 (this document), and within this document the following: 2. The authorised borrowing limit of £200million for 2009/10, which will be the statutory limit determined under section 3(1) of the Local Government Act 2003; 3. The Borrowing Strategy for 2009/10; 4. The Minimum Revenue Policy Statement for 2009/10 which sets out the Council's policy on repayment of debt; 5. The Annual Investment Strategy for 2009/10, which outlines the investments that the Council may use for the prudent management of its investment balances. It also includes details of benchmarks set for external managers. The power is delegated to the Chief Financial Officer to change these benchmarks as required; 6. The Treasury Management Prudential Indicators for 2009/10 (Appendix A); and 7. Treasury Management Principles 2009/10 (Appendix D). 	

Reason(s)		
It is necessary for the members to approve this report due to the requirements of the Local Government Act 2003.		
Financial Implications		
The aim of this treasury management strategy is to maximise the Council's financial resources. Detailed financial considerations are considered throughout this document.		
Legal Implications		
It is a legal requirement for the Council to set an annual treasury management strategy, as set out in the Local Government Act 2003. The legal implications of the recommendations are contained in the report.		
Risk Management		
There are no further risks issues other than those already detailed in this report.		
Social Inclusion and Diversity		
As this report does not concern a new or revised policy, there are no specific adverse impacts insofar as this report is concerned.		
Crime and Disorder		
This report has given careful consideration to the implications of Section 17 of the Crime and Disorder Act 1978 and there are no specific implications insofar as this report is concerned.		
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1. Introduction

- 1.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act and investment guidance issued subsequent to the Act requires local authorities to set out their treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.3 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular Section 32

requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby charges to revenue caused by borrowing and any increases in running costs are limited to a level which is affordable within the projected income of the Council for foreseeable future.

1.4 The 2009/10 strategy covers:

- The Treasury Management Policy;
- Treasury limits in force which will limit the treasury risk and activities of the council;
- Treasury Management Prudential Indicators;
- The current treasury position and borrowing requirement;
- Prospects for interest rates;
- The borrowing strategy;
- The debt rescheduling strategy;
- The MRP strategy;
- Security of Capital;
- The investment strategy;
- The Council's position on the Local Housing Company;
- End of year investment report;
- Use of External Fund Managers; and
- Treasury Management Principles.

2. Treasury Management Policy

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

employing suitable performance measurement techniques, within the context of effective risk management.

3. Treasury Management Prudential Indicators and Treasury Limits

- 3.1. It is a statutory duty under section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The Act specifies that Councils must have regard to CIPFA's Prudential Code for Capital Investment. This code sets a range of indicators in respect of Treasury Management. A key indicator is the Authorised Borrowing Limit. In setting this limit, the Council must have regard to the Prudential Code by ensuring that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.
The code defines this limit as a limit gross of its total external debt, gross of investments, separately identifying borrowing from other long term liabilities.
- 3.2. It is proposed that the 'Authorised limit' increase to £200m for the years 2009/10 to 2011/12. The capital programme report that is also being considered on this agenda is proposing a total capital programme that will lead to a borrowing requirement of around £80m to £90m over the next 3 years.
- 3.3. As this is a legal limit, sufficient headroom has been provided to ensure that any major capital investment projects where financing has yet to be finalised, are not restricted by this statutory limit. This limit would cover any short term borrowing for cashflow purposes as well as long term borrowing for capital projects, finance leases, as well as any unforeseen incidences where expected capital receipts are not forthcoming due to unexpected economic factors.
- 3.4. The code also requires the local authority to set an operational limit for the 2009/10 financial year and the following two financial years for its total external debt. The operational limit is the level at which the Council would actually need to borrow in any one year to meet its capital financing requirements for the capital programme.
- 3.5. A borrowing limit of £200m has been set per paragraph 3.1. This limit would apply to both short term and long term borrowing, and would be used to address cashflow issues in the short term, and capital financing issues in the longer term.
- 3.6. Full details of the Council's Treasury Indicators have been included in **Appendix A** to this document.

4. Current Portfolio Position

Investments and borrowing balances

- 4.1. The table below shows the Council's current treasury portfolio position at 31st December 2008:

	31 December 2008	Average rate of return/payment
	£ Million	%
Investments		
Council in House Team	66.7	5.87
Scottish Widows	22.9	4.59
Investec Asset Management	37.1	6.00
Royal Bank of Scotland (RBS)	15.0	8.00
TOTAL INVESTMENTS	141.7	7.76
Borrowing		
Fixed rate Funding PWLB	30.0	4.06
Market	20.0	3.98
TOTAL BORROWING	50.0	4.02

- 4.2 The sum invested broadly represents the reserves, provisions and balances that the Council holds together with the impact of any difference between the collection of income and expenditure (working capital).
- 4.3 Based on its cash flow forecasts, the Council anticipates its fund balances by 31st March 2009 to be approximately £125 million. This is based upon the 2008/09 capital programme expenditure profile and both agreed and forecast use of reserves and other balances.
- 4.4 Benchmarks are set to ensure that the council maximises its return on investments, provide sufficient challenge to fund managers, and ensure that the treasury management strategy is in line with the budget strategy. It also takes into account the effect of future projections for interest rates in addition to current and predicted future economic conditions.

5. Prospects for Interest Rates

- 5.1. The level of, and fluctuations in, interest rates, are a key consideration for any treasury management strategy. The Council invests its portfolio throughout the year, and the level of interest rates determines the interest receipts that are generated to support ongoing revenue expenditure.
- 5.2. To arrive at an expectation of interest rates for 2009/10, and beyond, a number of judgements and assumptions are made; in addition this involves a high degree of uncertainty.
- 5.3. The Council has appointed Sector Treasury Services as treasury adviser to the Council. Part of the service provided assists the Council in formulating a view on interest rates. **Appendix B** draws together a number of current City forecasts for short term or variable and longer fixed interest rates.
- 5.4 It is expected that Bank Rates in 2009/10 will take a downward trend from the current levels of 1.5% with expectations tending towards a further 1.0% cut in quarter 1 and quarter 2 of 2009 before the Bank Rate begin to rise in quarter 2 2010.

- 5.5. This is a significant reduction in the prevailing interest rate compared to 2008/09. The Council has ensured that sufficient provision has been made in the Medium Term Financial Strategy to cover this reduction in income for 2009/10.

6. Borrowing Strategy and Borrowing Requirement

- 6.1. The decision to borrow is a treasury management decision and is taken by the Chief Financial Officer under delegated powers of the Council's constitution. The key objective of the Council's borrowing strategy is to secure long term funding for capital projects at borrowing rates that are as low as possible.

6.2 *Borrowing Objectives*

The Council will look to reducing the revenue cost of borrowing to its minimum by appraising new sources of finance and loan instruments in order to achieve minimum risk while having regard to the maturity profile of loans. The authority will consider borrowing fixed rate funds when interest rates are low and variable rates when borrowing or investment cash rates are high and expected to go lower. When the market becomes favourable to borrow the Council may have to fund known capital needs ahead of that need in order to take advantage of lower fixed term rates and market opportunities.

6.3 *Borrowing Options*

The option to borrow is always a financing option. The decision to borrow is being taken in consultation with our expert treasury advisers. A mix between Public Works Loans Board (PWLB) and money market loans is recommended by our treasury management advisers.

With current investment rates at an all time low, in contrast to current borrowing rates, the Council can also consider the use of its internal investments as an alternative to borrowing, as returns on investments will be so low in 2009/10.

6.4. *Portfolio Mix*

The Council's will continue to seek the advise of its treasury management advisers on the best portfolio mix, currently the portfolio mix recommended is a 50/50 split in the debt portfolio in the long term. It is advised that at any one point in time the Council should have a portfolio where no more than 10% of its debt matures in any one year. As the Council has only recently started to borrow, this objective will only be achieved as a portfolio of debt has been built up (i.e. the Council has more than 10 loans on it's books). The Chief Financial Officer monitors the portfolio mix on a periodical basis.

6.5. *Risk Evaluation*

The Council will continue to borrow in tranches as the opportunities arise in the market in order to reduce financing risk.

6.6 *Portfolio Life*

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

- 6.7 The table below indicates the estimated range of total borrowing requirement

(cumulative) from 2009/10 to 2010/11:

Borrowing Requirement	2008/09 £m Estimate	2009/10 £m Estimate	2010/11 £m Estimate	2011/12 £m Estimate
CUMULATIVE TOTAL	50	85-90	110-115	120-125

6.8 The borrowing rate forecast for 2009/10 from Sector is as follows:

- The 50 year PWLB rate is expected to fluctuate by 0.05% between quarters in 2009/10, Q1 3.85%, Q2 3.80%, Q3 3.80% and Q4 3.85%;
- Similarly, the 25 year PWLB rate is expected to fall progressively from 4.00% to 3.95% in Q4;
- The 10 year PWLB rate is expected to fall from 3.10% in Q1 2009 to 2.55% in Q3, followed by a gradual rise;
- The 5 year PWLB rate is expected to fall from 2.50% in Q1 2009 to reach 2.15% in Q4 2009 and to then gradually rise; and
- The forecast indicates that the borrowing strategy for 2009/10 should be set to take shorter term PWLB loans under 10 years. Consideration will also be given to borrowing fixed rate market loans at 25 – 50 basis points below the PWLB target rate if they become available.

6.9 In summary, considering the factors set above, the recommended borrowing strategy:

- That cash balances, not identified for longer term investments, may be used to finance capital expenditure on a temporary basis as current interest rates are such that returns on cash balances are so low;
- Other forms of financing capital should be evaluated when considering long term borrowing decisions, principally PWLB and market loans;
- The maximum repayment spread for borrowing remains at 70 years; and
- No more than 10% of borrowing should mature in one year, however this position will only be reached as a portfolio of debt is built up.

7.0 Debt Rescheduling Strategy

7.1 £10m of the Council's current debt will mature in 2009/10. The key decision in debt restructuring will be the ability to make a saving. The decision to reschedule will be taken by the Chief Financial Officer under delegated powers of the Council's constitution and in consultation with the council treasury management advisers.

7.2 Due to the short term borrowing rates being expected to be considerably cheaper than long term rates, there are likely to be significant opportunities to generate savings by switching from long term debt to short term debt. There are also opportunities to use cash balances to finance capital expenditure in the short term, given the current interest rate environment.

8. Minimum Revenue Provision (MRP) Strategy

8.1 The Government issued new guidance in February 2008 which looks at asset life as a prudent period for which to write MRP over and accordingly. It is the Council's policy to charge MRP at 4% of the opening capital financing requirement.

9. Annual Investment Strategy and Investment Policies

- 9.1 The Council will have regard to the DCLG's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and the Chartered Institute of Public Finance Accountants (CIPFA)'s Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:
- (a) the security of capital;
 - (b) the liquidity of its investments; and
 - (c) the minimisation of risk exposure.
- 9.2 Investment instruments identified for use in the financial year are listed in **Appendix C** to this report. Under the requirements of the Investment Guidance issued by the Department of Communities, investments need to be classified into specified and Non-Specified. The Annual Investment Strategy states which investments the Council may use during the financial year. It is a requirement to report these investments to the Executive for approval. It is the delegated responsibility of the Chief Financial Officer to determine the exact instrument to use within these classifications. Appendix C also sets out:
- The procedures for determining the use of each asset class (advantages and associated risk), particularly if the investment falls under the category of "non-specified investments"; and
 - The maximum periods for which funds may be prudently committed in each asset class.
- 9.3 For 2009/10, the strategy has been amended so that the Council can invest in products which most importantly minimise risk and obtain favourable returns. The Council will maintain a mixed portfolio of investments in 2009/10. Where the maximum returns can be achieved and on the advice of our advisers, we may seek to invest in structured investment products and money market funds. In addition our external fund managers may seek to invest in pooled money market funds with permitted weighted average maturity of less than 1 year so can be classified as specified investments. Gilts investments will continue to remain on a segregated basis.
- 9.4 The principles of the proposed strategy for 2009/10 are as follows:
- The weighting of the funds between the different fund managers which may occur as a result of requesting for money back will be kept under review in order to ensure that an adequate spread of risk is maintained within the portfolio;
 - To minimise interest rate risk and maintain balances between short and long term; and
 - The credit rating of counterparties will be kept under continuous review. Due to the current economic crisis and issues within the banking sector, all investments made in house will be held in UK institutions. The Council's external fund managers will operate within the credit ratings and parameters set in this strategy, but will have the flexibility to invest in institutions outside of the UK.

9.5 *Treasury Advisor's Outlook*

The Council's treasury management advisors are forecasting that the bank rate will continue the downward trend from 1.5% January 2009, with rates expected to fall to 0.5%. It is then expected to stabilise at 0.5% until the starting to rise gradually with the first increase in Q2 2010 and then back to 4.0% during Q1 2012.

The Council will therefore avoid locking into longer term deals a greater part of its core balances while investment rates are down at historically low levels.

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

9.7 *Icelandic Bank Investments*

The Council has no frozen investments in Icelandic banks

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

Fund Manager	2009/10 Benchmark	Reason
<ul style="list-style-type: none"> Investec Asset Management 	3.0% (or 3 month LIBID, whichever is higher)	<ul style="list-style-type: none"> Bank Rate now 1.5% as at January 2009 A greater part of the Council's portfolio was locked away for longer periods in 2008/09 while investment rates were high Bank Rate Forecast to remain within the range of 1.0% and 0.5% A greater part of the Council's portfolio was locked away for longer periods in 2008/09 while investment rates were high Maximising of council's return on investments at minimal risk Maximisation of the Council's returns in order to meet budget pressures
<ul style="list-style-type: none"> Scottish Widows (SWIP) 	3.0%, (or 3 month LIBID, whichever is higher)	

The power to change benchmarks as above is delegated to the Chief Financial Officer.

9.9 The 2009/10 benchmarks for Investec and SWIP have reduced to the higher of 3.0% and 3 month LIBID.

- 9.10 The table below shows the projected level of investments and borrowing from 2009/10 to 2012;

	31 March 2008 Actual £m	31 March 2009 Estimate £m	31 March 2010 Estimate £m	31 March 2011 Estimate £m	31 March 2012 Estimate £m
Investments					
Total Investments at 31 March	104	125	102	103	105
External Debt					
Borrowing	0	50	86	110	122

- 9.11 The Council may permit its external fund managers to use instruments such as gilts, bonds, pooled funds, callable investments and other longer-dated instruments. Limits will have to be established in the use of such instruments to ensure that the Council can have access to its investments. These Treasury Management limits can be set as either a £ amount or percentage.
- 9.12 *Investments defined as capital expenditure*
The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as 'non-specified investments'.
- 9.13 A loan or grant by this Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by this Council. It is therefore important for this Council to clearly identify if the loan has made for policy reasons (e.g. to the registered social landlord for the construction/improvement of dwellings) or if it is an investment for treasury management purposes. The latter will be governed by the framework set by the Council for 'specified' and 'non-specified' investments.
- 9.14 *Provisions for Credit-related losses*
If any of the Council's investments appeared at risk of loss due to default, (i.e. this a credit-related loss and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount. Where there is a loss of the principal amount borrowed due to the collapse of the institution, the Council will seek legal advice and consult with its advisers.
- 9.15 Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices.
- 9.16 The Council's external fund managers will comply with the Annual Investment Strategy. The agreements between the Council and the fund managers also stipulate guidelines on duration and other limits in order to contain and control risk.
- 9.17 *Investment Objectives*
All investments will be in sterling. The general policy objective for this Council is the prudent investment of its treasury balances. The Council's investment priorities are the security of capital and liquidity of its investments. The Council will aim to

achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. We have set challenging targets for 2009/10, and the risk of balancing returns with prudence will need to be managed.

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

10. Security of Capital: the use of Credit Ratings

10.1 For the Council the duty to protect capital is paramount, improved performance is only achieved by taking effective decisions regarding the timing and duration of the investment rather than making 'higher-risk' investments to generate higher returns. The Council relies on credit ratings published by Fitch and Moody to establish the credit quality of counterparties (issuers and issues) and investment schemes.

10.2 Monitoring of credit ratings:

- All credit ratings will be monitored monthly. The Council has access to Fitch and Moody's credit ratings and is alerted to changes through its use of the Sector website and in some cases the Council may use the Standards and Poor credit ratings;
- If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the further use of that counterparty /investment scheme as a new investment will be withdrawn immediately;
- If counterparty is down graded but still meets the Council's minimum criteria, it would be watched closely and any further downgrading would result in the Council removing it from its lending list. It should however be noted that where the Council enters in to a fixed term deposit, the borrower has no obligation to entertain any request for premature redemption, the Council may ask for the deposit to be broken, however this is not market practice and the institution is under no obligation to comply.
- If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion will be considered and put to the Chief Financial Officer for approval;
- The Council will establish with its fund managers their credit criteria and the frequency of their monitoring of credit ratings so as to be satisfied as to their stringency and regularity; and
- The Council will continue its approach of investing no more than 20% of its aggregate funds to any particular counterparty or £15m which ever is higher.
- As a result of recent activity in the UK banking sector regarding mergers, the Council will also set a "group limit" of investing no more than 30% of aggregate funds in any particular group.

10.3 *Use of Nationalised banks*

Nationalised banks in the UK generally have credit ratings which do not conform to the credit criteria commonly used by local authorities to identify banks which are of credit worthiness.

In particular as they no longer are separate institutions in their own right, it is impossible for Fitch to assign them an individual rating for their stand alone financial strength. Accordingly they have assigned an F rating which means that at a historical point in time this bank failed and is now owned by the Government. However, these institutions are now recipients of an F1+ short term rating as they effectively take on the creditworthiness of the Government itself. Deposits made with them are effectively made to the Government. They also have a support rating of 1; in other words, on both counts, they have the highest ratings possible.

10.4 *UK banking system support package*

The Council is aware that as at the time of setting its treasury management strategy that the UK Government has NOT given a blanket guarantee on all deposits but has underlined its determination to ensure the security of the UK banking system by supporting eight named banks with a £500 billion support package. However where the Council will lend to these banks it would not only rely on the implicit guarantee given by the government but in addition consider the credit ratings of the individual bank and UK government sovereign rating.

10.5 *Use of foreign banks*

The Council's in-house team will not invest in foreign banks, however the Council's fund managers may invest in foreign banks which in their judgement have sound standing, meet the Council's minimum credit rating criteria and whose sovereign have a AAA long-term credit rating. In addition Fund managers will ensure that the geographical spread of funds is considered and avoid high concentration of funds in one country. In addition the Council considers that fund managers should not invest in countries where the rating is denoted as 'local currency rating' which does not take account of the possibility of foreign exchange controls limiting transfer into foreign currency.

10.6 *Use of other Local Authorities*

Where the investment is a straightforward cash loan the Local Government Act 2003 s13 suggest that the credit risk attached to English and Welsh local authorities is an acceptable one. The Council will limit its lending to local authorities in England and Wales.

10.7 *Use of Multilateral Development Banks*

S15 of the Local Government Act 2003 SI 2004 no. 534 amended provides regulations to clarify that investments in multilateral development banks were not to be treated as being capital expenditure. Should the Council invest in such institutions then only such institutions with AAA credit rating and government backing would be invested in consultation with the Council's treasury management adviser and the Chief Financial Officer.

11. Use of External Fund Managers

11.1 It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep the Council's investment strategy. The level of external balances is under constant review as the level of capital receipts diminishes. The performance of each manager is challenged quarterly by the Chief Financial Officer and the Council's treasury advisers.

- 11.2 The Council currently uses two fund managers, Scottish Widows (SWIP) and Investec Asset Management. £60m of the Council's funds are currently managed on a discretionary basis by Investec and Scottish Widows. In selecting the institutions to include in their counterparty listing it is the external manager's policy to maintain a list of counterparties and assets based on the Council's set minimum criteria. This list is approved by their specialist credit team who independently research all potential counterparties before inclusion and regularly monitor and update to ensure that any change in credit worthiness and valuation is captured.
- 11.3 Investec provides the Council with a periodic outlook on fund returns. For 2009/10, the worst case is 2.0%, and best case is 2.25%. These scenarios are based on the recent trend of the MPC rate cuts with at least rate cuts to 1.0%.
- 11.4 Investec will be employing a strategy which will enable them buy shorter dated Certificate of deposits because in the current economic climate the upside for capital gains is limited. Investec will anticipate the use of supranational bonds in addition to gilts in order to increase returns of the portfolio. However they expect to see higher yield before establishing a position. In choosing its counterparty, in addition to the Council's minimum credit rating, Investec employs further credit rating criteria which considers the size of the institution and activity in Sterling markets
- 11.5 Scottish Widows provide the Council with a forecast of their returns on the Council's investments based on the use of STL and GLF funds as the main part of the Council's portfolio. In an environment where interest rates have moved to extremely low levels, possibly to zero, SWIP will be permitted to use UCIT funds as part of the existing portfolio asset allocation. The absolute return bond fund and the credit advantage fund may also be used in the course of the year if advantageous.

12. End of year Investment Report

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

Consultees

Joe Chesterton – Divisional Director of Corporate Finance
 John Hooton – Group Manager Accounting & Technical Finance
 External – Sector Treasury Services

Background Papers

Local Government Act 2003
 CIPFA – The Prudential Code for Capital Finance in Local Authorities
 CIPFA – Treasury Management in the Public Services
 Approved capital programme 2008/09 to 2010/11
 Monthly Treasury Management Report
 Medium Term Financial Strategy 2008/09 to 2010/11
 Sector – Guide to Establishing Credit Policies April 2008

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The Prudential Code for Capital Investment in Local Authorities

1. **Introduction.**

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

2. **External Debt**

- 2.1 In the medium term local authorities only have the power to borrow for capital purposes. The current position is that the Council will embark in borrowing in 2009/10.
- 2.2 External borrowing and investment arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. In accordance with best professional practice the Council does not associate borrowing with particular items or types of expenditure. This means that in day to day cash management no distinction can be drawn between revenue or capital funds nor, similarly, between Housing Revenue Account and the General Fund. It should be

noted that the code requires that off-balance sheet private finance initiative (PFI) schemes will be treated as outside the prudential indicator for debt, by absorbing revenue resources, they will have to be taken into account in determining the proposed level of capital investment is affordable.

- 2.3 **The authorised limit** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by members. It reflects the statutory limit determined under section 3 (1) of the Local Government Act 2003.
- 2.4 **The operational limit** – This represents a limit beyond which external debt during the course of the year; it is not a limit. Actual external debt could vary around this boundary for short times during the year. It should act as a monitor indicator to ensure the authorised limit is not breached. The limit is usually lower than the authorised limit.
- 2.5 At any point in time there are a number of cash flows in and out of the Council’s bank account which are caused by the differential timing of payments and receipts from the Council. It is possible that an unanticipated cash movement could lead to a requirement for temporary borrowing. Such decisions will need to take into account the affordability of borrowing, but it is important that the operational boundary leave sufficient “headroom” for these eventualities.
- 2.6 The difference between the authorised limit and operational boundary for borrowing is that the authorised limit includes a head room for borrowing for future known capital needs now. However the Council will only do so if it expected long term borrowing rates to rise significantly before 2009/10 – 2011/12.
- 2.7 For this reason the Executive is recommended to approve the authorised limits and operational boundary limit set out in Table 1.

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

	2008/09 £’million	2009/10 £’million	2010/11 £’million	2011/12 £’million
Borrowing	50.0	90	115	125
Operational Boundary on Borrowing	50.0	90	115	120
Authorised Limit (affordable limit)	150.0	200	200	200

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

3.2 The authority has an integrated treasury management strategy and has adopted the *CIPFA Code of Practice for Treasury Management in the Public Sector*. Treasury management creates the link between an authority's CFR and the structure of its external debt. Like the operational boundary, these are of direct relevance to day to financial management.

3.3 The new *Prudential Code for Capital Finance in Local Authorities* supplements this by requiring council's to calculate specific indicators to demonstrate the prudence of its treasury management policies. These are detailed below:

Fixed Interest Exposure (Prudential Indicator 14)

3.4

	2008/09 Actual	2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
Fixed Rate	50	90	115	125

This indicator will be reviewed in detail when the Council considers the option to reschedule its debt maturing in 2009/10.

Variable Interest Exposure (Prudential Indicator 15)

3.5 The Council will not be exposed to variable interest rate risk since all its borrowing has been at fixed rates. Should the Council borrow at variable rate, a 10% of portfolio upper limit will apply.

