

Notice of Meeting

THE EXECUTIVE

Tuesday, 24 March 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: 13 March 2009

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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.
3. **Minutes - To confirm as correct the minutes of the meeting held on 10 March 2009 (Pages 1 - 6)**
4. **Barking and Dagenham Community Strategy (Pages 7 - 70)**
5. **Council Plan Update 2009-10 Incorporating the Medium Term Financial Strategy (MTFS) 2009-10 to 2011-12 (Pages 71 - 154)**
6. **Gascoigne Estate Regeneration (Pages 155 - 186)**
7. **Barking Riverside First Primary School (Pages 187 - 197)**
8. **Dagenham Heathway Public Realm - Greening Measures and Highway Modifications**

This report has been circulated separately as Supplementary 1

9. **Budget Monitoring 2008/09 (Pages 199 - 224)**
10. **Barking Market Charges (Pages 225 - 229)**
11. **Professional Services Contract - Term Contract 2008/2011 (Pages 231 - 235)**
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 (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended).

14. **Appendix A to The Professional Services Contract - Term Contract (Pages 237 - 241)**

Concerns a contractual matter (paragraph 3)
15. **Any other confidential or exempt items which the Chair decides are urgent**

THE EXECUTIVE

Tuesday, 10 March 2009
(5:00 - 6:35 pm)

Present: Councillor C J Fairbrass MBE (Chair), Councillor L A Smith (Deputy Chair), Councillor G J Bramley, Councillor R C Little, Councillor M A McCarthy, Councillor M E McKenzie and Councillor Mrs V Rush

Also Present: Councillor Ms E Carpenter, Councillor P T Waker and Councillor Mrs M M West

Apologies: Councillor J L Alexander, Councillor S Carroll and Councillor H J Collins

141. Declaration of Members' Interests

Councillor Liam Smith declared a personal interest in respect of 'The Proposed Disposal of Land Adjacent to 51 Pasture Road', (agenda item 15) as he is a friend of the owner of 51 Pasture Road.

Councillor Evelyn Carpenter declared a personal interest in respect of 'The Establishment of a Skills Centre in Barking Town Centre' (agenda item 9) she is a member of the Board of Barking College.

142. Minutes (17 and 25 February 2009)

Agreed, subject to the correction of Minute 129 (17 February 2009) (Fees and Charges 2009/10) to amend the typographical error in line 414 of the schedule at Appendix A to the report to £1.65 (and not £4.65).

143. Building for Life Standard

Received a report from the Chief Executive concerning the requirement from December 2009 for the Council to report on its performance against the Building for Life Standard which is a national standard for well-designed homes and neighbourhoods.

Each completed housing development containing ten or more units will be assessed against four main categories which consist of environment and community, character, streets parking and pedestrianisation, design and construction. The aim is to help drive improvement in the design and layout of new housing schemes.

Agreed, in order to assist the Council to achieve its Community Priorities of 'Developing Rights and Responsibilities with the Local Community, 'Improving Health, Housing and Social Care' and 'Making Barking and Dagenham Cleaner, Greener and Safer' to endorse the Building for Life Standard as a means of systematically assessing the quality of and drive improvements in the design and layout of new housing schemes.

144. Calendar of Meetings 2009/10

Received a report from the Corporate Director of Resources setting out the principles and proposals for the Calendar of Meetings for the forthcoming Municipal Year 2009/10.

Arising from the discussions, asked that officers amend the basis of the draft Calendar with a view to re-scheduling Executive meetings fortnightly and Community Housing Partnership meetings quarterly and reporting back to us at a future date.

145. Urgent Action - Ripple Project: Long Term Lease Arrangement

Received a report from the Corporate Director of Resources regarding details of an urgent action decision taken by the Chief Executive (paragraph 17, Article 1, Part B of the Constitution) which involved the entering into of a 25 year lease with the Barking and Dagenham Council for Voluntary Service in respect of Ripple Hall in order to facilitate the renovation of the building and the creation of a voluntary sector resource centre.

Agreed, in order to comply with the requirements of the Constitution to note the action taken by the Chief Executive under the urgency procedures contained within paragraph 17 of Article 1, Part B of the Council's Constitution in respect of the following:

- (i) The entering into of a 25 year lease with the Barking and Dagenham Council for Voluntary Service in respect of the building known as Ripple Hall, in order to facilitate the renovation of the building and the creation of a voluntary sector resource centre;
- (ii) The entering into of an agreement for a lease for the said building; and
- (iii) The entering into of a Tripartite Deed of Dedication with the Big Lottery Fund and Barking and Dagenham CVS concerning the said building.

146. Review of Scrutiny Arrangements: Options Paper

Received a report from the Corporate Director of Resources concerning a review of Scrutiny arrangements.

Agreed in order to assist the Council to achieve its Community Priority of 'Developing Rights and Responsibilities with the Local Community' to recommend option 2 – (Standing Panels based on a Select Committee Model as detailed in appendix 1 of the report) to the Assembly for adoption.

147. GP Services Scrutiny Panel Final Report

Received a report from the General Practitioner (GP) Services Scrutiny Panel which included a review of the progress made in implementing the recommendations arising from the 2004 scrutiny review of GP services provision.

The Panel considered evidence, reports and presentations from a number of health professionals, reviewed best practice nationally and in other local Primary

Care Trusts and considered the impact of the 'Healthcare for London' plan on local GP services.

Arising from the discussions, asked that the Primary Care Trust explain why a different quality of service is provided to patients based on where they reside in the borough.

Agreed, in order to assist the Council achieve its Community Priority of 'Improving Health Housing and Social Care', to recommend the report to the Assembly for adoption.

148. * Establishment of a Skills Centre in Barking Town Centre

Received a report from the Corporate Director of Children's Services concerning proposals to establish a Skills Centre in Barking Town Centre.

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

- (i) The proposed location on the London Road/North Street site as part of the first phase of that development;
- (ii) The Partnership arrangements with Barking College as the main delivery partner in the project;
- (iii) The proposed funding arrangements for the capital element of the Centre, subject to a further report to the Executive if the bid applications are unsuccessful;
- (iv) Authorise the Corporate Director of Resources, on the advice of the Legal Partner, to conclude the legal agreements with the relevant parties that are required to establish the Skills Centre; and
- (v) authorise the Corporate Director of Resources to implement such governance arrangements as are appropriate to establish the Skills Centre.

149. * Contract for the Supply of Wheelie Bins

Following the decision agreed by Minute 138 2008/09 to adopt the wheelie bin scheme throughout the borough, received a report from the Corporate Director of Customer Services detailing the procurement options available to supply wheelie bins to the Council.

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 procurement of wheelie bins via a public body consortium framework; and
- (ii) that the final decision to award the supply contract is delegated to the Corporate Director of Customer Services together with the Divisional Director of Corporate Finance and on the advice of the Legal Partner.

150. * Supplementary Report on the Housing Revenue Account (HRA) Estimates and Review of Rents and Other Charges 2009/10

Following recent announcements from the Housing Minister regarding reduction in the subsidy payable by Councils to Central Government, received a report from the Corporate Directors of Customer Services and Resources proposing a way forward.

Agreed, in order to assist the Council to achieve its Community Priority of 'Developing Rights and Responsibilities with the Local Community' to delegate authority to the Corporate Director of Customer Services, in consultation with the Corporate Director of Resources and the Lead Members for Housing and Resources, to implement the Housing Minister's proposal to reduce Council tenants' rents for 2009/10.

151. 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).

152. Procurement of Electricity and Gas Supplies

Received a report from the Corporate Director of Resources setting out the various options available to the Council to manage risks and potentially increase value for money in the procurement of energy.

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

- (i) appointment of LASER to continue as the Council's agent for the purchase of its energy supplies;
- (ii) adoption of a "fully flexible purchasing with variable price" for all of its gas and electricity energy requirements for the next four years (option 3 in paragraph 3.1), subject to officers agreeing a risk management strategy and service level agreement with the Professional Buying Organisation; and
- (iii) delegation of authority to LASER to make day to day energy buying decisions on the Council's behalf in line with the agreed risk management strategy referred to above.

153. Proposed Retention of the Site of Former Jo Richardson School, Cannington Road for a New School

Following an initial decision to dispose of the site of former Jo Richardson School, and recent subsequent demographic changes in the borough, received a report from the Corporate Director of Resources requesting a review of the decision and proposing to build a 3 Form Primary School on the site.

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

Education and Learning For All' and 'Regenerating the Local Economy' to the removal of site of the former Jo Richardson School, Cannington Road from the Council's disposal programme and for it to be re-allocated to Children's Services for the provision of a new Primary School.

154. Proposed disposal of land adjacent to 51 Pasture Road, Dagenham

Received a report from the Corporate Director of Resources concerning proposals to dispose of the freehold interest in the land adjacent to 51 Pasture Road Dagenham.

Agreed, in order to assist the Council to achieve its Community Priority of 'Regenerating the Local Economy' to authorise:

- (i) accepting surrender of part of the plot from EDF Energy and a sale of this land to the owner(s) of 51 Pasture Road at £11,890 which represents the open market value following formal valuation obtained; and
- (ii) the Corporate Director of Resources on the advice of the Legal Partner to approve the terms once they have been finalised between all parties.

155. Revision of Car User Allowance Scheme

Received a report from the Corporate Director of Resources concerning proposed changes to the Car User Allowance Scheme approved by Minute 123 2008/09.

Agreed, in order to progress the revised scheme to

- (i) The terms of the proposed collective agreement with the recognised trade unions as set out in Appendix 1 of the report and incorporating the following changes;
 - a) All posts that are not eligible to receive an essential use car allowance will be entitled to claim the casual user rate;
 - b) The provision to withdraw the lump sum element of the essential user car allowance from staff who are absent from work due to maternity leave or long term sickness has been removed;
 - c) Once the new scheme is in place, the amount of notice to be given to an employee that their essential user car allowance is being withdrawn is changed from "1 month" to "1 month or one week for every completed year of service up to a maximum of 12 weeks, whichever is the greater";
 - d) The cycle allowance has been changed from 20.5p to 20p, which is the Inland Revenue tax threshold; and
- (ii) Authorise the Corporate Director of Resources, in consultation with the Executive portfolio holder for Human Resources, to agree any further changes to the Car User Allowance Scheme as part of a collective agreement with the recognised trade unions.

156. * Dagenham Heathway Job Shop: Request for Additional Funding and Award of Contract

Received a report from the Corporate Directors of Resources and Children's Services requesting additional funds to place a contract with Borrás Construction Limited to provide and fit out a job shop at Dagenham Heathway.

Agreed, in order to assist the Council to achieve its Community Priorities of 'Regenerating the Local Economy' and 'Raising General Pride in the Borough':

- (i) That officers should explore further options in respect of the Job Shop, including the relevant costs and overall funding availability prior to the entering into of any contracts; and
- (ii) Subject to (i) above, to the inclusion of £144,387 of additional capital funds in the Capital Programme and the award of the contract to provide and fit out a job shop at 228 Heathway to Borrás Construction Limited in the sum of £510,742.

(* The Chair agreed that these items could be considered as a matter of urgency under the provisions of Section 100B(4)(b) of the Local Government Act 1972.)

EXECUTIVE

24 MARCH 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Barking and Dagenham Community Plan 2020	For Decision
<p>Summary:</p> <p>The Community Plan is in its final draft after extensive consultation and engagement with well over 3000 people.</p> <p>The Community Plan sets out a new vision for the Partnership and 6 new Community priorities that sit under that vision (refer to Appendix 1).</p> <p>The new vision is:</p> <p>Working together for a better borough.</p> <p>The 6 new Community priorities are:</p> <p>Safe; Clean; Fair and respectful; Healthy; Prosperous; Inspired and successful.</p> <p>It is a 10 year plan that is designed to be refreshed on a regular basis to reflect changes in policy and priorities.</p> <p>The Community Plan is a 'signposting plan'. In other words, it is made up of plans and strategies that are already owned by the Partnership. Every objective is assigned one or more plans and strategies showing how they will be delivered. The Community Plan brings all Partnership activity into one place.</p> <p>The final sign-off at Assembly will be the 1 April 2009. It is intended that a 'working draft' will be available up to that date.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to recommend the Community Plan to the Assembly for adoption.</p>	
<p>Reason(s)</p> <p>It is important to agree to the recommendation because the new Community Plan sets out the new Community Priorities. The new priorities are essential for external partners and Council departments to use in their future planning.</p>	

Implications:**Financial:**

The Community Plan is a sign-posting strategy that brings together a number of approved strategies.

Therefore, there are no financial implications connected to the Community Plan that have not already been taken into account when approving other strategy documents.

Legal:

The Council as the Accountable Body for the Local Strategy Partnership is legally required to produce a Community Plan (formerly known as the Community Strategy).

Other than the above, there are no legal implications connected to the Community Plan that have not already been taken into account when approving other strategy documents.

Risk Management:

No specific implications that that have not already been taken into account when developing other strategy documents that sit within the Community Plan.

Social Inclusion and Diversity:

There are no additional Social Inclusion and Diversity implications connected to the Community Plan that have not already been taken into account when approving other strategy documents. The Community Plan has been subject to an Equalities Impact Assessment that involved consulting with equality and faith groups on the first draft of the Community Plan.

Crime and Disorder:

There are no additional Crime and Disorder implications connected to the Community Plan that have not already been taken into account when approving other strategy documents.

Options Appraisal:

Not applicable.

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1. Introduction and Background

- 1.1 The Community Plan (formally the Sustainable Community Strategy) has been developed on behalf of the Barking and Dagenham Local Strategic Partnership to replace the existing Community Strategy that the Partnership owns.
- 1.2 In response to the Creating Strong, Safe and Prosperous Communities: Statutory Guidance published on the 9 July 2008, the Council as the Accountable Body for the Local Strategy Partnership (etc.), is legally required to produce a Community Plan.

1.3 Following a period of extensive consultation and engagement with over 3000 people, the final draft Community Plan is ready for approval.

2. Current Position

2.1 The Barking and Dagenham local strategic partnership currently works to and own a Community Strategy developed in 2003 with the vision 'Building Communities and Transforming Lives'. This strategy document will be replaced by the new Community Plan once it is formally adopted at Assembly in April 2009.

3. Report Detail

3.1 The Community Plan is in its final draft after extensive consultation and engagement with over 3000 people.

3.2 The Community Plan is the new 'Sustainable Community Strategy' for the Barking and Dagenham Partnership. It is a 10 year plan that is designed to be refreshed on a regular basis to reflect changes in policy and priorities.

3.3 The Community Plan sets out a new vision for the Partnership and 6 new Community priorities that sit under the vision. Delivery of the Community Plan is articulated in the form of objectives that sit under each priority. Every objective sets out in detail how delivery will happen to meet the priority.

3.4 The Community Plan is a 'signposting plan'. In other words, it is made up of plans and strategies that are already owned by the Partnership. The plans and strategies are comprehensive in how they plan to deliver. Every objective is assigned one or more plans and strategies. The Community Plan brings all partnership activity into one place.

3.5 The plans and strategies that support the Community Plan include:

- Anti-Social Behaviour Strategy;
- Children & Young Peoples Plan;
- Choosing Health White Paper and Strategy;
- Community Cohesion Strategy;
- Crime, Disorder & Drugs Strategy;
- Economic Development Strategy;
- Environmental Policy;
- Housing Strategy;
- Joint Strategic Needs Assessment;
- Local Area Agreement (LAA);
- Local Development Framework (LDF);
- National Dugs Strategy – Protecting Families & Communities;
- Neighbourhood Management Strategy;
- Preventing Re-Offending – Prolific & Other Priority Offending Strategy;
- Primary Care Trust Operating Plan;
- Youth Justice Plan.

3.6 The decision-making process for the Community Plan is as follows:

- CMT – 10th Dec 2008;
- PSB – 18th Dec 2008;
- Executive – 24th March 2009;
- Assembly – 1st April 2009.

The final sign-off is being requested at Assembly on the 1st April 2009. It is intended that a 'working draft' be made available up to that date.

3.7 The Community Plan will be published as an on-line interactive tool (in the same way as the Council Plan). In-house training will be offered to LBBB staff, Partners and Elected Members on using the software to access the Community Plan. A limited number of hard copies will be produced for libraries across the Borough to facilitate access and an accessible community version of the Community Plan will be published on-line (to print) and in the Citizen magazine.

4. Other Issues

4.1 The new Community Plan sets out the new Community Priorities are essential for external partners and Council departments to use in their future planning.

5. Consultees

5.1 The following were consulted in the preparation of this report:

All Councillors were consulted twice during two phases of consultation in the construction of the Community Plan.

Internal

Councillor Fairbrass – Leader
Councillor Bramley – Lead Member Resources

Resources Department

Bill Murphy (Corporate Director Resources)
Guy Swindle (Head of Strategy and Performance)
Joe Chesterton (Divisional Director of Corporate Finance)
Lee Russell (Group Manager, Corporate Finance)
Nina Clark (Divisional Director of Legal and Democratic Services)
Winston Brown (Legal Partner)
Melanie Field (Legal Partner)
Yinka Owa (Legal Partner)

Children's Services

Roger Luxton Corporate (Director Children's Services)
Apostolos Vouyioukas (Divisional Director of Safeguarding & Rights)
Meena Kishinani (Head of Children's Policy and Trust Commissioning)
Christine Pryor (Head of Integrated Family Services)

Customer Services

David Woods (Corporate Director of Customer Services)
Darren Henaghan (Head of Environmental and Enforcement Services)
Katherine Maddock-Lyon (Head of Customer Strategy and Transformation)
Abimbola Odunsi (Head of Barking and Dagenham Direct)

Adult & Community Services

Ann Bristow (Corporate Director of Adult and Community Services)
Heather Wills (Head of Community Cohesion and Equalities)
Mary Farinha (Group Manager Performance Policy and Programmes)
Paul Hogan (Head of Leisure and Arts)
Nicholas Kingham (Program Director Personalisation)
Bruce Morris (Head of Adult Care Services)
Jacquie Mowbray (Joint Director of Mental Health)
Glynis Rogers (Head of Community Safety and Neighbourhood Services)
Tudur Williams Acting Head of Adult Commissioning)

Chief Executives Department

Kenneth Jones (Programme Director Local Housing Company)
Alan Lazell (Head of Skills and Learning)
Jeremy Grint (Head of Regeneration and Economic Development)
Daniel Pope (Head of Spatial Planning and Environmental Sustainability)
Tammy Adams (Team Leader Planning Policy and Strategy)

In addition, members of staff at the Council were consulted through a postal and on-line survey and some members of staff participated in interviews.

External

- Residents in the borough;
- Visitors into the borough;
- Local Strategic Partnership;
- Private, public and voluntary organisations in the Borough;
- Young people in the borough;
- Disabled people;
- BME groups;
- Religious groups
- Faith groups.

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

- LB Barking and Dagenham, Tell Us.... What next Community Engagement, January 2008.
- Delivering Community Engagement for the development of the Sustainable Community Strategy, Phase A Milestone Report from The Campaign Company, February 2008.
- Barking and Dagenham's Future: A Community Plan for Barking and Dagenham 2008-2018.

- Delivering Community Engagement for the development of the Community Strategy, Citizen Select Panel Report from The Campaign Company, July 2008.
- Delivering Community Engagement for the development of the Community Strategy Phase 2 Report from The Campaign Company, August 2008.

Community Plan

Final Draft EDIT

Version 1.10

Author: Stephen Meah-Sims

Department: Policy and Partnerships, Resources, LBBD

Last update: 3rd March 2009

DRAFT

Barking & Dagenham Partnership

Barking and Dagenham's

Community Plan DRAFT

Contact us

The Policy and Partnerships Team is here to advise you about the Community Plan or any other partnership activity.

You can contact us at:

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Or you can visit the Partnership website for more information at:

www.barkinganddagenhampartnership.org.uk

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Partnership@lbbd.gov.uk quoting 'Alternative format' in the subject box.

Other alternative formats are available on request.

Foreword: Delivering a future for Barking and Dagenham

We're involving more people than ever before in deciding the kind of place Barking and Dagenham should be

The Barking and Dagenham Partnership brings together the Council, health services, police and fire service, working with local businesses, representatives of the voluntary and community sector and members of the local community. Together we aim to understand the needs of local people and find out what would make a difference to residents' quality of life and agree a vision for the future.

This is the document that sets out the future for Barking and up to 2020 and how it will look and feel for people who live, work, study, visit and do business in the borough. We have named it Barking and Dagenham's Community Plan, also known as the 'Sustainable Community Strategy'.

The Community Plan sets out how we will work together to turn ambitions into reality. Our ambition for Barking and Dagenham is a borough which is safe, clean, fair and respectful, prosperous, healthy and where young people are inspired and successful. If we are to achieve this ambition, everybody must work together.

We have a lot to celebrate in Barking and Dagenham: a great sense of community, interesting heritage, improving links to central London, access to the open countryside and unprecedented urban regeneration. These all make Barking and Dagenham an exciting place to be.

The partnership has already delivered real improvements that include the development of Children's centres, introducing free swimming, ambitious and creative regeneration projects, and improving educational attainment.

Barking and Dagenham is constantly changing and we face challenges in the future, including significant levels of deprivation and a changing population.

The members of the Barking and Dagenham Partnership make many different contributions to the improvement of our borough. This Plan seeks to bring them together.

All of our local plans will link together to show how we are working towards making the vision of Barking and Dagenham a reality.

Cllr Charles Fairbrass
Chair of the Barking and Dagenham Partnership

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Section 1: What is the Community Plan?

Understanding what the new Community Plan is

What is a Community Plan?

What are the issues that really matter to the people of Barking and Dagenham? We have found out by listening – listening to over 3000 resident, local groups and businesses.

We have discussed the challenges we face in terms of economic prosperity, safety, health, housing, education and the environment to name but a few. We are enabling local residents to influence the future delivery of services and the development of their neighbourhoods.

This plan is based on what we have heard. Figure 1 shows how we have translated what we have heard into actions we need to take.

Barking and Dagenham's Community Plan:

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- Sets out a shared vision for the future of the borough;
- Outlines our priorities for action over the next three years;
- Demonstrates our commitment to working together for the benefit of people who live, work and visit the borough;
- Ensures our actions provide co-ordinated rather than fragmented services to children, young people and adults.

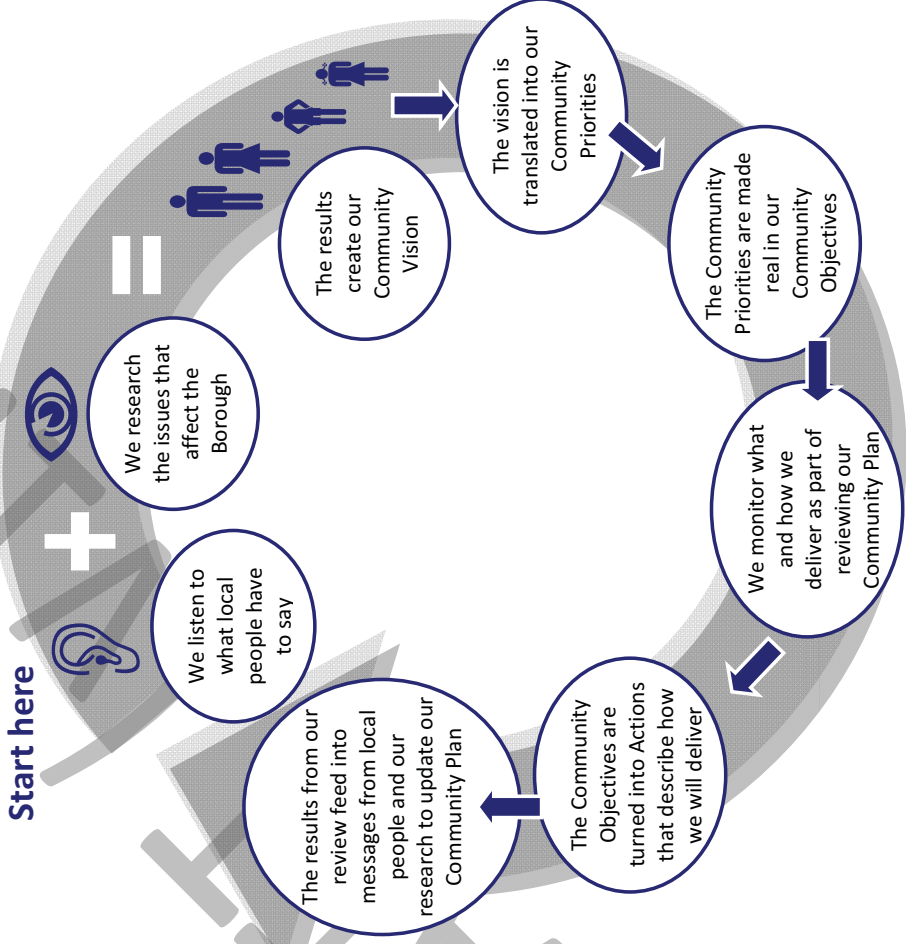
Throughout its lifetime we will monitor the Community Plan and review it in 2012 and 2016 to identify new priorities to keep us moving towards our vision for 2020.

Why have a Community Plan?

The Community Plan sets out the ambitions for Barking and Dagenham Partnership and how it will work to deliver improvements in the borough. There are many agencies working to improve the borough, and to deliver services to its residents, from the Council, health services and Police through to businesses and smaller voluntary and community organisations. Only by bringing together their actions and ambitions in a plan such as this can we get a consistent approach to delivering what the residents of the borough tell us is important to them.

The Community Plan has a 2020 vision and this is translated into priorities. The priorities generate different strands of work seen in figure 1 below and explained throughout this document.

Figure 1 – The Community Plan - based on what we heard and what we will do.



Section 2:

Profile of the borough – A brief summary of where we are

Profile of the borough

Barking and Dagenham is located at the heart of the Thames Gateway, approximately 11 miles east of central London. The most recent figures indicate a population of approximately 166,900¹, living in just over 69,000 households. The borough is one of the fastest-growing in the country. By 2020 the population is likely to have increased to 174,000 according to the Office of National Statistics (ONS). However, the GLA put a figure of 205,000² this reflects the increased house building taking place in the borough, particularly the Thames Gateway social and physical regeneration such as Barking Riverside, which will bring increased demand for services, together with great opportunities.

At present, 26% of the population is aged 0-16, 62% is aged 17-64 and 12% is aged 65+. The borough has a higher proportion of both older and younger people than the London average.

An important recent change has been the rapid rise in the proportion of the borough's population which is made up of black and minority ethnic residents. In 1991, only 6.8% of the borough's population was non-white. This had risen to nearly 15% in 2001, and is now estimated to be approximately 23%. Historically, there has been a stable white, working-class population in many parts of the borough, although in areas of Barking there has been significant ethnic diversity since the 1960s. Increasing diversity offers considerable opportunities, but the pace of change poses a number of real challenges for community cohesion.

The percentage of residents with no qualifications is higher than the London average, and the percentage with degree level qualifications or equivalent, is the lowest in London. Levels of adult basic skills are very low, but are improving. As a result of long-term development, primary and secondary pupils achieve test and examination results close to the national average on measures, and

¹ ONS Mid Year Estimates 2007

² DCLG Valuation Office 2006

³ GLA Population Projections 2007

the rate of improvement at GCSE grades 5A* - C since 2002 puts the borough in the top 25 of all authorities.

Barking and Dagenham has high areas of deprivation. Based on the Index of Multiple Deprivation 2007 average rank, our borough is ranked 11th highest of all Local Authorities nationally. The borough has 17 wards of which 5 are ranked within the 10% most deprived wards in England and a total of 14 wards are ranked within the 20% most deprived.

Life expectancy for men and women in the borough is approximately 1.5 years lower than the UK average. The life expectancy for men and women has improved over the past 10 years rising from 73 years to 76.3 years for men and from 78.8 to 80.3 for women. Death rates from major causes are higher than the England average. Though our death rate is reducing and life expectancy over the past 10 years has increased, we need to do more.

Physical Activity Leisure Services with the PCT and others are developing programmes to increase physical activity across the borough as part of a tackling obesity drive, with the borough recently securing free swimming to all residents in the borough 18 years and younger.

Section 3: Listening to our residents

Results of consultation, engagement and research

Listening To Our Residents: What you told us

The Community Plan was written after talking and listening to over 3,000 residents, local groups and businesses to find out what they thought of the borough. We wanted to know what was important to them, and what they thought the main issues were for the area. One of the strongest messages we received was that the priority for many people was to create a better life for their family.

However, there were also a number of themes which many people agreed on: the need to improve the look and feel of the borough; the need to improve social care and delivery of the health service; the need to deal with anti-social behaviour; and the need to improve recycling.

The Dagenham family that we spoke to complained about the Council's recycling scheme. They had made an effort to find out about the glass recycling scheme and how to use it. As they were worried about leaving the box outside, and children using the bottles as missiles, the family contacted the Council to find out the collection date. However, on collection day, their box was missed, and wasn't collected for another two weeks. This family were prepared to make an effort to find out about the glass recycling scheme, and how to use it, but late collection harms the Council's reputation, and makes the success of the recycling scheme less likely.

The same family were generally complimentary about many of the health services on offer, but in some cases they found it difficult to get important information, and got the impression that many of the services didn't communicate with each other. For example, while a blood test had been arranged for an elderly relative, it was unclear what the test was for and who had ordered it.

Many people we spoke with described their experiences of anti-social behaviour, which included fights, intimidation by groups, and aggressive behaviour on public transport. A number of people felt that incidents of anti-social behaviour were high, and that community police, street wardens, and the police were not being active enough in dealing with these incidents.

The people of Barking and Dagenham want to feel safe; they expect excellent public services; and they want to take pride in the areas in which they live. The Partnership needs to show that they are listening, and taking action to improve existing services and address the issues that are being raised.

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What we're doing

Some examples,

You said: 'Our first priority should be children. There should be more free activities for them to take part in as they are our future.'

What we're doing: Free swimming introduced in the borough as part of a joint effort between the Council and Primary Care Trust to get young people active.

You said: '...more local events to bring communities together.'

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What we're doing: **Rising Star awards** is a ceremony to award children and young people who live, study or work in the borough aged between 10 and 19. There are 11 different nomination categories that they can be nominated to win - Sports person, Musician or Band, Health Champion, Young Volunteer, Safer Community, Young Achiever, Academic, Carer Recognition, Green Award, Courage Award, Supporting your Community. Nominations were sought from members of the public, Voluntary Sector, NHS Barking and Dagenham and Local Authority staff.

Hosting an awards evening is an opportunity to showcase children and young people in the borough and acknowledge the huge contribution they make to their local areas. The awards evening will award children and young people for the effort they have made and also evidence the local authority commitment to Every Child Matters.

You said: 'Promoting green objectives and practicing green policies in our own organisations.'

What we're doing: Implementing energy saving initiatives in Council buildings; developing a Council Climate Change Strategy; piloting electric vehicles; establishing a car club; assisting in the provision of a heat main for Barking Town Centre which will connect not only with new developments but also Council buildings and provide low cost heat.

You said: 'I support a borough with improved skills and opportunities. Young ones are growing up in the borough with no hope of getting a job.'

What we're doing: The creation of voluntary sector led job shops to target disadvantaged groups into training and employment programmes to increase household income and future career aspirations. In addition, we have developed more job brokerage schemes, plus apprenticeships and specialised diplomas.

You said: 'Concentrate on crime. This is people's main concern.'

What we're doing: Working with the police, local residents, elected members and voluntary and community groups on estate based joint initiatives to decrease crime and anti-social behaviour and give pride in estates back to local residents.

You said:

'B & D must become a business-friendly borough.'

What we're doing:

Establishing new start up business space and move on space for expanding small enterprises; assisting with improving the environment of industrial areas; assisting with improving access to industrial areas.

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Section 4:

Working together

- The priorities

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The vision: Working together for a better borough

Based on talking and listening to over 3000 people in the borough, the Partnership has signed up to a vision statement that sums up the main points in the messages that we received.

The vision of the Barking and Dagenham Partnership is:

**‘Working together for
a better borough’**

Turning our vision into the work we need to do until 2020

The Community Plan is about pulling together the views of people and turning those views into real things that people see and experience on the street, from less litter to better information on services.

We have 6 new Community Priorities. We want everybody to live, work and thrive in a borough which is:

Priority 1 Safe:

A safer borough where the problems of antisocial behaviour have been tackled and all young people have a positive role to play in the community.

Under this priority our focus will be on:

- Reducing crime;
- Reducing the entry of new people to the criminal justice system;
- Minimising re-offending;
- Restoring balance of justice for victims;
- Reducing crime areas and hotspots;
- Ensuring people feel safer in their neighbourhoods (incl. Fire and Roads);
- Focusing on reducing alcohol/drugs.

Priority 2 Clean:

A clean, green and sustainable borough with far greater awareness of the actions needed to tackle climate change, with less pollution, waste, fly-tipping and graffiti.

Under this priority our focus will be on:

- Ensuring our streets and public spaces are cleaner, tidier and greener;
- Reducing the amount of waste that goes to landfill;
- Reducing CO₂ emissions;
- Reducing the Partnership's carbon footprint.

Priority 3 Fair and respectful:

A stronger and more cohesive borough so that it is a place where all people get along, and of which all residents feel proud.

Under this priority our focus will be on:

- Significantly increasing involvement and influence in public services;
- Ensuring fair access to all public services;
- Creating opportunities to build respect together;
- Strengthening ties within our communities, for example, by increasing volunteering.

Priority 4 Healthy: A healthy borough, where health inequalities are reduced with greater knowledge of lifestyle impacts on health.

Under this priority our focus will be on:

- Ensuring more people enjoy longer and healthier lives;
- Placing Greater focus on prevention - better diet, less smoking/alcohol and more activity throughout life;
- Focusing on obesity and teen pregnancy;
- Increasing independent living;
- Reducing health inequalities;
- Creating more emphasis on mental well-being.

Priority 5 Prosperous: An ambitious and prosperous borough that supports business, jobs and skills attracting new business with economic, social and environmental resources harnessed for the good of all.

Under this priority our focus will be on:

- Tackling worklessness;
- Reducing those who are not in education, employment or training;
- Creating and attract more jobs;
- Encouraging and support self-employment and enterprise;
- Ensuring more affordable homes are built and available to local people;
- Ensuring homes are decent.

Priority 6 Inspired and successful:

A borough of opportunity for all young people so that they can play an active economic role for the good of all.

Under this priority our focus will be on:

- Continuing to increase qualifications for all;
- Focusing on looked after children and those with learning difficulties and disabilities;
- Significantly increasing level 2 and 3 qualifications at age 19;
- Significantly improving adult skill levels.

Links with other plans and strategies

Local Area Agreement (LAA): the 3-year action plan

The Local Area Agreement (LAA) is a 'contract' between Barking and Dagenham and the Government which commits us to working towards certain actions and targets. The actions and targets within the LAA are the ones we all agree will help us to meet our objectives and make the Community Plan work. For example, if we can increase the level of qualifications held by adults to a certain level (action and target), we can increase the number of adults in work (objective).

Responsibility for carrying out particular actions will remain with individual service providers, including the Council. Achieving the Community Plan's overall vision will depend on the individual and joint actions taken by individual partners as part of their day-to-day activities. It will, therefore, be important that all individual partners make sure the relevant actions are also in their own organisation's plans and strategies. For example, the Council Plan and the Children and Young people's Plan contain many of the targets and actions which are outlined in the Community Plan.

When partners review the Community Plan they will look at progress made since its publication and take into account changes made to all the plans and strategies that are brought together underneath it. This will be combined with additional consultation with the local community on new issues and priorities to ensure that the Community Plan continues to reflect local priorities.

Other key plans and strategies

Barking and Dagenham Local Development Framework (LDF)

All local authorities have to prepare a LDF, which consists of a collection of planning policy documents. Together these form a planning strategy for Barking and Dagenham that integrates sustainable policies for the development and use of land with related strategies that have social, environmental or economic implications. It is important to achieving the Community Plan because it sets out and provides a long term spatial vision.

London borough of Barking and Dagenham Cohesion Strategy

The vision shared with local people is to work together to build a better borough. Underpinning this is the need to build:

- A strong community who will get fair access to services;
- A place where people respect one another and enjoy safe and peaceful lives; and,
- Opportunities to meet together and look forward to the future.

Children & Young Peoples Plan

The Children and Young People's Plan sets out our vision and a number of key priorities and outcomes we want to achieve throughout the next 3 years for children, young people and their families.

Economic Development Strategy

The Economic Development Strategy is a plan for all those involved in London's economy and concerned with its success. The London Development Agency (LDA) produces the Economic Development Strategy on behalf of the Mayor of London. It is one of eight strategies the Mayor is required to produce and provides the blue-print for all of the Agency's work and a focus for all of our delivery partners.

Barking and Dagenham Council Plan

The Council Plan sets out the key priorities that shape the services we provide. It provides a common purpose around which activities of our directorates and partnerships are linked and support one another to achieve these goals. It is our contribution to making sure the Community Plan works.

Other plans and strategies used under this Community Plan:

[The online version of the Community Plan will provide links to plans and strategies]

- Anti-Social Behaviour Strategy;
- Choosing Health White Paper and Strategy;
- Domestic Violence Strategy;
- Environmental Policy;
- Housing Strategy;
- Joint Strategic Needs Assessment;
- National Dugs Strategy: Protecting Families & Communities
- Neighbourhood Management Strategy;
- Preventing Re-Offending: Prolific & Other Priority Offending Strategy;
- Primary Care Trust Operating Plan;
- Strategic Assessment and the 3 year-rolling Partnership Plan;
- Youth Justice Plan.

Section 5: Our Partnership

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Who are our partners, where are they from and what do they do?

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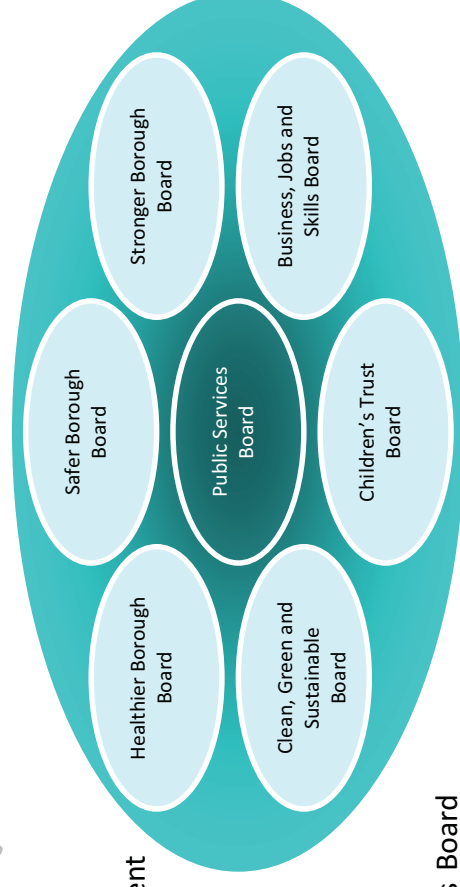
Our Partnership

The Barking and Dagenham Partnership brings together all the major public sector organisations, local businesses, community and voluntary groups to work collectively to improve the quality of life for local people.

Barking & Dagenham Partnership

- Barking College
- Barking and Dagenham Council
- Barking and Dagenham Enterprise
- Barking and Dagenham Primary Care Trust
- Barking and Dagenham Youth Assembly
- Business Link
- Chamber of Commerce
- Courts Service
- Fire Service
- Gateway to London
- Groundwork, East London
- Government Office for London
- Housing Associations
- Job Centre Plus
- Learning and Skills Council
- Local business organisations
- London Development Agency
- Metropolitan Police Service
- Probation Service
- Thames Gateway Urban Development Corporation
- Transport for London
- University of East London
- Voluntary and Community Sector

Figure 2 – Relationship between the Public Services Board and the 6 themed partnership boards.



Full membership of the Barking and Dagenham Partnership can be found on page 53.

The Partnership is made up of 6 themed boards that are accountable to the Public Services Board (PSB), please refer to figure 2. Each board is made up of a chair and a group of partners from different organisations across the borough.

The role of Partnership Boards

Each Board is responsible for separate work programme. They respond to new initiatives, Develop policy and strategy and run a variety of public events. Individual Boards meet regularly and all Boards come together twice a year in a large scale Partner's Conference and smaller Partner's Annual Review. The Partner's Conference typically takes place every summer, is a public event with an exhibition area that celebrates the successes of partnership working as well as providing information services that are provided across the borough.

The second event focuses on the core skills that each member that serves on the Partnership requires to do their job in the Partnership effectively.