Maturity Structure of Borrowing (Prudential Indicator 16)

3.6 This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period.

	Actual position	Upper Limit	Lower Limit
Under 12 months	0%	10%	0%
12 Months and within 24 months	0%	20%	0%
24 months and within 5 years	40%	80%	0%
5 years and within 10 years	20%	80%	0%
10 years and above	40%	100%	0%

Investments over 364 days (Prudential Indicator 17)

3.7 The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. The risk inherent in the maturity structure of the Council's investments is that it may be forced to realise an investment before it reaches final maturity and thus

at a time when its value may be dependent on market conditions that cannot be known in advance. Taking into account the current level of investments, and future projections of capital expenditure, the following limits will be applied to sums invested:

Table 2: Principle Sums Invested

	2008/09 £'million Estimate	2009/10 £'million Estimate	2010/11 £'million Estimate
Total Investments (average)	125	102	103
Maximum invested under 1 year	125	102	103
Maximum invested over 1 year	50	50	50
Maximum invested over 2 years	20	20	20
Maximum invested over 3 years	10	10	10

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

4. Summary Assessment

- 4.1 The Prudential Indicators confirm that the proposed treasury management strategy, in conjunction with the Council's budget strategy and capital programme, is in compliance with the key themes of the Prudential Code, those being prudence, affordability and sustainability.
- 4.2 The Council needs to confirm it is happy with the arrangements, whereby the Chief Financial Officer has authority, in exceptional circumstances, to borrow up to £200 million. It is anticipated that in practice that such borrowing is unlikely to be necessary.
- 4.3 The treasury management indicators will be regularly monitored throughout 2009/10.

INTEREST RATE FORECASTS

Sector Treasury Services compile forecasts on interest rates that are key considerations for the Council's Treasury Management Strategy. Appendix B draws together a number of current city forecasts for short term bank rate and longer term fixed interest rates. The table below give the Sector central view

Sector View interest rate forecast:

Sector's view is that the bank rate will fall from current levels because of the intensifying global recession. Interest rates are expected to fall to 0.5% in Q1 2009; it is then expected to remain there until starting to rise gently up from Q2 2010 till it reaches 4.0% in Q1 2012. There is a downside risk to these forecasts if the recession proves to be deeper and more prolonged than currently expected.

	Q/E1 2009 %	Q/E2 2009 %	Q/E3 2009 %	Q/E4 2009 %	Q/E1 2010 %	Q/E2 2010 %	Q/E3 2010 %	Q/E4 2010 %	Q/E1 2011 %	Q/E2 2011 %	Q/E3 2011 %	Q/E4 2011 %	Q/E1 2012 %
Bank Rate	0.50	0.50	0.50	0.50	0.50	0.75	1.00	1.25	1.75	2.50	3.25	3.75	4.00
5 yr PWLB	2.50	2.25	2.15	2.15	2.15	2.45	2.80	3.15	3.65	3.95	4.29	4.45	4.601
10yr PWLB	3.10	2.75	2.55	2.55	2.55	2.85	3.25	3.65	4.15	4.40	4.70	4.75	4.85
25 yr PWLB	4.00	3.95	3.95	3.95	4.00	4.15	4.35	4.45	4.60	4.85	4.95	5.00	5.05
50 yr PWLB	3.85	3.80	3.80	3.80	3.85	3.90	4.00	4.25	4.40	4.70	4.80	4.95	5.00

Economic background

The sub prime crisis of early 2008 was supplanted by the banking crisis of autumn 2008. This section summarises some of the key developments.

UK

- GDP: growth was already slowing in 2008 from 2007 before the full impact of the credit crunch was felt
- Growth slowed across the economy and unemployment rose throughout the year with forecasts of continued increase through 2010.
- Bank lending came to a virtual standstill in the autumn as the credit crunch tightened its grip and various banks internationally had to be rescued, or supported, by their governments.
- The Government and Bank of England supplied massive amounts of liquidity to the banking market in an attempt to reignite longer interbank lending.
- The Government took action in September to either supply finance itself to recapitalise some of the major clearing banks or to require the others to strengthen their capital ratios by their own capital raising efforts. This

was so that these banks would be seen to have sufficient reserves to last through the coming recession with its inevitable increase in bad loans etc.

- The housing market also came to a virtual standstill as lenders demanded larger deposits and higher fees. House sales and prices both dropped sharply.
- U.K. equity prices declined sharply in the 3rd and 4th quarters as the impending recession was priced into the markets. Prices hit five year lows and volatility was extremely high. It was the strength of the banking crisis, pre-empted by the collapse of Lehman in New York that eventually drove the MPC to cut interest rates
- The LIBOR spread over Bank Rate has also been a feature, and a concern, of 2008/9. Because of the credit fears and reluctance of lenders to place cash for long periods.

International

- Early in 2008, the US economy was being badly affected by the housing market slump.
- The second quarter of 2008/9 was torn between inflation worries on the one hand, with oil rising towards \$150 per barrel, and the deteriorating economic outlook on the other.
- In the second and third quarters of the year the financial crisis erupted and escalated as the world became aware of the extent of the sub-prime fiasco and the impact it was having on institutions that had invested in these issues.
- In September Fannie Mae/Freddie Mac (the mortgage banks) and AIG, the insurance giant, had to be bailed out by the US Federal Government.
- Then in mid September, Lehman Bros., the investment bank, was allowed to fail. This triggered a domino effect with other banks and financial institutions having to be rescued or supported by governments around the world.
- After the collapse into receivership of the Icelandic banks in early October, other countries then started to feel the strain and a number had to approach the IMF for support.
- The financial crisis had therefore precipitated an economic crisis and there was a co-ordinated global interest rate cut with the Fed, ECB and MPC all cutting rates by 50bp on 8th October. The Fed subsequently cut rates again by 50bp to 1% on 29th October and again on 16 December to a band of 0.0% to 0.25% in an attempt to stave off the oncoming recession. Inflation was yesterday's problem.

Appendix C

Specified Investments:

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

The choice of minimum credit rating criteria has been set in consultation with the Council's treasury management advisers.

All investments which fall under the classification of specified investments will be sterling denominated and have maturities up to maximum of 364 days, meeting the minimum 'high' rating criteria at the time of investment.

Organisation	Minimum Credit Criteria			Max. PERIOD	Use
	Short-term	Long-term	Individual	Support Rating	
Term deposits – banks and building societies	F1 or equivalent	A	C	Under 3 months 3	In-house and Fund Managers
	F1 or equivalent	AA-	B	Over 3 months but under 365 days 2	In-house and Fund Managers
Certificates of deposits issued by banks and building societies	F1 or equivalent	A	C	2	Fund Managers
Structured deposits	F1 or equivalent	A	C	2	In-house and Fund Managers
Term deposits – UK government	Govt Backed-not credit rated				In-house
Term deposits – other Local Authorities	High Security – although not credit rated				In-house
Term deposits – UK Nationalised banks and building societies	F1 Government Backed				In-house and Fund Managers

Debt Management Agency Deposit Facility	Govt Backed Agency -not credit rated	In-house and Fund Managers
Money Market Funds	AAA	In- house and Fund Managers
UK Government Gilts	AAA	Fund Managers
Gilt Funds and Bond Funds	long-term AA	Fund Managers
Treasury Bills	Govt Backed-Not Credit Rated	Fund Managers
Short term funds	AAA	Fund Managers
Pooled funds	AAA	Fund Managers

Non-Specified Investments:

Where investments are held for longer than 365 days they are classified as Non-specified Investments. Strong credit quality is a major factor in the choice of lender.

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

Organisation	Minimum Credit Criteria			Use	Max. maturity period
	Short-term	Long-term	Individual	Support Rating	Max 5 of total council investments
Term deposits – UK government (with maturities in excess of 1 year)	Govt Backed-Not Credit Rated			In-house	5 Years
					25%
Term deposits – other LAs (with maturities in excess of 1 year)	High Security – although not Credit rated			In-house	5 Years
					25%
Term deposits – banks and building societies (with maturities in excess of 1 year)	F1+	AA or equivalent	B	In-house	5 Years
				2	25%
Certificates of deposits issued by banks and building societies	F1,or equivalent			Fund managers	5 Years
				2	75%

UK Government Gilts with maturities in excess of 1 year	AAA			Fund Managers	10 Years
					75%
Structured deposits with variable rates and variable maturities – callable and flappable deposits, range trades and snowballs	F1+	AA or equivalent	B	In-house	5 Years
				2	25%
Pooled Funds various	F1+	AA or equivalent	B	Fund Managers	5 Years
				2	75%
Bonds issued by multilateral development banks	AAA	Government guarantee	In-house on a 'buy-and-hold' basis. Also for use by fund managers		10 Years
					75%
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers			10 Years
					75%
Sovereign bond issues (i.e. other than the UK govt)	AAA	Fund Managers			10 Years
					75%

Alternative Credit ratings available from Moody's & Standard & poor
Eg Fitch F1- Moody's P1 , Fitch A – Moody's Aa3

Key

Short Term Ratings – F1 – Indicates the strongest capacity for timely repayment
Long Term Ratings – A – Capacity for payment of commitments considered strong
AA – Very strong capacity for payment of commitments
AAA –Exceptionally strong capacity for payment of commitments

Individual Rating B – Strong organisation , no major concerns .
 C – Adequate organisation , some concerns regarding its profitability and Balance sheet.

Support Rating 2 – High probability of external support
 3 – Moderate probability of support

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2009/10 TREASURY MANAGEMENT PRACTICES

Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities.

TMP 1 Treasury risk management

TMP 2 Best value and performance measurement

TMP 3 Decision-making and analysis

TMP 4 Approved instruments, methods and techniques

TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements

TMP 6 Reporting requirements and management information arrangements

TMP 7 Budgeting, accounting and audit arrangements

TMP 8 Cash and cash flow management

TMP 9 Money laundering

TMP 10 Staff training and qualifications

TMP 11 Use of external service providers

TMP 12 Corporate governance

1. TMP1 RISK MANAGEMENT

1.1. *General Statement*

It is the responsibility of the Divisional Director Corporate Finance and relevant delegated officers, to design, implement and monitor all arrangements for the identification, management and control of treasury management risk and report at least annually on the adequacy/suitability thereof. The Divisional Director Corporate Finance will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect. This will be done in accordance with the procedures set out in TMP6 Reporting requirements and management information arrangements.

1.2. *Liquidity*

The Council will ensure it has adequate, though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its service objectives.

1.3. *Interest rates*

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting requirements and management information arrangements

The Council will achieve the above objectives by the prudent use of its approved financing and investment instruments, methods and techniques primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates, exchange rates or inflation. These policies will be established each year through the approval by the Council of the indicators required under *The Prudential Code for Capital Finance in Local Authorities*.

It is not Council's policy not to use financial derivatives and other instruments for interest rate management.

1.4. *Exchange rates*

The nature of the Council's activities means that it is unlikely that it will be exposed to exchange rate risks. It could, however, arise from the receipt of income or the incurring of expenditure in a currency other than sterling.

Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice, to comply with this full cover hedging policy. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency will be held on deposit to meet this expenditure commitment.

1.5. Inflation

The effects of varying levels of inflation, insofar as they can be identified as impacting directly on its treasury management activities, will be controlled by the Council as an integral part of its overall exposure to inflation. Inflation both current and projected will form part of the debt and investment decision-making criteria both within the strategy and operational considerations. During periods of unexpected, potentially advantageous changes in the level or structure of inflation. The key consideration is that investments reap the highest real rate of return while taking into consideration risk, with debt costing the lowest real cost, consistent with other risks mentioned within this section.

1.6. Credit and Counter-party Policies

The Council regards a prime objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counter-party lists and limits reflect a prudent attitude towards organizations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4. It also recognises the need to have, and will therefore maintain, a formal counter-party policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements. This is set out in Schedule TMP1

1.7. Refinancing

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the money so raised are managed with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable as can reasonably be achieved in the light of market conditions prevailing at the time. It will actively manage its relationships with its counter-parties in these transactions in such a manner as to secure this objective and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

The affordability of the revenue consequences of capital financing will be assessed through compliance *The Prudential Code for Capital Finance in Local Authorities*.

1.8. Legal and Regulatory

This Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP 1 (credit and counterparty risk management), it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council. The Council will report such changes in its annual treasury management strategy.

1.9. Fraud, Error and Corruption, and Contingency Management

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its

treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

1.10. Market Value of Investments

This Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect it from the effects of such fluctuations.

2. TMP 2 VALUE FOR MONEY AND PERFORMANCE MEASUREMENTS

- 2.1. This organisation is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.
- 2.3. Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements.
- 2.3. The Council's policy is to appoint full-time professional cash/external investment fund managers to manage surplus funds beyond the core funds that it manages itself. It will comply with the Local Organisations (Contracting out of Investment Functions) Order 1996 [SI 1996 No 1883]. The Code of Practice places an obligation on the organisation to monitor the performance of the fund managers. The Council has appointed Sector Treasury Services Limited to assist in this respect.

3. TMP 3 DECISION-MAKING AND ANALYSIS

- 3.1. The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The factors that should be taken in to account are set in Schedule TMP 5.

4. TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 4.1. The Council will undertake its treasury management activities within the limits and parameters defined in TMP1 Risk Management.
- 4.2. From April 2004 the choice of instruments has been determined the Annual Investment Strategy that complies with guidance issued by the Secretary of State.

5. TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 5.1. The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 5.2. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies the Divisional Director Corporate Finance and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury manager and relevant treasury management staff. This is achieved by the *Statement of Duties/Responsibilities for Each Treasury Post* set out in Schedule TMP 5
- 5.3. If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the Treasury Manager will ensure that the reasons are properly reported in accordance with TMP6 and the implications properly considered and evaluated.
- 5.4. The Treasury Manager will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover.
- 5.5. The Treasury Manager will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.
- 5.6. The Treasury Manager will fulfil all delegated responsibilities in accordance with the organisation's policy and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.
- 5.7. It is also the responsibility of the Treasury Manager to ensure that the Organisation complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

6. TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGMENTS

- 6.1. The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.
- 6.2. As a minimum, the Council will receive:

- an annual report on the strategy and plan to be pursued in the coming year;
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.
- An annual investment strategy setting out the procedures for determining the use of each class of investment and appropriate limits to be applied to each class.

6.3. The content of these reports is set out in Schedule TMP6

7. TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

- 7.1. The Divisional Director Corporate Finance will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk management, TMP2 Best Value and Performance Measurement, and TMP4 Approved instruments, methods and techniques. The Treasury Manager will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting requirements and management information arrangements.
- 7.2. The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.
- 7.3. The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

8. TMP 8 CASH AND CASH FLOW MANAGEMENT

- 8.1. Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this organisation will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Treasury Manager will ensure that these are adequate for the purposes of monitoring compliance with TMP1 liquidity risk management.

9. TMP 9 MONEY LAUNDERING

- 9.1. The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staffs involved in this are properly trained. The present arrangements are detailed in Schedule TMP 9

10. TMP 10 STAFF TRAINING AND QUALIFICATIONS

10.1. This Council recognises the importance of ensuring that all staff involved in the treasury management functions are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements.

Statement of Professional Practice

- 10.2. The Divisional Director Corporate Finance has a professional obligation to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staffs are appropriately trained.
- 10.2. Other staff involved in treasury management activities who are members of various professional accounting bodies must also comply with the CIPFA Statement of Professional Practice.

11. TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

11.1. The Council recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons that will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, the Council's procurement and legislative requirements will always be observed.

12. TMP 12 CORPORATE GOVERNANCE

- 12.1. The Council is committed to the pursuit of proper corporate governance throughout its business and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
- 12.2. This organisation has adopted and has implemented the key recommendations of the *Code of Practice on Corporate Governance*. This, together with the other arrangements which will be detailed in the schedule to the TMP's, are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

TREASURY MANAGEMENT PRACTICE SCHEDULES

SCHEDULE TMP 1

Criteria to Be Used For Creating/ Managing Approved Counterparty Lists/Limits

The Divisional Director Corporate Finance will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising time, type, sector and specific counterparty limits.

The Divisional Director Corporate Finance is responsible for applying the stated credit rating criteria for selecting approved counterparties, and will add or delete counterparties as appropriate to / from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers.

Treasury management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.

The following organizations are to be approved organizations for investment purposes:-

- UK Local Authorities
- UK Clearing banks and Building Societies with a FITCH Short Term Credit Rating of F1 or above
- Any foreign bank on the Bank of England's Banking Act 1987: Authorised Institutions List with a FITCH Short Term Credit Rating of F1. The Council's internal treasury team does not invest in foreign banks.
- Any other body approved in The Local Authorities (Capital Finance) (Approved Instruments) Regulations 1990

In practice, the in-house team will only invest in UK institutions. External fund manager can invest in foreign banks provided they operate within the criteria set in the Council's treasury management strategy.

The maximum period and level for investments will set by the Divisional Director Corporate Finance.

SCHEDULE TMP3

Issues to be addressed in decision making.

In respect of every decision made the organisation will:

- Above all be clear about the nature and extent of the risks to which the organisation may become exposed
- Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- Be content that the documentation is adequate both to deliver the organisation's objectives and protect the organisation's interests, and to deliver good housekeeping
- Ensure that third parties are judged satisfactory in the context of the organisation's creditworthiness policies, and that limits have not been exceeded

2009/10 LBBB Treasury Management Practices

- Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

In respect of borrowing and other funding decisions, the organisation will:

- Evaluate the economic and market factors that might influence the manner and timing of any decision to fund
- Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- Consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets.

In respect of investment decisions, the organisation will:

- Consider the optimum period, in the light of cash flow availability and prevailing market conditions
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

SCHEDULE TMP5

STATEMENT OF DUTIES/RESPONSIBILITIES OF EACH TREASURY POST

The Divisional Director Corporate Finance and S151 Officer

The responsibilities of this post will be to: -

- In setting the prudential indicators, the Divisional Director Corporate Finance will be responsible for ensuring that all matters are taken into account and reported to the Council so as to ensure the Council's financial plans are affordable, prudent and sustainable in the long term
- Establish a measurement and reporting process that highlights significant variations from expectations
- Recommend clauses, treasury management policy / practices for approval, reviewing the same regularly, and monitoring compliance
- Submit regular treasury management policy reports to the Executive of the Council as appropriate.
- Submit budgets and budget variations
- Receive and review management information reports
- Review the performance of the treasury management function and promote best value reviews
- Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensure the adequacy of internal audit, and liaising with external audit

2009/10 LBBB Treasury Management Practices

- Ensuring that the system is specified and implemented
- Recommend the appointment of external service providers.

The Divisional Director Corporate Finance has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.

The Divisional Director Corporate Finance may delegate his power to borrow and invest to members of his staff. The Group Manager Accounting and Technical, Treasury & Pensions Manager, Treasury Accountant or staff authorised to act as temporary cover for leave and sickness. All transactions must be authorised by at least two of the named officers above.

The Divisional Director Corporate Finance and the Divisional Director Legal and Democratic Services (as the Monitoring Officer) will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Divisional Director Corporate Finance to be satisfied, by reference to the Divisional Director Legal and Democratic Services and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations

It is also the responsibility of the Divisional Director Corporate Finance to ensure that the Organisation complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

Treasury Manager

The responsibilities of this post will be: -

- Adherence to agreed policies and limits
- Managing the overall treasury management function
- Supervising treasury management staff
- Ensuring appropriate segregation of duties
- Monitoring performance on a day-to-day basis
- Submitting management information reports to the Divisional Director Corporate Finance
- Maintaining relationships with third parties and external service providers and reviewing their performance
- Identifying and recommending opportunities for improved practices.

The Divisional Director Legal and Democratic Services (as Monitoring Officer)

The responsibilities of this post will be: -

- Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice
- Giving advice to the Divisional Director Corporate Finance when advice is sought.

SCHEDULE TMP6

Information Requirements

Annual Treasury Management Strategy Statement

The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This Strategy will be submitted to the Executive for approval before the commencement of each financial year.

The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates.

The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

The Treasury Management Strategy Statement will include specific reference to the need to comply with the balanced budget requirement per the Local Government Finance Act 1992 Section 33. S32 also requires a local authority to calculate its budget requirement for each financial year including the revenue costs which flow from capital financing decisions. Considerations of these costs will be informed by the indicators that have to be calculated according to the CIPFA's *Prudential Code for Capital Finance in Local Authorities*.

ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY

An annual report will be presented at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a comprehensive picture for the financial year of all treasury policies, plans, activities and results
- transactions executed and their revenue (current) effects
- report on risk implications of decisions taken and transactions executed
- monitoring of compliance with approved policy, practices and statutory / regulatory requirements
- monitoring of compliance with powers delegated to officers
- degree of compliance with the original strategy and explanation of deviations
- explanation of future impact of decisions taken on the organisation
- measurements of performance
- report on compliance with CIPFA Code recommendations

SCHEDULE TMP 9

Procedures for Establishing Identity / Authenticity of Lenders

The Council does not accept loans from individuals. Decision to borrow will be done in consultation with the Council's treasury management advisers. All loans are obtained from

2009/10 LBD Treasury Management Practices

the PWLB or from authorised institutions under the Banking Act 1987: (the names of these institutions appeared on the Bank of England quarterly list of authorised institutions until 1.12.2001 when the Financial Services Authority (FSA) took over the responsibility for maintaining a register of authorised institutions. This register can be accessed through their website on www.fsa.gov.uk).

THE EXECUTIVE

17 February 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Budget Monitoring Report December 2008/2009	For Decision
<p>Summary:</p> <p>The report updates the Executive on the Council's revenue and capital position for the period April to December of the 2008/09 financial year.</p> <p>The current forecast across the Council in respect of its revenue budget has identified projected in-year pressures amounting to £2.5million. The areas of pressure are currently within the Children's Services (£3million) and Regeneration Services (£58k) which are offset by projected underspends in Resources (£400k) and Customer Services (£131k). Overall the December position reflects a £400k improvement from the position reported in November.</p> <p>The largest pressure continues to remain within the Children's Services department, where significant budget pressures exist from Looked after Children Placements and in meeting the Councils' Leaving Care responsibilities. In order to deliver a balanced budget by the year end, an action plan was agreed at the Executive meeting on the 14th October 2008 requiring in-year savings to be achieved across all service departments and a provision for a contribution from Corporate contingencies and balances.</p> <p>All departments are addressing both their own pressures and the approved action plan so that they produce the necessary balanced budget by the year end. The outcomes and progress of these action plans will be monitored and reported to both the Resource Monitoring panels and the Executive through the regular budget monitoring meetings and reports.</p> <p>For the Housing Revenue Account the forecast is that the year end working balance will be in line with the budget projection of £3.2million.</p> <p>In regard to the Capital programme, the current working budget is £91.8million with a projected spend of £89.6m. Directors have been and are continuing to review the delivery of individual capital schemes to ensure maximum spend is achieved by the year end.</p> <p>Wards Affected: This is a regular budget monitoring report of the Council's resource position and applies to all wards.</p>	
<p>Recommendations</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. note the current position of the Council's revenue and capital budget as at 31st December 2008 (Appendix A and C and Sections 3 and 5 of the report); 	

2. note that where pressures and targets exist, Directors continue to identify and implement the necessary action plans to alleviate these budget pressures to ensure that the necessary balanced budget for the Council is achieved by year end (section 3 of the report);
3. agree the necessary budget adjustments from the contingency budget as set out in paragraph 3.6.9;
4. note the position and projected out-turn for the Housing Revenue Account (Appendix B and Section 4 of the report);
5. note the prudential indicators for April to December 2008 (section 6 of the report and Appendix D); and
6. note the third quarter financial health indicators (section 7 of the report and Appendix E).

Reason

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

Implications:

Financial:

The overall revenue budget for December 2008 is indicating budget pressures totalling £2.5million. Where pressures and targets exist Directors are required to identify and implement the necessary action plans to alleviate these pressures. The working capital programme is now reported at £91.8million with a projected spend of £89.6m (98% of the budget).

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 overall resource position. Where there is an indication that a budget may overspend by the year end the relevant Director will be required to review the Departmental budget position to achieve a balanced position by the year end. This may involve the need to produce a formal action plan to ensure delivery of this position for approval and monitoring by the Resource Monitoring Panel and the Executive.

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, Capital 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.