These events focus on:

- Project and risk management;
- Communication and media relations skills;
- Equalities and Diversity;
- Financial management.

Public Services Board

The executive body of the Local Strategic Partnership.

Healthier Borough Board

Works with a range of partners in the Borough with the aim of improving healthy lifestyles, access to health and life opportunities of people in the Borough.

Clean, Green and Sustainable Board

Aims to look after and promote respect of the local environment.

Safer Borough Board

Working with partners in the Borough to lead in initiatives that make Barking and Dagenham as safer place for people who live work and visit.

Stronger Borough Board

Partners working together to improve relationships between diverse Communities in the Borough.

Business, Jobs and Skills Board

Responsible for improving residents' access to jobs and skills, and supporting local businesses.

Children's Trust Board

Leads on developing opportunities for children and young people in Barking and Dagenham.

Section 6: Keeping on track

Performance managing the Community Plan

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Who will make the Community Plan work?

Accountability

The Community Plan is made of actions that are owned by individual people, teams of people, and organisations and partnership boards that sit in the Barking and Dagenham Partnership.

Ensuring the smooth running of the Community Plan

The public services board (PSB) is responsible for ensuring that the Community plan is progressing on track. In addition, the PSB is responsible for making changes to the Community Plan. There is a team responsible for supporting the PSB and their contact details are located at the front of this plan.

The Community Plan sets out what partners will do to achieve the vision of working together for a better borough. It brings together all relevant plans and strategies, including important partnership plans like the Children and Young People's Plan and individual organisations' plans like the Barking and Dagenham Council Plan.

To make sure the work outlined in the Community Plan is carried out we have a partnership structure which enables us to work together effectively. This includes arrangements for monitoring and reviewing our progress and is a complex process.

There are two main ways in which progress will be monitored and reviewed:

- 1 Our objectives are covered by the Local Area Agreement's three year action plan which will be reviewed by the Partnership;
- 2 We will publish a Barking and Dagenham Partnership Annual Report.

Annual Report

We will also publish a report every year for the Barking and Dagenham Partnership showing how the commitments in the Community Plan are being carried out by partners and how well we're doing at meeting our objectives and making the Community Plan work. In addition, targets will be updated where necessary.

The report will be published in April of every year and made available on the Barking and Dagenham Partnership website, www.barkinganddagenhampartnership.org.uk.

Appendices

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Appendix 1: Action plan

How to read the Action Plan

The information in this part sets out the work the Partnership is doing to make the Community Plan work. The action plan is divided into 6 sections that follow the theme of the Community Priorities and each Community Priority has a set of objectives. The details in the action plan will be updated annually.

This diagram illustrates an extract from the Action Plan to explain how it can be used.

Actions: projects or services the Partnership delivers.

Performance indicators: Information that is regularly collected which can provide a good indication of whether the objective is being met.

Targets: Realistic targets are set against the performance indicator and show whether the objective is being met.

Community Priority

Safe

Action and key milestones	Timescale		Measuring progress and success	Lead	Resources	Delivery plans
	Start	End				
Objective 1a Ensure people feel safer in their neighbourhoods	2008	2011	NI 15 - Serious violent crime rate	Police		LAA / Crime, Disorder & Drugs Strategy / Anti-Social Behaviour Strategy
	2008	2011	NI 16 - Serious acquisitive crime rate	Police		LAA / Crime, Disorder & Drugs Strategy /
			Performance indicator			
			08/09	09/10		
			6.4% reduction from	7.2% reduction from		
			?	?		

Objective: This flows from a Community Priority and contains the actions to be carried out by the relevant partner.

Delivery Plans: Plans and strategies related to this objective.

Action Plan

Priority 1: Safe

Our vision for Safe is: A safer borough where the problems of antisocial behaviour have been tackled and all young people have a positive role to play in the community.

We will deliver our vision for Safe by concentrating on:

- Objective 1a Reducing crime;
 - Objective 1b Reducing the entry of new people to the criminal justice system;
 - Objective 1c Minimising re-offending;
 - Objective 1d Restoring balance of justice for victims;
 - Objective 1e Reducing crime areas and hotspots;
 - Objective 1f Ensuring people feel safer in their neighbourhoods (incl. Fire and Roads);
 - Objective 1g Focusing on reducing alcohol/drugs.
-

SAFE Action and key milestones	Timescale		Measuring progress and success		Lead	Resources	Delivery plans	
	Start	End	Performance indicator	Targets				
				08/09				09/10
Objective 1a	Reducing crime							
Ensure people feel safer in their neighbourhoods	2008	2011	NI 15 - Serious violent crime rate	To be confirmed	To be confirmed	Police	LAA / Strategic Assessment and the 3 year-rolling Partnership Plan / Anti-Social Behaviour Strategy / Domestic Violence Strategy	
	2008	2011	NI 16 - Serious acquisitive crime rate	6.4% reduction from baseline	7.2% reduction from baseline	Police	LAA / Strategic Assessment and the 3 year-rolling Partnership Plan / Anti-Social Behaviour Strategy / Domestic Violence Strategy	
Objective 1b	Reducing the entry of new people to the criminal justice system							
Divert people from a life of crime and reduce re-offending	2008	2011	NI 111 - First time entrants to the Youth Justice system aged 10-17	To be confirmed	To be confirmed	LBBB	LAA / Strategic Assessment and the 3 year-rolling Partnership Plan / Anti-Social Behaviour Strategy / Youth Justice Plan / Domestic Violence Strategy	
	Objective 1c Minimising re-offending							
Divert people from a life of crime and reduce re-offending	2008	2011	NI 19 - Rate of proven re-offending by young offenders	Local – data to be added	Local – data to be added	LBBB / Police	LAA / Strategic Assessment and the 3 year-rolling Partnership Plan / Anti-Social Behaviour Strategy / Youth Justice Plan / Domestic Violence Strategy	
	2008	2011	NI 30 - Re-offending rate of prolific and priority offenders	18% reduction (to be reviewed)	To be agreed	Probation / Police	LAA / Strategic Assessment and the 3 year-rolling Partnership Plan / Preventing Re-Offending – Prolific & Other Priority Offending Strategy	
	2008	2011	NI 32 - Repeat incidents of domestic violence	To be confirmed	To be confirmed	Police	LAA / Strategic Assessment and the 3 year-rolling Partnership Plan / Preventing Re-Offending – Prolific & Other Priority Offending Strategy / Domestic Violence Strategy	
Objective 1d	Restoring balance of justice for victims							
Ensure people feel safer in their neighbourhoods	2008	2011	NI 24 - Satisfaction with the way the police and local	To be confirmed	To be confirmed	LBBB / Police	LAA / Anti-Social Behaviour Strategy / Strategic Assessment and the 3 year-rolling Partnership Plan / Domestic Violence Strategy	

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Priority 2: Clean

Our vision for Clean is: A clean, green and sustainable borough with far greater awareness of the actions needed to tackle climate change, with less pollution, waste, fly-tipping and graffiti.

We will deliver our vision for Clean by concentrating on:

- Objective 2a Ensuring our streets and public spaces are cleaner, tidier and greener;
- Objective 2b Reducing the amount of waste that goes to landfill;
- Objective 2c Reducing CO₂ emissions;
- Objective 2d Reducing the Partnership's carbon footprint.

Action and key milestones	Timescale		Measuring progress and success		Lead	Resources	Delivery plans
	Start	End	Performance indicator	Targets			
Objective 2a Ensuring our streets and public spaces are cleaner, tidier and greener							
Create better place to live where people comment positively on the local environment	2008	2011	NI 5 - Overall / general satisfaction with local area	To be confirmed	To be confirmed	B & D Partnership	LAA / Housing Strategy
Objective 2b Reducing the amount of waste that goes to landfill							
Attract and retain businesses by ensuring B & D is seen as safe, clean and business friendly	2008	2011	NI 192 - Percentage of household waste sent for reuse, recycling and	23.5%	25.5%	LBBD	LAA / Environmental Policy?

Priority 3: Fair and Respectful

Our vision for Fair and Respectful is: A stronger and more cohesive borough so that it is a place where all people get along, and of which all residents feel proud.

We will deliver our vision for Fair and Respectful by concentrating on:

- Objective 3a Significantly increasing involvement and influence in public services;
- Objective 3b Ensuring fair access to all public services;
- Objective 3c Creating opportunities to build respect together;
- Objective 3d Strengthening ties within our communities, for example, by increasing volunteering.

FAIR AND RESPECTFUL Action and key milestones	Timescale		Measuring progress and success		Lead	Resources	Delivery plans
	Start	End	Performance indicator	Targets			
Objective 3a Significantly increasing involvement and influence in public services							
Listen to people so they feel better able to influence decisions and services	2008	2011	NI 4 - % of people who feel they can influence decisions in their locality	To be confirmed	LBBB		LAA / Neighbourhood Management Strategy
Objective 3b Ensuring fair access to all public services							
Ensure fair access to	2008	2011	NI 4 - % of people who feel they can	To be confirmed	LBBB		LAA / Neighbourhood Management Strategy

services				influence decisions in their locality	confirmed	confirmed				
Objective 3c	Creating opportunities to build respect together									
Provide opportunities for people to get on well together	2008	2011		NI 23 - Perceptions that people in the area treat one another with respect and dignity	70%	65%	LBBB			LAA / Community Cohesion Strategy
	2008	2011		NI 1 - % of people who believe people from different backgrounds get on well together in their local area	To be confirmed	To be confirmed	LBBB			LAA / Community Cohesion Strategy / Neighbourhood Management Strategy
Objective 3d	Strengthening ties within our communities – e.g. by increasing volunteering									
To be confirmed				Note – local measure not in LAA owned by CS, Heritage and Libraries. Indicator here would be NI 6 - Participation in regular volunteering	To be confirmed	To be confirmed				LAA / Community Cohesion Strategy / Neighbourhood Management Strategy

Priority 4: Healthy

Our vision for Healthy is: A healthy borough, where health inequalities are reduced with greater knowledge of lifestyle impacts on health.

We will deliver our vision for Healthy by concentrating on:

- Objective 4a Ensuring more people enjoy longer and healthier lives;
- Objective 4b Placing Greater focus on prevention - better diet, less smoking/alcohol and more activity throughout life;
- Objective 4c Focusing on obesity and teen pregnancy;
- Objective 4d Increasing independent living;
- Objective 4e Reducing health inequalities;
- Objective 4f Creating more emphasis on mental well-being.

HEALTHY Action and key milestones	Timescale		Measuring progress and success		Lead	Resources	Delivery plans	
	Start	End	Performance indicator	Targets				
				08/09				09/10
Objective 4a	Ensuring more people enjoy longer and healthier lives							
Reduce mortality rates (especially for woman)	2008	2011	NI 121 - Mortality rate from all circulatory diseases at ages under 75	99 per 100,000	98 per 100,000	Primary Care Trust / LBBD	PCT	LAA / PCT Operating Plan/JSNA
Objective 4b	Placing Greater focus on prevention - better diet, less smoking/alcohol and more activity throughout life							
Reduce smoking	2008	2011	NI 123 - 16+ current smoking rate prevalence	979 per 100,000	979 per 100,000	Primary Care Trust / LBBD / Children's Trust	PCT	LAA / Children & Young Peoples Plan / PCT Operating Plan / JSNA
Improving mental well-being	2008	2011	NI 57 - Children and young people's participation in high quality PE and sport	Local - data to be added	Local - data to be added	Primary Care Trust / LBBD / Children's Trust	LBBD	LAA / Children & Young Peoples Plan
Objective 4c	Focusing on obesity and teen pregnancy							
Reduce obesity, especially in children	2008	2011	NI 56 - Obesity among primary school age children in Year 6 NI 52 - Take up of school lunches	Local - data to be added	Local - data to be added	Primary Care Trust / LBBD / Children's Trust	PCT	LAA / Children & Young Peoples Plan
Reduce teen pregnancy	2008	2011	NI 112 - Under 18 conception rate	31.8 rate	28.2 rate	Primary Care Trust / LBBD / Children's Trust	PCT	LAA / Children & Young Peoples Plan
Objective 4d	Creating more emphasis on mental well-being							
Improving mental well-being	2008	2011	NI 57 - Children and young people's participation in high	Local - data to be added	Local - data to be added	Primary Care Trust / LBBD / Children's Trust	LBBD	LAA / Children & Young Peoples Plan

Priority 5: Prosperous

Our vision for Prosperous is: An ambitious and prosperous borough that supports business, jobs and skills attracting new business with economic, social and environmental resources harnessed for the good of all.

We will deliver our vision for Prosperous by concentrating on:

- Objective 5a Tackling worklessness;
- Objective 5b Reducing those who are not in education, employment or training;
- Objective 5c Creating and attract more jobs;
- Objective 5d Encouraging and support self-employment and enterprise;
- Objective 5e Ensuring more affordable homes are built and available to local people;
- Objective 5f Ensuring homes are decent.

Prosperous Action and key milestones	Timescale		Measuring progress and success			Lead	Resources	Delivery plans
	Start	End	Performance indicator	Targets				
				08/09	09/10			
Objective 5a Tackling worklessness								
Raise household incomes be getting unemployed people into jobs and those in jobs into better jobs	2008	2011	NI 151 - Overall employment rate	Local – data to be added	Local – data to be added	LBBB		LAA / Economic Development Strategy
	2008	2011	NI 152 - Working age people on out of work benefits	17.9%	17.2%	Job Centre Plus / LBBB		LAA / Economic Development Strategy
	2008	2011	NI 153 - Working age people on out of work benefits in the worst performing neighbourhoods	28.2%	26.6%	Job Centre Plus / LBBB		LAA / Economic Development Strategy
	2008	2011	NI 173 - People falling out of work and on to incapacity benefits	0.79	0.76	PCT / Job Centre Plus / LBBB		LAA / Economic Development Strategy
	2008	2011	NI 163 - Working age population qualified to at least level 2 or higher	52.2%	53%	LSC		LAA / Economic Development Strategy
Objective 5b Reducing those who are not in education, employment or training								
Reduce NEETs	2008	2011	NI 117 - 16 to 18 year olds who are not in education, training or employment	9%	8.5%	LBBB		LAA / Children & Young Peoples Plan / LSC?

Priority 6: Inspired and successful

Our vision for Inspired and Successful is: A borough of opportunity for all young People so that they can play an active economic role for the good of all.

We will deliver our vision for Inspired and Successful by concentrating on:

- Objective 6a Continuing to increase qualifications for all;
- Objective 6b Focusing on looked after children and those with learning difficulties and disabilities;
- Objective 6c Significantly increasing level 2 and 3 qualifications at age 19;
- Objective 6d Significantly improving adult skill levels;
- Objective 6e Developing more and better things to do and places to go.

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Inspired and successful Action and key milestones	Timescale		Measuring progress and success		Lead	Resources	Delivery plans
	Start	End	Performance indicator	Targets			
Objective 6a Continuing to increase qualifications for all				08/09			
Objective 6b Focusing on looked after children and those with learning difficulties and disabilities;				09/10			
Objective 6c Significantly increasing level 2 and 3 qualifications at age 19;							
Objective 6d Significantly improving adult skill levels;							
Objective 6e Developing more and better things to do and places to go.							
Objective 6a Continuing to increase qualifications for all							
DCSF Statutory Indicators: Increase qualifications - especially post GCSE	2008	2010	NI 72 - Achievement of at least 78 points acts the Early Years Foundation Stage with at least 6 in each of the scales on Personal, Social and emotional Development and communication, Language and Literacy	34%	41%	LBBB	LAA / Children & Young Peoples Plan
	2008	2010	NI 73 - Achievement of at level 4 or above in both English and Maths at Key Stage 2	None set	76%	LBBB	LAA / Children & Young Peoples Plan
	2008	2010	NI 74 - Achievement at Level E or above in English and Maths at Key Stage 2	None set	70%	LBBB	LAA / Children & Young Peoples Plan

	2008	2010	NI 100 - Children in care reaching level 4 in Maths at Key Stage 2	80%	70%	LBBBD	LAA / Children & Young Peoples Plan
	2008	2010	NI 101 - Children in care achieving 5A*-C GCSEs or equivalent at Key Stage 4 (including English and Maths)	27.6%	53.3%	LBBBD	LAA / Children & Young Peoples Plan
Increase qualifications - especially post GCSE	2008	2010	NI 102 - Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 2 and 4	KS 2 - 13 KS 4 - 14.6	KS 2 - 12.5 KS 4 - 14.2	LBBBD	LAA / Children & Young Peoples Plan
Objective 6b Focusing on looked after children and those with learning difficulties and disabilities							
Increase support for children with learning difficulties and disabilities	2008	2011	NI 54 - Service for disabled children	Local – data to be added	Local – data to be added		
Objective 6c Significantly increasing level 2 and 3 qualifications at age 19							
	2008	2011	NI 80 - Achievement of a Level 3 qualification by the age of 19	34%	36%	LBBBD	LAA / Children & Young Peoples Plan
Increase qualifications - especially post GCSE	2008	2011	NI 81 - Inequality gap in the achievement of a Level 3 qualification by the age of 19	Local – data to be added	Local – data to be added	LBBBD	LAA / Children & Young Peoples Plan
	2008	2011	NI 82 - Inequality gap in the achievement of a Level 2 qualification by the age of 19	Local – data to be added	Local – data to be added	LBBBD	LAA / Children & Young Peoples Plan
Objective 6d Significantly improving adult skill levels							
Significantly improve the levels of adult skills and qualifications	2008	2011	NI 163 - Working age population qualified to at least Level 2 or higher	52.2%	53%	LBBBD / LSC	LAA
Objective 6e Developing more and better things to do and places to go							
Ensure there are more and better things for children	2008	2011	NI 110 - Young people's participation in positive activities	To be confirmed	To be confirmed	LBBBD	LAA / Children & Young Peoples Plan

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INITIALS

Appendix 2: Mainstreaming Equalities, Sustainability and Community Safety

Embedding good principles in the work that we do

Mainstreaming: Community Safety, Equalities and Sustainability

The Community Plan is 'Sustainable'. For this plan, sustainable means:

- Making sure that the Partnership and member organisations produce clear information and communicate effectively with each other
- Consulting and engaging effectively, making sure to communicate back to people the results of consultation
- Working to clear guidelines that are understood by all and available to all, with clear lines of accountability and responsibility
- Commissioning services, designing projects and contracts, and reviews work using the following areas to act as the building blocks for all that the Partnership does:

- Mainstreams Community Safety;
- Mainstreams Equalities;
- Mainstreams Sustainability.

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These areas are explained on the following pages.

Mainstreaming Community Safety*

The 9-Step Partnership Approach

- 1 Building community safety into corporate plans such as the Community Plan.
- 2 Making sure that the Crime and Disorder Reduction Strategy is complementary to statutory plans (such as the Children's Services Plan) which largely determine service objectives, and that these take account of relevant issues identified in the Crime and Disorder Audit.
- 3 Using a cross-cutting Fundamental Performance Review to look at the way community safety is addressed across the Partnership.
- 4 Making sure that Partners', Elected Members and staff know what community safety is all about and how they can help to achieve it.
- 5 Creating a safe and secure working environment that reflects the commitment to community safety.
Developing corporate decision-making processes to consider the implications for community safety of all policy and service developments.
- 6 Having the right information systems throughout the Partnership and partner organisations to plan and manage community safety activity, assess the risks and costs of crime and disorder and analyse expenditure on community safety.
- 7 Identifying and overcoming barriers to effective joint-working between partner agencies and internal departments.
- 8 Developing a clear and targeted communication strategy to promote community safety across the Partnership.

*Section 17 of the Crime and Disorder Act 1998

Mainstreaming Equalities

Equality is about creating a fairer society where everyone can participate and has the opportunity to fulfil their potential. The Barking and Dagenham Partnership aims to mainstream equalities across its projects and services.

We define mainstreaming as:

"The systematic integration of an equality perspective into the everyday work of the Partnership, involving people at all levels.

- It is a long term strategy that aims to make sure that policy making is fully sensitive to the diverse needs and experiences of people;
- It leads to improved decision-making through better information, greater transparency and openness;
- It involves groups and individuals who experience inequality and discrimination, in informing policy making through effective consultation mechanisms;
- It tackles the under-representation of disadvantaged and excluded groups through encouraging wider participation;
- It tackles structures, behaviours and attitudes that contribute to, or sustain, inequality and discrimination;
- It can avoid policies and programmes being adopted that continue existing inequalities or make them worse.

Mainstreaming Sustainability

What is sustainability?

Sustainability means different things to different people. But in the broadest of terms it involves ensuring well-being and quality of life for everyone, now and for generations to come, by meeting social and environmental as well as economic needs. All of us have a responsibility to act in an ethical and sustainable manner and to consider the impacts our actions and decisions may have on a local, and indeed, global level.

Mainstreaming sustainability involves:

- Gathering information on the environmental, social and economic aspects of the borough, identifying the main 'sustainability issues' and developing 'sustainability actions' to deal with them;
- Ensuring that the sustainability actions are developed in line with the Local Development Framework for Barking and Dagenham;
- Ensuring there are:
 - Measures to make the most of benefits and reduce negative effects;
 - Proposals for monitoring the plan;
 - Assessing the performance of the plan and responding appropriately to any negative effects.

Appendix 3: Glossary of terms and links

DR. J. V. L. B. R. D.

[Section will be added]

Appendix 4: Members of the Barking and Dagenham Partnership

Page 68 [Section will be added]

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THE EXECUTIVE

24 MARCH 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Barking & Dagenham Council Plan Update 2009-10 incorporating the Medium Term Financial Strategy (MTFS) 2009-10 to 2011-12	For Decision
<p>Summary: The Council Plan 2008-10 which was agreed by the Executive Minute 88 2008/09 sets out the Council's vision, values and priorities, and identifies the links with the Community Plan. This update incorporates the Medium Term Financial Strategy (MTFS) which sets out the financial strategy for delivering the Council's priorities.</p> <p>This is an annual update for the three year plan which covers 2008-10.</p> <p>The update includes an outcomes framework, which sets out the measures that will be used to monitor progress against priorities, and the seventeen strategic projects identified by departments, and endorsed by the Corporate Management Team, as being the key projects for the Council over the next year.</p> <p>The draft Council Plan Update/MTFS is included with this agenda as a separate document.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s) The Executive is asked to comment on the draft Council Plan Update 2009-10/MTFS and, subject to any amendments agreed at this meeting, to recommend its adoption by the Assembly.</p>	
<p>Reason(s) To assist the Council to achieve its Community and Council Priorities</p>	
<p>Implications:</p> <p>Financial: Funding for producing the update is included within the Performance and Innovation team budget. Provision for all resources required to deliver actions in the Council Plan and Service Plans are set out in the MTFS.</p> <p>Legal: There is no statutory requirement to produce a Council Plan.</p> <p>Risk Management: No specific implications.</p> <p>Social Inclusion and Diversity: The Council Plan 2008-2010 was subject to an Equalities Impact Assessment (EIA). As the update does not concern a new or revised policy there are no specific adverse impacts insofar as this report is concerned. Each of the key strategic projects included within the</p>	

plan has either undergone an EIA or has a forward plan in place for undertaking one.

Crime and Disorder:

No specific implications.

Options Appraisal:

- a) To produce an update to the Council Plan 2008-2010 (endorsed by the Executive)
- b) To not produce a Council Plan

There is no longer a requirement for the Council to produce a Council Plan (formerly known as the Best Value Performance Plan). However, the Council Plan is the top-level strategic document for the Council and sets out its vision, values and priorities and how these will be resourced. It sets the direction for the Council and informs the Service Planning process, and, in turn, individual staff appraisals.

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1. Consultees

1.1 The following were consulted in the preparation of this report:

Councillor G Bramley, Lead Member Resources
Bill Murphy, Corporate Director of Resources
Guy Swindle, Head of Strategy & Performance
Joe Chesterton, Divisional Director of Finance
Melanie Field, Legal Practice Partner
Vivienne Cooling, Group Manager Marketing and Communications
Corporate Management Team

Background Papers Used in the Preparation of the Report:

None

Introduction

The Council Plan 2008-2010 provides clarity for the Council on where the focus of its business will be over the three year period. This focus ensures that the Council is making the right plans and decisions at the top for the services we provide now and those we design in the future. The Council must demonstrate that it spends the money it receives wisely on making the best decisions for services it provides to the communities in the borough.

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

Foreword by the Leader of the Council Cllr Charles Fairbrass MBE

I am pleased to present Barking and Dagenham's Council Plan update for 2009-2010, which sets out our ambition and priorities for the coming year. It describes the part that the Council will play in making the borough an even better place to live by building on our solid achievements in 2008-09.

Looking back over the past year there is much to celebrate. We have risen to the challenges set by Central Government and have achieved the top four star category for high performance in our annual assessment by the Audit Commission.

Front line services have been transformed since the opening of the Barking One Stop Shop in June 2008. One of the success stories has been the introduction of 'benefits while you wait' where speedier processing of claims has meant a better service to the customer and savings to the Council. A second One Stop Shop and library in Dagenham, due to open by 2010, also includes provision for shops and 82 flats.

Lots of young people have taken advantage of free swimming sessions for the under 18s and user rates have increased by 145% since the scheme was introduced. Plans to improve the quality of leisure provision are on track with the development of a new leisure centre to replace the Dagenham swimming pool in time for 2012.

We have completed the first phase of a £20 million investment programme to improve roads and footways across the borough and the first phase of the East London Transit is under construction.

We know that clean streets are a priority for local people. The use of wheelie bins was trialled at five locations across the borough and proved very successful.

The amount of waste produced reduced by 15 per cent and recycling of orange bags doubled. Cleanliness of streets in the trial areas also showed a significant improvement. There are now plans to introduce wheelie bins across the borough.

It is always nice when the Council's work is recognised. We kept our 'Two Ticks' accreditation for our commitment to employing people with a disability and retained Investors in People status for developing staff. We also achieved Beacon status for our work on tackling climate change and have been short listed for Beacon status in the Supporting Independent Living for Disabled Adults category.

The current economic situation is presenting difficulties for residents, businesses and the Council alike. The Council is determined to do all it can to support people through these difficult times and has established a Task Force to oversee a range of practical initiatives to mitigate the effects of the recession.

Our residents deserve the best and we will work together to make sure that they get it.

Message from the CE (Text to be added)

Our vision, values and priorities

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

Working together for a better borough

Community Plan

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

The Barking and Dagenham Partnership (BDP) is our local strategic partnership. It brings together the Council, health services, police, fire service, local businesses, representatives of the voluntary and community sector and members of the local community. During 2008 the BDP, after listening and talking to more than 3,000 local people, produced the Community Plan 2008-2018 ([hyperlink](#)). The plan sets out the shared vision for the future of the borough and outlines the priorities for action.

The Community Priorities, which will define the work of the Council and its Partners over the coming years, are set out below:

- **Safe** - a safer borough where the problems of antisocial behaviour have been tackled and all young people have a positive role to play in the community
- **Clean** - a clean, green and sustainable borough with far greater awareness of the actions needed to tackle climate change, with less pollution, waste, fly-tipping and graffiti.
- **Fair and respectful** - a stronger and more cohesive borough so that it is a place where all people get along, and of which residents feel proud.
- **Healthy** - a healthy borough, where health inequalities are reduced with greater knowledge of lifestyle impacts on health.
- **Prosperous** - an ambitious and prosperous borough that supports business, jobs and skills, attracting new business with economic, social and environmental resources harnessed for the good of all.
- **Inspired and successful young people** - a borough of opportunity for all young people so that they can play an active economic role for the good of all.

Local Area Agreement

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

Other Plans and Strategies

Other important plans and strategies that support the Community Plan are listed at Appendix A.

Equalities

The council has been effective in mainstreaming equalities and diversity into the way it operates, so that it is now fundamental to strategy development and service and financial planning.

To support this mainstreamed approach to all six equality strands, the Council has made a commitment to developing a Single Equality Strategy by December

2009, when the Council's Disability Equality Scheme expires, and five months in advance of the expiration of the Gender Equality Scheme. In March 2009, the Council put in place a one-year Race Equality Scheme to fulfil its statutory obligations until the 2009 review.

Making Links with the Community through Neighbourhood Management

Our Neighbourhood Management approach brings services from across the Council and its partners together to address issues that matter to local people. Through this approach we are working to narrow the gap between the most disadvantaged communities and the rest of the borough. The community is at the heart of the approach, influencing the way we deliver services, telling us what they want to see changed and working with us to bring about these changes.

Through Neighbourhood Management, residents have the opportunity to work with others in their neighbourhoods to deliver local improvements. These opportunities cover a range of activities: from those who wish to participate in civic life, for example sitting on a formal panel which helps to define priorities for local action, to those who simply want to come together with neighbours to take part in activities or celebrate successes in their community. This approach is helping us to build a confident and cohesive community.

Through listening to what people are telling us, we are building a sound knowledge of what issues matter most to our residents and, most importantly, this is helping us drive service improvement across the borough. This is not about 'quick wins', it is a long term approach which sets out to deliver continual improvement.

Neighbourhood Management ensures that the issues that matter to local people, including improving the local environment and ensuring residents feel safe, are addressed through service delivery. The scheme has been implemented in each of the borough's 17 wards and has helped to achieve real results for residents by partnership working and problem-solving across local agencies.

One Barking and Dagenham

One Barking and Dagenham is a programme of organisational culture change which was approved by the Executive in November 2008.

At the heart of One Barking and Dagenham are our five values. Our values make clear what is important to us as an organisation and guide how everyone will behave in their daily work. They were arrived at following extensive consultation with colleagues on what they liked and disliked about working here. This includes the views given by staff at the all staff briefing in June 2008, feedback from managers talking to their colleagues after the briefing and staff surveys. They are:

- Putting our customers first
- Achieving excellence
- Taking responsibility
- Working together as one team
- Treating each other fairly and respectfully

Rather than adopt a separate equality and diversity approach, equality and diversity is embedded within each value to ensure these considerations are addressed as part of the broad 'One Barking and Dagenham' work programme, rather than in isolation. Guidance has enabled staff to develop a greater understanding about 'treating each other fairly' and 'putting our customers first'.

The One Barking and Dagenham programme is underpinned by a number of transformational projects to improve customer service and provide greater value for money. These fall under the following key themes:

- Understanding and meeting the needs of our customers
- Developing and supporting staff
- Making best use of our assets
- Working with our partners

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

Council Plan Update 2009-10 – Draft Outcome Framework

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
Safe	Fewer young offenders	1b		NI 111 First time entrants to the Youth Justice system aged 10-17
	Reduced re-offending rates	1c&g		NI 19 Rate of proven re-offending by young offenders NI 40 Drug users in effective treatment
	People feel safer in their neighbourhoods	1d		NI 21 Dealing with concerns about anti-social behaviour (ASB) and crime by the local council and police NI 17 perceptions of anti-social behaviour
	Improved quality of practitioners' response to adult safeguarding cases		✓	% of cases where SWIFT record keeping complies with time standards No. enquiries from staff resolved by the Adult Safeguarding team within 2 working days
	Children feel safer		✓	Children's perceptions of feeling safe (Ofsted Tellus survey)
	Reduced anti-social behaviour	1e&f		NI 21 Dealing with concerns about ASB and crime by the local council and police
	Improved roads and footpaths		✓	NI 5 Overall/general satisfaction with the area NI 168/169 Principal/Non-principal roads where maintenance should be considered Increased resident satisfaction in areas affected

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
Clean	Cleaner streets and improved public spaces	2a	✓	NI 5 Overall/general satisfaction with the area NI 195 Improved street and environmental cleanliness NI 196 Improved street and environmental cleanliness (fly tipping) Satisfaction with parks & open spaces (Place Survey)
	Reduction in amount of waste going to landfill	2b		NI 191 Residual household waste per household NI 193 Percentage of municipal waste landfilled NI 192 Percentage of household waste sent for reuse, recycling & composting
Fair and respectful	Reduction in CO2 emissions	2c		NI 185 CO2 reduction from Local Authority operations
	Increased involvement and influence in public services	3a & b		NI 4 Percentage of people who feel they can influence decisions in their locality
	More people feel that people from different backgrounds get on well together	3c		NI 1 % people who believe people from different backgrounds get on well together NI 23 Perceptions that people in the area treat one another with respect and dignity

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
Healthy	Stronger ties within the community	3d		NI 6 Participation in regular volunteering
	People enjoy longer and healthier lives	4a		NI 121 Mortality rate from all circulatory diseases at ages under 75
	Reduction in number of teenage pregnancies	4c		NI 112 Under 18 conception rate
	Reduced childhood obesity	4c		NI 52 Take up of school lunches NI 57 Children's participation in high quality PE and sport % increase in overall swimming participation by under 18s % of the local under 18s population who have taken up Free Swimming memberships
	Improved mental well-being for children	4b,d&f		NI 51 Effectiveness of Child and Adolescent Mental Health Service (CAMHS) NI 57 Children's participation in high quality PE and sport
	Reduced health inequalities	4e		NI 8 Adult participation in sport and active recreation NI 54 Services for disabled children NI 121 Mortality rate from all circulatory diseases at ages under 75

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
	<p>People have more choice and control about how they get care and associated services</p> <p>An environment where people thrive as they age</p>		<p>✓</p> <p>✓</p> <p>✓</p>	<p>NI 130 Social Care clients receiving Self Directed Support per 100,000 population</p> <p>NI 127 Self reported experience of social care users</p> <p>NI 137 Healthy life expectancy at age 65</p> <p>NI 138 Satisfaction of people over 65 with both home and neighbourhood</p> <p>Performance framework to be developed</p>
Prosperous	<p>Impact of recession on local residents and businesses mitigated through Council action</p> <p>More people in work and in better paid jobs</p> <p>Better skilled workforce</p> <p>Fewer young people not in education, employment or training (NEET)</p>	<p>5a</p> <p>5a</p> <p>5b</p>		<p>NI 116 Proportion of children in poverty</p> <p>NI 150 Adults in contact with secondary mental health services in employment</p> <p>NI 151 Overall employment rate</p> <p>NI 152 Working age people on out of work benefits</p> <p>NI 153 Working age people on out of work benefits in worst performing areas</p> <p>NI 173 Flows on to incapacity benefits from employment</p> <p>NI 163 Working age population qualified to at least level 2 or higher</p> <p>NI 45 Young offenders' engagement in suitable education, training and employment</p> <p>NI 117 16-18 year olds who are NEET</p> <p>NI 148 Care leavers in education, employment or training</p>

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
	Increase in number of business start ups in area	5d		NI 171 VAT registration rate NI 172 VAT registered businesses in the area showing growth
	More homes, especially affordable homes	5e		NI 149 Adults in contact with secondary mental health services in settled accommodation NI 154 Net additional homes provided NI 155 Number of affordable homes delivered (gross)
	Increased number of homes meeting the decency standard	5f		NI 5 Overall/general satisfaction with the local area NI 158 % non-decent council homes
Inspired and successful young people	Improved educational qualifications by age 16	6a		Department for Children, Schools & Families (DCSF) Statutory indicators on educational attainment
	Increased level 2 & 3 qualifications at age 19	6c		NI 80 Achievement of a level 3 qualification by the age of 19 NI 81 Inequality gap in the achievement of a level 3 qualification by the age of 19 NI 82 Inequality gap in the achievement of a level 2 qualification by the age of 19
	Improved range and quality of activities for young people	6e		NI 110 Young people's participation in positive activities

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
<p>One Barking & Dagenham</p>	<p>Barking and Dagenham having a clear brand that our residents associate with quality services – they will be proud to be served by us</p> <p>Better understanding of priorities and a clear golden thread to what we do – so that we don't do things that add no value</p> <p>Better understanding of our residents so that we provide services that add value, are more accessible and meet the needs of the whole community</p> <p>Significant shift in customer satisfaction with our services – we will aim to get things right first time</p> <p>Increased staff satisfaction and confidence – staff will be proud to work at Barking and Dagenham</p> <p>Better workforce planning so that we are focussed on being proactive and need to be less reactive</p> <p>Increased service performance – our services will be judged as excellent through inspection and benchmarking</p>		<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p><i>Note:</i> Performance management framework to be further developed</p> <p>Average days lost per employee per year through sickness absence (target 9.5 days)</p> <p>Profile of workforce compared to profile of community it services (targets to be set)</p> <p>Improved value for money (VfM) on contracts (target 5% efficiencies across all new/renewed contracts)</p> <p>Overall satisfaction rate of staff in their current job</p> <p>Percentage of staff who agreed they felt proud to work for the Council</p>

Priority	Outcomes	Community Plan Objective	Other Council	Success Measures (LAA indicators in bold type)
	Services will provide good value for money – we will not waste taxpayers' money		✓	

Strategic Projects 2009-2010

The Council's key strategic projects for 2009-2010 are set out at Appendix B. They are organised under the Community Priority headings that mirror those in the Community Plan. In addition a number of Council-specific priority actions to improve the way we deliver services are included under the umbrella of One Barking and Dagenham.

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

The Budget, Financial Strategy and Capital Investment

Financial Implications

The financial framework for delivering the Council Plan and the Community priorities is set out in the Council's Medium Term Financial Strategy (MTFS) which is detailed in Appendix C.

The MTFS covers the three-year period 2009/10 to 2011/12 and is a rolling strategy that is updated annually and informed by the Council plan and all other Council strategies. It takes account of the community priorities by linking those priorities with a financial strategy for delivering them. It joins together the revenue and capital planning and provides a framework for using the Council's resources alongside other public sector funding.

The key principles of the production of the MTFS include: aligning budgets and resources to key priorities, achieving the Local Area Agreement targets, supporting the delivery and affordability of all the Council's plans and strategies, ensuring value for money and efficiency in all service areas, setting a robust Budget Strategy, ensuring there are adequate levels of reserves and balances, and delivering both a Capital Investment and Treasury Management Strategy that is affordable, prudent and sustainable.

2009/10 Budget and the Council Tax

The budget for 2009/10 was agreed at the meetings of the Executive and the Assembly on the 17th and 25th February 2009 respectively.

For 2009/10 the Council agreed a net revenue budget of £151.2m (excluding the Dedicated Schools Grant) and a capital programme of £428m for the period 2009/10 to 2012/13.

In preparing the 2009/10 budget the Council incurred net pressures of £11.5m mainly relating to statutory requirements, unavoidable pressures and existing commitments, a replenishment of the Council's General Reserve of £1m, the use of £0.5m from earmarked reserves to fund invest to save projects, and savings and efficiencies of £12.4m. In addition it has used its Area Based Grant to redirect resources into a number of priority areas including health initiatives, skills, employment, enterprise and regeneration.

The Council is aware of the current economic situation and is committed to providing support to help protect residents and local businesses from the worst effects of the downturn. This will become central to the Council's purposes in 2009/10 and will include support in securing their homes and mortgages, gaining and maintaining jobs and training, receiving financial support and debt counselling, and protecting the viability of and growing their businesses. To support this position the Council approved a zero increase in Council tax levels for 2009/10.

2010/11 to 2010/12 Financial Projection

For the next three financial years the Council faces significant financial pressures in delivering its services. Nationally the current economic climate is likely to result in reducing income to the authority both from Central Government grants and income generated from delivering services. In addition there will be a need for the Council to act to support its residents through these difficult times.

The Council will also need to deal with a number of local financial challenges and improvements to services. Departments, and their divisions, have produced service plans which outline key priorities, actions and costs over the medium term. In the majority of cases the costs associated with these plans will be funded from existing budgets. However there will inevitably be some costs which will require new funding, and these costs have been built into the Council's medium term financial plan and future savings requirements. Local pressures include:

- new and changing service pressures;
- redirecting resources to support the delivery of Local Area Agreement targets;
- funding the capital programme;
- a loss of investment interest as a result of lower interest rates and reducing capital reserves;
- increasing pension contributions;
- increasing cost of waste and recycling;
- costs of the new Dagenham Library and One Stop shop;
- cost of the new Becontree Heath Leisure Centre, and
- delivering the Building Schools for the Future (BSF) programme.

The Council wishes to continue to support local residents directly through the current economic recession, and therefore the financial plan currently assumes a further 0% increase in Council Tax levels for 2010/11.

In terms of the Council's other main source of funding, Central government grant, the Council is currently in the middle of a three-year grant settlement from Central Government as a result of its 2007 spending review. This settlement will end with the financial year 2010/11, during which time the Government will have completed its 2009 spending review which comes into effect from 2011/12. It is clear that, owing to the economic climate, this future spending review will be extremely difficult and the Government will be seeking significant efficiencies and reductions in real expenditure across the public sector. Recent information has indicated that there may well be a real term freeze in the level of grant to local government arising from the 2009 spending review. As a result it has been estimated at this stage that the 2011/12 government grant will not increase. The outcome of the 2009 spending review will be kept under review and any changes to the forecasted grant settlement will need to be reflected in any updated financial strategy.