Options Appraisal:

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

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

2. Current Position**2.1 Overview for Revenue Budget**

- 2.1.1 The current forecast across the Council in respect of its revenue budget has identified the following position:

<u>Department/Service</u>	<u>December Position £'000</u>	<u>Targeted Outturn £'000</u>
Adult & Community Services	0	(600)
Children's Services	3,021	3,021
Customer Services	(131)	(600)
Regeneration	58	(300)
Resources	(400)	(400)
Forecasted Outturn	2,548	1,121
Use of Corporate Contingencies and Balances	(1,121)	(1,121)
Action required	1,427	0

The largest pressure is within the Children's Services department where significant budget pressures exist from Looked after Children Placements, and in meeting the Councils' Leaving Care responsibilities. On the basis of existing commitments and projections to the end of the financial year, the forecast overspend in this area is £3.6million.

- 2.1.2 In order to deliver a Council balanced budget by the year end, an action plan was agreed at the Executive meeting on the 14th October requiring in-year savings to be achieved across all service departments as well as a provision for a contribution from Corporate contingencies and balances.
- 2.1.3 Details of each department's current financial position are provided in Section 3 of this report. In those areas where budget pressures have been highlighted, continual work is being undertaken by Corporate Directors and their management teams to ensure their targeted outturn is produced for the year end. To this end, Corporate Directors are delivering action plans to address and rectify these pressure areas and these plans will be actively monitored by the various Resource Monitoring Panels through the final phase of the financial year.

3. Service Position

3.1 General

- 3.1.1 Details of each Department's current financial position and the work being undertaken by Corporate Directors and their management teams, to ensure a balanced budget is produced for the year end, are provided in this section of the report.

3.2 Adult and Community Services Department

- 3.2.1 The Adult and Community Services budget position at the end of December remains challenging but continues to improve. The Department is currently projecting a break-even position for the year which represents a further improvement from last months' position (£125k overspend) and from its peak of £900k earlier in the year. The reduction is as a result of the variety of Management actions that are being undertaken within the department.

There continues to be issues and pressures facing the Department at this time particularly in relation to the Learning Disability Service and Transitions' arrangements from Children's Services (i.e. when clients turn age 18 they become the responsibility of the Adults Division). However, the Executive is reminded that the Department and its Management Team have a track record of dealing with issues and pressures throughout the year to deliver the required budget.

The department's 2008/09 budget reflects a total of £3.35million of savings which includes the outstanding £900k of savings from last years Older Persons Modernisation Programme in the Home Support Service.

- 3.2.2 Following the Executive decision in October requiring an in-year contribution to support the Looked after Children Placements pressure, the department is now targeted to underspend by £600k in 2008/09.

The Corporate Director and the management team have implemented several actions to ensure the targeted budget is achieved for the year end. The Department proposes to meet this underspend by reductions in the use of agency staff, overtime and vacancy management, tighter demand management of care budgets, exploration of partnering opportunities, utilisation of grants for existing services and part year effect of home support savings.

3.2.3 Adult Care Services

This service area primarily relates to Older Persons Residential and Home support provided by the councils remaining in-house services. It also includes the Passenger Transport Service. Budget pressures are being experienced mainly due to the demands for Home care, delays in the opening of Lake-Rise/ Kallar Lodge and also some pressures within the Passenger Transport Service. A variety of Management actions are being undertaken within the division to ensure the targeted budget is achieved for the year end.

3.2.4 Adult Commissioning Services

This service area represents the Social Work and Care Management budgets in the department, together with services commissioned from the Independent and Private Sector. Service areas include Older Persons, Physical Disability, Learning Disability (LD) and Mental Health. The net budget for the area is £44million and is by far the largest area (70%) in cash terms in the department. The department has set itself some challenging targets in this area particularly around procurement and commissioning gains/savings. Interface issues with the local Hospitals and the PCT regarding Delayed Transfers of Care are acute in this area, and are carefully managed. The Executive will recall pressures in previous years' regarding external care packages in this area that led to a review of the FACS eligibility criteria. It is envisaged that robust monitoring and gate-keeping will again be required in this area to contain demand within budgets in 2008/09.

Pressures are being experienced in the Transitions from Children's area due to the increasing number of Children with Care Packages/arrangements who are turning age 18. Also, in common with other Boroughs and nationally, LD budgets are also experiencing demand for more services.

3.2.5 Community Safety and Preventive Services

This service area includes CCTV, Community Safety & Parks Police, Substance Misuse, Neighbourhood Management and the Youth Offending Team. The total net budgets are in the region of £4million for this area. No significant pressures are being experienced in the Community Safety area at present.

3.2.6 Community Services and Libraries

This service area covers Heritage and Libraries, the Lifelong Learning Centre, Community Development and Halls, Community Cohesion and Equalities and Diversity. Net budgets are in the region of £7.7million and currently the budgets in this area are cost neutral.

3.2.7 **Other Services, Central Budgets, Recharges, and Government Grants**

The Adult and Community Services Department receive government grants, and incur recharges for departmental and divisional support. All grants will be used in support of existing service areas. Central budgets and recharges within the department are on target.

3.3 **Children's Services Department**

3.3.1 There is no change in the forecasted outturn position for Children's Services from the November position i.e. a projected overspend of £3million.

The main departmental pressure arises from the ongoing budget pressure in relation to Looked after Children Placements and in meeting the Councils' Leaving Care responsibilities, which have continued from 2007/08 into 2008/09. On the basis of existing commitments, and assessing the future profile for each of the current 332 looked after children, the forecast is for an overspend in this area of £3.6million. This position has reduced over the past few months, highlighting that strategies are working (more in-house foster care capacity, invest to save successes) and the quarterly model unravelling complexities and resolving process issues are improving the forecast.

3.3.2 As previously reported to the Executive, the pressures from Looked after Children Placements cannot be fully mitigated in 2008/09, and as a result the Executive agreed at its meeting on the 14th October an action plan requiring in-year savings to be achieved across all service departments and a provision for a contribution from Corporate contingencies and balances. The Children's department is targeted to contribute £600k to the Looked after Children Placements pressure in 2008/09. As a result of the in-year savings target, elsewhere within Children's Services spending is now planned to underspend by £600k thereby totalling an overall departmental overspend of £3million. In order to deliver this, the department would have to be able to secure additional income from the PCT.

A number of other pressures do exist within the department including the costs of transport and variations arising from legal services costs. Management actions to deliver both the targeted underspend and these pressures include maximising grant funding, vacancy management, reviewing internal spend targets and pursuing third party income e.g. PCT.

3.3.3 **Schools**

The carry-forward revenue balances for schools were £6million at 31st March 2008. All schools with balances are being asked to demonstrate why they are holding balances, with the Scheme for Financing Schools allowing for clawback where schools have no plans for balances in excess of DCSF thresholds, which are 8% for primary and special schools and 5% for secondary schools. All schools with deficits are required to have a recovery plan and this is being actively managed by the Schools Support team in Corporate Finance.

3.3.4 **Quality and School Improvement**

The Quality and School Improvement is reporting an underspend of £100k due to further flexible use of grants. The division will maximise the use of Standards Funds and some elements of the Area Based Grants to assist with departmental financial position.

3.3.5 **Shared Services and Engagement**

Much of the work of the Shared Services and Engagement division is either funded from SureStart Grant or from the Dedicated Schools Grant (DSG), with only around £1million funded from the General Fund. This division has some savings targets to deliver, as well as absorbing some of the Integrated Family Services work. There are not anticipated to be any major variances at this stage.

3.3.6 **Safeguarding and Rights**

The main budget issue for the Safeguarding & Rights service is that of the cost of Looked after Children placements and Leaving Care costs. On the basis of existing commitments the current forecast is for an overspend on these budgets of £3.6million.

The contributing factors for this projected overspend include:

- Reducing numbers of in-house foster carers;
- Significant improvements in the education of looked after children;
- Increasing statutory responsibilities for young people leaving care between the ages of 18 and 21;
- Growing numbers of children continuing to attract payments for Special Guardianship and Adoption allowances;
- Growth in the overall numbers of children in the borough;
- Lower capacity in Children's Social Care;
- Increased complexity of cases referred to Safeguarding & Rights;
- Respite Care packages for disabled children;
- Policy change in moving to approved numbers for foster care placements.

Extensive work has been done in analysing the activity that is producing these costs, with a view to identifying financial forecasts that are more sensitive to the care plans for individual children, taking account of future demand, but also to assess the likely effectiveness of any measures to prevent children having to go into care or to keep costs reasonable when this is not avoidable. The current overspend position has reduced over the past few months, highlighting that strategies are working (more in-house foster care capacity, invest to save successes) and the quarterly model unravelling complexities and resolving process issues are improving the forecast.

3.3.7 **Children's Policy Trust and Commissioning**

At present, there are concerns about cost pressures being experienced by the catering service, whose costs are predominantly charged to the Dedicated Schools Grant. The division includes the Youth Service, Policy & Performance and Services to Schools, which are reporting an overall balanced budget.

3.3.8 **Other**

Most of the costs here are for capital charges, on-going pension costs, central recharges and the costs of the Director of Children's Services. Any savings in this area will be used to contribute to the departmental financial position.

3.4 **Customer Services Department**

3.4.1 The current forecast for the department is highlighting an underspend of £131k which represents a significant reduction from the £119k overspend reporting in November. As a result of the Executive decision in October requiring an in-year contribution to support the Looked after Children Placements pressure, the department is now targeted to underspend by £600k in 2008/09. The Corporate Director and the management team have implemented several actions to ensure the targeted budget is achieved for the year end. These include holding vacant posts, reducing agency spend, implementing changes in the Private Sector leasing service, examining alternative funding arrangements in fleet management and securing additional income.

3.4.2 **Environmental and Enforcement Services**

The Environmental and Enforcement Service is highlighting an overall overspend of £179k due to forecasted overspends for fuel and contract hire particularly within the Refuse Collection, Highway Maintenance and Grounds Maintenance services. Other pressures include increased employee costs and reduction in income e.g. refuse services. There are however general underspends within other areas of the service as well as increased parking income which will help mitigate some of these overspends. The division's financial/operational resources are continually being stretched due to the need to employ temporary staff to cover vacant posts which is required to maintain high quality front line services. Whilst these pressures will continue throughout the year, management's proactive approach and corrective actions have, and should assist in containing these pressures as much as possible.

3.4.3 **General Housing**

The current review of the General Housing budget is indicating an overspend of £468k, mainly in the Housing Advice and Temporary Accommodation service, due to greater use of temporary accommodations properties than originally estimated.

Management is reviewing the current position and is taking action to contain the overspend including reviewing the administration charge to ensure that administration costs are fully recovered. A proposal to introduce a Working Families policy is currently being considered and this will be put forward for approval as soon as the details are completed.

3.4.4 **Customer Strategy**

This service is projecting a small underspend of £16k mainly in employee expenses.

3.4.5 **Barking & Dagenham Direct**

The Service is currently projecting an underspend of £762k which compares to the £614k underspend reported in November. This new forecast reflects the savings required to relieve current budget pressures from other areas of the Council, a recalculation of the projected expenditure on bad debt provision, renegotiation of agency contracts and necessary recharges to non-General fund services.

Discretionary Housing Payment continues to be at risk due to the economic downturn where more people require financial assistance with housing costs and spend is currently estimated at £160,000 against a budget of £85,000.

3.5 **Regeneration Department**

3.5.1 The December position is forecasting an overspend of £58k. As a result of the Executive decision in October requiring an in-year contribution to support the Looked after Children Placements pressure, the department is now targeted to underspend by £300K. The Corporate Director and the management team have implemented several actions to ensure the targeted budget is achieved for the year end. These include holding vacant posts and tighter controls on expenditure.

The main cost pressures in the department relate to reductions in income (e.g. Commercial property, transaction fees, LSC, Land charges) and increased employee and premises costs. These pressures are however being partly offset by savings arising from staff vacancies and additional income from the Local Housing Company (LHC).

The key issues for the Department include:

- the creation of the Capital Programme Unit;
- provision of free swims for under-18s – working in partnership with the PCT;
- delivery of the land disposal programme to support the capital programme and generate budgeted revenue income from transaction fees;
- the wind up of the Regeneration Department and the transfer of the constituent service areas to Other Departments.

3.5.2 **Directorate and PPP**

The current projection is for an underspend of £89k mainly from holding vacant posts in order to assist with the departmental financial position.

3.5.3 **Housing Strategy & Property**

The main pressure for this division relates to potential delays in the delivery of the land disposal programme which will result in a loss of budgeted income in respect of transaction fees. Other pressures include the loss of commercial rental income due to the economic slowdown and changes in Government regulations on payments for NNDR on empty properties. The current projection indicates an overspend of £604k.

3.5.4 **Spatial Regeneration**

The current projection is for an underspend of £556k, mainly due to savings arising from deferral of a number of planned recruitment. The main pressure in this area is on income generation in the Local Land Charge service (£215k) as a result of the slow down in the housing market. The division has identified some additional income (including LHC income of £300k) which will generate compensating savings as well as additional income and underspend in its supplies and service budgets. The LHC income remains a medium risk as it relies on the preferred bidder being able to raise the necessary loans in the current economic climate by March 2009.

3.5.5 **Leisure, Arts and Olympics**

The current projection is for a small overspend of £10k. Potential service issues in the near future include:

- Introduction of free swimming for under 18's in partnership with PCT in September;
- Broadway Theatre – potential financial risk to the council in relation to finalisation of access and usage arrangements for Barking College which are not able to be quantified at this stage.

3.5.6 **Skills, Learning & Enterprise**

The current projection is for an underspend of £135k.

The main financial pressure in the division relates to a shortfall of income in relation to LSC funding and other unbudgeted operational costs. These costs are being off-set by utilisation of grant income and benefits of partnering opportunities.

3.5.7 **Asset Strategy & Capital Delivery**

The current projection is for an overspend of £224k mainly due to reduced parking income and increased operating costs. Potential service issues for the near future are around the delivery of the Capital Programme Unit. This involves the drawing together of significant numbers of staff and budgets from across the council to create a re-shaped structure to delivery both a more effective service and significant savings. Value for Money will form an integrated part of the process of creating the new function.

3.6 **Resources Department**

3.6.1 The department is currently forecasting an underspend of £400k, which reflects the departments revised underspend target which has arisen as a result of the Executive decision in October requiring all departments to support the Looked after Children Placements pressure.

The Department have experienced some pressures including the continuing costs associated with the implementation of Single Status due to the Trade Union requests for reviewed job evaluations, costs associated with the preparation for the "Investors in People" assessment, additional energy and maintenance costs of the Civic buildings, continuation of the Council's statutory functions, in-year corporate reviews and community engagement costs.

The Corporate Director and the management team have implemented several actions to ensure the targeted budget is achieved for the year end. These include curtailing the use of agency staff, holding back posts for recruitment and tight control, realignment of existing budgets and prioritisation of spend such as supplies and services.

Overall the Department is confident that it will achieve its targeted budget by the end of the financial year through disciplined and robust financial management combined with timely and effective management decisions.

3.6.2 **Policy, Performance, Partnerships & Communications**

The main pressures currently identified within the division relate to reduced levels of income in relation to the cessation of Standards Fund grant for the Corporate Web Team (£31k) and a reduction in the amount of income received for filming at locations within the Borough (£18K). The majority of this shortfall can be funded from existing budgets as there are currently a number of vacant posts.

3.6.3 **Legal & Democratic Services**

The current projection is for an overspend in this area due to additional energy and maintenance costs in public buildings.

3.6.4 Corporate & Strategic Finance

There are currently a significant number of vacant posts within the division for which a number of agency staff have been approved to ensure that the service continues to deliver its statutory functions. A major recruitment process took place during 2008 to fill a number of these positions, however a number of these posts were unable to be filled owing to the lack of suitable candidates. The division is currently undergoing a review which will include how to attract suitable applicants into the organisation. In the meantime the division has to rely on the use of agency staff which may result in a pressure on its budgets. Managers have implemented tight controls on hours worked by agency staff and will continue to monitor the staff levels in order to ensure that costs are contained within existing budgets.

3.6.5 ICT & e-Government

The division currently has a number of vacant posts, several of which are at a senior level and are unlikely to be filled in the current financial year. In addition, supplies and services expenditure is under review and this is likely to produce a further curtailment in expenditure. As a result of these measures the division's budget is now projected to under spend by the end of the financial year which will contribute to the department's revised budget target.

3.6.6 Human Resources

The Division has needed to deal with a number of cost pressures in 2008/09 including:

- The completion of the implementation of the Council's Single Status Strategy. Including the need for some additional work (estimated at £100k) resulting from the legal challenges from the Trade Unions in respect of the "Knowledge and Experience Allowance";
- One-off costs in respect of the Statutory Equal Pay Review and the Administrative, Technical, Professional and Clerical (ATP & C) Staff Review. The cost of this work is estimated to be in the region of £65K;
- Cost pressures of around £30K in respect of the preparation for the Authority's "Investors in People (IIP)" assessment planned for October 2008.

The majority of these costs can be funded from existing departmental budgets.

3.6.7 Interest on Balances

A proportion of the Council's investments continues to be managed by two external investment managers, and the Council's Treasury Management Strategy has once again set stretching targets for these managers in 2008/09 which are being closely monitored by the Corporate Finance Division.

An element of these investments may require the use of investment instruments such as gilts to be used which require tactical trades to be undertaken. Inevitably there are risks and rewards with the use of such investment instruments, and whilst the Council needs to continue to review the manager's performance it also needs to be aware that these potential risks/rewards do exist.

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

During the first 8 months of the year, interest rates on lending increased dramatically, and this is likely to result in the achievement of higher than expected investment income for 2008/09 for both externally managed investments and in-house funds. Any additional investment income arising in 2008/09 will be used to fund the balance of the Children's placement financial pressure, which currently requires potential funding of £1.1million from Corporate contingencies and balances as approved by the Executive on the 14th October 2008.

3.6.8 Corporate Management

There are currently no immediate issues identified within Corporate Management and it is projected that this budget will break even by the end of the financial year.

3.6.9 The delivery of the department's 2008/09 services reflects some necessary corporate expenditure that will be required to be funded from the Council's contingency budget. These costs have throughout the year been projected to be funded from the contingency budget, which is set aside to fund unforeseen items of expenditure. In order that the department's working budget formally reflects these additional costs, the Executive is asked to agree a budget adjustment of £530k from the contingency budget which will have no overall impact on the 2008/09 budget. These additional budgets are required to fund the increased costs in public buildings (£150k), the Council's Investors in People (IIP) re-assessment (£25k), the continuation of the Council's statutory functions (£115k), in-year corporate reviews (£110k) and community engagement costs (£130k).

4. Housing Revenue Account (HRA)

4.1 The Housing Revenue Account balance at the end of 2008/09 is now forecast to reduce to £3.2million compared to the estimated closing balance of £3.5million. The original projection included both a budgeted in-year reduction of £255k and an adjustment of £572k to reflect the final audited 2007/08 Housing Benefits limitation claim. The final audited claim has resulted in additional income of £572k to the HRA as a result of a technical review of this area early in 2008.

Projected HRA Working Balance

Description	£000
Opening Working Balance – 1st April 2008	3,235
Audit adjustment to 2007/08 Housing Benefit Limitation	572
Projected Deficit Budget set in year	(255)
Estimated Working Balance – 31st March 2009	3,552
Projected In-Year Surplus / (Deficit) 2008/09	(384)
Forecasted Working Balance – 31st March 2009	3,168

- 4.2 The income due from HRA tenants in respect of Housing Rents and service charges are currently forecast to overachieve by £392k. This additional income is due to higher rental income as a result of lower than budgeted Right to Buy (RTB) sales in 2008/09 and the transfer from reserves from the proportion of the 53rd week's rent relating to 2008/09 financial year.
- 4.3 Supervision and management costs are projected to overspend by £781k due to increased energy costs of £241k, increased grounds maintenance and premises costs of £350k, increased agency costs of £140k and increased estate management costs of £50k. Proactive budget management has helped to identify potential budget pressures earlier and will enable budget holders/service managers to take corrective actions to contain these pressures within existing resources.
- 4.4 RTB sales were estimated to be 200 in 2008/09 which would generate capital receipts of £17.6million. The current projection for RTB sales has reduced significantly in light of the economic downturn faced by consumers to 48 sales. This is estimated to generate capital receipts of £3.9million, equalling a projected shortfall in capital receipts of £13.7million. The revised projection will impact on the available capital receipts to the Council for investment in capital projects, reducing the retained capital receipts.

Full details of the HRA position are shown in Appendix B.

5. Capital Programme

- 5.1 As at the end of December, the working budget on the capital programme had increased to £91.8million against an original budget of £65million. Since the original budget was set, the programme has been updated for approved roll-overs from 2007/08 and a number of new schemes for 2008/09.
- 5.2 These new schemes fall into two categories:
- (a) Provisional schemes from the 2008/09 budget report that have now been successfully appraised by the Capital Programme Monitoring Office (CPMO);
 - (b) Schemes which have attracted additional external funding, and whose budgets have been increased accordingly.
- 5.3 Actual spend as at the end of December was £49.8million, or 54% of the working budget. Projected spend for the year end is now estimated at £89.6m (98% of the budget). It is vitally important that projects and budgets are subject to robust scrutiny to ensure that timetables and milestones can be adhered to, and that budgets are realistic.
- 5.4 The completion of capital projects on time and on budget not only supports the Council's drive to excellence through its Use of Resources score, but will also ensure that the benefits arising from our capital projects are realised for the community as a whole.

6. Prudential Indicators

- 6.1 The Assembly at its meeting on 27th February 2008 agreed the Council's Prudential indicators for 2008/09. The indicators are required to be set and regularly monitored by the Council to ensure capital investment plans of the authority are prudent, affordable and sustainable. The monitoring of these indicators take place on a quarterly basis, and the position at the end of the third quarter of the financial year i.e. April to December 2008, is presented at Appendix D.
- 6.2 The Prudential indicators as laid out in this report show the impact of capital investment decisions at the end of the third quarter of the financial year compared to those figures agreed at the beginning of 2008/09. These figures demonstrate that the capital programme has been put together taking into account the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability.

7. Financial Health Indicators

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

Attached at Appendix E is a list of the Council's significant financial health indicators for the period ending 31st December 2008.