A summary of the impact of the additional costs of these pressures is outlined below:

	<u>2010/11</u>	<u>2011/12</u>
	<u>£</u>	<u>£</u>
<u>Additional Costs</u>		
General Inflation	4,000	4,000
<u>Service Pressures</u>		
- Dagenham Library /OSS	600	600
- Becontree Heath LC	400	200
- BSF Costs	1,200	0
- Pension Costs	750	750
- Other	5,000	4,500
<u>Corporate Pressures</u>		
- Replenishment of Reserves	500	500
- Interest on Balances	500	0
- Capital Financing Costs	2,750	2,250
- Levies	320	560
- Other	500	0
Total Additional Costs	16,520	13,360
<u>Additional Income</u>		
Government Grant (2)	(3,578)	0
Council Tax (1)	0	(1,570)
Changes to Collection Fund	58	(190)
Total Additional Income	(3,520)	(1,760)
Budget Gap	13,000	11,600

Note: (1) Assumes a 0% council Tax increase in 2010/11
(2) Assumes a freeze in Government grant in 2011/12

As a result of these additional cost pressures and the assumed levels of increased income set out above, it is projected that the Council will need to identify savings and efficiencies amounting to £13m in 2010/11 and £11.6m in 2011/12 in order to produce a balanced budget.

Capital Investment

The Council's capital investment plans need to align to the Council's priorities and ensure that existing assets are maintained to an appropriate standard. These objectives need to be achieved with relatively scarce resources. The key priorities that have already been agreed by Members and officers over successive years are as follows:

- Investment in our schools;
- Investment in key regeneration and arts projects across the borough;
- Investment in our housing stock;
- Investment in rolling programmes of upgrade expenditure, for example on highways; and
- Investment in improvements in customer services and ICT through a

customer contact centre, one stop shops, and IT infrastructure improvements, which will also result in improved efficiency.

The overarching objectives for the Council's Capital Investment programme are:

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

The Council has identified proposed new capital schemes which, when added to existing capital schemes, would give rise to a capital programme totalling £428m for the financial years 2009/10 to 2012/13. Funding proposals for this programme have identified that £327m can be funded from external sources (£260m of this is in respect of Children's Services – Primary Schools Investment and Building Schools for the Future), and the balance of £101m is to be met from borrowing funded by the Council. Of this total, £28m of borrowing will be funded from revenue savings (as part of "self-financing" projects) and £73m will be funded corporately.

Efficiency and Value for Money

With the certainty of tight grant settlements from now onwards, and the reality of the current economic climate, it will be more important than ever to deliver cash efficiencies to help the Council to continue to improve frontline services.

For 2009/10 onwards, a strategic value for money programme is being created to ensure that this is a core focus of the Council's overall improvement programme, One Barking and Dagenham. A value for money sub-group will feed into the overall programme. This group will use data available from benchmarking groups and other data sources (such as the Institute for Public Finance and the Audit Commission) to identify areas for review.

Key areas of focus will be:

- Procurement – the Council spends over £150m on goods and services per annum. Benchmarking data suggests that effective centrally controlled and electronic procurement practice can deliver savings of between two per cent and four per cent across the business;

- Business process re-engineering (BPR) and service reviews – a programme of BPR and service reviews is underway which aims to both improve the quality and responsiveness of services, and to look at the current service delivery models to improve efficiency and value for money;
- ICT improvement – the Council is investing significantly in improvements to ICT, and it is vital that this investment improves the efficiency of back office functions across the organisation. This will not only be in areas such as finance and human resources, but also administrative and transactional functions across the whole Council.

Action taken during the year to ensure our commissioning and contractual arrangements were robust enabled us to successfully contain expenditure within budgets. There are plans to make significant savings on commissioning budgets in the coming years to further improve value for money.

This section illustrates the challenges that lie ahead and the work that the Council is undertaking to meet these challenges in the short, medium and longer term. Full details of the financial implications and strategy that support the Council plan can be found in the MTFS at Appendix C.

Our Achievements

The Council has achieved much over the past year.

CPA

The Comprehensive Performance Assessment (CPA) is the framework which has been used since 2002 to assess the performance of local councils across the country. For 2008 Barking and Dagenham has been rated by the Audit Commission as a four-star council which is improving strongly ([hyperlink to CPA scorecard](#)).

Use of Resources

The Use of Resources element of the framework assesses how well the Council manages and uses its financial resources. It focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and improve services. It also considers areas such as internal control, and value for money across all services that the Council provides.

The individual component scores for the Use of Resources assessment 2008 are as follows: (with the 2007 scores in brackets)

- Financial Reporting – 3 (3);
- Financial Management – 3(3);

- Financial Standing – 4 (4);
- Internal Control – 3 (3);
- Value for Money – 3 (3).

This gave us an overall rating of 3 in 2008 (2007 = 3).

Equalities

In March 2009 the Council was assessed by the Centre for Local Policy Studies against level five of the Equality Standard for Local Government. The outcome will be confirmed in April 2009.

Learning and Development

Our strong commitment to training and development was again recognised in October 2008 when we were again awarded Investors in People (IiP) status. Our effective Member development programme was also recognised by the award of the London Member Development Charter.

Service Achievements

The Director of each of the services has identified their most significant achievements in the last 12 months:

Adult & Community Services

Portfolio holders: Councillor H Collins
Councillor R Little
Councillor V Rush

Director: Anne Bristow

- Created 30 Apprentices in Homecare, six started in January 2009 (three of whom are known to the Youth Offending Team). Another six allocated to Transport, with the capacity to deliver 50 across the Division by next year.
- As well as our new Dementia Residential Centre, in response to the wishes of carers and families, we are offering a short break service for people with dementia to give families much needed respite from their caring responsibilities. This service is tailored to the needs of carers offering overnight, day and evening respite care.
- Run a successful pilot using small passenger vehicles to provide a more flexible Passenger Transport Service, utilising staff down time, thereby reducing the cost.
- Used the opportunity while remodelling Homecare to deliver the First Response Personal Care Service for older people needing urgent support in their own homes.

- Developed person-centred plans to support 33 young disabled people to live independently and be educated locally in the community rather than having to go to a residential college which removes their social network and sense of place and time.

Children's Services

Portfolio holders: Councillor J Alexander
Councillor M McCarthy

Director: Roger Luxton

- Achieved level three in the Annual Performance Assessment
- Work underway on the Foyer project – Digital Arts and Media centre /Information, Advice and Guidance (IAG) (due for completion in April)
- 159 Apprenticeships achieved
- 700 people back into work
- 50% of secondary and special schools rated as outstanding
- 14 children's centres delivered on time
- Extended opening for the Vibe and Sue Bramley centres for youth services
- Detached youth provision in Barking town centre in partnership with the Police
- 38 young people from a looked-after background progressing to university

Customer Services

Portfolio holders: Councillor G Bramley
Councillor S Carroll
Councillor M McKenzie
Councillor L Smith

Director: David Woods

- Higher recycling rates in the borough achieved through the introduction of green waste and glass collections and the successful wheelie bin pilot
- Benefits on demand for Housing Benefits and Council Tax launched at the Barking Learning Centre One Stop Shop and Stour Road
- Major improvements to roads and footways, Phase one completed
- Housing Corporation Accreditation obtained

Resources

Portfolio holders: Councillor C Fairbrass MBE
Councillor G Bramley
Councillor H Collins
Councillor M McCarthy

Director: Bill Murphy

- Successfully negotiated and signed off a new Local Area Agreement to improve the things that are most important to the people of Barking and Dagenham
- Established the new legal practice
- Delivery into planning and award of contract for the new Becontree Leisure Centre
- Secured £3 million NPower grant to assist with energy conservation measures in Council housing stock
- East London Transit 1a under construction
- Planning application made for the first 4000 homes at Barking Riverside
- £2.9m funding achieved from Transport for London through the Local Implementation Plan
- Achieved GCSx government secure connectivity status

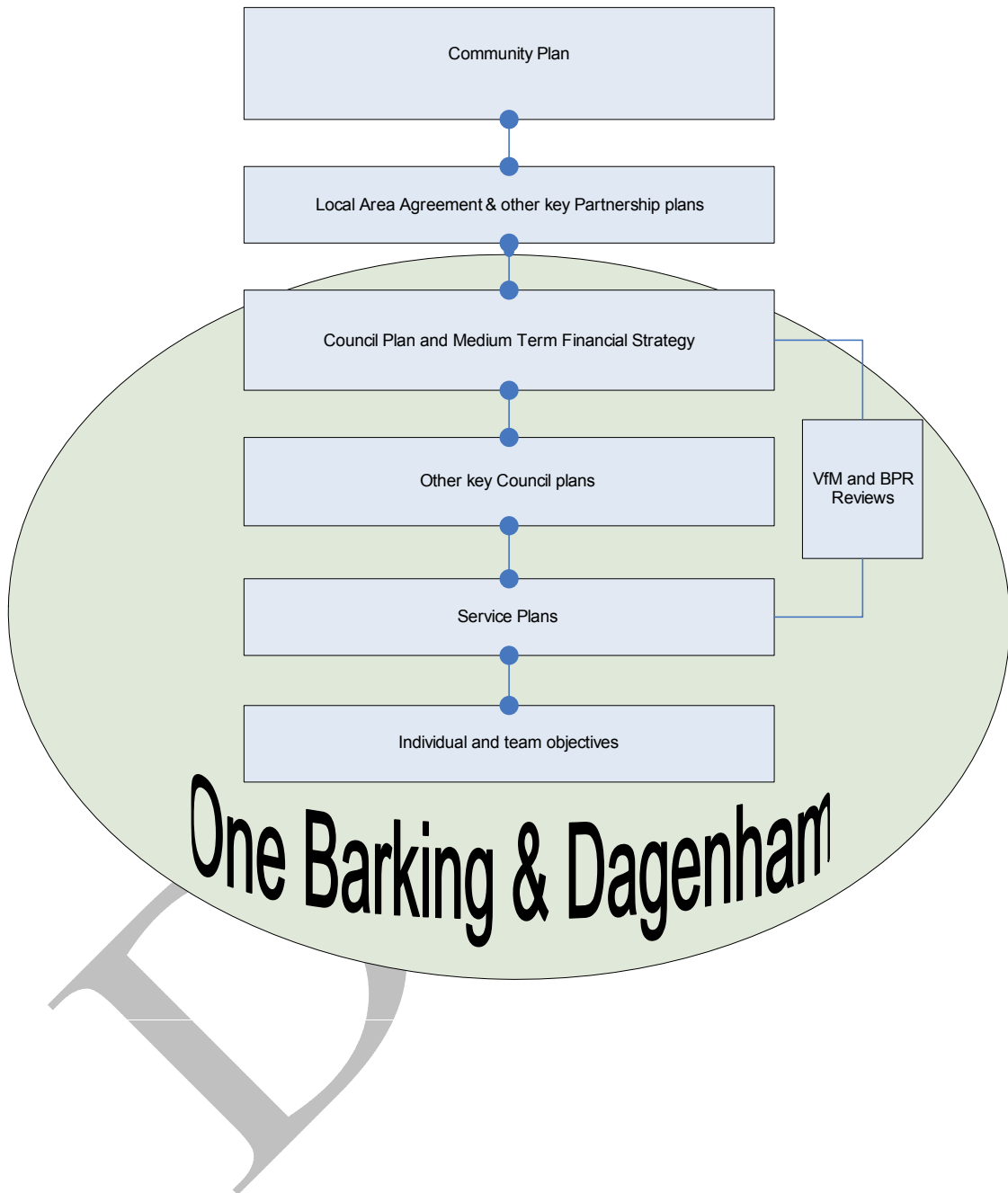
Planning and Performance Management Framework

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

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

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

Our Strategic Planning Framework



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

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

At a corporate level there is a termly performance monitoring process. Central to this are the Chief Executive's performance challenge sessions in June and October, reviewing progress against objectives and targets, and February where the focus is on the coming year's service plans. These are held for each department and the output is an agreed improvement action plan for the service.

Following the challenge sessions, the Achieving Excellence report, which focuses on key performance issues for the Council, is produced. Cross-departmental challenge takes place at the Corporate Management Team where the report is considered before being reported to the Executive and Scrutiny Management Board.

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

The Council's major transformational programme, One Barking & Dagenham, is at the programme definition stage. The learning from this will inform and shape future corporate programme management.

Governance Arrangements

Barking and Dagenham operates an Executive/ Overview and Scrutiny model of governance. Details of the Council's meeting structure are set out in the Council's Constitution ([hyperlink](#)).

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

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

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

Overview and Scrutiny is a key role for all councillors who are not members of the Executive. The principal roles for Overview and Scrutiny are to hold the

Executive to account and keep a check on all aspects of the Council's operations. The structure is currently being reviewed to take account of new duties and responsibilities being placed on local authorities. It is anticipated that a new scrutiny structure will be in place and operational by May 2009.

Appendix A

Links to key websites, strategies & plans

Appendix B

Key strategic projects 2009-2010

Appendix C

MTFS

Appendix D

Glossary

Draft

Key Plans and Strategies

The London Plan

www.london.gov.uk/mayor/strategies/sds/index.jsp

Barking & Dagenham Council website

www.barking-dagenham.gov.uk/

LAA(On Partnership website)

www.barkingdagenhampartnership.org.uk

B&D Local Development Framework

www.barking-dagenham.gov.uk/8-leisure-envir/planning/pdf/local-development-scheme.pdf

B&D Cohesion Strategy

www.barking-dagenham.gov.uk/9-council/comm-cohesion/community-cohesion-main.html

Children and Young People's Plan (CYPP)

www.barking-dagenham.gov.uk/6-children/cypp/pdf/cypp-2006-2009.pdf

Children and Young People's Plan (CYPP) 2006-2009: One Year On

www.barking-dagenham.gov.uk/6-children/cypp/pdf/one-year-on-review.pdf

Economic Development Strategy

www.barking-dagenham.gov.uk/5-work/regeneration/pdf/economic-dev-strategy.pdf

Crime, Disorder and Drugs Strategy

www.barking-dagenham.gov.uk/6-living/comm-safety/comm-safety-strategy.html

Anti-Social Behaviour Strategy

www.barking-dagenham.gov.uk/6-living/housing/pdf/anti-social-behaviour.pdf

Youth Justice Plan

www.barking-dagenham.gov.uk/6-social-services/youth-offending/youth-offend-main.html

Preventing Re-offending: Prolific and Other Priority Offending Strategy

www.barking-dagenham.gov.uk/6-social-services/youth-offending/pdf/preventing-reoffending.pdf

National Drug Strategy: Protecting Families and Communities

www.barking-dagenham.gov.uk/6-social-services/drug-alcohol/ss-drug-alc-main.html

Environmental Policy

www.barking-dagenham.gov.uk/6-living/envir-protect/sustainable-dev/sustain-dev-main.html

Housing Strategy

www.barking-dagenham.gov.uk/6-living/housing/strategy/hs-strategy-menu.html

Neighbourhood Management Strategy

www.barking-dagenham.gov.uk/nm/nm-strategy.html

Regeneration Strategy

www.barking-dagenham.gov.uk/5-work/regeneration/policy/pdf/regeneration-strategy.pdf

Appendix B

Safe						
	Actions	Timescale	LAA indicator(s)	Measures of success	Resources	Lead Officer
1.1	Major improvements to roads and footways: second year of a £20m investment plan	2008-2011	NI 5	Increased resident satisfaction in areas affected NI 168/169 maintain London top quartile performance of 4% or better		Corporate Director of Customer Services
1.2	Deliver integrated services through a locality approach			Reduction in number of children on child protection register and in care.		Corporate Director of Children's Services
Clean						
	Actions	Timescale	LAA indicators	Measures of success	Resources	Lead Officer
2.1	Borough-wide roll-out of wheelie bins	2009-10	NI 192	Increase in recycling Reduction in residual waste Improved street cleanliness		Corporate Director of Customer Services
2.2	Be a customer service contact centre provider of choice	2009-2011		Increase in number of services using B&D Direct as defined in the route map Provide collection service for Parking enforcement by March 2010 Increase in customer		Corporate Director of Customer Services

		satisfaction				
Fair and Respectful						
	Actions	Timescale	LAA indicators	Measure(s) of success	Resources	Lead Officer
3.1	Start construction of the Dagenham One Stop Shop & Library	11 th February 2009 22 nd April 2009 22 nd May 2010 20 th August 2010.	NI 9	Completion of the Ground Floor slab. Completion of second floor roof above library. Completion of the Library building shell and handover for fit-out Completion of fit-out works and Library & One Stop ready for occupation.	£3,124,344 (LBBB Support funding)	Corporate Director of Resources
Healthy						
	Actions	Timescale	LAA indicators	Measure(S) of success	Resources	Lead Officer
4.1	Start building works to develop the new Becontree Heath Leisure Centre to replace existing facilities at Wood Lane sports centre and Dagenham pool		NI57	Delivery of a state of the art Leisure Centre within the Borough	£25 million (Council contribution)	Corporate Director of Adult and Community Services
4.2	Support the Putting People First Transformation	2009-2011	NI130	Increase in the number of residents receiving self	Social Care Reform Grant	Corporate Director of

Programme				directed support		Adult and Community Services
Prosperous						
	Actions	Timescale	LAA indicators	Measure(s) of success	Resources	Lead Officer
5.1	Review Housing Advice Service	2009-10		Customer satisfaction with housing advice service Number of people in temporary accommodation Reduction in avoidable contact		Corporate Director of Customer Services
5.2	Expand benefits outreach activity	2009-10		Increase in number of claims made Time taken to process claims		Corporate Director of Customer Services
5.3	Establish the Local Housing Company			LHC incorporated June 09 Full planning consent secured on both phases of first LHC scheme by Q3 2009 Construction underway on Phase 1.	£7.4m Seedcorn funding sought from HCA. £8m banking facility	Corporate Director of Resources
5.4	Establish the Community Development Trust at Barking Riverside	2009-10	NI 2 NI 154 NI 155			Corporate Director of Resources
Inspired and Successful Young People						
	Actions	Timescale	LAA indicators	Measure(s) of success	Resources	Lead Officer
6.1	Increase positive activities on offer for young people	2009-10	NI 110	Young people's participation in positive activities		Corporate Director of Resources

							Children's Services
6.2	Support educational transformation through the Building Schools for the Future and Primary Capital Programmes				Year on year increase in the proportion of schools judged to be good or better by Ofsted		Corporate Director of Children's Services
One Barking & Dagenham							
	Actions	Timescale	LAA indicators	Measure(s) of success	Resources	Lead Officer	
7.1	Embed best practice in equalities and diversity across the Council	Mar 2010	N/A	Detailed performance framework to be developed through new E&D strategy	Within existing revenue budgets	Corporate Director of Adult and Community Services	
7.2	Market test IT service	2009-10	NI 179	VfM competitive process	£400k	Corporate Director of Resources	
7.3	Launch Council newspaper	By May 2009		Paper produced fortnightly from May 2009		Corporate Director of Resources	
7.4	Implement revised Scrutiny arrangements to the Council's political structure					Corporate Director of Resources	

MEDIUM TERM FINANCIAL STRATEGY

2009/10 TO 2011/12

MEDIUM TERM FINANCIAL STRATEGY
2009/10 TO 2011/12

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1. Introduction

- 1.1 This document sets out a framework for using the Council Finances to support the Council plan and deliver the Community Priorities over the next three years.
- 1.2 It is now possible to set out future years' expenditure plans because the funding announcements cover a three year period, and it is also possible to predict the broad parameters of Council expenditure for three years with a reasonable degree of accuracy.
- 1.3 Our Medium Term Financial Strategy (MTFS) is driven by the Council's desire to maximise its impact in addressing the needs of local people, delivering against the Community Priorities, and working with both the local community and partners wherever possible. There will be points of contention and disagreement about the actions that are needed, but these will be addressed through consultation and information sharing. Where contention arises, we will use the Community Priorities as a guide to finding the best solution for our Community, within the overall financial framework.
- 1.4 The Medium Term Financial Strategy covers the three year period 2009/10 to 2011/12, with 2009/10 being based on the budget and plans agreed in 2008 and further developed in February 2009. It is a rolling strategy that is updated annually and informed by the Council plan and all other Council strategies (including the capital strategy). This financial strategy will be:
 - a) Adopted alongside the Council plan and the 2009/10 budget process;
 - b) Updated during each year to assist budget planning for future years and ensure it links appropriately with future Council and service plans;
 - c) Reviewed in March as part of the review of the Council plan and when the annual budget is set.

Steps b) and c) are now a part of the regular financial planning process.

- 1.5 This strategy aims to look beyond the immediate future in terms of service and financial planning. It takes account of the community priorities linking those priorities with a financial strategy for delivering them. It joins together the revenue and capital planning and provides a framework for using the Council's resources alongside other Public Sector funding.
- 1.6 The MTFS is also based on the Council's effective performance management arrangements which are based on a series of tools designed to help staff, partners and Councillors make informed decisions and improve services.

The Council's performance management framework has:

- A clear definition of what we are trying to achieve, which is our vision: - 'Working together for a better borough that is safe, clean, fair and respectful, prosperous and healthy, and where our young people are inspired and successful';
- A clear definition of what success will look like in terms of the vision and outcomes;
- Policies, strategies and plans to deliver the vision;
- Targets and performance indicators which are SMART (specific, measurable, achievable, realistic and time bound) to enable progress to be measured;
- Robust arrangements for performance reporting, review and scrutiny, which allow performance to be challenged and action to be taken when things are not going according to plan.

- 1.7 In the past year, the Council has also made great improvements in the way in which it delivers and manages value for money. The Audit Commission's annual Use of Resources assessment moved the Council from a two star to three star rating in 2007, and the latest 2008 assessment maintains our three star rating.

Significant improvements and strengths that have taken place in financial planning including:

- Stronger links between the Council plan and individual service plans;
- We have shifted resources to target improvement and considerable success has been achieved, for example in Planning and Housing Benefits;
- Significant progress has been made towards embedding the concept of value for money within the Council's culture. As examples, achieving and improving value for money is now a corporate priority and there is a lead Member and senior manager with overall responsibility for value for money. Information to enable effective scrutiny and challenge of value for money is improving in terms of regularity and quality;
- The Council has put in place processes and forums to ensure that value for money is more explicitly considered by staff;
- A new development has been to increasingly ensure value for money is integral to the budget setting and service planning process, and this is reflected within the format of the service plans;
- A number of Service reviews with an emphasis on securing efficiency and value for money.

Our challenge is to make sure value for money becomes a principle on which the whole organisation delivers services.

- 1.8 The key principles of the production of the MTFs can be summarised as follows:
- Aligning budgets and resources to key priorities;
 - Achieving the Local Area Agreement targets;
 - Supporting the delivery and affordability of all the Council's plans and strategies;
 - Ensuring value for money & efficiency in all service areas;
 - Setting a robust Budget Strategy;
 - Ensuring there are adequate levels of reserves and balances;
 - Delivering Capital investment and a Treasury Management Strategy that is affordable, prudent and sustainable.

2. Financial Performance

2.1 The Council's Financial Performance

The Council has a strong record of robust financial performance which can be summarised as follows:

a) Council Tax Levels

Council tax levels have remained constantly low with increases over the last three years as follows:

- 2009/10 – 0%
- 2008/09 – 4.3%
- 2007/08 – 4.75%

In comparison to other Council's Barking & Dagenham's Council tax levels compare favourably:

- Barking & Dagenham currently has the 3rd lowest Council tax when compared to the 20 Outer London Borough's;
- The average Outer London Borough Council Tax at Band 'D' in 2008/09 was £1,402 compared to Barking & Dagenham Band 'D' Council tax of £1,326;
- The average national Council Tax at Band 'D' in 2008/09 was £1,373 compared to Barking & Dagenham Band 'D' Council tax of £1,326.

b) Revenue Expenditure

The Council has robust budget setting and monitoring processes which have resulted in no significant overspends in the previous three financial years. These are managed through timely and standardised processes including regularly reports and information to the Executive, Resource Monitoring panels and management teams.

c) Redirection of Budgets

The Council has redirected substantial resources to priority areas over the last three years including:

- Children's Placements;
- One Stop Shops;
- Neighbourhood Management;
- Supporting local business and work initiatives;
- Health initiatives such as free swimming;
- Delivery of Single Status agreements.

d) Savings

In order to keep Council tax levels low, produce a balanced budget within grant settlements and redirect budgets to priority areas, the Council has delivered the following savings over the past three years:

- 2009/10 – £12.4m;
- 2008/09 – £7.2m;
- 2007/08 – £7.4m.

e) Capital Expenditure

The Council has undertaken a significant programme of Capital works over the last four years amounting to £312m. For the future it has an approved 4 year programme (2009/10 to 2012/13) of £428m.

2.2 Use of Resources

2.2.1 The Comprehensive Performance Assessment, or CPA, is a framework developed by the Audit Commission to assess the performance of local authorities across the country.

2.2.2 The frameworks pull together a range of information in an objective and comparable way to reach an overall judgement on a council's performance. The frameworks have four common components:

- Corporate assessments;
- Use of resource assessments;
- Service assessments;
- Direction of travel assessments.

2.2.3 The Council's Corporate Assessment (CA) took place in 2007. This assesses the Council's ability to lead its local community having clearly identified its needs and set clear ambitions and priorities. We achieved a rating of 3 in the Corporate Assessment and for 2008 our overall CPA rating improved to 4 star (excellent). Our Direction of Travel assessment was 'Improving strongly'.

2.2.4 The Use of Resources element of the framework assesses how well the Council manages and uses its financial resources. It focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and improve services. It also considers areas such as internal control, and value for money across all services that the Council provides.

The individual scores for the Use of Resources assessment 2008 in the component parts are follows: (with the 2007 scores in brackets)

- Financial Reporting – 3 (3);
- Financial Management – 3 (3);
- Financial Standing – 4 (4);
- Internal Control – 3 (3);
- Value for Money – 3 (3).

The overall Use of Resources rating was a 3 in 2008 (2007 = 3).

- 2.2.5 From April 2009, Comprehensive Area Assessment (CAA) will replace Comprehensive Performance Assessment (CPA). This marks a significant change to the current assessment regime following the passing of the Local Government and Public Involvement in Health Act (2007). CPA focused on services provided by local authorities. CAA will look at the public services in an area delivered by Councils and their partners including the private and voluntary sectors.

CAA will provide assurance about how well-run local public services are and how effectively they use taxpayers' money. But it also aims to be more relevant to local people by focusing on issues that are important to their community. It will develop a shared view about the challenges facing an area, such as crime, community cohesion, a sustainable environment or public health issues such as obesity, and will also create a more joined up and proportionate approach to public service regulation.

3. Financial Planning

3.1 Financial Planning

- 3.1.1 The Council's financial planning process is linked to the Council and service planning process, which enables us to take a high-level view in translating local and national priorities, into deliverable actions and positive outcomes for local people.
- 3.1.2 Each service division within the Council produces an annual service plan which sets out how they will deliver their contributions to the Community and Council priorities.
- 3.1.3 In addition the Council also produces a range of published strategies and plans, all of which have financial implications, some beyond the three year period anticipated by a Medium Term Financial Strategy.
- 3.1.4 The MTFFS provides a resource plan to underpin the delivery of the Council plan, service plans and these local strategies and plans.

3.2 Efficiency and Value for Money

Targets for efficiency gains were set across the public sector for the period 2005/06 to 2007/08. The Council's efficiency target for this period was £13.4m and we achieved and exceeded this challenging target one year early.

From 2008/09 onwards, specific targets have not been set for local authorities to achieve efficiency gains. However, as a whole, the local government sector must make efficiency gains of 3% per annum over the years 2008/09 to 2010/11. 3% of the Council's net expenditure (including capital) would be equivalent to approximately £8m per annum. The Council is required to report efficiency gains to government as part of the new National Indicator (NI) 179.

With the certainty of tight grant settlements from now onwards, and the reality of the current economic climate, it will be more important than ever to deliver cash efficiency to help the Council continue to improve frontline services.

For 2009/10 onwards, a strategic value for money programme is being created to ensure that this is a core focus of the Council's overall improvement programme, "One Barking and Dagenham". A value for money sub-group will feed into the overall programme. This group will use data available from benchmarking groups and other data sources (such as the Institute for Public Finance and the Audit Commission) to identify areas for review. Key areas of focus will be:

- Procurement – the Council spends over £150m on goods and services per annum. Benchmarking data suggests that effective centrally controlled and electronic procurement practice can deliver savings of between 2% and 4% across the business;
- Business process re-engineering and service reviews – a programme of BPR and service reviews is underway which will be aimed at both improving the quality and responsiveness of services, but also to look at the current service delivery models to improve efficiency and value for money;
- ICT improvement – the Council is investing significantly in improvements to ICT, and it is vital that this investment improves the efficiency of back office functions across the organisation. This will not only be in areas such as finance and human resources, but also administrative and transactional functions across the whole Council.

This demonstrates the challenges that lie ahead and the work that the Council is undertaking to meet these challenges in the short, medium and longer term.

4. Funding the Medium Term Financial Strategy

4.1 Formula Grant Settlement

Since 2006/07, the local government grant settlement has been allocated using what is known as the "four block model". This was a change in the methodology of grant allocation, replacing the Formula Spending Share (FSS).

The four block model grant allocations comprise the following components:

- A relative **needs** amount (e.g. to reflect differences in deprivation or other factors such as density and commuters) using Relative Needs Formulae (RNF);
- A reduction based on relative **resources** (the relative ability of authorities to raise council tax);
- A **central allocation** (basic amount) based on a per capita amount;
- An allocation to ensure a minimum increase in grant i.e. the **damping** amount required to fund the floor which is positive for floor authorities and negative for those above the floor. **The floor is set at 1.5% for 2009/10 (2.0% for 2008/09).**

In January 2009, the Department for Communities and Local Government confirmed the formula grant allocations for the period 2008/09 to 2010/11. An illustration of the component parts of this calculation for Barking and Dagenham is set out below:

	2009/10 £m	2010/11 £m
Relative Needs Amount	83.05	85.60
Relative Resource Amount	(9.99)	(10.36)
Central Allocation	32.03	32.92
Floor Damping	(5.89)	(5.38)
Total Formula Grant	99.20	102.78

The calculation of the grant settlement is complex, and comprises a range of factors. The robustness of the data used within the settlement varies from dataset to dataset. It is important that, as a Council, we are aware of any issues that are leading to Barking and Dagenham being underfunded in the settlement. It is important that we lobby the government on these issues, so that future grant settlements are more robust and reflect the funding allocations that we deserve. The **two key lobbying issues** for the Council are the Area Cost Adjustment and the Population statistics.

4.2 **Area Cost Adjustment**

The Area Cost Adjustment (ACA) method of funding differential wage cost pressures across the Country is used within the financial settlement (formula grant) given to Councils by the Department for Communities and Local Government (DCLG). It is also used to distribute a number of specific grants and has historically informed the allocation of the Dedicated Schools Grant. The method uses data on relative wage rates derived from the Office for National Statistics' (ONS) Annual Survey of Hours and Earnings by grouping authorities together into geographic regions which are given the same ACA uplift to their funding.

Since 2003/04, Barking and Dagenham has been allocated to the "Rest Outer London" ACA geographic grouping. This means that the borough's relative needs formulae within the local government finance settlement were boosted by around 9% in 2008/09 to reflect the higher costs of recruiting staff using a general labour market approach. Boroughs allocated to the west London region by contrast receive a 15% uplift whereas those in inner London (the twelve former ILEA boroughs) gain around 26% in RNF (and thus grant) from the ACA top up. Since this change was introduced it has become increasingly evident that the ACA geography does not reflect the reality of labour cost pressures across the 32 London boroughs leading to a situation whereby Barking and Dagenham receives a substantially smaller ACA funding top up than several boroughs in the inner and west London areas which face comparable or lower relative general labour market wage pressures.

The Annual Survey of Hours and Earnings (ASHE) used for the 2008/09 settlement shows that Barking and Dagenham's individual labour cost adjustment (LCA) factor (the relative wage rates in each area adjusted for local patterns of employment) was 20%.

Barking and Dagenham's LCA factors 82% higher than the east London average. This effectively means the Council is only receiving around half of the ACA funding currently compared to what it is arguably entitled to based on its local wage data.

4.3 **Population Statistics**

The Council believe that the Office for National Statistics (ONS) have undercounted the borough's population significantly. Population statistics feed into the grant that the Council receives from central Government (via population projections), with approximately £500,000 received by this Council for every 1,000 resident population. If the borough's population was undercounted by 10,000, this would mean the Council is receiving at least £5,000,000 less grant than it is entitled to per annum.

The ONS data for the London Borough of Barking and Dagenham's population in recent years is as follows:

2002/03	167,302
2003/04	165,862
2004/05	164,572
2005/06	164,521

These statistics suggest that the borough's population has actually fallen by 2,781 since 2002/03. In that same time period, a range of other statistics suggest that the borough's population has been rising e.g.:

- National insurance data in Barking and Dagenham shows that there were 2,600 registrations in 2004/05 and 3,200 registrations in 2005/06. This compares to in-migration figures from ONS of 1,906 and 1,910 for the respective periods, suggesting a significant undercount for the ONS data;
- PLASC data from 2003 to 2006 demonstrates that the proportion of white British pupils in schools fell from 72.2% to 61.6%, suggesting significant migration into the borough (the school roll increased by 760 in that period). The percentage of black African pupils increased from 8% in 2003 to 15% in 2006;
- Since 1999, the total people on the electoral roll has grown from 115,000 to over 119,000 in 2004/05; and
- The number of people on GPs registers in 2003 was just under 170,000, by 2006 it was in excess of 176,000;

None of these datasets on their own provide sufficiently robust data to estimate the borough's population. The ONS, and Department for Communities and Local Government from which the funding is provided, argue that the ONS data is the most accurate source of information available. However, all of the data for the Council, as shown above, with the exception of the ONS estimates, show that the overwhelming trend is that borough's population is rising. Against this backdrop, the ONS data increasingly seems to lack credibility.

4.4 **Floors and Ceilings**

Each year, the Government guarantees a minimum increase in the Revenue Support Grant for each Council. This is known as a “floor” increase and was set at 1.5% in 2009/10. The floor did not apply to Barking and Dagenham in 2009/10 as the grant increase was 4.04%.

The DCSF also guarantees that every LEA receives a minimum per pupil increase in schools funding each year. Barking and Dagenham’s increase in per pupil funding for 2009/10 is 3.6%.

The floor damping had a significant impact on the grant settlement for 2009/10. Such a range of formula changes were made that “real” grant increases were scaled back to ensure that all authorities saw a minimum 1.5% increase.

4.5 **Increases in Council Tax**

Each year when setting the Council tax the Authority needs to have regard to announcements from the Government in this area.

The criteria applied in 2008/09 made it clear that any excessive increases in the council tax would be capped.

The capping criteria applied in 2008/09 was as follows: (as announced by the Local Government Minister, John Healey) - Councils would be capped if their Council Tax increased by more than 5% for the period from 2007/08 to 2008/09.

Barking and Dagenham’s Council Tax rose by 4.3%, in 2008/09 and the budget requirement grew by 6.46% and as a result the Council kept within the capping criteria.

The capping criteria to be applied in 2009/10 have not been announced yet, and will not be until after authorities set their budgets. However it is universally accepted that the average Council Tax increase should be substantially below 5%. This was endorsed in the speech made by John Healey to the House of Commons on the announcement of the 2009/10 provisional settlement, when he indicated that the average Council Tax increase should be substantially below 5%.

The proposed budget requirement for 2009/10 is £151.2m. The budget requirement shows a 2.7% increase on 2008/09 whilst the Council Tax will remain at 2008/09 levels i.e. no increase.

4.6 **Dedicated Schools Grant**

Schools funding is received by way of a “Dedicated Schools Grant” (DSG). This was introduced in 2006/07 and is a direct grant for schools budgets. The DSG is calculated as a set amount (£4,725 for 2009/10) per pupil. Estimated pupil numbers at this time suggest that the total DSG for 2009/10 will be £141.648m. This amounts to a year on year increase of 6.2%.

4.7 Area Based Grant and Specific Grants

From April 2008 onwards, a number of grants that were previously allocated as specific grants to Councils, will form part of an “area based grant” which is not ring-fenced. Councils will therefore have the freedom to decide how best to use this funding.

A list of grants from 2008/09 that have been put into the area based grant for 2009/10 is included in Annex 1.

The Council has used its ABG allocation to work with its partners to achieve its LAA targets. This has resulted in a significant redirection of resources into a number of priority areas including health initiatives, skills, employment, enterprise and regeneration.

The Council still receives a number of specific grant allocations from central government, which are ring-fenced for particular purposes. Confirmed allocations are detailed in Annex 2.

5. The Budget 2009/10

5.1 Budget Strategy 2008/09

In February 2008 the Council set a Council Tax Strategy for 2008/09. The key elements were:

- a) Key priority areas including:
 - The continuation of improving standards in Education across the Borough. Results have demonstrated that the Council’s previous investment is achieving the intended aim;
 - Commitment to allocating financial resources to both Children’s Services and Adults Services in the medium term with the aim of improving the standard of Social Care;
 - Commitment to the Cleaner, Greener, Safer priority;
 - Regeneration of the Borough;
 - Supporting the needs of Customer First, One stop shops, the establishment of Neighbourhood Management Services;
 - Supporting invest to save bids in order to allow fundamental service reviews to be undertaken which would produce efficiencies and cost savings in later years;
 - Addressing historic positions and future pressures in departmental budgets arising from both the 2006/07 outturn and the projected 2007/08 position;
 - Ongoing effects of options approved in the 2007/08 budget;
 - Specific pressures for delivery of key services in 2007/08 and for future years e.g. driving up performance in under-performing services;
 - Appropriate Capital Investment;
 - Schools budget set at the dedicated schools grant level;

- b) A systematic approach to identifying and addressing higher cost services through the service planning process and through ongoing work across services on Value for Money;
- c) Improved efficiency within the organisation;
- d) Residents views on the budget;
- e) Establishment of longer term efficiency and saving targets;
- f) Identification and delivery of cross cutting corporate initiatives efficiencies and savings e.g. new procurement practices, absence, etc.;
- g) Commencement in 2008 of Zero based budgeting reviews across Council services;
- h) Identification and delivery of Income generating areas;
- i) Funding the outcome of Single Status agreements;
- j) A proposed 4 year capital plan (2008/09 to 2011/12) totalling £426.5m with £275.8m of the programme funded from external resources, subject to full capital appraisal on a scheme by scheme basis;
- k) A rigorous asset disposal programme and a capital programme that is dependent on around £44m of sale proceeds from land disposals;
- l) Robust treasury management activity including continuous assessment and revaluation of borrowing and investment strategy;
- m) A council tax increase in 2008/09 of 3.75% (4.3% LBB, 2% GLA);
- n) The Housing Revenue Account continuing to contribute to the Council's Corporate and Democratic Core costs to an annual sum of £800k;
- o) Savings of £7.2m for 2008/09 with further reductions projected in the budget of about £9m for 2009/10 and a further £9.3m for 2010/11 being required.

Savings at this level will need to be made across all services apart from the Schools budget. Targets are to be set to allow the process for identifying savings to commence 1st April 2008. The Divisional Director of Corporate Finance will be providing the initial targets for savings across all services;

- p) Pressures of £19.9m for 2008/09 mainly relating to statutory requirements, unavoidable pressures, and existing commitments (excluding DSG);

- q) Invest To Save approvals of £1.39m for 2008/09;
- r) The use of £0.5m of general reserves and £1.4m earmarked reserves for the 2008/09 budget;
- s) Further budget pressures of £15.3m are projected for both 2009/10 and 2010/11 respectively across all Council budgets (excluding DSG).