8. Consultees

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

Councillor Bramley- Lead Member Resources
Corporate Management Team
Group Managers – Corporate Finance
Capital Programme Management Office (CPMO)

Background Papers Used in the Preparation of the Report:

- Oracle reports
- CPMO reports

APPENDIX A

BUDGET MONITORING REPORT - DECEMBER 2008

SERVICES	2008/09								
	Original Budget	Working Budget	Year to Date Budget	Actual to Date	Year to Date Variance - over/(under)	Forecast Outturn	Variance - over/(under)	Action in place/to be taken	Projected Outturn 2008/09
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult & Community Services									
Adult Care Services	5,208	7,156	8,425	8,425	0	7,156	0 }		
Adult Commissioning Services	45,293	43,810	35,660	35,660	0	43,810	0 }		
Community Safety & Preventative Services	3,913	4,093	4,050	4,050	0	4,093	0 }	600	(600)
Community Services, Heritage & Libraries	7,499	7,740	5,514	5,514	0	7,740	0 }		
Other Services	643	666	1,772	1,772	0	666	0 }		
	62,556	63,465	55,421	55,421	0	63,465	0	600	(600)
Children's Services									
Schools	123,673	132,507	99,380	105,144	5,764	132,507	0 }		
Quality & School Improvement	14,026	13,907	10,430	12,422	1,992	13,807	(100) }		
Shared Services & Engagement	3,018	3,197	2,398	5,800	3,402	3,197	0 }	0	3,021
Safeguarding & Rights Services	30,885	30,955	23,216	26,588	3,372	34,576	3,621 }		
Children's Policy & Trust Commissioning	3,525	3,428	2,575	1,591	(984)	3,428	0 }		
Other Services	6,902	7,084	5,313	4,021	(1,292)	6,584	(500) }		
	182,029	191,078	143,312	155,566	12,254	194,099	3,021	0	3,021
Customer Services									
Environment & Enforcement	21,714	22,011	13,017	15,097	2,080	22,190	179 }		
Barking & Dagenham Direct	4,139	4,483	10,874	9,292	(1,582)	3,721	(762) }	469	(600)
Customer Services Strategy	(75)	71	67	129	62	55	(16) }		
Housing Services	673	681	412	542	130	1,149	468 }		
	26,450	27,246	24,370	25,060	690	27,115	(131)	469	(600)
Regeneration Department									
Asset Strategy & Capital Delivery	263	529	(196)	1,886	2,082	753	224 }		
Spatial Regeneration	4,297	4,371	3,130	3,603	473	3,815	(556) }		
Skills, Learning & Enterprise	1,700	2,106	1,580	3,259	1,679	1,971	(135) }	358	(300)
Leisure, Arts & Olympics	6,704	6,996	4,670	5,377	707	7,006	10 }		
Housing Strategy Services	(1,051)	(1,167)	(876)	(337)	539	(563)	604 }		
Directorate, Policy & Strategic Services	(31)	(27)	(143)	(184)	(41)	(116)	(89) }		
	11,882	12,808	8,165	13,604	5,439	12,866	58	358	(300)
Resources									
Chief Executive	35	37	28	20	(8)	37	0 }		
Director of Resources & Business Support	130	453	353	418	65	53	(400) }		
Corporate Finance	(296)	(381)	(321)	33	354	(381)	0 }		
Human Resources	51	74	56	569	513	74	0 }		
ICT & eGovernment	304	259	194	758	564	59	(200) }	0	(400)
Partnerships, Policy, Performance & Communications	639	389	353	570	217	389	0 }		
Legal & Democratic Services	848	955	721	1,686	965	1,155	200 }		
Corporate Management	4,986	4,559	3,419	3,743	324	4,559	0 }		
General Finance	(15,668)	(26,966)	(17,079)	(18,903)	(1,824)	(26,966)	0 }		
	(8,971)	(20,621)	(12,276)	(11,106)	1,170	(21,021)	(400)	0	(400)
Contingency	1,200	1,170	0	0	0	1,170	0	0	0
Levies	7,182	7,182	5,397	5,362	(35)	7,182	0	0	0
TOTAL	282,328	282,328	224,389	243,907	19,518	284,876	2,548	1,427	1,121

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HOUSING REVENUE ACCOUNT - BUDGET MONITORING SUMMARY**Month December 2008**

	Original Budget £'000	Revised Budget £'000	Budget Dec-08 £'000	Actual Dec-08 £'000	Forecast £'000	Variance £'000
Housing Revenue Account						
NET RENT OF DWELLINGS	(73,317)	(73,317)	(54,709)	(54,796)	(73,526)	(209)
OTHER RENTS	(2,593)	(2,593)	(1,945)	(757)	(2,539)	54
OTHER CHARGES	(5,542)	(5,542)	(4,156)	(6,120)	(5,779)	(237)
TOTAL INCOME	(81,452)	(81,452)	(60,810)	(61,673)	(81,844)	(392)
REPAIRS AND MAINTENANCE	21,754	21,754	16,099	17,394	21,854	100
SUPERVISION & MANAGEMENT	25,549	25,549	19,098	19,593	26,330	781
RENT, RATES AND OTHER CHARGES	379	379	284	434	459	80
NEGATIVE HRA SUBSIDY PAYABLE	17,046	17,046	13,783	13,783	16,861	(185)
HOUSING BENEFIT LIMITATION	4,611	4,611	0	0	4,611	0
DEPRECIATION & IMPAIRMENT OF FIXED ASSETS	19,963	19,963	14,972	14,972	19,963	0
CAPITAL EXPENDITURE FUNDED FROM REVENUE	255	255	0	0	255	0
HRA SHARE OF CORPORATE & DEMOCRATIC CORE (CDC) COSTS	792	792	594	594	792	0
TOTAL EXPENDITURE	90,349	90,349	64,830	66,770	91,125	776
INTEREST EARNED	(1,660)	(1,660)	(1,245)	(1,245)	(1,660)	0
NET COST OF SERVICE	7,237	7,237	2,775	3,852	7,621	384
NET ADDITIONAL AMOUNT REQUIRED BY STATUTE TO BE DEBITED (OR CREDITED) TO THE HRA	(6,982)	(6,982)	(5,237)	(5,237)	(6,982)	0
MOVEMENT IN WORKING BALANCE	255	255	(2,461)	(1,384)	639	384
2007/08 AUDIT ADJUSTMENT - HOUSING BENEFIT LIMITATION	0	(572)	(572)	(572)	(572)	0
WORKING BALANCE B/F	(2,819)	(3,235)			(3,235)	0
WORKING BALANCE C/F	(2,564)	(3,552)			(3,168)	384

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APPENDIX C

CAPITAL PROGRAMME 2008/2009

SUMMARY OF EXPENDITURE - DECEMBER 2008

<u>Department</u>	<u>Original Budget (1)</u> <u>£'000</u>	<u>Revised Budget</u> <u>£'000</u>	<u>Actual to date</u> <u>£'000</u>	<u>Percentage Spend to Date</u> <u>%</u>	<u>Projected Outturn</u> <u>£'000</u>	<u>Projected Outturn Variation against Revised Budget</u> <u>£'000</u>	<u>Projected Outturn Variation against Original Budget</u> <u>£'000</u>
Adult & Community Services	3,661	3,799	1,095	29%	2,967	(832)	(694)
Children's Services	4,982	12,689	9,373	74%	13,065	376	8,083
Customer Services	5,683	13,468	9,151	68%	13,199	(269)	7,516
Regeneration	47,007	59,229	28,541	48%	57,622	(1,607)	10,615
Resources	3,675	2,662	1,712	64%	2,774	112	(901)
Total for Department Schemes	65,008	91,847	49,872	54%	89,627	(2,220)	24,619
<u>Accountable Body Schemes</u>							
Regeneration	-	-	-	-	-	-	-
Total for Accountable Body Schemes	-	-	-	-	-	-	-
Total for all Schemes	65,008	91,847	49,872	54%	89,627	(2,220)	24,619

Note

(1) Excludes provisional schemes approved at Executive 19th February subject to achieving 'four green lights' from CPMO appraisal

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APPENDIX D

The Prudential Code for Capital Investment in Local Authorities Prudential Indicators Third Quarter 2008/09

1. Introduction

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

2. The Prudential Indicators

- 2.1. The Prudential Code sets out the information that each Council must consider when making its decisions about future borrowing and investment. This takes the form of a series of "Prudential Indicators".
- 2.2. The Code is a formal statement of good practice that has been developed to apply to all authorities regardless of their local circumstances. For example, Barking and Dagenham was, until recently, a debt free authority - and as such the indicators in respect of borrowing would not have been relevant. However, spending on the capital programme did reduce interest on investments, which created a gap in the revenue budget, and this represented a sum that could otherwise have been spent reducing Council Tax levels, or being spent on other priorities. In 2008/09, the Council has borrowed to fund capital investment so this report also considers the implications of this.
- 2.4 From the 1st April 2005 onwards, the Council's "prudential indicators" have been reported as an appendix to the budget monitoring report to the Executive on a quarterly basis. The purpose of which is that members and senior officers are kept up to date with the financial implications of capital investment decisions.

3. Capital Expenditure

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

Table 1: Capital Expenditure (Prudential Indicator)

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
HRA	58,962	15,090	17,862
General Fund	32,885	55,110	59,928
Total	91,847	70,200	77,790

- 3.2 Table 1 shows the current 3 year programme (2008/09 to 2010/11), and incorporates the changes that have been made since the original budget was agreed in February 2008.
- 3.3 The original budget for 2008/09 was £65m. Since this was set in February last year, additional external funding has been obtained, and new schemes have been appraised and added to the programme. As such, the revised capital budget for 2008/09 stands at £91.8m.

4. Financing Costs

- 4.1 The prudential code also requires Councils to have regard to the financing costs associated with its capital programme.
- 4.2 For an authority that has debt, the prudential indicator for its financing costs is calculated based on the interest and repayment of principle on borrowing. In the past this authority was without debt and indicator was based on the interest and investment income from its investments. This income contributes to the financing of the Council's revenue budget.
- 4.3 Now, although this authority still funds capital expenditure from capital receipts, the Council also funds capital expenditure from borrowing. As such, financing costs are both in respect of reduction in interest receipts and interest payable on loans.
- 4.4 The Minimum Revenue Provision ("repayment of principle") will also need to be included financing costs. The HRA does not have to calculate MRP.
- 4.5 Table 2 shows the following:
- Estimated figures as at 31st December 2008 for the Council's net revenue streams for both the General Fund and the Housing Revenue Account
 - Financing costs for these two funds.
 - The ratio of net revenue streams to financing costs, based on capital expenditure shown in Table 1.

Table 2: Financing Costs (Prudential Indicator)

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Net Revenue Stream			
HRA(Rent Income)	81,082	81,082	81,082
General Fund (net budget requirement)	147,249	147,249	147,249
Financing Costs			
HRA	12,900	12,900	12,900
General Fund	461	2,637	7,353
Ratio			
HRA	15.9%	15.9%	15.9%
General Fund	0.31%	1.79%	4.99%

- 4.6 The net revenue streams for the HRA and the General Fund have not changed since the original budgets were set. Financing costs are in accordance with the current capital programme.
- 4.7 Financing costs in the General Fund relate to the fall in interest receipts that the Council has to suffer as a result of spending capital receipts on capital expenditure, and interest payable on loans.
- 4.8 Financing costs in the HRA relate principally to the Major Repairs Allowance, which is a government subsidy from the Department of Communities and Local Government (DCLG). This figure is fixed throughout the year.
- 4.9 Financing costs can also be shown with reference to their impact on Council Tax and Housing Rents. This shows the additional Council Tax burden for Band D from financing new capital schemes added to the programme. This is set out in Table 3.

Table 3: The Impact of financing costs for the capital programme on the Council Tax and Housing Rents (Prudential Indicator)

	2008/09	2009/10	2010/11
	£	£	£
For Band D Council Tax	9.03	51.71	144.18
For average Housing Rents	0	0	0

- 4.10 The table shows the impact of changes in the budgeted capital expenditure up to December 2008 on Council Tax at Band for the years 2008/09 to 2010/11.

- 4.11 As a consequence of the Government's policy on rent restructuring the capital programme has a minimal impact on future rents. There are now borrowing costs but the revenue contribution to capital expenditure is set according to the rent levels that are established by the rent restructuring regulations.

5. Capital Financing Requirement

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

Table 4: Capital Financing Requirement (Prudential Indicator)

	2008/09	2009/10	2010/11
Housing Revenue Account (HRA)	(21,355)	(21,355)	(21,355)
General Fund	44,395	107,132	131,662
Capital Financing Requirement	23,040	85,777	110,307

- 5.3 The authority now needs to borrow to maintain the agreed capital programme. As such, the Council's CFR, or underlying need to borrow, is now positive. The CFR for 2009/10 and 2010/11 has increased compared to the budgeted level (by approximately £30m) as the current land disposals programme is under review, meaning there is a potential increase in the level of borrowing needed to fund the capital programme.

6. External Debt

- 6.1 Table 5 sets out the prudential indicators in borrowing limits. The Council is required to set two limits, an operational limit which should be kept to on a day to day basis (but could be exceeded for short term, "cashflow" purposes), and an authorised limit, which is the outer limit for borrowing in exceptional purposes. In the medium term local authorities only have the power to borrow for capital purposes.
- 6.2 The operational limit has been set at £50m to match the financing requirement for the capital programme. The authorised limit has been set at £150m to allow for these exceptional situations.
- 6.3 The Council has not exceeded the authorised limit up to 31st December 2008. No investment decisions have been made that suggest that this limit will be breached in future.

Table 5: Authorised Borrowing Limits (Prudential Indicator)

	2008/09	2009/10	2010/11
Operational Limit on Borrowing	50.0	50.0	50.0
Margin for extraordinary financing issues	150.0	150.0	150.0
Authorised Limit	150.0	150.0	150.0

7. Treasury Management Indicators of Prudence

7.1 The authority has an integrated treasury management strategy and has adopted the *CIPFA Code of Practice for Treasury Management in the Public Sector*. The *Prudential Code for Capital Finance in Local Authorities* supplements this by requiring council's to set and monitor specific indicators to demonstrate the prudence of its treasury management policies. The position against these indicators for 2008/09 is set out below:

a) Interest Rate Exposure

Indicator set:

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

31st December 2008:

In 2008/09 the Council set its upper limit on PWLB fixed interest loans as 4.5% while the upper limit on money market fixed interest loans was set at 4.25%. The Council does not currently have any exposure to variable interest rate investments or loans.

b) Maturity Structure of Borrowing

Indicator set:

The purpose of considering the maturity structure of borrowing is to ensure that all borrowing does not mature at one point in time and that the risk is spread. As the Council builds up a debt portfolio, the maturities will be phased to ensure that this is the case.

31st December 2008:

	< 12 months	12 < 24 months	2 < 5 years	Over 10 years
Total Debt Maturing (£'m)	0	10	10	0
% of Total Fixed Debt	0%	50%	50%	0
% of Total Variable Debt	0%	0%	0%	0%

(c) Total Principle Sums Invested

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

31st December 2008:

The maturity structure of the Council's investments to the 31st December 2008 was such that it did not have to release any of its investments before they reached their maturity date.

8. Summary Assessment

- 8.1 The Prudential Indicators as laid out in this report show the impact of capital investment decisions in the third quarter of 2008/09.
- 8.2 These figures demonstrate that, while changes to the capital programme have had financial implications on the Council, they have been made having taken into account the key principles of the CIPFA Prudential Code of **prudence**, **affordability** and **sustainability**.

Key Financial Health Indicators to 31st December 2008

Revenue

Financial Monitoring	2008/09		Current		Projected		Quarter 3		Variance to 2008/09		Next Quarter		Year end	
	Variance	Projection	£m	Budget	Outturn	£m	Variance	Projection	Variance	Projection	Variance	Target	Variance	Target
Service Departments	1.1		£m	300.9	303.4	£m	2.5	1.4	1.1	0.0	0.0	0.0	0.0	0.0
Other Services	0.0			(18.6)	(18.6)		0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1.1		£m	282.3	284.8		2.5	1.4	1.1	0.0	0.0	0.0	0.0	0.0

Narrative:

A number of departments of the council continue to report budgetary pressures. The largest pressure is within the Children's Services department where significant budget pressures totaling £3.6million continue to arise from Looked after Children Placements and in meeting the Councils' Leaving Care responsibilities. In order to deliver an overall Council balanced budget by the year end, an action plan was agreed at the Executive meeting on the 14th October requiring in-year savings to be achieved across all service departments and a provision for a contribution from Corporate contingencies and balances. A number of action plans have already been implemented by departments to ensure that in-year saving targets are achieved and that the Council achieves its forecasted budget by the year end. Full details of the December position is included in Section 3 within the main text of this report.

Income Collection	Target Collection Rate	Cash Equivalent	Actual Collection Rate	Cash Equivalent	Variance to Target Rate	Cash Equivalent	Next Quarter Target
Council Tax	81.30%	£41.842m	81.20%	£41.789m	(0.10%)	(£53k)	94.00%
NNDR	81.90%	£41.028m	78.84%	£39.494m	(3.06%)	(£1.534m)	99.5% *
Ctax Arrears	18.00%	£1.656m	17.29%	£1.591m	(0.71%)	(£65k)	21.00%
• prior years	97.4% **	£75.174m	96.13%	£74.198m	(1.27%)	(£976k)	97.40%

Narrative:

Council Tax collection is behind target by 0.1%, but is up on last year's performance at this stage by 0.77%. A peer review has been undertaken and the vast majority of quick wins have been implemented, some of the longer term actions are planned for the remainder of this year and the beginning of 2009/10.

NNDR collection is below target by 3.06%. However, this needs to be seen in light of changed legislation bringing into collection, rating for empty property. This increased the debit by 10% and is proving to be difficult to collect. If a comparison was made on the same basis as last year, the collection rate would be 0.3% lower. The national economic downturn has also impacted on collection and a number of well known High Street companies have failed to make payments when due, which with the need to charge for empty properties has had a dramatic effect on collection. Of the 32 London Boroughs, 29 have reported collection downturns. Recovery activity continues and increased visiting is planned to maximise collection.

The calculation for rent collection is based on the calculation for BVPI66a, which is the indicator which was in use for all LA's, until 2007/08. This indicator is no longer a national indicator but we are using the same methodology for the Local Indicator. This shows that the current figure is below the same point as in the last financial year, however the end of December, Direct Debits were not applied to the accounts in December because of the Christmas holidays which would bring the collection rate to a similar level as December 07.

* indicates targets under review re: EPR and recession ** Indicates full year collection rate.

Key Financial Health Indicators to 31st December 2008

Investments

	<u>Balance at</u> <u>31st</u> <u>December</u> <u>2008</u>	<u>Benchmark Return</u>	<u>Actual Return @ Q3</u>	<u>Variance at</u> <u>Q3</u>	<u>Projected</u> <u>Year End</u> <u>Variation</u>
	<u>£m</u>				<u>£'000</u>
Council in House team	66.7	5.50%	5.87%	0.37%	100
External Fund Manager (1)	22.9	5.50%	4.59%	-0.91%	50
External Fund Manager (2)	37.1	5.50%	12.59%	7.09%	200
External Fund Manager (3)	15	5.50%	8%	2.50%	150

Narrative:

Investment performance throughout the year has been strong. This has been as a result of a range of factors. Interest rates have remained high for the first half of the year, leading to increased returns. The shortage in available credit as a result of the "credit crunch" has enabled lenders of funds (such as local authorities) to achieve rates significantly higher than the bank rate, further increasing returns. The Council invests all of its in-house funds in UK institutions, and has not been affected by the worldwide financial crisis (for example lending in Iceland). External funds are subject to rigid controls by fund managers and have not been affected in any way by the crisis. Fund manager 2 returns look particularly high as a result of unrealised profits from base rate movements, this position is likely to be around 6% by year end. Across the balances, the year end position is likely to be higher than the budgeted income figure.

Capital

<u>Capital Programme</u>	<u>Original</u> <u>Budget</u>	<u>Working</u> <u>Budget</u>	<u>Actual</u> <u>Spend @</u> <u>Q3</u>	<u>Projected</u> <u>Spend</u>	<u>Variance to Working Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>%</u> <u>(2.40%)</u>
Capital Spend	65.0	91.8	49.9	89.6	(2.2)

Narrative:

The capital programme budget is currently £91.8million. Directors have been and are continuing to review the delivery of schemes and this report is projecting an overall spend of £89.6million.

Key Financial Health Indicators to 31st December 2008

Capital

<u>Prudential Indicators</u>	<u>Original Indicators @ 1/4/08</u>		<u>Revised Indicators @ 31/12/08</u>	
	<u>2008/09</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2009/10</u>
<u>Indicators</u>				
<u>Capital</u>				
Capital Expenditure (£'000)	£79,963	£58,935	£91,846	£70,200
Financing Costs				
- Ratio of HRA Financing costs to Net Revenue Stream	16.19%	16.19%	15.90%	15.90%
- Ratio of General Fund Financing costs to Net Revenue Stream	(0.66%)	1.60%	0.31%	1.79%
Impact on Band 'D' Council Tax	£58.33	£102.08	£9.03	£51.71
Impact on Average Housing Rent	£0	£0	£0	£0
Capital Financing Requirement (£'000)	£26,499	£65,821	£23,040	£85,777
<u>Treasury Management</u>				
Operational Limit on Borrowing	£50m	£70m	£50m	£70m
Authorised Limit	£150m	£150m	£150m	£150m
<u>Narrative:</u>	The capital expenditure indicator is showing an decrease in the capital programme budget as a result of schemes being re-profiled from 2008/09 into 2009/10. The remaining capital indicators look at the affordability of the capital programme. The Treasury indicators look at the level of borrowing required to finance capital expenditure. As at the end of quarter 3, the projection is in line with budget.			

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THE EXECUTIVE

17 February 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Fees and Charges 2009/2010	For Decision
<p>Summary:</p> <p>Local Authorities are involved in a wide range of services and the ability to charge for some of these services has always been a key funding source to Councils.</p> <p>This report concerns itself with recommending the appropriate level of fees and charges for 2009/10 for those traditional services where the Council has an obligation to set fee levels.</p> <p>In addition to those traditional income services, the Council also has the power under the Local Government Act 2003 to charge for other discretionary services that it may already or may wish to provide for in the future. In keeping with most other Local Authorities, the Council has not taken any significant advantage of these new powers.</p> <p>In preparing the proposed fees and charges for 2009/10, Departments have worked within the framework of the agreed Charging Policy.</p> <p>The Council's budget strategy for 2009/10 assessed the implication of inflationary pressures on the Council's budget by having regard to a basket of inflation indices. As a result it recommended that the overall inflation uplift for 2009/10 for fees and charges should be at least 3%, and these increases have been applied to all the 2009/10 income base budgets which were approved at the Executive meeting on the 20th January 2009. In addition to this general 3% uplift, a number of the savings proposals for 2009/10 require increases in fees and charges to go beyond 3%. As a result, the recommended increases in fees and charges for 2009/10 contained within this report reflect the 2009/10 budget strategy, the 2009/10 base budget position and the 2009/10 savings proposals.</p> <p>The proposed charges for 2009/10 are detailed in Appendix A to this report.</p> <p>Wards Affected: This is an annual fees and charges report which applies to all services and to all wards.</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to agree to the proposed fees and charges for 2009/10 as set out in Appendix A and Section 4 of the report to be effective from the 1st April 2009.</p>	
<p>Reason(s)</p> <p>As a matter of good financial practise, the Executive should agree those fees and charges to be applied to services provided by the Council.</p>	

Implications:**Financial:**

The ability to charge for some services is a key funding source to the Council. The proposed fees and charges within this report reflect the 2009/10 budget strategy, the 2009/10 base budget position and the 2009/10 savings proposals, and are necessary in order for the Council to set a robust 2009/10 budget.

Legal:

There are no legal implications regarding this report.

Risk Management:

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

Social Inclusion and Diversity:

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

Crime and Disorder:

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

Options Appraisal:

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

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Lee Russell		

1. Introduction and Background

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

- 1.3 The remaining traditional income services where the Council levy fees and charges are those of a discretionary nature. These cover a whole range of services such as Care services, Libraries, Licensing, Pest Control, Commercial Waste, Drainage, Markets, Leisure and Recreation facilities, Parking and the Registrar service. This report concerns itself with recommending the appropriate level of fees and charges for 2009/10 for these types of services.
- 1.4 In addition to those traditional income services, the Council also has the power under the Local Government Act 2003 to charge for other discretionary services that it may already provide or may wish to provide in the future.
- 1.5 There is no definitive list as to which discretionary services are covered by the powers provided in the Act although the Government have provided limited examples of what could be included such as maintenance of older/disabled peoples' gardens, arboricultural work in private gardens, operating consumer protection approved lists, pre-application planning and development advice, highway services to private industrial estates, home energy advice, home security services and use of excess capacity in local authority services.
- 1.6 To date, in keeping with most other local authorities, the Council has not taken any significant advantage of these new powers but will be reviewing their potential in due course.

2. Budget Strategy 2009/10.

- 2.1 The Council's budget strategy for 2009/10 assessed the implication of inflationary pressures on the Council's budget by having regard to a basket of inflation indices. As a result it recommended that the overall inflation uplift for 2009/10 for fees and charges should be at least 3% and this increase has been applied to all the 2009/10 income base budgets which were approved at the Executive meeting on the 20th January 2009. However, there is an acceptance that the application of the standard increase to all fees may not always be practical and in the interests of services. Therefore, when arriving at the proposed fees and charges for 2009/10, Corporate Directors needed to assess those services which warrant higher or lower increases whilst having regard to the achievement of the overall base budget.
- 2.2 The 3% increase was based upon the June 2008 Consumer Price Index (CPI) which is calculated by measuring the increasing costs of a sample of goods and services. The CPI excludes a number of mainly housing related costs e.g. council tax, mortgage Interest payments, house depreciation costs, building insurance etc. as these were not considered relevant to the operating costs of services, and therefore would not impact on the level of fees and charges required to be set.
- 2.3 In addition to the general 3% uplift of the fees and charges budgets as mentioned in paragraph 2.1, a number of the savings proposals for 2009/10 require further increases in fees and charges beyond the standard 3%. A full list of all these savings proposals are reported elsewhere on this agenda.

2.4 The recommended increases in fees and charges for 2009/10, which are detailed in section 4 of this report, therefore reflect the 2009/10 budget strategy, the 2009/10 base budget position and the 2009/10 savings proposals.

3. Charging Policy

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

3.2 The Charging policy has three fundamental principles:

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

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

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

4. Proposed Fees and Charges for 2009/10

4.1 Attached to this report at Appendix A are the proposed fees and charges for 2009/10 which will be effective from the 1st April 2009. This Appendix details the following information:

- Description of Service provided;
- Current 2008/09 Charge;
- Proposed 2009/10 Charge;
- Proposed Increase.

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

4.2.1 Adult & Community Services

The majority of fees within the department and its services have been increased in aggregate by 3%, in accordance with policy guidance. It should be noted that for rounding purposes, de-minimis levels, and market conditions it has sometimes been necessary to increase fees slightly above/below this level. Further explanations as necessary are provided below:

Adult Social Care

The vast majority of charges in the Adult Social Care area are means tested, so regardless of the level of charge, if a client is assessed as not having sufficient disposable income they will not pay at all (or will pay a lesser amount) towards their care.

Some charges contained within Appendix A reflect decisions made earlier in this agenda as part of the budget setting process such as increased income of £125K through additional fees and charges within Adult & Community Services.

Specifically Members agreed as part of the Council Tax process for 2009/10 to look at increasing the level of charge for Meals on Wheels from April 1st 2009, as there still exists a subsidy of around £1.50 per meal for this service. The proposed increase for Welfare Meals is included in this report and is recommending an increase from £3.10 per meal to £3.40 (30 pence) for clients. This increase will raise an additional £30k if approved and will still leave a subsidy on the 100,000 meals produced in the region of £1.20 per meal for 2009/10.

Members have also agreed to consider a modest increase in the hourly charge from £10.00 to £11.00 (10%) to those service users who are financially assessed to pay for the full cost of their home care by virtue of having personal savings in excess of £23,000. This is expected to only affect a relatively small number of service users (9%) but will raise additional income of approx £50k.

Included within Appendix A is confirmation of the councils Residential Care benchmark prices, which confirms the level at which the Council will normally pay for Residential and Nursing Care from independent providers. An increase of 1.75% is proposed. This increase is felt competitive within the current marketplace for Residential Care.

In accordance with current agreed policy there are some services the council currently does not charge for, including Passenger Transport, Adult Day Centre and Club services for LBBB residents and Mental Health Services.

Culture and Community Services

The Culture and Community Services within the department cover a wide range of services, ranging from Libraries and Museums, the Barking Learning Centre and Community Halls.

- Heritage (Museums etc)

Valence House Museum

The museum is closed to the Public until at least February/March 2010 as it undergoes major refurbishment and expansion. It is therefore proposed not to alter prices at this time and to review prices for 2010/11 upon re-opening of the Museum.

Eastbury House

An increase of broadly 3% overall is proposed for services at Eastbury, although some fees are proposed to rise by slightly more to cover areas where currently we are not recovering costs such as a proposed increase of 5-6% for school visits, where the current charge doesn't always meet the cost of educational facilitators brought in. It is not envisaged that these increases will affect demand or use.

We have also taken into account potential adverse demand for our services and frozen some prices (i.e. Adults admission rates to the House) on the rationale that increasing charges may put off some of our valued service users.

To counter some of the nil increases detailed above we have increased hire charges related to wedding and civil ceremonies by approximately 5% because this is very popular service and we do not believe that an increased cost would act as a deterrent since we are one of the few historic properties who offer such a venue in the area. Charges are benchmarked against similar National Trust houses and historic properties run by local authorities. We do understand our visitors and the current market and have not raised some charges, such as refreshments, since we do not wish to exclude some of our most loyal local visitors.

- Libraries

Overall increases in charges are in line with the recommended 3% inflation level. However, this level of increase is not possible for all charges due to the unique circumstances in Libraries. Some fees are proposed to rise by more than 3% to compensate for areas where we are not proposing to increase the fees. All the proposed increases are in line with neighbouring boroughs and continue to provide good value for money.

The notable increase in % terms is the 1p (from 16p to 17p per day) increase on adult fines per day on books and CDs which represents a 6% increase and affects a substantial number of users and brings in the most income for the service.

Another significant increase is on subscription charges which allow users to pay a set fee in advance for taking unlimited CD items for a set period. The increase is viable as users can get better value by choosing to borrow more CDs to make up for the rise in charges. As with the normal hire charge, a concession will mean that visually impaired library users will not pay the charge.

We are proposing not to increase charges for photocopying as it is not practical to increase charges and change the coin denominators that operate the machine. Comparatively people can make photocopies in nearby shops at a more reduced price.

We are also proposing not to increase charges for books on tape, DVD and music hire. The current market is deflating with users having the opportunity to download music and films. Long term music and films are not financially viable. We are exploring different methods of service delivery for DVDs and music.

We are also proposing a new charge for books on tape subscriptions similar to Audio Visual (AV) Subscription. This is to bring in new income and maximise greater use of books on tape.

- **Barking Learning Centre (BLC)**
The charges proposed have been drafted in light of comparable rates in the area and have been judged to be at levels that clients will bear without pricing the BLC out of the market. The increases are broadly within a 3% average increase.
- **Community Halls**
The charges proposed are substantively within the 3% guidance level except for some premium hour hire charges that are proposed to increase by modestly more (8%) to reflect costs.

4.2.2 Children's Services

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

It is proposed that the charges for Nurseries and Children's Centres increase to £185. The fee rates are linked to the family credit values for weekly childcare support which explains the above inflation increase.

4.2.3 Customer Services

Environmental and Enforcement Services

- **Environmental Management**
The fees for Environmental Management have been assessed in line with the requirements of the council's Charging Policy, and as a result all proposed fees are set on the basis that charges will recover the full cost of the service, including all overheads.
- **Waste Disposal**
There have been increases in Landfill Tax and charges from the East London Waste Authority (ELWA) to the council in order to sustain the new waste disposal infrastructure developments. The proposed increased charges reflect the increase in cost of disposal of waste.
- **Class 5, Class 7 and Motor Cycle MOT tests**
These tests are charged at a rate determined by the Ministry of Transport and are in line with charges made by local garages.
- **Licensing**
Some of the charges levied for licences are set by central government and outside the control of the council. Fees are set in accordance with the Gambling Act 2005. Where a maximum charge has already been set no increases have been levied. Those services that have charges set below the government guideline have incurred a 3% increase in line with the inflation policy.

There are also a wide range of licences with discretionary fee structures. The proposed increases reflect the administrative burden placed by the licensing structure on the council and includes the costs of compliance inspection.

- **Pest Control**
The proposed increased charges reflect both the current market conditions and make an allowance for increases in the cost of specialist materials.
- **Graffiti Removal**
There are several levels of charges depending on the circumstances of the removal and whether the recipient of the service has signed up to the Graffiti Charter.

Careline Service

The Careline alarm service is currently being reviewed as the council undertakes discussions with Redbridge regarding delivering the service in partnership. The new partnership service will operate upon a different cost model which is currently being determined. Therefore, it was felt that it would be inappropriate to raise costs only to amend them again once the costs of the new partnership have been confirmed.

Registrars

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

Following a benchmarking exercise the proposed fees and charges are designed to bring the level of fees up to the average level of charge imposed by other authorities. In addition, there are some new fees proposed for 2009/10 which represent services for which we have received previous enquiries from customers and for which charges already exist in other authorities.

It is proposed that a slight increase is made to the charge for the Nationality Checking Service (NCS) to bring the Registrars service in line with the fees being charged by other authorities. The flat rate charge of £40 per document is proposed to take into account the additional time and administration it takes to offer this service.

The charges for marriages/civil partnerships and non statutory ceremonies (renewals of vows and baby naming) that take place on Saturday after 1.45pm and on Sundays/Bank Holidays are proposed to increase by an average of 11% to bring them into line with other authorities, This is a higher cost service as it is generally accepted that these times fall outside the normal core hours when this service is expected to be offered and as such a premium will be levied to cover staff and administration costs.

The proposed new charges to be introduced in 2009-10 include

- Web Casting for Civil Marriages
- Non-Statutory services commemorative certificate
- Citizenship framed certificate
- Marriage rehearsals
- Birth/death/marriage general searches (historical search by public in indexes)
- Registrar attendance at place of worship

Cemeteries

The proposed fees and charges are intended to maintain fee levels at the average level charge imposed by other providers.

4.2.4 Regeneration

Off Street Parking

For Barking Town Centre, the shortest stay increases by 10p (11%) and the 'up to 4 hr' stay increases by £1.10 (38%) in order to reduce the anomaly between the short stay and long stay periods. The 'up to 6 hr' charge increases by 50p (8%). Overall these charges still compare favourably with parking within Vicarage Fields.

For the Heathway (The Mall), a new short stay charge of 'up to 1 hr' is introduced at 50p, two charges stay the same, whilst the 'up to 6 hrs' and 'over 6 hours' increase by 50p each (20% & 14% respectively), in order to reflect those using the car park for commuter parking.

Barking Market

Due to the very large disruption that will follow the arrival of the East London Transit Scheme the Council will be in the business of retaining traders and attracting new ones in what is now certain to be a very difficult trading environment next year. It is our view that an increase would be entirely counter productive. We are also taking account of the competitive position. We have imposed above inflation increases over the last three years - 5% for 2008-9. Comparison with other East London markets shows Barking market charges to be at the top end of the scale.

Events

In general charges have been increased by inflation. Experience last year of the staff time needed to manage major events has led to a review of these charges and an increase above inflation to improve cost recovery.

Dagenham Town Show - Car Park Fees

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

Leisure Activities

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

To try and encourage more children to become more active more often, some junior activity prices have not been increased.

Parks Sports

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

The current charges for 'Pitch and Putt' have been increased by inflation and need confirmation from the contractor.

Barking Park- Cricket Net Charges

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

Land Charges

New legislation obliges all local authorities to set the level of fees for which they have authority to charge, on a cost recovery basis and to enact the regulations within seven days of being passed into law. The market for searches has declined with the reduction in the housing market and in addition there has been a change in the pattern of activity from full searches towards personal searches, As a result of analysis of both the changing volumes of activity and staff time spent on the different activities the rates for the different fees have been amended with some increasing above inflation and a number being reduced.

Right to Buy

- Notices of assignment, mortgage, sub-let and postponements
Local authorities should recover the costs of providing the service. Having reviewed the work involved, the charges being made by neighbouring authorities (we were already charging more than other authorities) and beginning to receive challenges from external solicitors about the level of these fees the charges have been not been increased.

- Deeds of Covenant/Rectification/Variation/Enforcement, Licences, Licences for Garden Land, Sale of Garden Land and Duplicate DS1/Replacement form 53

The work involved in the provision of this service has been reviewed. It is considered that the amount of work involved justifies the proposed increase in fee. This view is supported by a review of the fee charged by neighbouring authorities for the same work.

- Other Right To Buy Charges

Fees have not been increased for 3 years and it is considered that it is now appropriate to increase the fees.

5. Consultees

5.1 The members and officers consulted on this report are:

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

Background Papers Used in the Preparation of the Report:

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

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FEEES AND CHARGES 2009/10

APPENDIX A

* Not Vatable
 ** includes VAT
 *** excludes VAT

	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
Adults & Community Services							
Adult Care, Residential And Day Care Services							
1	Home Care Services - Up to 2 hours per week of service	18.00		18.50		0.50	2.78%
2	Home Care Services - Between 2 and 10 hours of service per week	20.50		21.25		0.75	3.66%
3	Home Care Services - Over 10 hours of service per week	23.00		23.75		0.75	3.26%
4	Home Care Services - Full cost payers (ie , clients with in excess of £22,000 savings) - Charge per hour	10.00		11.00		1.00	10.00%
5	Residential -Elderly Residential Homes (Charge to Other Local Authorities and full cost payers) per week	570.00		590.00		20.00	3.51%
6	Residential -Respite Rate per week	69.55		73.35		3.80	5.46%
7	Residential -Learning Disability Residential Home (Charge to Other Local Authorities & full cost payers) per week	815.00		840.00		25.00	3.07%
8	Day Centres -Mental Health Day Centre (Charge to Other Local Authorities) Per Day	33.00		34.00		1.00	3.03%
9	Day Centres - Learning Disability Day Centres (Charge to Other Local Authorities) Per Day	57.50		59.25		1.75	3.04%
10	Day centres - Heathlands Day Centres (Charge to Other Local Authorities) * Up to 3 sessions Per Day	135.60		139.70		4.10	3.02%
11	Supporting People -Housing related Support Schemes for Vulnerable People - (Minimal number)	£2 to £48		£2 to £48		0.00	0.00%
12	Meals on Wheels - Welfare Meal Charge (Current meal cost = £4.30 to Council)	3.10		3.40		0.30	9.68%
13	Residential - Externally purchased (Benchmark price i.e. maximum normally payable)	450.00		458.00		8.00	1.78%
14	Nursing Care - Externally purchased (Benchmark price i.e. maximum normally payable)	570.00		580.00		10.00	1.75%
Heritage Services - Eastbury Manor House							
15	Eastbury Manor House - Commercial - Standard Room hire	17.40		18.00		0.60	3.45%
16	Eastbury Manor House - Commercial - Hire of long gallery	34.80		36.00		1.20	3.45%
17	Eastbury Manor House - Commercial - Hire of whole house	52.20		54.00		1.80	3.45%
18	Eastbury Manor House - Commercial - Hire of equipment	10.85		11.20		0.35	3.23%
19	Eastbury Manor House - Commercial - Hire of PowerPoint	16.35		16.80		0.45	2.75%
20	Eastbury Manor House - Commercial - Catering tea/coffee	0.80		0.80		0.00	0.00%
21	Eastbury Manor House - Commercial - Catering tea/coffee/biscuits	1.10		1.10		0.00	0.00%
22	Eastbury Manor House - Commercial - Catering menu A	4.80		5.00		0.20	4.17%
23	Eastbury Manor House - Commercial - Catering menu B	6.70		6.90		0.20	2.99%
24	Eastbury Manor House - Commercial - Catering menu C,D,E	7.70		7.90		0.20	2.60%
25	Eastbury Manor House - Commercial - Catering menu F	13.30		13.70		0.40	3.01%
26	Eastbury Manor House - Non Commercial - Room hire	13.05		13.50		0.45	3.45%
27	Eastbury Manor House - Education LBBB school hire up to 35 children	170.00		180.00		10.00	5.88%
28	Eastbury Manor House - Education LBBB school hire up to 75 children	225.00		240.00		15.00	6.67%
29	Eastbury Manor House - Education Non LBBB school hire up to 35 children	225.00		240.00		15.00	6.67%
30	Eastbury Manor House - Education Non LBBB school hire up to 75 children	280.00		300.00		20.00	7.14%
31	Eastbury Manor House - Civil marriage and partnership ceremony Fridays	170.00		180.00		10.00	5.88%
32	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays Oct- April	200.00		210.00		10.00	5.00%
33	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays May- Sept	250.00		265.00		15.00	6.00%
34	Eastbury Manor House - Civil marriage and partnership ceremony Fridays with drinks reception	340.00		360.00		20.00	5.88%

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35	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays Oct- with drinks reception	400.00		420.00		20.00	5.00%
36	Eastbury Manor House - Civil marriage and partnership ceremony Saturdays May- Sept with drinks reception	450.00		475.00		25.00	5.56%
37	Eastbury Manor House - Admission charges Adult - Saturday	2.50		2.50		0.00	0.00%
38	Eastbury Manor House - Admission charges Adult - Monday/Tuesday	1.25		1.25		0.00	0.00%
39	Eastbury Manor House - Admission charges concessions	1.25		1.25		0.00	0.00%
40	Eastbury Manor House - Admission charges Child aged 5-15	0.65		0.65		0.00	0.00%
41	Eastbury Manor House - Admission charges family (2 adults with up to 3 children)	5.00		5.00		0.00	0.00%
42	Eastbury Manor House - Admission charges special events - minimum	3.00		3.25		0.25	8.33%
43	Eastbury Manor House - Admission charges special events - maximum	15.00		20.00		5.00	33.33%
	Heritage Services - Valence House- 08/09 prices fixed as closed to public until February 2010						
44	Valence House - Commercial - Activities room hire	16.75		16.75		0.00	0.00%
45	Valence House - Commercial - River room hire	16.75		16.75		0.00	0.00%
46	Valence House - Commercial - Industry room hire	16.75		16.75		0.00	0.00%
47	Valence House - Commercial - Equipment hire	14.20		14.20		0.00	0.00%
48	Valence House - Commercial - Catering tea/coffee/bottled water	1.00		1.00		0.00	0.00%
49	Valence House - Commercial - Catering plate of biscuits	1.55		1.55		0.00	0.00%
50	Valence House - Education LBBB School hire half day with facilitators up to 35 children	80.00		80.00		0.00	0.00%
51	Valence House - Education LBBB School hire half day with facilitators up to 70 children	105.00		105.00		0.00	0.00%
52	Valence House - Education LBBB School hire full day with facilitators	210.00		210.00		0.00	0.00%
53	Valence House - Education Non LBBB School hire half day with facilitators up to 35 children	128.00		128.00		0.00	0.00%
54	Valence House - Education Non LBBB School hire half day with facilitators up to 70 children	153.75		153.75		0.00	0.00%
55	Valence House - Education Non LBBB School hire full day with facilitators	265.00		265.00		0.00	0.00%
56	Valence House - Education Heritage Officer session /talk	27.00		27.00		0.00	0.00%
57	Valence House - Education loan box per week	10.50		10.50		0.00	0.00%
58	Valence House - Workshops Children's half -day	2.50		2.50		0.00	0.00%
59	Valence House - Workshops Adults full -day	5.00		5.00		0.00	0.00%
60	Valence House - Workshops Talks	2.50		2.50		0.00	0.00%
61	Valence House Reprographics - A4 b/w	4.29		4.29		0.00	0.00%
62	Valence House Reprographics - A3 b/w	11.90		11.90		0.00	0.00%
63	Valence House Reprographics - A4 colour	9.25		9.25		0.00	0.00%
64	Valence House Reprographics - A3 colour	21.00		21.00		0.00	0.00%
65	Valence House Reprographics- Digital scan for e-mail	3.70		3.70		0.00	0.00%
66	Valence House Reprographics- Cutting to CD	1.50		1.50		0.00	0.00%
67	Valence House Reprographics- Recorded post and packing	2.00		2.00		0.00	0.00%
68	Valence House Reprographics - Photocopies A4	0.09		0.09		0.00	0.00%
69	Valence House Reprographics - Photocopies A3	0.20		0.20		0.00	0.00%
70	Valence House Reprographics - Microfilm printout A4	0.35		0.35		0.00	0.00%

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71	Valence House Reprographics - Minimum cost for non-visitor	1.50		1.50		0.00	0.00%
72	Valence House Reproduction fees for publications- books/ periodicals one country one language b/w	50.00		50.00		0.00	0.00%
73	Valence House Reproduction fees for publications- books/ periodicals one country one language in colour	75.00		75.00		0.00	0.00%
74	Valence House Reproduction fees for publications- books/ periodicals world one language b/w	80.00		80.00		0.00	0.00%
75	Valence House Reproduction fees for publications- books/ periodicals world one language in colour	95.00		95.00		0.00	0.00%
76	Valence House Reproduction fees for publications- books/ periodicals world multi language b/w	100.00		100.00		0.00	0.00%
77	Valence House Reproduction fees for publications- books/ periodicals world multi language in colour	120.00		120.00		0.00	0.00%
78	Valence House Reproduction fees for publications- book jackets, CD video cases one country one language b/w	85.00		85.00		0.00	0.00%
79	Valence House Reproduction fees for publications- book jackets, CD video cases world one language b/w	120.00		120.00		0.00	0.00%
80	Valence House Reproduction fees for publications- book jackets, CD video cases world multi language colour	150.00		150.00		0.00	0.00%
81	Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission one country	75.00		75.00		0.00	0.00%
82	Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission one country with one repeat	105.00		105.00		0.00	0.00%
83	Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission world	100.00		100.00		0.00	0.00%
84	Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, one transmission world with one repeat	140.00		140.00		0.00	0.00%
85	Valence House Reproduction fees for stills for TV/films and exhibitions - One programme, 5 year unlimited licence	300.00		300.00		0.00	0.00%
86	Valence House Reproduction fees for stills for TV/films and exhibitions - Postcards, greeting cards, posters and other advertising material	150.00		150.00		0.00	0.00%
87	Valence House Reproduction fees for stills for TV/films and exhibitions - CD rooms, Photo CD and commercial web pages	75.00		75.00		0.00	0.00%
88	Valence House Reproduction fees for stills for TV/films and exhibitions - Personal web pages	35.00		35.00		0.00	0.00%
Library Service							
89	Libraries - Adult Fines per day	0.16		0.17		0.01	6.25%
90	Libraries - Maximum fine per item	5.50		6.00		0.50	9.09%
91	Libraries- Hire of video/DVD children's/NF- per week	1.00		1.00		0.00	0.00%
92	Libraries- Hire of video/DVD adults- per week	2.00		2.00		0.00	0.00%
93	Libraries- Hire of video/DVD fines per day	0.55		0.60		0.05	9.09%
94	Libraries - Language courses - 3 weeks	1.00		1.10		0.10	10.00%
95	Libraries - Language courses - fines per day	0.16		0.17		0.01	6.25%
96	Libraries - Hire of CD singles	1.00		1.00		0.00	0.00%
97	Libraries - Hire of CD box sets	1.50		1.50		0.00	0.00%
98	Libraries - Hire of CD fines per day	0.16		0.17		0.01	6.25%
99	Libraries - AV annual subscription	30.00		32.00		2.00	6.67%
100	Libraries - AV 6 month subscription	15.00		17.00		2.00	13.33%
101	Libraries - AV 3 month subscription	10.00		12.00		2.00	20.00%
102	Libraries - Reservations-non stock items	1.20		1.25		0.05	4.17%
103	Libraries - Photocopying A4	0.10		0.10		0.00	0.00%
104	Libraries - Photocopying A3	0.20		0.20		0.00	0.00%
105	Libraries- Managed room hire per hour- minimum charge	4.80		5.00		0.20	4.17%
106	Libraries- Managed room hire per hour- maximum charge	21.50		22.50		1.00	4.65%

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£		£		£	%
107	Libraries- Annual subscription, books on tape	*	-	32.00	n/a	n/a	n/a
108	Libraries- 6 month subscription, books on tape	*	-	17.00	n/a	n/a	n/a
109	Libraries- 3 month subscription, books on tape	*	-	12.00	n/a	n/a	n/a
110	Libraries- Hire of books on tape/CD's/Box sets*	*	1.00	1.00	0.00	0.00	0.00%
111	Libraries- Hire of books on tape fines per day	*	0.16	0.17	0.01	0.01	6.25%
	*concessions FREE for disabled people and visually impaired users						
	Barking Learning Centre						
112	Small meeting room (2-15 people)- hourly hire rate- Council/ public/ voluntary and community sector	*	25.00	26.00	1.00	4.00%	4.00%
113	Small meeting room (2-15 people)- hourly hire rate- Commercial	***	50.00	52.00	2.00	4.00%	4.00%
114	Large meeting room (16-28 people)- hourly hire rate- Council/ public/ voluntary and community sector	*	35.00	36.00	1.00	2.86%	2.86%
115	Large meeting room (16-28 people)- hourly hire rate- Commercial	***	70.00	72.00	2.00	2.86%	2.86%
116	Conference centre (28-120 people)-hourly hire rate- Council/ public/ voluntary and community sector	*	45.00	46.00	1.00	2.22%	2.22%
117	Conference centre (28-120 people)-hourly hire rate- Commercial	***	90.00	92.00	2.00	2.22%	2.22%
118	Small meeting room projector per day- Council/ public/ voluntary and community sector	*	15.00	15.50	0.50	3.33%	3.33%
119	Small meeting room projector per day- Commercial	***	30.00	31.00	1.00	3.33%	3.33%
120	Small meeting room PC/laptop per day- Council/ public/ voluntary and community sector	*	20.00	21.00	1.00	5.00%	5.00%
121	Small meeting room PC/laptop per day- Commercial	***	40.00	42.00	2.00	5.00%	5.00%
122	Use of china/ glass for refreshments per person per session- Council/ public/ voluntary and community sector	*	1.00	1.00	0.00	0.00%	0.00%
	Community Halls						
123	Category A Hall - Saturday Let - First four hours	*	205.00	211.00	6.00	2.93%	2.93%
124	Category A Hall - Saturday Let - Each additional hour	*	41.00	42.20	1.20	2.93%	2.93%
125	Category A Hall - Saturday Let - Premium charge 2300hrs to midnight	*	58.50	63.30	4.80	8.21%	8.21%
126	Category A Hall - Sunday Let - First four hours	*	260.00	267.50	7.50	2.88%	2.88%
127	Category A Hall - Sunday Let - Each additional hour	*	52.00	53.50	1.50	2.88%	2.88%
128	Category B Hall - First four hours	*	152.00	156.50	4.50	2.96%	2.96%
129	Category B Hall - Each additional hour	*	30.50	31.30	0.80	2.62%	2.62%
130	Category B Hall - Premium charge 2300hrs to midnight	*	43.50	46.95	3.45	7.93%	7.93%
	Children's Services						
	Childcare Services						
131	Early Years -Day Nurseries and Children's Centres	*	175.00	185.00	10.00	5.71%	5.71%
	CUSTOMER SERVICES						
	Environmental Services						
132	Trade Refuse Collection - Refuse Sacks	***	3.22	3.54	0.32	9.94%	9.94%
133	Trade Refuse Collection - Euro or Paladin Bin Per Collection	***	16.09	17.79	1.70	10.57%	10.57%