5.2 Budget Strategy 2009/10

For 2009/10 the key elements of the strategy set in 2008/09 have been built on and the budget has been based on:-

- a) Key priority areas including:
 - Achievement of the Community priorities:
 - **Safe** - a safer borough where the problems of antisocial behaviour have been tackled and all young people have a positive role to play in the community;
 - **Clean** - a clean, green and sustainable borough with far greater awareness of the actions needed to tackle climate change, with less pollution, waste, fly-tipping and graffiti;
 - **Fair and respectful** - a stronger and more cohesive borough so that it is a place where all people get along, and of which residents feel proud;
 - **Healthy** - a healthy borough, where health inequalities are reduced with greater knowledge of lifestyle impacts on health;
 - **Prosperous** - an ambitious and prosperous borough that supports business, jobs and skills, attracting new business with economic, social and environmental resources harnessed for the good of all;
 - **Inspired and successful young people** - a borough of opportunity for all young people so that they can play an active economic role for the good of all.
 - The continuation of improving standards in Education across the Borough;
 - Improving the standard of Social Care in both Children's Services and Adults Services;
 - Supporting invest to save bids in order to allow fundamental service reviews to be undertaken which would produce efficiencies and cost savings in later years;
 - Addressing historic positions and future pressures in departmental budgets arising from both the 2007/08 outturn and the projected 2008/09 position;
 - Ongoing effects of options approved in the 2008/09 budget;
 - Specific pressures for delivery of key services in 2007/08 and for future years e.g. driving up performance in under-performing services;
 - Appropriate Capital Investment;
 - Schools budget set at the dedicated schools grant level;

- b) Working with partners to deliver the LAA targets including the use of the Area Based Grant to achieve these objectives;
- c) Delivery of the Building Schools for the Future Investment programme;
- d) Supporting the needs of One B&D, an IT transformation programme, a new Dagenham Library and One stop shop, a new Leisure Centre;
- e) Delivery of a Local Housing Company;
- f) A systematic approach to identifying and addressing higher cost services through the service and financial planning process and through ongoing work across services on Value for Money;
- g) Improved efficiency within the organisation;
- h) Residents views on the budget;
- i) Establishment of longer term efficiency and saving targets totalling £13m in 2010/11 and £11.6m in 2011/12;
- j) Identification and delivery of cross cutting corporate initiatives efficiencies and savings e.g. new procurement practices, absence, etc.;
- k) Ongoing service reviews including Zero based budgeting reviews across Council services;
- l) Identification and delivery of Income generating areas;
- m) Supporting residents and local businesses during the current economic climate;
- n) A proposed 4 year capital plan (2009/10 to 2012/13) totalling £428m with £327m of the programme funded from external resources, subject to full capital appraisal on a scheme by scheme basis;
- o) Robust treasury management activity including continuous assessment and revaluation of borrowing and investment strategy;
- p) A zero council tax increase in 2009/10 with further projected increases of:
 - 2010/11 of 0%
 - 2011/12 of 3%
- q) The Housing Revenue Account continuing to contribute to the Council's Corporate and Democratic Core costs to an annual sum of £800k;

- r) Savings of £12.4m for 2009/10 with further reductions projected in the budget of about:
 - £13m for 2010/11
 - and a further £11.6m for 2011/12 being required.

Savings at this level will need to be made across all Services apart from the Schools budget. Preliminary 3 year targets have already been set to allow the process for identifying savings to commence 1st April 2009. The Divisional Director of Corporate Finance will review these targets for savings across all services in April 2009;

- s) Net Pressures of £11.5m for 2009/10 mainly relating to statutory requirements, unavoidable pressures, and existing commitments (excluding DSG);
- t) Invest To Save approvals of £500k for 2009/10;
- u) A programme of replenishment of the Council's General Reserve of £1m in 2009/10 increasing to £1.5m in 2010/11 and £2m in 2011/12;
- v) The use of £0.5m earmarked reserves for the 2009/10 budget but no use of General Reserves;
- w) Further budget pressures are projected of £16.5m for 2010/11 £13.4m for 2011/12 across all Council budgets (excluding DSG).

5.3 A summary of spending and grant projections for 2009/10 is contained in Annex 3.

6. Budget 2009/10 – Key Financial Considerations

6.1 Inflation

6.1.1 The General price inflation increase adopted for the 2009/10 budget strategy was based on the Consumer Price Index in June 2008 which was broadly 2.5%. In arriving at the general price increase a variety of economic drivers were assessed some of which may have increased beyond 2.5% and others which may be subject to negligible inflation or even deflation.

6.1.2 Since the 2009/10 budget strategy was approved the economic situation both globally and in the UK has changed significantly. Intervention in the banking system (in the US, the UK and elsewhere) has become common place with several prominent banks and building societies being nationalised or part-nationalised. Obtaining credit has become difficult for both consumers and businesses and as a result many businesses are either going into administration or are reducing their costs. The result is that unemployment has risen, the housing market has fallen and consumer confidence has declined significantly. In January 2009 the UK was officially in recession. The UK Government has acted to this global and national downturn by introducing a number of financial stimulus packages which are aimed at particularly supporting the UK economy.

Amongst a number of measures introduced is providing financial support to the banking and other industries and reducing the amount of standard VAT. In addition the Bank of England has reduced interest rates to their lowest historic levels (1% in February 2009). Whilst the 2009/10 budget has been based on a general inflationary increase of 2.5%, the Council will need to monitor the budget position closely during 2009/10 as a consequence of both the economic position any the current volatility of inflation, and take any appropriate action if necessary.

6.1.3 In terms of forecasting inflation for staffing costs, the 2009/10 pay increase will be subject to new negotiations between both the Employer and Employee representatives. At the time of preparing the MTFS these negotiations had not been concluded, however in the current economic climate, and with significant pressures on public finances, it is unlikely that these awards would be higher than 2%. For the 2008/09 budget process the Council has made provision of 2.5% for its pay agreements on the current assumption that the final agreement will be in line with the Consumer Price Index.

6.1.4 In 2007 the Council's actuary reported the results of its triennial valuation which outlined the performance and position of the Council's pension scheme. The valuation reported that the Council needed to increase its annual pension contributions in order that the pension fund would be sufficiently funded to meet its projected liabilities. As a result the Council's pension contributions were increased by 0.8% in 2008/09, with further 1% annual increases in both 2009/10 and 2010/11. By 2010/11, and at the time of the next triennial valuation of the pension fund, the employer contribution rate will have risen to 19%.

6.1.5 Other inflationary pressures which may impact on the Council's budget over the medium term could include future Government changes such as increased national insurance contributions, cost pressures relating to specific industry pressures e.g. Construction services and Energy costs, as well as additional costs arising on difficult to fill posts and the use of temporary staff. In addition the London 2012 Olympics is likely to have an impact on inflationary pressures in London over the forthcoming years, particularly within labour resources which are moved to deliver the necessary construction deadlines. However the current economic climate is making it difficult to predict future inflationary pressures with any confidence, particularly as a result of rising unemployment and recent price reductions e.g. oil, food.

6.1.6 For the purposes of the financial strategy the following inflation assumptions have been made:-

	<u>2009/10</u>	<u>Later Years</u>
Employee costs	2.5%	2.5% (per annum)
Other inflation	2.5%	2.5% (per annum)
Fees and charges	3.0%	3.0% (per annum)
Pensions costs	1.0%	1.0% (per annum)

6.2 Vacancy Provision for Employee Costs

Budgets are currently set taking into account various vacancy factors for staffing levels. Heads of Service have discretion as to the level depending on the local circumstances and the impact on delivering services. In general both the Adults and Children's services do not operate with such factors, as do services that are demand led.

Predicting staff costs', including recruitment and retention costs, is becoming increasingly problematic, with shortages in key areas, such as Planning, Finance and Adult Care Services. Other financial pressures include the level of sickness, high costs of repeated recruitment drives and the cost of temporary staff and consultants used to meet resource gaps.

The Council has a policy for reducing its use of temporary staff and this has continued to fall in 2008 and is being monitored extensively throughout the Council.

6.3 Single Status

In 2007 the Council successfully implemented its Single Status agreement across the organisation. The Capital & Revenue Support reserve was used to fund both the costs of reviewing and implementing the single status agreement. The recurring costs associated with the recommendations of the agreement have been reflected within the service budgets since 2008/09.

6.4 Fees & Charges

6.4.1 The Council has an agreed charging policy and this is set out in Annex 4.

6.4.2 A Corporate Charging Register exists, based upon the annual fees and charges report approved by the Executive committee, which sets out a full schedule of the charges applied by the Council for services it supplies.

6.4.3 All charges are reviewed annually as part of the budget setting process and an appropriate report is submitted to the Executive. For 2009/10 the budget process was based on general fees and charges increasing by at least a 3% increase in yield in addition to the principles set out in the charging policy.

6.4.4 The Local Government Act 2003 also permits Councils to charge in further areas. The Council, in keeping with most other local authorities, has not yet taken full advantage of this power but is currently considering where discretionary charges.

6.4.5 The Department of Health "Fairer Charging" statutory guidance applies to non-residential charging policies within care environments.

This guidance requires charges to take account of both the users' ability to pay and level of service required. This in effect makes it a requirement to undertake a means test to decide levels of charge and to move away from previous non-means tested flat rate charges the Council has favoured in Social Care. The statutory means test has meant that over 50% of Social Care clients have been taken out of being required to pay charges. This guidance will need to be adhered to when making charges for Social Care activities.

7. Budget Strategy 2010/11 to 2011/12

7.1 The financial strategy for 2010/11 and 2011/12 continues the position that has been established in previous years and which is set out in section 5.

7.2 The Council faces a number of financial challenges over the 2010/11 and 2011/12 period at both local and national level. These include:

National Challenges

The unprecedented global financial crisis has created a dramatically different operating context for national governments. Intervention in the banking system (in the US, the UK and elsewhere) has become common place with several prominent banks and building societies being nationalised or part-nationalised.

Although it is difficult to predict exact implications, there are a number of ways the economic downturn will affect Local Government:

- overall, current levels of inflation mean that the value of government funding to councils over the next three years is currently worth almost £500m a year less than originally intended;
- declining tax revenues will impact on future local government settlements;
- further increases in fuel and energy prices;
- rising food prices and the impact on school meals and catering for the elderly and disabled;
- a fall in income as the housing market slumps and developments stall, reducing both regular income from services like land searches and development control and, more significantly, from asset sales and receipts from developers that fund new investment;
- a fall in income from a range of other services that councils charge for, such as leisure centres, as household budgets become tighter;
- a fall in the value of council assets such as local authority-owned land and buildings;
- 5m people expected on the social housing register by 2010.

Dampening or blunting the worst affects of the downturn on our residents will become central to the Council's purposes in 2009/10 and this will include:

- securing their homes and mortgages;
- gaining and maintaining jobs and training;
- receiving financial support and debt counselling;
- protecting the viability of and growing their businesses.

Local Challenges

As well as those pressures arising from national issues, the Council also faces a number of local pressures including:

- Changing Service pressures;
- Redirecting resources to support the delivery of Local Area Agreement targets;
- Funding the Capital Programme;
- Loss of Investment Interest as a result of lower interest rates and reducing capital reserves;
- Increasing Pension contributions;
- Cost of Waste and Recycling;
- Costs of the new Dagenham Library and One Stop shop;
- Cost of the new Becontree Heath Leisure Centre;
- Delivering the Building Schools for the Future programme.

7.3 All departments, and their divisions, have produced their service plans which outline their key priorities, actions and costs over the medium term. In the majority of cases the costs associated with these plans will be funded from existing budgets. However there will inevitably be some costs which will require new funding, and these costs have been built into the Council's medium term financial plan and future savings requirements, which are outlined in the following paragraphs.

7.4 General Fund Services

7.4.1 There are a number of new service pressures arising for 2010/11 and beyond which are likely to require new funding. These include potential changes to the Housing subsidy system, increased environmental targets such as recycling and carbon usage and the building and running costs of the new Dagenham Library/OSS and the Becontree Heath Leisure Centre. Provision for these costs has been included in the Council's financial plan.

7.4.2 The Council is committed to improving the standard of Social Care in both Children's Services and Adults Services, and the particular issues faced in these two areas is highlighted below:

Children's Services

Children's Services includes the funding for all 55 schools in the borough, other educational and social care functions associated with the delivery of the Every Child Matters Agenda and, from 2009/10, it will include the Learning, Skills and Employment, which had previously been part of the Regeneration Department.

The vast majority of the funding for the Children's Services Department is provided via specific grants, with the largest element being the Dedicated Schools Grant (DSG) (£135m in 2008/09). While the vast majority (90%+ in 2008/09) of the DSG is provided directly to schools, the balance may be retained by the local authority for spending on prescribed activities only, including special needs, pupils out of schools, education provision for three and four year olds, admissions, school meals and a few other specific items.

Schools also receive funding from Learning and Skills Council for post 16 students, School Standards Grant, School Development Grant and particular Standards Fund activities.

Educational activities are also funded from the General Fund budget and the regulations from the Department for Education and Skills are prescriptive about how costs should be treated. So, home-school transport costs, educational psychology costs and a range of strategic education functions may not be charged to the DSG.

The General Fund also supports children's social care functions, including children's placements, leaving care services, social work functions and other early intervention and preventative activities. Moreover, the SureStart grant that is designed to grow capacity in services for 0-5 year olds and their families is still a significant component of the work of the Integrated Family Services division.

The main budget challenge facing Children's Services is to manage the volatile, demand led budgets for children's placements and leaving care. These budgets have been showing significant overspends in recent years, but recent developments in modelling future trends and expectations about individual casework are showing good signs that forecasts are being upheld. Also, a range of early intervention projects are contributing to lower numbers of looked after children with forecasts of costs reducing in the medium to long term.

Within the capital budget, the significant growth in pupil numbers is putting pressure on school places and short-term and long-term plans to address the issues that arise from this situation are being pursued by officers. Even more significantly, however, is the prospect of a £250m Building Schools for the Future programme to transform secondary education in the borough. As of January 2009 officers were waiting for Partnerships for Schools to approve the Authority's Outline Business Case so it could begin the procurement of the first projects in the programme.

Adult & Community Services

Adult Care Services are subject to transformation over the next three years through the introduction of the Governments Personalisation Agenda and Individual Care Budgets. Nationally an extra £520m will be allocated to Councils as a Social Care Reform Grant to enable the facilitation of this programme.

Budget pressures have been experienced in 2008/9 in Adult Care Services particularly in Adult Community Care budgets, including Learning Disability Services, and in the area of transitions from Children's Services. Successful actions were taken throughout the year to contain expenditure within budgets, such measures included reviewing levels of services and staffing (including specifically agency staff, robust commissioning and contractual arrangements with providers, and continued efficiency measures being adopted throughout the Department.

Services at the interface with the Health Service locally remain challenging, but success and progress has been made in terms of reducing the cost and number of delayed discharges from Local Acute Hospitals.

The department is continually challenging modes of service provision to ensure value for money, independence, and flexibility. In recent years this has meant the modernisation or closure of some traditional services and Establishments / Institutional care, with a coterminous expansion in such areas as Prevention, and the Personalisation Agenda including Individual Budgets and Direct Payments.

The Department together with the Adult Care Sector nationally is facing difficult times ahead, with National and Local reductions in budgets anticipated, however from previous experience it is in a strong position organisationally to deal with the challenges ahead.

7.4.3 Corporate Issues

There are a number of specific corporate pressures arising for 2010/11 and beyond which include:

- The council has an ambitious programme of capital works across the borough aimed at improving the lives, opportunities and services for local residents. Whilst a significant amount of these capital works will be funded from external capital grants, the Council will need to borrow to fund the remainder of its capital programme. It is estimated that new borrowing costs of £2.75m in 2010/11 and £2,25m in 2011/12 will be required to fund the Council's element of its Capital programme;
- As part of the Council's overall financial strategy there is a need to replenish the Council's General Reserves. For 2009/10 a contribution of £1m will be made increasing to £1.5m in 2010/11 (an additional £500k) and £2m in 2011/12 (a further additional £500k);
- In recent years the Council's reserves have fallen significantly, in particular the level of its capital receipts which have been used to fund its capital programme. This reduction in reserves has meant that the income generated from investing these reserves has been lost and will no longer be available in the future to support revenue services. In addition the current economic climate has seen interest rates reduce since October 2008, and it is anticipated that these rates will remain at these low levels for some time. In 2010/10 it is estimated that the Council's investment income will reduce by £500k;
- For 2009/10 and beyond, the rate of landfill tax for 'active' waste will increase by at least £8 per tonne per annum on the way to a medium to long term rate of £56 per tonne (09/10 rate is £40 per tonne). There are expectations that this maximum rate may rise even further in the future. As a result of these projected future increases, it is estimated that the ELWA levy will increase by £320k and £560k beyond inflation in 2010/11 and 2012/12 respectively.

7.4.4 Additional Funding

Formula Grant

The Council has received an indicative 3 year grant settlement from Central Government as a result of its 2007 spending review. This settlement will end with the financial year 2010/11, during which time the Government will have completed its 2009 spending review which comes into effect from 2011/12. It is clear that owing to the economic climate that the future spending review will be extremely difficult and the Government will be seeking significant efficiencies and reductions in real expenditure across the public sector. Recent information has indicated that there may well be a real terms freeze in the level of grant to local government arising from the 2009 spending review. As a result it has been estimated at this stage that the 2011/12 government grant will not increase. The outcome of the 2009 spending review will be kept under review and any changes to the forecasted grant settlement will need to be reflected in any updated financial strategy.

Council Tax

For 2009/10 the Council approved a 0% Council Tax increase i.e. Council Tax in Barking & Dagenham remained at the same levels as 2008/09. The Council understands the difficult economic climate that faces the United Kingdom and the impact this is/will have upon its local residents. As a result the Council's current strategy on the Council Tax is to also have no increase on the level of Council tax in 2010/11. In terms of the 2011/12 financial year the financial model assumes an increase in line with inflation.

7.4.5 A summary of the impact of the additional costs of these are pressures are summarised below and detailed in Annex 3:

	<u>2010/11</u>	<u>2011/12</u>
<u>Additional Costs</u>	<u>£</u>	<u>£</u>
General Inflation	4,000	4,000
<u>Service Pressures</u>		
- Dagenham Library /OSS	600	600
- Becontree Heath LC	400	200
- BSF Costs	1,200	0
- Pension Costs	750	750
- Other	5,000	4,500
<u>Corporate Pressures</u>		
- Replenishment of Reserves	500	500
- Interest on Balances	500	0
- Capital Financing Costs	2,750	2,250
- Levies	320	560
- Other	500	0
Total Additional Costs	16,520	13,360
<u>Additional Income</u>		
Government Grant	(3,578)	0
Council Tax	0	(1,570)
Collection Fund Deficit	58	(190)
Total Additional Income	(3,520)	(1,760)
Budget Gap	13,000	11,600

7.4.6 As a result of the additional costs pressures and the assumed levels of increased income set out above, it is projected that the Council will need to identify savings and efficiencies amounting to £13m in 2010/11 and £11.6m in 2011/12 in order to produce a balanced budget.

7.5 Pension Fund

Significant changes have taken place in respect of the Local Government Pension Scheme in 2008/09, following the introduction of a new scheme starting on 1st April 2008. This has been successfully implemented by the Council, and information on the new scheme in the form of a DVD was circulated to all scheme members.

Every three years, the Council's Pension Fund receives a detailed actuarial valuation, which assesses the long term assets (i.e. the investments the Pension Fund holds) and the long term liabilities (i.e. the future payments that the fund will have to make in the form of benefits).

If the long term liabilities outweigh the long term assets, the fund is considered to be in deficit. If a fund is in deficit, the Council and the actuarial advisor must agree a course of action to recover the deficit over the long term. Usually, this will happen through increases in employers contribution rates.

Due to stock market movements, coupled with the fact that mortality rates continue to improve (i.e. people are living longer), most local authority pension funds have a deficit. The London Borough of Barking and Dagenham Pension Fund deficit is actually quite small compared to similar authorities, being 89% funded. The latest actuarial valuation took place as at 31st March 2007, and employers' contribution rates will increase by 0.8% per annum in 2008/09 and one per cent for both 2009/10 and 2010/12 to ensure that the fund is solvent in the long term. These assumptions are built into this Medium Term Financial Strategy.

7.5 Housing Revenue Account

The strategy for the HRA is of course to secure its medium and long term financial viability. This includes robust financial management in the short to medium term to ensure that a balanced HRA budget is set annually whilst ensuring that a prudent working balance is maintained to support the service. This is particularly relevant with the demands of the Housing Subsidy system and the resulting increase in the level of subsidy paid to the Treasury – which increases from £17.2m in 2008/09 to £22.1m in 2009/10.

In the short term, or at least for 2009/10, good progress has been made and it has been possible to construct a balanced budget and improve the level of balances from £3.2m at 1st April 2008 to a projected outturn of £4.54m at 1st April 2009 (and sustain these at a similar level throughout 2009/10) through maximisation of subsidy, rigorously reviewing service charges and minimising the impact of the Rent rebate subsidy limitation.