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
134	Trade Refuse Collection - Euro or Paladin Bin Per Collection where there are more than six units on site	11.32	***	12.45	1.13	1.13	9.98%
135	Trade Refuse Collection - Euro or Paladin Bin Annual rental	87.24	***	95.96	8.72	8.72	10.00%
136	9 Cubic yard Demountable container - Charge per Collection	153.46	***	168.81	15.35	15.35	10.00%
137	9 Cubic yard Demountable container - Annual rental	531.91	***	585.10	53.19	53.19	10.00%
138	Clinical Waste Collections - Annual charge for weekly collections	292.09	***	321.30	29.21	29.21	10.00%
139	Clinical Waste Collections - Charge per sack	5.84	***	6.42	0.58	0.58	9.93%
140	Clinical Waste Collections - box	5.84	***	6.42	0.58	0.58	9.93%
141	Miscellaneous Services - Cesspool Emptying	156.56	***	172.22	15.66	15.66	10.00%
142	Miscellaneous Services - Motor cycle MOT	25.62	**	30.31	4.69	4.69	18.31%
143	Miscellaneous Services - Motor Cycle with sidecar MOT	33.83	**	38.68	4.85	4.85	14.34%
144	Miscellaneous Services - Class IV MOT Test	45.00	**	56.20	11.20	11.20	24.89%
145	Miscellaneous Services - Class V MOT Test (13 to 16 seats)	49.20	**	61.00	11.80	11.80	23.98%
146	Miscellaneous Services - Class V MOT Test (Over 16 seats)	69.74	**	82.71	12.97	12.97	18.60%
147	Miscellaneous services - Class VII MOT Test	48.40	**	60.05	11.65	11.65	24.07%
148							
149	Licences						
149	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity up to 150	209.00	*	215.00	6.00	6.00	2.87%
149	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 151-300	363.00	*	374.00	11.00	11.00	3.03%
150	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 301-600	671.00	*	691.00	20.00	20.00	2.98%
151	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 601-1,000	1,221.00	*	1,258.00	37.00	37.00	3.03%
152	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 1,001-2,500	2,321.00	*	2,391.00	70.00	70.00	3.02%
153	Licences - Authorisations for Hypnotism under section 2 of The Hypnotism Act- Premises capacity 2,501-4000	3,685.00	*	3,796.00	111.00	111.00	3.01%
154	Licences - Special treatment premises- health and safety at work (a1) Issue	330.00	*	340.00	10.00	10.00	3.03%
155	Licences - Special treatment premises- health and safety at work (b1) Renewal	330.00	*	340.00	10.00	10.00	3.03%
156	Licences - Special treatment premises- health and safety at work (c1) Variation	330.00	*	340.00	10.00	10.00	3.03%
157	Licences - Special treatment premises- health and safety at work (d1) Transfer	330.00	*	340.00	10.00	10.00	3.03%
158	Licences - Animals (a) Dog Breeders	176.00	*	181.00	5.00	5.00	2.84%
159	Licences - Animals (b) Riding Establishments	473.00	*	487.00	14.00	14.00	2.96%
160	Licences - Animals (c) Animal Boarding	330.00	*	340.00	10.00	10.00	3.03%
161	Licences - Animals (d) Pet Shops	264.00	*	272.00	8.00	8.00	3.03%
162	Licences - Animals (e) Dangerous Wild Animals	330.00	*	340.00	10.00	10.00	3.03%
163	Licences - Sex shop Licence	19,500.00	*	20,085.00	585.00	585.00	3.00%
164	Licences - Safety at sports ground Act- fees charged on officer time spent processing application	150.00	*	155.00	5.00	5.00	3.33%
165	Licences - Poisons Act -entry	99.00	*	102.00	3.00	3.00	3.03%
166	Licences - Poisons Act -Retention or alteration	55.00	*	57.00	2.00	2.00	3.64%
167	Licences - Auction Rooms Registration	429.00	*	442.00	13.00	13.00	3.03%
168	Licences - Occasional Sales- up to 50 stalls/vehicles/pitches	88.00	*	91.00	3.00	3.00	3.41%
169	Licences - Occasional Sales- 51-150 stalls/vehicles/pitches	143.00	*	147.00	4.00	4.00	2.80%

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
170	Licences - Occasional Sales- over 150 stalls/vehicles/pitches	242.00		249.00		7.00	2.89%
171	Licences - Motor Salvage Operators	150.00		155.00		5.00	3.33%
172	Licences - Motor Salvage Operators certified copy of single register entry	33.00		34.00		1.00	3.03%
173	Licences - Game Dealers	33.00		34.00		1.00	3.03%
174	Other income - Pollution - Seizure of Equipment by Noise Patrol -Fee for reclamation of property (NON-BUSINESS)	176.00		181.00		5.00	2.84%
175	Trespassing Animals - Reclamation of Animal (NON- BUSINESS)	66.00		68.00		2.00	3.03%
176	Trespassing Animals - Kennelling Fees (NON-BUSINESS)	22.00		23.00		1.00	4.55%
177	Micro chip implants - Implant and registration with national pet register per animal (VATABLE)	44.00		45.00		1.00	2.27%
	New Regional Casino premises licence						
178	Application for a provisional statement	15,000.00		15,000.00		0.00	0.00%
179	Application for a new premises licence	15,000.00		15,000.00		0.00	0.00%
180	Application to vary a new premises licence	7,500.00		7,500.00		0.00	0.00%
181	Application to transfer a premises licence	6,500.00		6,500.00		0.00	0.00%
182	Application for a new premises licence with Provisional Statement	8,000.00		8,000.00		0.00	0.00%
183	Annual fee	15,000.00		15,000.00		0.00	0.00%
184	Reinstatement of a licence	6,500.00		6,500.00		0.00	0.00%
185	Copy of licence	15.00		15.00		0.00	0.00%
186	Notification of change of details	35.00		35.00		0.00	0.00%
	New Large Casino premises licence						
187	Application for a provisional statement	10,000.00		10,000.00		0.00	0.00%
188	Application for a new premises licence	10,000.00		10,000.00		0.00	0.00%
189	Application to vary a new premises licence	5,000.00		5,000.00		0.00	0.00%
190	Application to transfer a premises licence	2,150.00		2,150.00		0.00	0.00%
191	Application for a new premises licence with Provisional Statement	5,000.00		5,000.00		0.00	0.00%
192	Annual fee	10,000.00		10,000.00		0.00	0.00%
193	Reinstatement of a licence	2,150.00		2,150.00		0.00	0.00%
194	Copy of licence	15.00		15.00		0.00	0.00%
195	Notification of change of details	35.00		35.00		0.00	0.00%
	New Small Casino premises licence						
196	Application for a provisional statement	8,000.00		8,000.00		0.00	0.00%
197	Application for a new premises licence	8,000.00		8,000.00		0.00	0.00%
198	Application to vary a new premises licence	4,000.00		4,000.00		0.00	0.00%
199	Application to transfer a premises licence	1,800.00		1,800.00		0.00	0.00%
200	Application for a new premises licence with Provisional Statement	3,000.00		3,000.00		0.00	0.00%
201	Annual fee	5,000.00		5,000.00		0.00	0.00%
202	Reinstatement of a licence	1,800.00		1,800.00		0.00	0.00%
203	Copy of licence	15.00		15.00		0.00	0.00%
204	Notification of change of details	35.00		35.00		0.00	0.00%

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
	Converted Casino premises licence						
205	Fast track conversion application	280.00		280.00		0.00	0.00%
206	Non -Fast track conversion application	2,000.00		2,000.00		0.00	0.00%
207	Application to vary a new premises licence	2,000.00		2,000.00		0.00	0.00%
208	Application to transfer a premises licence	1,350.00		1,350.00		0.00	0.00%
209	Annual fee	3,000.00		3,000.00		0.00	0.00%
210	Reinstatement of a licence	1,500.00		1,500.00		0.00	0.00%
211	Copy of licence	15.00		15.00		0.00	0.00%
212	Notification of change of details	35.00		35.00		0.00	0.00%
	Bingo premises licence						
213	Fast track conversion application	280.00		280.00		0.00	0.00%
214	Non -Fast track conversion application	1,250.00		1,250.00		0.00	0.00%
215	Application for a provisional statement	3,000.00		3,090.00		90.00	3.00%
216	Application for a new premises licence	3,000.00		3,090.00		90.00	3.00%
217	Application to vary a new premises licence	1,600.00		1,648.00		48.00	3.00%
218	Application to transfer a premises licence	1,080.00		1,112.00		32.00	2.96%
219	Application for a new premises licence with Provisional Statement	1,080.00		1,112.00		32.00	2.96%
220	Annual fee	900.00		927.00		27.00	3.00%
221	Reinstatement of a licence	1,080.00		1,112.00		32.00	2.96%
222	Copy of licence	15.00		15.00		0.00	0.00%
223	Notification of change of details	35.00		35.00		0.00	0.00%
	Bingo premises (other) licence						
224	Fast track conversion application	280.00		280.00		0.00	0.00%
225	Non -Fast track conversion application	1,350.00		1,350.00		0.00	0.00%
226	Application for a provisional statement	2,700.00		2,781.00		81.00	3.00%
227	Application for a new premises licence	2,700.00		2,781.00		81.00	3.00%
228	Application to vary a new premises licence	1,350.00		1,391.00		41.00	3.04%
229	Application to transfer a premises licence	1,080.00		1,112.00		32.00	2.96%
230	Application for a new premises licence with Provisional Statement	1,080.00		1,112.00		32.00	2.96%
231	Annual fee	550.00		567.00		17.00	3.09%
232	Reinstatement of a licence	1,080.00		1,112.00		32.00	2.96%
233	Copy of licence	15.00		15.00		0.00	0.00%
234	Notification of change of details	35.00		35.00		0.00	0.00%
	Betting premises (track) licence						
235	Fast track conversion application	280.00		280.00		0.00	0.00%
236	Non -Fast track conversion application	1,250.00		1,250.00		0.00	0.00%
237	Application for a provisional statement	2,500.00		2,500.00		0.00	0.00%
238	Application for a new premises licence	2,500.00		2,500.00		0.00	0.00%

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
239	Application to vary a new premises licence	1,250.00		1,250.00		0.00	0.00%
240	Application to transfer a premises licence	950.00		950.00		0.00	0.00%
241	Application for a new premises licence with Provisional Statement	950.00		950.00		0.00	0.00%
242	Annual fee	1,000.00		1,000.00		0.00	0.00%
243	Reinstatement of a licence	950.00		950.00		0.00	0.00%
244	Copy of licence	15.00		15.00		0.00	0.00%
245	Notification of change of details	35.00		35.00		0.00	0.00%
	Adult Gaming Centre premises licence						
246	Fast track conversion application	280.00		280.00		0.00	0.00%
247	Non -Fast track conversion application	950.00		950.00		0.00	0.00%
248	Application for a provisional statement	1,800.00		1,854.00		54.00	3.00%
249	Application for a new premises licence	1,800.00		1,854.00		54.00	3.00%
250	Application to vary a new premises licence	900.00		927.00		27.00	3.00%
251	Application to transfer a premises licence	900.00		927.00		27.00	3.00%
252	Application for a new premises licence with Provisional Statement	1,080.00		1,112.00		32.00	2.96%
253	Annual fee	900.00		927.00		27.00	3.00%
254	Reinstatement of a licence	1,080.00		1,112.00		32.00	2.96%
255	Copy of licence	15.00		15.00		0.00	0.00%
256	Notification of change of details	35.00		35.00		0.00	0.00%
	Family entertainment centre premises licence						
257	Fast track conversion application	280.00		280.00		0.00	0.00%
258	Non -Fast track conversion application	950.00		950.00		0.00	0.00%
259	Application for a provisional statement	1,800.00		1,854.00		54.00	3.00%
260	Application for a new premises licence	1,800.00		1,854.00		54.00	3.00%
261	Application to vary a new premises licence	900.00		927.00		27.00	3.00%
262	Application to transfer a premises licence	900.00		927.00		27.00	3.00%
263	Application for a new premises licence with Provisional Statement	875.00		901.00		26.00	2.97%
264	Annual fee	680.00		700.00		20.00	2.94%
265	Reinstatement of a licence	875.00		901.00		26.00	2.97%
266	Copy of licence	15.00		15.00		0.00	0.00%
267	Notification of change of details	35.00		35.00		0.00	0.00%
	Graffiti & Deep Cleaning						
268	Graffiti & Deep Cleaning - First removal of graffiti - In Default (per sqm)	30.00		31.34		1.34	4.47%
269	Graffiti & Deep Cleaning - Subsequent removal of graffiti - In Default (per sqm)	30.00		31.34		1.34	4.47%
270	Graffiti & Deep Cleaning - First removal of graffiti - Subsidies (per sqm)	15.00		15.45		0.45	2.97%
271	Graffiti & Deep Cleaning - Subsequent removal of graffiti - Subsidies (per sqm)	15.00		15.45		0.45	2.97%
272	Graffiti & Deep Cleaning - First removal of graffiti - Parks (per sqm)	5.00		5.15		0.15	2.91%

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273	Graffiti & Deep Cleaning - Subsequent removal of graffiti - Parks (per sqm)	5.00	5.00	5.15	0.15	0.15	2.91%
274	Graffiti & Deep Cleaning - Anti-Graffiti Coating - Parks (per sqm)	5.00	5.00	5.15	0.15	0.15	2.91%
275	Graffiti & Deep Cleaning - First removal of graffiti is free when signed up to the Charter	-	-	-	0.00	0.00	0.00%
276	Graffiti & Deep Cleaning - Subsequent removal of graffiti - With Charter (per sqm)	10.00	10.00	10.30	0.30	0.30	3.00%
277	Graffiti & Deep Cleaning - Graffiti removal kit - With Charter	10.00	10.00	10.30	0.30	0.30	3.00%
278	Graffiti & Deep Cleaning - Graffiti removal kit refill - With Charter	5.00	5.00	5.15	0.15	0.15	3.00%
279	Graffiti & Deep Cleaning - Anti-Graffiti Coating - With Charter (per sqm)	5.00	5.00	5.15	0.15	0.15	3.00%
280	Graffiti & Deep Cleaning - First removal of graffiti - Without Charter (per sqm)	15.00	15.00	15.45	0.45	0.45	3.00%
281	Graffiti & Deep Cleaning - Subsequent removal of graffiti - Without Charter (per sqm)	15.00	15.00	15.45	0.45	0.45	3.00%
282	Graffiti & Deep Cleaning - Graffiti removal kit - Without Charter	15.00	15.00	15.45	0.45	0.45	3.00%
283	Graffiti & Deep Cleaning - Graffiti removal kit refill - Without Charter	8.00	8.00	8.24	0.24	0.24	3.00%
284	Graffiti & Deep Cleaning - Anti-Graffiti Coating - Without Charter (per sqm)	10.00	10.00	10.30	0.30	0.30	3.00%
	Pest Control						
285	Pest Control - Council Tenants Low risk insects	96.80	**	100.00	3.20	3.20	3.31%
286	Pest Control - Council Tenants Squirrels per trap per week	124.30	**	128.00	3.70	3.70	2.98%
287	Pest Control - Council Tenants Pigeons per hour or part plus materials	69.30	**	72.00	2.70	2.70	3.90%
288	Pest Control - Owner occupiers mice	69.30	**	72.00	2.70	2.70	3.90%
289	Pest Control - Owner occupiers wasps	69.30	**	72.00	2.70	2.70	3.90%
290	Pest Control - Owner occupiers fleas	89.10	**	93.00	3.90	3.90	4.38%
291	Pest Control - Owner occupiers rats free in 2006/07	34.10	**	35.00	0.90	0.90	2.64%
292	Pest Control - Owner occupiers bedbugs	89.10	**	93.00	3.90	3.90	4.38%
293	Pest Control - Owner occupiers cockroaches	96.80	**	100.00	3.20	3.20	3.31%
294	Pest Control - Owner occupiers pharaoh ants	96.80	**	100.00	3.20	3.20	3.31%
295	Pest Control - Owner occupiers low risk insects	96.80	**	100.00	3.20	3.20	3.31%
296	Pest Control - Owner occupiers squirrels per trap per week	124.30	**	128.00	3.70	3.70	2.98%
297	Pest Control - Owner occupiers pigeons per hour or part hour plus materials	69.30	**	72.00	2.70	2.70	3.90%
298	Pest Control - Owner occupiers on benefits mice	41.80	**	43.00	1.20	1.20	2.87%
299	Pest Control - Owner occupiers on benefit wasps	41.80	**	43.00	1.20	1.20	2.87%
300	Pest Control - Owner occupiers on benefit fleas	55.00	**	57.00	2.00	2.00	3.64%
301	Pest Control - Owner occupiers on benefits rats free in 2006/07	20.90	**	22.00	1.10	1.10	5.26%
302	Pest Control - Owner occupiers on benefits bedbugs	55.00	**	57.00	2.00	2.00	3.64%
303	Pest Control - Owner occupiers on benefits cockroaches	55.00	**	57.00	2.00	2.00	3.64%
304	Pest Control - Owner occupiers on benefits pharaoh ants	61.60	**	64.00	2.40	2.40	3.90%
305	Pest Control - Owner occupiers on benefits low risk insects flies ants etc	55.00	**	57.00	2.00	2.00	3.64%
306	Pest Control - Owner occupiers on benefits squirrels per trap per week	75.90	**	79.00	3.10	3.10	4.08%
307	Pest Control - Owner occupiers on benefits pigeons per hour or part plus materials	41.80	**	43.00	1.20	1.20	2.87%
308	Pest Control - Commercial including LBBD and private landlords mice	103.40	**	107.00	3.60	3.60	3.48%

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
309	Pest Control - Commercial including LBBD and private landlords wasps	103.40		107.00		3.60	3.48%
310	Pest Control - Commercial including LBBD and private landlords fleas	134.20		139.00		4.80	3.58%
311	Pest Control - Commercial including LBBD and private landlords rats	103.40		107.00		3.60	3.48%
312	Pest Control - Commercial including LBBD and private landlords bedbugs	134.20		139.00		4.80	3.58%
313	Pest Control - Commercial including LBBD and private landlords cockroaches	134.20		139.00		4.80	3.58%
314	Pest Control - Commercial including LBBD and private landlords pharaoh ants	144.10		149.00		4.90	3.40%
315	Pest Control - Commercial including LBBD and private landlords low risk insects flies ants etc	144.10		149.00		4.90	3.40%
316	Pest Control - Commercial including LBBD and private landlords squirrels per week or part	185.90		192.00		6.10	3.28%
317	Pest Control - Commercial including LBBD and private landlords pigeons per hour or part plus materials	103.40		107.00		3.60	3.48%
	Caroline Service						
318	Social Alarm Service - Charge per annum	202.00		202.00		0.00	0.00%
	Registrars						
319	Nationality Checking Service Flat Charge per Document	35.00		40.00		5.00	14.29%
320	Individual Citizenship Payments	55.00		55.00		0.00	0.00%
321	Individual Citizenship Payments (FAMILY) - New Charge for 2009/10	-		75.00		n/a	n/a
322	Marriages/Civil Partnerships at Arden House (Mon - Thurs)	80.00		80.00		0.00	0.00%
323	Marriages/Civil Partnerships at Arden House (Friday)	100.00		100.00		0.00	0.00%
324	Marriages/Civil Partnerships at Arden House (Sat up to 12.30pm)	180.00		185.00		5.00	2.78%
325	Marriages/Civil Partnerships at Arden House (Sat from 1.45pm)	180.00		200.00		20.00	11.11%
326	Marriages/Civil Partnerships at Arden House (Sunday & Bank Holidays)	310.00		350.00		40.00	12.90%
327	Marriages/Civil Partnerships at Approved Premises	293.50		300.00		6.50	2.21%
328	Marriages/Civil Partnerships at Approved Premises (Sundays & Bank Holidays) - New Charge for 2009/10	-		350.00		n/a	n/a
329	Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Mon-Fri) - New Charge for 2009/10	-		102.18		n/a	n/a
330	Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Saturday)	130.00		137.93		7.93	6.10%
331	Non-Statutory Ceremonies (Renewal of Vows & Baby Naming) (Sunday)	310.00		357.61		47.61	15.36%
332	Application to be an Approved Premises - Non refundable application fee for 3 year approval excluding the cost of advertisement which is the responsibility of the applicant	650.00		675.00		25.00	3.85%
333	Application for an Approved Premises - Non refundable application for renewal excluding the cost of advertisement which is the responsibility of the applicant	650.00		675.00		25.00	3.85%
334	Approved Premises - Fee for review by the Review Officer or Assembly following refusal	287.00		300.00		13.00	4.53%
335	Web Casting for Civil Marriages - New Charge for 2009/10	-		10.21		n/a	n/a
336	Non-Statutory services - commemorative certificate - New Charge for 2009/10	-		10.21		n/a	n/a
337	Citizenship - Framed Certificate - New Charge for 2009/10	-		10.21		n/a	n/a
338	Priority service for copy certificates issued same day - New Charge for 2009/10	-		10.21		n/a	n/a
339	Marriage Rehearsals - New Charge for 2009/10	-		25.55		n/a	n/a
340	Appointments for Marriage Notices outside of normal office hours - New Charge for 2009/10	-		10.00		n/a	n/a

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		£		£		£	%
341	Birth/Death/Marriage General Search (historical search by public in indexes) - New Charge for 2009/10	**	-	18.39		n/a	n/a
342	Marriage - historical searches (if copy not provided) - New Charge for 2009/10	**	-	7.16		n/a	n/a
343	Copy full & short certificates (open) - New Charge for 2009/10	**	-	3.57		n/a	n/a
344	Copy full certificates (closed) - New Charge for 2009/10	**	-	7.16		n/a	n/a
345	Copy short certificates (closed) - New Charge for 2009/10	**	-	5.62		n/a	n/a
346	Registrar Attendance at place of worship (includes stat certificate) - New Charge for 2009/10	**	-	51.59		n/a	n/a
	General Housing						
347	Eastbrookend - Travellers caravan site Weekly Licence Charge - Single Pitch	*	82.00	86.51		4.51	5.50%
348	Eastbrookend - Travellers caravan site Weekly Licence Charge - Double Pitch	*	102.50	108.13		5.63	5.49%
	On Street Parking Services						
349	Operational Permit	*	60.00	66.00		6.00	10.00%
350	Annual Residents Parking Permit (for first vehicle)	*	22.50	24.75		2.25	10.00%
351	Annual Residents Parking Permit (for second vehicle)	*	30.00	33.00		3.00	10.00%
352	Annual Residents Parking Permit (for third vehicle)	*	40.00	44.00		4.00	10.00%
353	Annual Residents Parking Permit (for fourth and subsequent vehicle)	*	60.00	66.00		6.00	10.00%
354	Visitor Parking Permit (10 lines) - all areas	*	4.50	4.95		0.45	10.00%
355	Visitor Parking Permit (20 lines) - all areas	*	8.50	9.35		0.85	10.00%
356	Annual Heathway Business Parking Permit (On Street)	*	118.00	129.80		11.80	10.00%
357	Suspension of parking space (per place 6 metre length on street)	*	20.00	22.00		2.00	10.00%
358	Business Permit - Annual - Dagenham East, Upney, Heathway, Beconrtee and Chadwell Heath areas	*	118.00	129.80		11.80	10.00%
359	Business Permit - Annual - Barking Town Centre	*	350.00	385.00		35.00	10.00%
	On-street Pay & Display - Wakering Rd. Park Av. Longbridge Rd. George St. Linton Rd. London Rd. Abbey Rd. St Paul's						
360	Up to 30 minutes	**	0.80	0.90		0.10	12.50%
361	Up to 1 hour	**	1.50	1.60		0.10	6.67%
362	Up to 2 hours	**	2.50	2.70		0.20	8.00%
363	Up to 3 hours	**	3.50	3.80		0.30	8.57%
364	Up to 4 hours	**	4.50	4.80		0.30	6.67%
365	Shared Business Bays	**	350.00	376.80		26.80	7.66%
	Highways						
366	Skip Permits	*	15.50	15.97		0.47	3.03%
367	Footway Crossing Administration Fee	*	79.50	81.89		2.39	3.01%
	Cemeteries						
368	Grave fees - A Grade Mounded (50 years)	*	2,304.00	2,420.00		116.00	5.03%

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369	Grave fees - Mounded (50 years)	1,960.00		2,058.00		98.00	5.00%
370	Grave fees - Lawn (50 years)	933.00		980.00		47.00	5.04%
371	Grave fees - Children's Corner (50 years) depth for one only	332.00		349.00		17.00	5.12%
372	Grave fees - Ashes only grave in Garden of Rest (25 years)	203.00		214.00		11.00	5.42%
373	Grave fees - Ashes only above ground vault (25 years)	921.00		968.00		47.00	5.10%
374	Interment fees - Private Grave - Non-private Grave (excluding still-born)	619.00		650.00		31.00	5.01%
375	Interment fees - Additional Charge per Casket	121.00		128.00		7.00	5.79%
376	Interment fees - Additional Charge per body over depth of two	105.00		111.00		6.00	5.71%
377	Interment fees - Child in Non-private Grade (Aged between 3 weeks and 12 years)	107.00		113.00		6.00	5.61%
378	Interment fees - Child up to the age of 12 years old in Children's Corner (depth for 1 only)	112.00		118.00		6.00	5.36%
379	Interment fees - Still Born Babies & Children up to 3 weeks old	107.00		113.00		6.00	5.61%
380	Cremated remains fees - Interment of child's cremated remains in Children's Corner	112.00		118.00		6.00	5.36%
381	Cremated remains fees - Interment of cremated remains in Private Grave - Interment of cremated remains in Ashes Grave in Garden of Rest - Cremated remains in Garden of Rest and two line inscription in Book of Remembrance (ONLY)	153.00		161.00		8.00	5.23%
382	Cremated remains fees - Each additional line in the Book of Remembrance	34.00		36.00		2.00	5.88%
383	Cremated remains fees - Second Interment of cremated remains in "above ground vault"	64.00		68.00		4.00	6.25%
384	Memorial fees - Right to place memorial on lawn & non-lawn type grave - Right to place single or double memorial vase on any grave - Right to place memorial book or plaque on non-lawn type of grave - Right to add kerbs - landing	121.00		128.00		7.00	5.79%
385	Memorial fees - Provision of soil in kerb sets	56.00		59.00		3.00	5.36%
386	Memorial fees - Adding inscription, levelling/straightening memorials, cleaning/restoration works	44.00		47.00		3.00	6.82%
387	Use of Cemetery Chapel	73.00		77.00		4.00	5.48%
388	Registration of declaration regarding Non-production of Registrar's Certificate	28.00		30.00		2.00	7.14%
389	Transfer of Exclusive Right of Burial	28.00		30.00		2.00	7.14%
390	Family Trace (per named entry)	22.00		24.00		2.00	9.09%
391	Photocopies per A4 sheet	1.00		2.00		1.00	100.00%
392	Grounds Annual Maintenance - non-lawn type grave	110.00		116.00		6.00	5.45%
393	Grounds Annual Maintenance - lawn type grave	70.00		74.00		4.00	5.71%
394	Memorial Benches (Standard 6ft Hardwood Bench)	570.00		599.00		29.00	5.09%
395	Provision of Concrete Base onto which a bench can be placed	255.00		268.00		13.00	5.10%
396	Provision of Commemorative Plaque - Standard	55.00		58.00		3.00	5.45%
397	Provision of Commemorative Plaque - Large	65.00		69.00		4.00	6.15%
398	Provision of Memorial Tree - (8/10 Standard Sized)	130.00		137.00		7.00	5.38%
399	Provision of Memorial Tree Plaque	100.00		105.00		5.00	5.00%
400	Scattering of ashes and plaque in Garden of Rest	126.00		133.00		7.00	5.56%
	Housing Advice Services						
	Private Sector Leasing						
401	Private Sector Leasing, Administration Fee	100.00		100.00		0.00	0.00%

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Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
	£	%	£	%	£	%
REGENERATION						
Off-Street Parking Services						
402 Doctor's Parking Permit	60.00	4.17%	62.50	2.50	4.17%	
406 30 Day Temporary Cover (Residents Permits)	11.50	4.35%	12.00	0.50	4.35%	
407 Annual Pre-Paid Parking Permit (local worker only) - London Rd & Linton Rd	420.00	4.76%	440.00	20.00	4.76%	
408 Quarterly Pre-Paid Parking Permit (local worker only) - London Rd & Linton Rd	120.00	4.17%	125.00	5.00	4.17%	
409 Annual Pre-Paid Parking Permit (local worker only) - Heathway	340.00	2.94%	350.00	10.00	2.94%	
410 Quarterly Pre-Paid Parking Permit (local worker only) - Heathway	95.00	5.26%	100.00	5.00	5.26%	
411 Metropolitan Police (Annual) London Road Multi-Storey Car Park	210.00	4.76%	220.00	10.00	4.76%	
412 Essential Health Worker Parking Permit	35.00	2.86%	36.00	1.00	2.86%	
Off-Street Pay & Display Axe St including Broadway Theatre Service Road, London Rd & North Street Shoppers Car Park, London Road Multi Storey, Linton Rd Shoppers Car Park						
403 Up to 1 hour	0.90	11.11%	1.00	0.10	11.11%	
404 Up to 2 hours	1.50	210.00%	4.65	3.15	210.00%	
405 Up to 4 hours	2.90	37.93%	4.00	1.10	37.93%	
416 Up to 6 hours	6.50	7.69%	7.00	0.50	7.69%	
417 Over 6 hours	12.50	0.00%	12.50	0.00	0.00%	
Off-Street Pay & Display Heathway Multi Storey Car Park						
418 Up to 1 hour - New Charge for 2009-10	-	n/a	0.50	n/a	n/a	
419 Up to 2 hours	1.00	0.00%	1.00	0.00	0.00%	
420 Up to 4 hours	1.70	0.00%	1.70	0.00	0.00%	
421 Up to 6 hours	2.50	20.00%	3.00	0.50	20.00%	
422 Over 6 hours	3.50	14.29%	4.00	0.50	14.29%	
Street Trading Services						
423 Street Trading Charges- 2 metres+	255.00	3.92%	265.00	10.00	3.92%	
424 1 to 2 metres	210.00	4.76%	220.00	10.00	4.76%	
425 Small area (-1 metre).	160.00	4.38%	167.00	7.00	4.38%	
426 Mobile Catering Vans	255.00	3.92%	265.00	10.00	3.92%	
Barking Market. Fees and Charges. Saturdays.						
427 London Road	4.00	0.00%	4.00	0.00	0.00%	
428 Ripple Rd.	4.20	0.00%	4.20	0.00	0.00%	
429 East Street	4.20	0.00%	4.20	0.00	0.00%	
430 Station Parade	4.20	0.00%	4.20	0.00	0.00%	
431 Old' East Street.	3.60	0.00%	3.60	0.00	0.00%	

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		£	%	£	%	£	%
	Midweek (Tues/Thurs)						
432	London Road	3.10		3.10		0.00	0.00%
433	Ripple Road	3.10		3.10		0.00	0.00%
434	East Street	3.10		3.10		0.00	0.00%
435	Station Parade	3.10		3.10		0.00	0.00%
436	Old' East Street.	2.50		2.50		0.00	0.00%
	Planning Services						
437	Planning - post search enquiries - without site visit	40.00		41.00		1.00	2.50%
438	Planning - post search enquiries - with site visit	63.00		65.00		2.00	3.17%
439	Charges to consultant per hour	80.00		82.50		2.50	3.13%
440	Street naming and Numbering Service - New property (1)	38.00		39.14		1.14	3.00%
441	Street naming and Numbering Service - change of approved address	38.00		39.14		1.14	3.00%
442	Street naming and Numbering Service - new Road Name	200.00		206.00		6.00	3.00%
443	Street naming and Numbering Service - new property name	180.00		185.40		5.40	3.00%
444	Street naming and Numbering Service Conversion of existing property to up to 4 units	90.00		92.70		2.70	3.00%
445	Street naming and Numbering Service - new plots (2-25) each	30.00		30.90		0.90	3.00%
446	Street naming and Numbering Service - new plots 26 to 99 each	25.00		25.75		0.75	3.00%
447	Street naming and Numbering Service - new plots 100 or more each	20.00		20.60		0.60	3.00%
	Events						
448	Park use - non commercial (Fun Days)	108.00		112.00		4.00	3.70%
449	Park use - non commercial (small event - less than 200 people attending (fundraising sponsored events))	52.50		55.00		2.50	4.76%
450	Park use - non-commercial fundraising event - walks and bike rides up to 50 people	15.00		15.50		0.50	3.33%
451	Park use - non-commercial up to 500 people (no entry fee)	105.00		110.00		5.00	4.76%
452	Park use - non-commercial up to 2,500 people (no entry fee)	300.00		310.00		10.00	3.33%
453	Park use - non-commercial up to 5,000 people (no entry fee)	530.00		550.00		20.00	3.77%
454	Park use - non-commercial over 5,000 people (no entry fee)	POA		POA		n/a	n/a
455	Additional Fee per six hours of consultation	55.00		57.00		2.00	3.64%
456	Public liability cover for non commercial park use - up to £2 million	16.50		17.50		1.00	6.06%
457	Park use commercial - category 1	545.00		565.00		20.00	3.67%
458	Park use commercial - category 2	710.00		735.00		25.00	3.52%
459	Park use commercial - category 3	875.00		910.00		35.00	4.00%
460	Park use commercial - category 4	1,030.00		1,100.00		70.00	6.80%
461	Park use commercial - per additional six hours of event time	165.00		175.00		10.00	6.06%
462	Use of Premises Licence (Commercial) where applicable up to 5,000	500.00		520.00		20.00	4.00%
463	Use of Premises Licence (Commercial) where applicable up to 10,000	1,500.00		1,650.00		150.00	10.00%
464	Use of Premises Licence (Commercial) where applicable up to 15,000	3,000.00		3,300.00		300.00	10.00%

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		£	%	£	%	£	%
465	Use of Premises Licence (Commercial) where applicable up to 19,999	5,000.00		5,500.00	10.00%	500.00	10.00%
466	Bandstand hire - Barking Town Centre	31.00		32.00	3.23%	1.00	3.23%
467	Park use (Non-animal Circus) - Small - up to 500 seats per performance day	180.00		190.00	5.56%	10.00	5.56%
468	Park use (Non-animal Circus) - Medium - up to 750 seats per performance day	330.00		345.00	4.55%	15.00	4.55%
469	Park use (Non-animal Circus) - Large - up to 1000 seats per performance day	350.00		365.00	4.29%	15.00	4.29%
470	Park use (Non-animal Circus) - Extra Large - up to 2000 seats per performance day	520.00		550.00	5.77%	30.00	5.77%
471	Park use (Non-animal Circus) - Non performance day	58.50		61.50	5.13%	3.00	5.13%
472	Park use by Fairs - Small Fair	308.00		320.00	3.90%	12.00	3.90%
473	Park use by Fairs - Large Fair	400.00		415.00	3.75%	15.00	3.75%
474	Park use by Fairs - Event Fair - 2 days at Dagenham Town Show	650.00		675.00	3.85%	25.00	3.85%
475	Park use by Fairs - Non Operational Days	58.50		61.50	5.13%	3.00	5.13%
476	Car Park at Dagenham Town Show	4.00		4.00	0.00%	0.00	0.00%

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		£	%	£	%	£	%
Leisure Activities							
477	Leisure - LeisureSmart card - adult - pa	30.00		31.00	1.00	3.33%	
478	Leisure - LeisureSmart card - junior - pa	15.00		15.50	0.50	3.33%	
479	Leisure - LeisureSmart card - family - pa	75.00		78.00	3.00	4.00%	
480	Leisure - LeisureSmart card - staff - pa	8.00		8.25	0.25	3.13%	
481	Leisure - LeisureSmart card - joining fee	8.00		8.25	0.25	3.13%	
482	Leisure - LeisureSmart card - replacement card	4.00		4.25	0.25	6.23%	
483	Leisure - LeisurePass - off peak - pa	4.00		4.25	0.25	6.25%	
484	Leisure - Leisure Pass - Non Residents - Off peak - pa	4.00		4.25	0.25	6.25%	
485	Leisure - fitness gym - adult	5.00		5.25	0.25	5.00%	
486	Leisure - fitness gym - adult off peak	4.00		4.25	0.25	6.25%	
487	Leisure - fitness gym - leisure pass	2.00		2.00	0.00	0.00%	
488	Leisure - fitness gym - fit for life	2.80		2.80	0.00	0.00%	
489	Leisure - fitness gym - adult induction	12.00		12.00	0.00	0.00%	
490	Leisure - fitness gym - leisure pass induction	6.00		6.00	0.00	0.00%	
491	Leisure - badminton - adult peak 30 mins	5.50		5.70	0.20	3.64%	
492	Leisure - badminton - adult off peak 30 mins	4.50		4.70	0.20	4.44%	
493	Leisure - badminton - junior peak 30 mins	4.80		4.80	0.00	0.00%	
494	Leisure - badminton - junior off peak 30 mins	2.75		2.75	0.00	0.00%	
495	Leisure - badminton - leisure pass 30 mins	2.25		2.35	0.10	4.44%	
496	Leisure - badminton - adult peak 1 hour	10.00		10.25	0.25	2.50%	
497	Leisure - badminton - adult off peak 1 hour	8.00		8.50	0.50	6.25%	
498	Leisure - badminton - junior peak 60 mins	8.50		8.50	0.00	0.00%	
499	Leisure - badminton - junior off peak 60 mins	4.00		4.00	0.00	0.00%	
500	Leisure - badminton - leisure pass 60 mins	4.00		4.00	0.00	0.00%	
501	Leisure - squash court adult peak	7.50		7.75	0.25	3.33%	
502	Leisure - squash court adult off peak	5.50		5.75	0.25	4.55%	
503	Leisure - squash court junior peak	6.50		6.50	0.00	0.00%	
504	Leisure - squash court junior off peak	3.40		3.40	0.00	0.00%	
505	Leisure - squash court - leisure pass (off peak)	3.25		3.35	0.10	3.08%	
506	Leisure - table tennis adult peak	3.50		3.60	0.10	2.86%	
507	Leisure - table tennis adult off peak	3.00		3.10	0.10	3.33%	
508	Leisure - table tennis junior peak	2.80		2.90	0.10	3.57%	
509	Leisure - table tennis junior off peak	2.00		2.10	0.10	5.00%	
510	Leisure - table tennis - Leisure Pass (off peak)	2.00		2.10	0.10	5.00%	
511	Leisure - creche per child per hour	2.20		2.20	0.00	0.00%	
512	Creche	50.00		51.50	1.50	3.00%	

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
513	Leisure - five a side pitch outdoor synthetic adult peak	**	30.00	31.00	1.00	3.33%	
514	Leisure - five a side pitch outdoor synthetic adult off peak	**	25.00	26.00	1.00	4.00%	
515	Leisure - five a side pitch outdoor synthetic junior peak	**	20.00	21.00	1.00	5.00%	
516	Leisure - five a side pitch outdoor synthetic junior off peak	**	15.00	15.50	0.50	3.33%	
517	Leisure - five a side pitch outdoor tarmac adult peak	**	20.00	21.00	1.00	5.00%	
518	Leisure - five a side pitch outdoor tarmac adult off peak	**	15.00	15.50	0.50	3.33%	
519	Leisure - five a side pitch outdoor tarmac junior peak	**	10.00	10.50	0.50	5.00%	
520	Leisure - five a side pitch outdoor tarmac junior off peak	**	7.75	8.00	0.25	3.23%	
521	Leisure - hall hire Goresbrook full peak -ph	**	100.00	105.00	5.00	5.00%	
522	Leisure - hall hire Goresbrook full off peak - ph	**	75.00	77.50	2.50	3.33%	
523	Leisure - hall hire Goresbrook half peak - ph	**	60.00	62.00	2.00	3.33%	
524	Leisure - half hall hire Goresbrook- off peak - ph	**	40.00	41.50	1.50	3.75%	
525	Leisure - hall hire Goresbrook quarter peak	**	25.00	26.00	1.00	4.00%	
526	Leisure - hall hire Goresbrook quarter off peak	**	20.00	21.00	1.00	5.00%	
527	Leisure - Dance Studio	**	65.00	70.00	5.00	7.69%	
528	Leisure - hall hire Wood Lane/Abbey full peak	**	45.00	46.50	1.50	3.33%	
529	Leisure - hall hire Wood Lane/Abbey full off peak	**	35.00	36.00	1.00	2.86%	
530	Leisure - hall hire Wood Lane/Abbey half peak	**	22.50	23.25	0.75	3.33%	
531	Leisure - hall hire Wood Lane/Abbey half off peak	**	17.50	18.00	0.50	2.86%	
532	Leisure - hall hire Wood Lane/Abbey quarter peak	**	11.25	11.50	0.25	2.22%	
533	Leisure - hall hire Wood Lane/Abbey quarter off peak	**	8.75	9.00	0.25	2.86%	
534	Leisure - Dance Studio - Abbey	**	26.00	27.00	1.00	3.85%	
535	Leisure - Dance Studio - WLSC	**	26.00	27.00	1.00	3.85%	
536	Leisure - rifle range per hour (Authorised Clubs) - WLSC	**	18.00	18.50	0.50	2.78%	
537	Leisure - meeting room users with public liability insurance	**	26.00	27.00	1.00	3.85%	
538	Leisure - meeting room users without public liability insurance	**	30.00	31.00	1.00	3.33%	
539	Leisure - meeting room hire - Licence Extension (Temporary Event Notice)	**	115.00	120.00	5.00	4.35%	
540	Bar	**	55.00	57.00	2.00	3.64%	
541	Leisure - swimming Dagenham/Abbey adult	**	3.10	3.20	0.10	3.23%	
542	Leisure - swimming Goresbrook adult	**	3.90	4.00	0.10	2.56%	
543	Leisure - swimming Dagenham/Abbey junior	**	2.00	2.10	0.10	5.00%	
544	Leisure - swimming Goresbrook junior	**	2.20	2.30	0.10	4.55%	
545	Leisure - swimming Dagenham/Abbey family	**	10.00	10.50	0.50	5.00%	
546	Leisure - swimming Goresbrook family	**	12.00	12.50	0.50	4.17%	
547	Leisure swimming Dagenham/Abbey family (single parent)	**	7.00	7.25	0.25	3.57%	
548	Leisure swimming Goresbrook family (single parent)	**	8.25	8.50	0.25	3.03%	
549	Leisure - Swim for a Quid	**	1.00	1.00	0.00	0.00%	
550	Funsplash - ASC	**	2.10	2.20	0.10	4.76%	

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		£	%	£	%	£	%
551	Funsplash - DSP	**	2.10	2.20	0.10	4.76%	
552	Parent & Baby - DSP	**	3.10	3.20	0.10	3.23%	
553	Parent & Baby - GLC	**	3.90	4.00	0.10	2.56%	
554	Leisure - swimming lessons adult 10 lessons	*	50.00	51.50	1.50	3.00%	
555	Leisure - swimming lessons adult 10 lessons with LeisureSmart	*	40.00	41.50	1.50	3.75%	
556	Leisure - swimming lessons junior 10 lessons	*	40.00	41.50	1.50	3.75%	
557	Leisure - swimming lessons junior 10 lessons with LeisureSmart	*	30.00	31.00	1.00	3.33%	
558	One to One Swimming lessons - DSP	**	15.00	15.50	0.50	3.33%	
559	One to One Swimming lessons - GLC	**	15.00	15.50	0.50	3.33%	
560	Education School Swimming	*	1.85	1.90	0.05	2.70%	
561	Leisure - swimming pool hire - Galas - Dagenham 3 hours	*	280.00	290.00	10.00	3.57%	
562	Leisure - swimming pool hire - Galas - Dagenham hourly over run charge	*	110.00	115.00	5.00	4.55%	
563	Leisure - swimming pool hire - clubs per hour Abbey main pool	*	45.00	46.50	1.50	3.33%	
564	Leisure - swimming pool hire - clubs per hour Dagenham main pool	*	50.00	51.50	1.50	3.00%	
565	Leisure - swimming pool hire - clubs per hour Dagenham learner pool	*	31.75	32.75	1.00	3.15%	
566	Leisure - swimming pool hire - clubs per hour Dagenham diving pool	*	38.00	39.00	1.00	2.63%	
567	50+ Aquarobics	*	3.00	3.10	0.10	3.33%	
568	Aquarobics	*	4.30	4.40	0.10	2.33%	
569	Aerobics	*	4.30	4.40	0.10	2.33%	
570	Legs, Burns & Tums	*	4.30	4.40	0.10	2.33%	
571	Staff Aerobics	*	3.30	3.40	0.10	3.03%	
572	Body Training Systems	*	4.80	5.00	0.20	4.17%	
573	Circuit Training	*	4.40	4.50	0.10	2.27%	
574	Aerobic Circuit	*	4.40	4.50	0.10	2.27%	
575	Yoga 1hr	*	4.40	4.50	0.10	2.27%	
576	Pilates	*	4.40	4.50	0.10	2.27%	
577	50+ Aerobics	*	3.00	3.10	0.10	3.33%	
578	Fit Ball	*	4.40	4.50	0.10	2.27%	
579	Elderberries	*	3.10	3.20	0.10	3.23%	
	Memberships						
580	Joining Fee	**	35.00	36.00	1.00	2.86%	
	Active Fitness						
581	Active Fitness - Adult	**	35.00	36.00	1.00	2.86%	
582	Active Fitness - Couple	**	60.00	62.00	2.00	3.33%	
583	Active Fitness - Family	**	80.00	82.50	2.50	3.13%	
584	Active Fitness - Staff	**	22.50	23.25	0.75	3.33%	
585	Active Fitness - Graduate	**	22.50	23.25	0.75	3.33%	
586	Active Fitness - Elders	**	22.50	23.25	0.75	3.33%	

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		£	%	£	%	£	%
587	Active Fitness - Student						
	<u>Active Rackets</u>						
		**	22.50	23.25	0.75	3.33%	
588	Active Rackets - Adult	**	35.00	36.00	1.00	2.86%	
589	Active Rackets - Couple	**	60.00	62.00	2.00	3.33%	
590	Active Rackets - Family	**	80.00	82.50	2.50	3.13%	
591	Active Rackets - Staff	**	22.50	23.25	0.75	3.33%	
592	Active Rackets - Graduate	**	22.50	23.25	0.75	3.33%	
593	Active Rackets - Elders	**	22.50	23.25	0.75	3.33%	
594	Active Rackets - Student	**	22.50	23.25	0.75	3.33%	
595	Active Rackets - Kids	**	17.50	18.00	0.50	2.86%	
	<u>Active Aqua</u>						
596	Active Aqua - Adults	**	25.00	25.75	0.75	3.00%	
597	Active Aqua - Couple	**	40.00	41.25	1.25	3.13%	
598	Active Aqua - Family	**	60.00	62.00	2.00	3.33%	
599	Active Aqua - Staff	**	22.50	23.25	0.75	3.33%	
600	Active Aqua - Graduate	**	22.50	23.25	0.75	3.33%	
601	Active Aqua - Elders	**	22.50	23.25	0.75	3.33%	
602	Active Aqua - Student	**	22.50	23.25	0.75	3.33%	
603	Active Aqua - Kids	**	12.50	12.75	0.25	2.00%	
	<u>Active Health</u>						
604	Active Health - Adult	**	25.00	25.75	0.75	3.00%	
605	Active Health - Couple	**	46.00	47.50	1.50	3.26%	
606	Active Health - Staff	**	22.50	23.25	0.75	3.33%	
607	Active Health - Graduate	**	22.50	23.25	0.75	3.33%	
608	Active Health - Elders	**	22.50	23.25	0.75	3.33%	
609	Active Health - Student	**	22.50	23.25	0.75	3.33%	
	<u>Premier Active</u>						
610	Premier Active - Adult	**	40.00	41.50	1.50	3.75%	
611	Premier Active - Couple	**	66.00	68.00	2.00	3.03%	
612	Premier Active - Family	**	82.00	84.50	2.50	3.05%	
613	Premier Active - Staff	**	22.50	23.50	1.00	4.44%	
614	Premier Active - Graduate	**	22.50	23.50	1.00	4.44%	
615	Premier Active - Elders	**	22.50	23.50	1.00	4.44%	
616	Premier Active - Student	**	22.50	23.50	1.00	4.44%	
617	Premier Active - Kids	**	20.00	20.50	0.50	2.50%	
	<u>Fitness Gym</u>						
618	Junior Gym	**	3.20	3.30	0.10	3.12%	
619	Junior Gym Induction	**	3.50	3.60	0.10	2.86%	

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620	Personal Programme	**	20.00		20.50		0.50	2.50%
621	Fitness Assessment	**	20.00		20.50		0.50	2.50%
622	Fit for Life Assessment	**	6.70		6.90		0.20	2.99%
623	Personal Training	**	25.00		26.00		1.00	4.00%
624	Health Checks	**	25.00		26.00		1.00	4.00%
625	Health Check - Leisure Pass	**	12.50		13.00		0.50	4.00%
	Holiday Activities							
626	Half Day	**	5.00		5.15		0.15	3.00%
627	Full Day	**	8.50		8.75		0.25	2.94%
628	Week	**	40.00		41.20		1.20	3.00%
629	Half Day - WLSC	**	5.00		5.15		0.15	3.00%
630	Full Day - WLSC	**	8.50		8.75		0.25	2.94%
631	Week - WLSC	**	40.00		41.20		1.20	3.00%
	Courses							
632	NPLQ	**	210.00		220.00		10.00	4.76%
633	NPLQ Renewal	**	70.00		75.00		5.00	7.14%
634	First Aid at Work	**	210.00		220.00		10.00	4.76%
635	First Aid at Work - Renewal	**	70.00		75.00		5.00	7.14%
	Images							
636	Essentials Facial	**	26.00		26.95		0.95	3.65%
637	Les Aromatics	**	32.00		32.95		0.95	2.97%
638	Hydradermie	**	42.00		43.50		1.50	3.57%
639	Hydradermie Plus	**	62.00		63.95		1.95	3.15%
640	Liftosome single	**	39.50		40.50		1.00	2.53%
641	Liftosome Treatment (Course of 2)	**	76.00		79.50		3.50	4.61%
642	Beaute Neuve	**	35.00		36.00		1.00	2.86%
643	Beaute Neuve - Course of 3	**	95.00		99.00		4.00	4.21%
644	Hydradermie Lift	**	48.00		49.50		1.50	3.13%
645	Hydradermie Lift First Treatment	**	27.00		27.95		0.95	3.52%
646	Hydradermie Lift Deluxe	**	58.00		59.50		1.50	2.59%
647	Extra Lift	**	65.00		67.00		2.00	3.08%
648	Hydradermie Lift & Facial	**	90.00		67.00		-23.00	-25.56%
649	Eyelash Tint	**	15.00		15.50		0.50	3.33%
650	Eyebrow Tint	**	8.00		8.50		0.50	6.25%
651	Eyelash/Brow Tint	**	20.00		22.00		2.00	10.00%
652	Eyebrow Shape	**	8.00		8.25		0.25	3.13%
653	Basic Manicure	**	18.00		18.50		0.50	2.78%
654	Basic Manicure & Polish	**	22.00		22.95		0.95	4.32%

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655	Luxury Manicure	**	26.00		26.95		0.95	3.65%
656	Mens Hand Grooming Treatment	**	15.00		16.00		1.00	6.67%
657	Mens Luxury Hand Treatment	**	20.00		21.00		1.00	5.00%
658	Basic Pedicure	**	26.00		26.50		0.50	1.92%
659	Luxury Pedicure	**	30.00		30.50		0.50	1.67%
660	Mens Luxury Foot Treatment	**	26.00		27.00		1.00	3.85%
661	Tired Feet Treatment	**	20.00		20.95		0.95	4.75%
662	Cracked Heels/Foot Treatment	**	27.00		27.95		0.95	3.52%
663	Cracked Heels - Course of 3	**	70.00		75.50		5.50	7.86%
	Swedish							
664	Full Body	**	32.00		32.95		0.95	2.97%
665	Half Body	**	24.00		24.95		0.95	3.96%
666	Full Body (+Scalp, Face & Neck)	**	42.00		43.50		1.50	3.57%
667	Tranquility Massage	**	44.00		44.95		0.95	2.16%
668	Vitality Massage	**	40.00		41.50		1.50	3.75%
669	Images Sports Massage	**	28.00		29.50		1.50	5.36%
670	Body Bein Atre (by Guimo)	**	52.00		52.95		0.95	1.83%
671	Aromatic Body Treatment	**	52.50		53.50		1.00	1.90%
672	Full Body Exfoliation	**	30.00		31.50		1.50	5.00%
673	Universal Contour Wrap	**	65.00		65.00		0.00	0.00%
674	Universal Contour Wrap (Course of 3)	**	165.00		165.00		0.00	0.00%
675	Eurowave Inch Lose Treatment	**	18.00		18.00		0.00	0.00%
676	Eurowave Trial Session	**	9.00		9.50		0.50	5.56%
677	Eurowave Inch Lose (Course of 10)	**	150.00		150.00		0.00	0.00%
678	Anesi Cellulite/Skin Firming	**	28.00		28.50		0.50	1.79%
679	Anesi Cellulite/Skin Firming (Course of 6)	**	140.00		150.00		10.00	7.14%
680	Anesi Cellulite/Skin Firming (Course of 10)	**	230.00		245.00		15.00	6.52%
	Waxing							
681	Full Leg	**	30.00		30.95		0.95	3.18%
682	Full Leg, Bikini, Under Arm	**	38.00		38.95		0.95	2.50%
683	Half Leg	**	15.00		15.50		0.50	3.33%
684	3/4 Leg	**	22.50		23.50		1.00	4.44%
685	Bikini Line	**	9.00		9.50		0.50	5.56%
686	Half Leg and Bikini	**	22.00		24.50		2.50	11.36%
687	Extended Bikini Line	**	12.00		13.50		1.50	12.50%
688	Under Arm	**	9.00		9.50		0.50	5.56%
689	Upper Lip	**	8.00		8.50		0.50	6.25%
690	Chin	**	8.00		8.50		0.50	6.25%

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691 Upper Lip & Chin	13.00		13.50		0.50	3.85%
692 Eyebrow Shape	8.00		8.50		0.50	6.25%
693 Forearm or half arm	15.00		16.50		1.50	10.00%
694 Full Arm	20.00		22.00		2.00	10.00%
695 Full Back	30.00		31.50		1.50	5.00%
696 Upper Back	20.00		22.50		2.50	12.50%
697 Brazilian	22.50		24.50		2.00	8.89%
698 Electrolysis - 15 mins	14.00		14.00		0.00	0.00%
699 Electrolysis - 30 mins	25.00		25.00		0.00	0.00%
Sun Bed						
700 Sun Bed - 5 mins	3.20		3.25		0.05	1.56%
701 Sun Bed - 10 mins	6.40		6.50		0.10	1.56%
702 Sun Bed - Course - 60 mins	32.00		32.50		0.50	1.56%
703 Sun Bed - Course - 100 mins	52.00		52.00		0.00	0.00%
704 Power Tower - 5 mins	4.20		4.25		0.05	1.19%
705 Power Tower - 10 mins	8.40		8.50		0.10	1.19%
706 Power Tower - Course - 60 mins	42.00		42.50		0.50	1.19%
707 Power Tower - Course - 100 mins	70.00		70.00		0.00	0.00%
708 St Tropex Instant Tan - Full Body	40.00		42.50		2.50	6.25%
709 St Tropex Instant Tan - Half Body (upper or lower)	22.50		25.00		2.50	11.11%
710 St Tropex Instant Tan - Face only	16.00		16.50		0.50	3.13%
711 Health Suite - Adult Peak	7.00		7.50		0.50	7.14%
712 Health Suite - Adult Off Peak	6.00		6.50		0.50	8.33%
713 Mens Hot Towel Facial	-		20.00		n/a	n/a
714 Mens Delux Hot Towel Facial	-		35.00		n/a	n/a
Park Sports						
715 Parks - pitch and putt - annual season ticket	120.00		124.00		4.00	3.33%
716 Parks - pitch and putt - junior/senior citizen - annual season ticket	100.00		103.00		3.00	3.00%
717 Parks - pitch and putt - Adult	4.50		4.65		0.15	3.33%
718 Parks - pitch and putt - student	4.00		4.15		0.15	3.75%
719 Parks - pitch and putt - senior citizens	3.50		3.60		0.10	2.86%
720 Parks - pitch and putt - junior	3.50		3.60		0.10	2.86%
721 Parks - pitch and putt - Adult Smartcard holder	3.50		3.60		0.10	2.86%
722 Parks - pitch and putt - Junior Smartcard holder	2.50		2.60		0.10	4.00%
723 Parks - Central & Barking Park tennis court - Adults per court - 4 Players per court Maximum	5.30		5.50		0.20	3.77%
724 Parks - Central & Barking Park tennis court - Juniors per court - 4 Players per court Maximum	3.20		3.30		0.10	3.12%
725 Parks - Cricket adults - Mayesbrook Park & St Chad's Park	63.50		66.00		2.50	3.94%

FEEES AND CHARGES 2009/10

APPENDIX A

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
726	Parks - Cricket juniors - Maysbrook Park & St Chad's Park	**	31.75	33.00	1.25	3.94%	3.94%
727	Barking Park - Cricket Net	**	6.50	6.70	0.20	3.08%	3.08%
728	Parks - Cricket - Adults 40 games plus pavilion - Maysbrook Park & St Chad's Park	*	2,540.00	2,640.00	100.00	3.94%	3.94%
729	Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Adults	**	44.45	46.20	1.75	3.94%	3.94%
730	Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Adults	*	1,778.00	1,848.00	70.00	3.94%	3.94%
731	Cricket Clubs with Delegated Management / Lease Agreement on Pavilion Facilities - Juniors	**	22.20	23.00	0.80	3.60%	3.60%
732	Parks - Football pitch - adults	**	54.00	56.00	2.00	3.70%	3.70%
733	Parks - Football pitch - Juniors	**	27.00	28.00	1.00	3.70%	3.70%
734	Parks - Football pitch - Mini Soccer	**	13.50	14.00	0.50	3.70%	3.70%
735	Parks - Football pitch adults season prepaid by 01/10/09 - 30 Games (15% discount for full payment before 01/10/09)	*	1,377.00	1,428.00	51.00	3.70%	3.70%
736	Parks - Football pitch adults season (30 games) paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 30 games	*	1,620.00	1,680.00	60.00	3.70%	3.70%
737	Parks - Football pitch adults season prepaid by 1/10/09 - Alternate weeks - 15 Games (15% discount for full payment before 01/10/09)	*	688.50	714.00	25.50	3.70%	3.70%
738	Parks - Football pitch adults season(15 games) paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 15 games	*	810.00	840.00	30.00	3.70%	3.70%
739	Parks - Football pitch juniors season prepaid weekly by 01/10/09 - 30 Games (15% discount for full payment before 01/10/09)	*	688.50	714.00	25.50	3.70%	3.70%
740	Parks - Football pitch juniors season paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 30 games	*	810.00	840.00	30.00	3.70%	3.70%
741	Parks - Football pitch juniors season prepaid by 1/10/09 - Alternate weeks - 15 Games (15% discount for full payment before 01/10/09)	*	344.25	357.00	12.75	3.70%	3.70%
742	Parks - Football pitch juniors season (15 games) paid by 6 installments - first on signature of contract and 5 equal payments Sept, Oct, Nov, Dec & Jan. - 15 games	*	405.00	420.00	15.00	3.70%	3.70%
743	Parks - football training permit - up to 50 participants	*	31.00	32.00	1.00	3.23%	3.23%
744	Parks - football training permit - up to 200 participants	*	62.00	64.00	2.00	3.23%	3.23%
745	Parks - football clubs with delegated management of facilities - adults per pitch per game	**	37.80	39.20	1.40	3.70%	3.70%
746	Parks - football clubs with delegated management of facilities - juniors per pitch per game	**	18.90	19.60	0.70	3.70%	3.70%
747	Parks - football clubs with delegated management of facilities - mini soccer per game	**	9.45	9.80	0.35	3.70%	3.70%
748	Parks - football clubs with delegated management of facilities - adults 30 weeks	*	1,134.00	1,176.00	42.00	3.70%	3.70%
749	Parks - football clubs with delegated management of facilities - juniors 30 weeks	*	567.00	588.00	21.00	3.70%	3.70%
750	Parks - football clubs with delegated management of facilities - adults 15 weeks	*	567.00	588.00	21.00	3.70%	3.70%
751	Parks - football clubs with delegated management of facilities - juniors 15 weeks	*	283.50	294.00	10.50	3.70%	3.70%
752	Parks - Rugby per game	**	54.00	56.00	2.00	3.70%	3.70%
753	Parks - Rugby 30 week season- included previously with football pitches	*	1,620.00	1,680.00	60.00	3.70%	3.70%
754	Parks - Rugby pitch adults season prepaid by 01/10/09 - 30 Games (15% discount for full payment before 01/10/09)	*	1,377.00	1,428.00	51.00	3.70%	3.70%
755	Parks - Hurling per season	*	315.00	325.00	10.00	3.17%	3.17%
756	Parks - Bowling Greens - club rental price per green	*	3,900.00	4,017.00	117.00	3.00%	3.00%
757	Parks - Bowling Greens - Pavilion (20% Discount for Parsloes Park)	*	1,000.00	1,030.00	30.00	3.00%	3.00%

FEEES AND CHARGES 2009/10

APPENDIX A

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
758	Parks - Bowling Greens - Club guest charge per hour (kept by bowling club) - Adult	3.10		3.20	0.10	3.23%	3.23%
759	Parks - Bowling Greens - Club guest charge per hour (kept by bowling club) - Junior / Senior Citizen	1.50		1.55	0.05	3.33%	3.33%
760	Parks - Pavilion Hire, The Leys - occasional letting 4hrs - Mon to Sat	155.00		160.00	5.00	3.23%	3.23%
761	Parks - Pavilion Hire, The Leys - occasional letting 4hrs - Sun	205.00		215.00	10.00	4.88%	4.88%
762	Parks - Pavilion Hire, The Leys - occasional letting - Additional hourly charge for above 4hrs use	31.00		32.00	1.00	3.23%	3.23%
763	Parks - Athletics - Licence Agreement with Mayesbrook and Havering AA (HMA) for use 3 times a week	5,750.00		5,950.00	200.00	3.48%	3.48%
764	Parks - Athletics - hourly charge for HMA use of arena	17.00		17.50	0.50	2.94%	2.94%
765	Parks - Athletics - hourly charge for use of arena by schools and other groups	34.00		35.00	1.00	2.94%	2.94%
766	Aero Club - Licence Agreement with Dagenham Model Aero Club	190.00		196.00	6.00	3.16%	3.16%
767	Barking Park Lodge Café - New Charge 2009/10	-		8,500.00	n/a	n/a	n/a
768	Barking Park Model Railway - New Charge 2009/10	-		1.00	n/a	n/a	n/a
	Allotments						
769	Cost per acre of usable allotment land leased to Allotment Associations	101.92		105.00	3.08	3.02%	3.02%
770							
	Ranger Services						
770	Environmental Education - 30 Students Maximum (School Visits to Eastbrookend Country Park, The Chase & use of Millennium Centre)	37.00		38.15	1.15	3.11%	3.11%
771	Millennium Centre - Internal Organisations - Hire of Classroom	8.50		8.75	0.25	2.94%	2.94%
772	Millennium Centre - External Organisations - Hire of Classroom	12.75		13.25	0.50	3.92%	3.92%
773	Millennium Centre - Out of Hours Hire - subject to staff availability	31.50		32.50	1.00	3.17%	3.17%
774	Angling Licence - Valence Moat (BeckMain)	262.65		262.65	0.00	0.00%	0.00%
775	Outreach Sessions in Parks and Open Spaces	31.50		32.50	1.00	3.17%	3.17%
776	Out of Borough Schools - for standard 2 hour visit	63.00		65.00	2.00	3.17%	3.17%
777	Bardag Lake - Bardag Angling Society	3,895.00		4,011.85	116.85	3.00%	3.00%
778	Lake - Tom Thumb - Lake currently being redeveloped.	-		550.00	n/a	n/a	n/a
779	Lake - Eastbrook Pond & Chase Waters	2,050.00		2,111.50	61.50	3.00%	3.00%
780	Lake - Hooks Hall Pond	1,178.75		1,214.11	35.36	3.00%	3.00%
781	Lake - The Members Pool	922.50		950.18	27.68	3.00%	3.00%
	Local Land Charges						
	Post & DX						
782	Full Search	131.00		150.00	19.00	14.50%	14.50%
783	LLC1	60.00		67.50	7.50	12.50%	12.50%
784	Con 29 <R>	88.00		82.50	-5.50	-6.25%	-6.25%
785	Con 29 (O) Questions	16.00		16.00	0.00	0.00%	0.00%
786	Additional Parcel of Land	25.00		25.00	0.00	0.00%	0.00%
787	Common Land Village Green	16.00		16.00	0.00	0.00%	0.00%

FEEES AND CHARGES 2009/10

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	Description of Service	Current 2008/09 Charge		Proposed 2009/10 Charge		Proposed Increase	
		£	%	£	%	£	%
	National Land Information Service						
788	Full Search	145.00		113.00		-32.00	-22.07%
789	LLC1	73.00		51.00		-22.00	-30.14%
790	Con 29 <R>	88.00		62.00		-26.00	-29.55%
791	Conn 29 (O) Questions	16.00		14.00		-2.00	-12.50%
792	Additional Parcel of Land	25.00		23.00		-2.00	-8.00%
793	Common Land Village Green	16.00		14.00		-2.00	-12.50%
	Miscellaneous Services						
794	Personal Search (Currently Regulated)	11.00		11.00		0.00	0.00%
795	Copy Documents - First Page	11.00		1.50		-9.50	-86.36%
796	Copy Documents - Subsequent Pages	-		0.10		n/a	n/a
797	Copies of Searches	22.00		29.38		7.38	33.55%
	Right To Buy (RTB)						
798	Repayment of Discount	75.00		80.00		5.00	6.67%
799	Deeds of Covenant/Rectification/Variation/Enforcement	400.00		425.00		25.00	6.25%
800	Licences	400.00		425.00		25.00	6.25%
801	Licences for Garden Land	110.00		125.00		15.00	13.64%
802	Sale of Garden Land	400.00		425.00		25.00	6.25%
803	Duplicate DS1/Replacement form 53	25.00		30.00		5.00	20.00%
804	Deed of Release	515.00		550.00		35.00	6.80%
805	Copy Transfer	50.00		55.00		5.00	10.00%
806	Notice of Assignment	75.00		75.00		0.00	0.00%
807	Notice of Mortgage	75.00		75.00		0.00	0.00%
808	Notice of Sub-let	75.00		75.00		0.00	0.00%
809	Postponements	65.00		65.00		0.00	0.00%
810	Retrieval of file	10.00		15.00		5.00	50.00%
811	Retrospective Consent (charged by Housing including VAT)	120.00		125.00		5.00	4.17%
812	Lease holders Enquiries (including VAT)	120.00		125.00		5.00	4.17%

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THE EXECUTIVE

17 February 2009

JOINT REPORT OF THE CORPORATE DIRECTOR OF RESOURCES AND CORPORATE DIRECTOR OF ADULTS & COMMUNITY SERVICES

Title: Dagenham and Redbridge Football Club	For Decision
<p>Summary:</p> <p>Dagenham and Redbridge F.C. are required to develop their ground for additional covered seating and have approached the Council for assistance in part funding the overall cost of £1.36m.</p> <p>The report proposes a way forward to assist the Club in this project.</p> <p>Wards Affected: All wards</p>	
<p>Recommendations</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Agree that Dagenham and Redbridge F.C. are awarded a capital grant of £250,000 and a loan of £200,000 towards the development of a new stand. <p>Subject to 1 above.</p> <ol style="list-style-type: none"> 2. Approve the inclusion of the capital sum of £450,000 in the Council's capital programme for 2009/10. 	
<p>Reason:</p> <p>To support the community benefit to the Borough.</p>	
<p>Implications:</p>	
<p>Financial:</p> <p>The proposal will necessitate the need for a sum of £450,000 to be included in the Council's capital programme for 2009/10 with consequent revenue costs of around £35,000 per annum arising from the relevant borrowing costs for this capital sum. This sum is allowed for in the Council's corporate borrowing requirement.</p> <p>Legal:</p> <p>The Local Government Act 2000 allows a local authority to give financial assistance including loans to individuals or groups within its area for the purpose of promoting the economic, social and environmental well-being of its area. The Council's exercise of this power is likely to be in respect of community groups or the voluntary sector.</p> <p>The Local Government Act 1989 also empowers local authorities to encourage economic development within its area with specific reference to provision of loans and credit for such purpose.</p>	

Comments of the Legal Partner:

The legal implications of the recommendations are incorporated in the report

Risk Management:

There are no risk management implications to consider.

Social Inclusion and Diversity:

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

Crime and Disorder:

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

Options Appraisal:

A review has been undertaken on the position of a capital grant and/or loan advance.

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1. Introduction and Background

- 1.1 Dagenham and Redbridge Football Club need to increase the size of their stadium to comply with the Football League regulations regarding seating capacity and standing capacity. Within their current Division the club have to have a minimum capacity of 5,000 of which 2,000 need to be covered seating. Currently they have 1,000 covered seats. This has to be in place by May 2010 otherwise they will be relegated. The Football League have written 3 times to the club asking them when they will comply.
- 1.2 The Club have made a planning application to the Council to extend the western stand and provide additional seating. This is currently going through the Council's development control system. This would give the club a total capacity of 6,000 with 2,200 seats under cover.
- 1.3 The new stand will cost £1.36m. In order to fund this extension the club have applied to the Football Foundation for a grant of £750,000, the supporters and the club will provide £160,000. The Club have approached the Council to look at options for funding the balance of £450,000 from the Council.

2. Way Forward

- 2.1 It is proposed that the Council provide a capital grant of £250,000 and a loan of £200,000 to Dagenham and Redbridge F.C. to enable the relevant changes to the western stand to be undertaken.
- 2.2 Arising from the above, negotiations will be undertaken with the Club to agree a package of support. This will include:

- that the Club offers to train local football coaches of teams who do not coach to a high standard
- that the Council takes responsibility for shirt sponsorship if the current arrangements is coming to an end
- the Club provides regular free tickets for children via schools
- the Club provides a school football trophy
- local labour is used for building works if possible
- participate in and support the delivery of the holiday activity programmes delivered by the Council and its partners.

3. Financial Implications

- 3.1 If approved by Members, the sum of £450,000, split £250,000 as a capital grant and £200,000 as a loan to the club would need to be included in the Council capital programme for 2009/10, as currently there is no specific provision for this scheme.
- 3.2 The annual borrowing costs for the Council to finance this sum would be around £35k per annum and this can be contained within the Council's budget provision for corporate borrowing costs.
- 3.3 The loan of £200,000 would mean repayments of about £15,000 per annum, which would offset the annual costs in 3.2 above.

4. Consultees

- 4.1 The members and officers consulted on this report are:
- Councillor C Fairbrass- Leader
 Rob Whiteman -Chief Executive
 Corporate Management Team

Background Papers Used in the Preparation of the Report:

Not applicable.

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