However, the HRA is under severe pressure and notwithstanding the Government's review of the HRA subsidy system, and whether this is likely to result in any changes to the system in 2010/11, it is currently estimated that to set a balanced budget for 2010/11 and maintain balances at an acceptable level it will be necessary to identify a further £3m of savings in 2009/10 as part of the HRA budget setting process for 2010/11. This will require a fundamental review of the HRA to ensure the Council achieves value for money in service provision whether through internal services delivered via SLAs or external contracts.

8. Reserves and Contingency

Reserves

- 8.1 When reviewing the Medium Term Financial plans, Councils need to consider its level of reserves and the reasons for those reserves. There is also a requirement to undertake a review when the annual budget is set in February/ March each year.
- 8.2 The CIPFA guidance on Local Authority Reserves and Balances 2003 does not set any "level", but sets out the factors the Chief Financial Officer should use when assessing the level. The external auditors have been silent of specifying levels, tending to only comment on adequacy.
- 8.3 A significant amount of the services that the Council provide have little or no risk in terms of potential financial performance and other internal and external influences and factors. After assessing all the Council's spending areas it is considered that a minimum level of general reserves would be around £7.5m. In addition to this sum, the Council will as usual also hold earmarked reserves for specific purposes.
- 8.4 Annex 5 sets out the Council's position on reserves and a policy for their application. It can be summarised as follows:-
 - **General Reserve**
The projected uncommitted reserve for 2009/10 is 7.4m. As part of the Council's financial strategy there is a programme to replenish the Council's General Reserve of £1m in 2009/10 increasing to £1.5m in 2010/11 and £2m in 2011/12;
 - **Repairs and Renewals Reserve**
This contains a small number of reserves to fund the repair and renewal of specific assets such as IT;
 - **Insurance Fund**
This fund is held to meet potential and contingent liabilities that the Council self insures. At the end of 2009/10 the fund is estimated to be £7m. The Insurance Fund is currently being independently reviewed to ensure that its level of provision is appropriate for any future unforeseeable items e.g. contaminated land. Any reduction in the fund will be transferred into the Council's General Reserves.

- Invest to Save and Service Reconfiguration Reserves
These reserves were originally established with a balance of £4m each to be used as the Council underwent significant changes in its service provision as it addresses both the community priorities and new ways of working. Where invest to save funding is approved, and funded from the Invest to Save reserve, the initial savings derived from these investments will be used to replenish the reserve thus allowing more invest to save proposals to be considered in the future. In 2009/10 the projected uncommitted amount of these reserves will be £1.5m on Spend to Save and £0.7m on service reconfigurations;

A full profile over a three year period is set out in Annex 6.

- 8.5 All reserves and their policy will be reviewed annually as part of the budget setting process. The actual movement on reserves will be reported as part of the Annual Statement of Accounts. The Constitution does not specifically refer to reserves and as such delegates all matters to the Divisional Director of Corporate Finance.

Contingency

- 8.6 In assessing the budget an adequate level of contingency is required as well as appropriate levels of reserves and balances. Each year when assessing the level of contingency the following are examples of the factors that will be considered:-
- Projected pay awards;
 - In year budget pressures of volatile budgets (e.g. homelessness, care packages, external placements, income, demand led services);
 - Costs of new responsibilities, where estimates have been prepared with limited experience;
 - Unconfirmed grant funding regimes;
 - Unexpected events;
 - Variable interest rates;
 - Budget risks.

The level of contingency for 2009/10 has been set at £1.5m

9. Flexibility Plans

- 9.1. In the event of an unforeseen event arising during the year creating a budget pressure, the following are examples of the action that may be taken by service managers:
- a) Examination of grant funding in order to maximise income;
 - b) Income generation activity;
 - c) Enhanced approval process for making commitments;
 - d) Spending freeze;
 - e) Recruitment freeze;
 - f) Non statutory spend frozen;
 - g) Deletion of all uncommitted one-off and special projects;
 - h) Review of service provision level.

Notwithstanding this, it is important that there is a continuance of regular monitoring of all Council budgets, which will enable advance warnings of any potential budget risks. This will allow the Council to utilise the above options to control budget pressures in a timely and controlled manner.

10. Sensitivity Analysis

- 10.1 The above flexibility plan describes measures that may be taken to respond to budget pressures. It is important to recognise the key budget areas that may lead to pressures and their likely impact, in order that officers may respond appropriately.

To this end, a sensitivity analysis has been undertaken of key potential causes of pressures, their likelihood and impact. This is detailed in Annex 7.

11. Capital Programme 2009/10 to 2012/13

- 11.1 The Council is required to review its capital spending plans each year and set a Capital Programme. A key consideration when setting the programme is the projected level of available capital resources.
- 11.2 A variety of resources are available to local authorities to fund capital investment. The primary one is borrowing. As a result of the fact that all of the Council's capital receipts are now committed on existing schemes, in setting the capital programme for 2009/10 – 2012/13, the Council has to borrow in order to fund any additional commitments that are not funded from external sources. The Medium Term Financial Strategy has set aside revenue funding to enable the Council to fund borrowing over the period from 2009/10 to 2012/13. The purpose of this funding is to complement other sources of funding, such as external grants, to enable the Council to deliver an ambitious capital programme that supports its objectives.
- 11.3 A second source of funding is capital receipts which arise from the sale of assets such as surplus land and the sale of council dwellings. All of the Council's capital receipts are committed on existing schemes, and as a result of the current economic downturn, future generation of capital receipts will be severely impacted over the next 3 to 4 years.
- 11.4 A third source of funding is capital grants, or external funding, issued by Government departments and agencies, which are often allocated on a competitive bidding basis for specified purposes. Many of these require Council's to make a financial commitment to the running costs of the schemes.
- 11.5 The capital programme review has also encouraged "invest to save" or "self financing" capital schemes. In these cases, revenue savings or income generated will fund the cost of borrowing. Such an approach demonstrates the Council's commitment to achieving Value for Money on capital as well as revenue expenditure.

- 11.6 An important part of planning is for the Council to have a Capital Strategy and Asset Management Plan in place. In addition, there are other service capital plans that are required by Government departments and they need to link clearly to the overall Capital Strategy and Asset Management Plan.
- 11.7 The Council has an identified proposed new capital schemes which, when added to existing capital schemes would give rise to a capital programme totalling £428m for the financial years 2009/10 to 2012/13 (paragraph 6.1). Funding proposals for this programme have identified that £327m can be funded from external sources (£260m of this is in respect of Children's Services – Primary Schools Investment and Building Schools for the Future), and the balance of £101m is to be met from borrowing funded by the Council. Of this total, £28m of borrowing will be funded from revenue savings (as part of "self-financing" projects) and £73m will be funded corporately. A summary of these figures is provided in Annex 8 and 9.

12. Capital Investment Strategy

- 12.1 The capital strategy is an over-arching policy document relating to investment in services and describes how the deployment and redistribution of capital resources contributes to the achievement of corporate goals.
- 12.2 As a result of the economic downturn, all organisations are finding conditions challenging. For the Council, particular challenges exist as a result of falling land sales, and fewer opportunities to lever in funding for regeneration activities. That said, plenty of opportunities to continue capital investment still exist, notably through the nationwide Building Schools for the Future programme, and through the creation of a pioneering local housing company in the borough. Such schemes mean that the Council will be at the forefront of efforts to stimulate the local economy over the coming years.
- 12.3 The overarching objectives for the Capital Strategy are as follows:
- Successfully **deliver a capital programme** which is consistent with the Council's **key priorities**;
 - **Maximising external funding** to support the delivery of the capital programme consistent with the Councils' key priorities, both from the private sector and through government grant funding; and
 - **Maximising the utilisation of the Council's assets** by:
 - Ensuring that all investment properties are making sufficient returns;
 - Ensuring that non-profitably investment properties and assets surplus to requirements are disposed of as efficiently as possible; and
 - Monitoring the utilisation of assets on a regular basis.
- 12.4 The Council's capital investment plans need align to the Council's priorities, and ensure that existing assets are maintained to an appropriate standard. These objectives need to be achieved with relatively scarce resources. The key priorities that have been agreed by Members and officers over successive years in setting the capital strategy are as follows:

- Investment in our **schools**;
- Investment in key **regeneration and arts** projects across the borough;
- Investment in our **housing stock**;
- Investment in **rolling programmes of upgrade expenditure**, for example on highways; and
- Investment in **improvements in customer services and ICT** through a customer contact centre, one stop shops, and IT infrastructure improvements, which will also result in improved efficiency.

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

13. Prudential Code for Capital Investment

13.1 The prudential code for capital finance was introduced in April 2004 and is based upon a prudential system of borrowing. Under this framework, Councils have to set a series of indicators to assess whether capital investment is affordable, sustainable and prudent. In coming to this assessment, a series of “prudential indicators” need to be set.

These compulsory prudential indicators are referred to in the Local Government Act 2003 and are embodied in the CIPFA Prudential Code.

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

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

13.2 The prudential system places reliance on a series of prudential indicators that must be determined by each local authority for the forthcoming year and the two following financial years. Further details of the Council’s prudential indicators are included in Annex 10.

14. Treasury Management Strategy

- 14.1 The Council approves an annual Treasury Management Strategy that governs its plans around the investment of its balances, and any plans to borrow. The key elements of this strategy are as follows:

Investment and loan balances

As at 31st December 2008, the Council had balances and loans as follows:

	31 December 2008
	£ Million
Investments	
Council in House Team	66.7
Scottish Widows	22.9
Investec Asset Management	37.1
Royal Bank of Scotland (RBS)	15.0
TOTAL INVESTMENTS	141.7
Borrowing	
Fixed rate Funding PWLB	30.0
Market	20.0
TOTAL BORROWING	50.0

- 14.2 The Council's investments are spread across both in-house and external managers to achieve a balance between minimising risk and maximising returns. The Council has agreed benchmarks across all of these funds in consultation with both external managers and treasury advisors.
- 14.3 The capital regulations that were introduced on the 1st April 2004 (the "prudential code") made the Council's debt free status less attractive. In particular these regulations require Councils to pay 75% of their housing capital receipts into a national pool, when previously we had been able to retain 100% of these receipts. As such, the Council is no longer debt free.
- 14.4 An "authorised borrowing limit" of £200m has been set for the period 2009/10 – 2011/12. This is a statutory limit, which it is illegal for the Council to exceed. It has been purposely set well above expected borrowing levels to allow for any unforeseen issues throughout the medium term.

Dated: February 2009

Area Based Grant Allocations 2009/10		
	2009/10 (£)	2009/10 (£)
	DCLG Allocation	Council Approved Allocation
Adult's Services:		
Adult Safeguarding Team	0	118,750
Carers	1,076,243	928,811
Cohesion	213,529	0
Community Reparation	0	26,600
Learning and Disability Development Fund	186,046	157,700
Libraries Family Learning	0	47,500
Local Involvement Networks	146,411	137,750
Mental Capacity Act and Independent Mental Capacity Advocate Service (MCA & IMCAS)	119,940	25,650
Mental Health	624,466	513,982
Metropolitan Police – ASB and Operation Cougar	0	65,208
PPO Scheme	0	16,222
Preserved Rights	480,117	470,603
Preventing Violent Extremism (Estimated)	125,000	83,600
Stronger Safer Communities Fund	237,135	187,278
Supporting People Administration	124,744	128,665
Tackling Serious Acquisitive Crime	0	71,250
Tackling Violence	0	171,000
Welfare Rights and Skills Development	0	66,500
YOS / DAAT – Family Focussed Skills Development	0	128,250
Work with Young Victims of Crime	0	15,675
Youth Offending Team Parenting Orders	0	29,678
Young People Substance Misuse	103,622	98,441
Young People's Outreach (DAAT)	0	158,650
Free Swimming	0	277,000
Total Adult's Services:	3,437,253	3,924,764
Children's Services:		
Care Matters White Paper	295,644	0
Child and Adolescent Mental Health Services (CAMHS)	673,753	487,626
Child Death Review Process	51,006	47,046
Children's Fund	666,554	443,226
Child Trust Fund	5,586	3,923
Choice Advisers	37,153	45,555
Connexions	2,240,946	1,886,543
Education Health Partnerships	55,704	52,919
Extended Rights to Free Transport	6,853	2,255
Extended Schools Start Up	759,322	180,306
Positive Activities for Young People	725,778	439,905

Area Based Grant Allocations 2009/10		
	2009/10 (£)	2009/10 (£)
	DCLG Allocation	Council Approved Allocation
Children's Services:		
Primary National Strategy – Central Coordination	135,579	128,695
School Development Grant (Local Authority element)	1,810,991	1,452,864
School Improvement Partners	62,730	59,594
School Intervention Grant	40,000	38,000
School Travel Advisers	16,000	15,200
Secondary National Strategy – Behaviour and Attendance	68,300	64,885
Secondary National Strategy – Central Co-ordination	140,488	133,285
Sustainable Travel to School – General Duty	12,525	11,899
Teenage Pregnancy	123,000	116,850
The Empowered Voice	0	57,000
Think Family (Targeted Interventions in Key Wards)	0	47,500
Young People (Detached Youth Workers etc.)	0	142,500
Pilot Prevention Scheme	0	123,500
Restorative Justice Scheme	0	59,850
Supported Lodgings	0	69,350
Additional Social Workers to Reduce Numbers of CIN	0	285,000
14-19 Flexible Funding Pot	56,411	0
Childcare Subsidy	0	50,000
Total Children's Services:	7,984,323	6,445,277
Resources/Other:		
Working Neighbourhoods Fund (Estimated)	1,612,577	0
Skills, Learning and Enterprise – ESF/NRF Co-Financing	0	638,000
ESF Match Funding	0	625,000
Job Brokers	0	200,000
Local Enterprise Growth Initiative (Revenue Element)	2,096,294	565,000
Enterprise Initiatives	0	870,858
Climate Change (Planning Policy Statement)	22,500	22,500
Adult and Children's Social Care Workforce	658,302	589,670
Tackling Local Priorities	0	19,000
Apprenticeships	0	95,000
Contribution to Support Council Budget	0	500,000
Pump Priming Initiatives	0	95,000
Apprenticeships Development Unit – Model 1	0	921,180
Taskforce Initiatives	0	300,000
Total Resources/Other:	4,389,673	5,441,208
TOTAL AREA BASED GRANT	15,811,249	15,811,249

<u>Ringfenced Specific Grants</u>	
	£
<u>Children's Services:</u>	
Schools Standards	6,686,321
Ethnic Minority Achievement	2,083,420
Music Service	315,891
Extended Schools - Sustainability	580,795
School Development Grant	9,002,982
School Lunch Grant	341,365
Short Breaks (Aiming High for Disabled Children)	240,300
Early Years: Increasing Flexibility of 3-4 Year Olds	283,941
Sure Start, Early Years and Childcare	8,698,653
Youth Opportunity Fund	254,400
Parent Practitioners Grant	50,000
Total Children's Services:	28,538,068
<u>Adult's Services:</u>	
Social Care Reform Grant (formerly Individual Budget pilot)	752,415
Supporting People (until 2009/10)	5,650,993
Stroke Strategy	90,000
Total Adult's Services:	6,493,408
<u>Other:</u>	
Homelessness	100,000
Total Other:	100,000
TOTAL SPECIFIC GRANTS	35,131,476

<u>SUMMARY OF BUDGET PROJECTIONS UP TO 2011/12</u>			
	2009/10	2010/11	2011/12
	£'000	£'000	£'000
BUDGET REQUIREMENT B/F	282,328	292,811	315,139
Pressures/Changes			
Unavoidable	316	320	560
Likely Commitments:			
- Education spending to DSG	6,568	5,808	5,898
- Inflation (All council services excluding schools)	3,480	4,000	4,000
- Impact of Budget decisions – Pressures/Invest to Save	6,515	5,000	4,500
Areas of Potential Concern			
- Corporate	3,474	2,250	1,250
- Other	1,000	2,200	800
Future issues	1,500	2,750	2,250
Total of Pressures/Changes	22,853	22,328	19,258
Less: Impact of Savings (including efficiencies)	12,370	0	0
Revised Budget Requirement	292,811	315,139	334,397
Funding:			
Formula Grant	99,202	102,780	102,780
Dedicated Schools Grant	141,648	147,456	153,354
Council Tax Collection	52,373	52,373	53,943
Collection Fund Deficit	(412)	(470)	(280)
Total Funding	292,811	302,139	309,828
Council Tax Base (1)	51,528	51,528	51,528
LBBD Council Tax (2)	1016.40	1,062.40	1,046.90
GLA Precept (3)	309.82	319.11	328.68
Total	1326.22	1,335.51	1,375.58
Overall change	0%	0.70%	3.00%
Funding Gap to be met by savings/efficiencies/ /invest to save/use of reserves/review of growth/ level of Council Tax	0	13,000	24,600
Notes			
1. Assumes a nil increase in the Council Tax base for 2010/11 and 2011/12			
2. Assumes a 0% increase in Council Tax in 2010/11 and 3% increase in 2011/12			
3. Assumes a 3% increase for both 2010/11 and 2011/12.			

Charging Policy for Council Services

1. Introduction

- 1.1. This policy sets out the Council's framework for charging and 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.
- 1.2. When the Council does not raise income in areas where it has the power to do so, it foregoes the opportunity to raise money to improve services and leaves less money available for spending on high priority services.
- 1.3. There are situations when the Council may decide not to raise income when it is empowered to or not to recover the full cost of a service. Members must be supplied with information to allow them to make these decisions in a structured and explicit manner. A decision to forego income or to subsidise a service is a policy decision about resources as significant as any decision made in the budget setting process.
- 1.4. This policy recognises three basic contexts in which charges are made. These will be considered in turn. The policy concludes by looking at the Council's approach to subsidy.

2. Context for Charging

2.1. Charging in a mixed economy

- 2.1.1 In this context the council is providing goods or services which are also available, or could be available from the private and voluntary sectors or other public service bodies.
- 2.1.2 In principle these services must recover their full cost. Furthermore where applicable the Council should be guided by the market price where this produces a surplus. This is not solely a charging issue; breaking even or achieving a surplus also requires the costs of the service to be fundamentally reviewed.
- 2.1.3. If the Council is unable to recover its cost it must be debatable as to whether it should be providing rather than commissioning the service.

2.1.4. Wherever practicable the level of charges should mirror the level of service provided.

2.2. Mandatory Charging

2.2.1. There are a number of areas of activity where the Council charges are set by central government by statute. The Council cannot vary these charges but it should seek to make progress towards full recovery by taking all reasonable steps to reduce the expenditure incurred in providing the service.

2.2.2. It is accepted that in some cases it may not be possible to deliver an acceptable service within the income available. In these cases, Members approval for the deficit must be sought together with an indication of the steps taken to minimise costs incurred.

2.2.3. In other areas charges will be determined by existing contractual commitments or by partnership arrangements in which the Council is one of a number of participants in policy formulation. Again the council should apply the principles outlined in this policy when contracts are renewed and promote them when partners consider charging policies.

2.3. Discretionary Charging

2.3.1. In this context the Council is the sole or primary provider of services and has discretion on whether to levy fees and charges and the extent to which costs are recovered.

2.3.2. Again the starting point should be that services will normally be expected to cover their costs having regard to both the level of charges and the cost of the service.

2.3.3. Again wherever practicable charges should vary with the level of service provided.

2.3.4. The council may elect to subsidise some or all of the users of a specific service.

The next section sets out the policy on subsidisation.

3. Subsidy

3.1. The Council offers subsidised services in a number of areas. There are two types of subsidy; a general subsidy to all users of the service and specific subsidies targeted at particular categories of users. Both types of subsidy may apply to part or all of a particular service.

3.2. **General Subsidy**

3.2.1. General Subsidies occur when a service is delivered at below cost to all users (e.g. off peak access to facilities).

3.2.2. When considering such a subsidy, Members must satisfy themselves:

- That the proposed subsidy demonstrably supports a Council priority or policy.
- There is evidence to suggest that the impact of the policy can be measured.
- The cost of the subsidy can be estimated and accommodated within Council budgets.
- That the proposal is the most effective approach to delivering the policy objective having considered alternatives.

3.2.3. The decision to subsidise and the level of subsidy should be reviewed on an annual basis.

3.3. **Specific Subsidies**

3.3.1. Specific subsidies are targeted at particular groups and service users. In the context of charging and social inclusion this is normally taken to refer to low income residents. However, it is important to remember that the principles underpinning this policy could apply to any group (e.g. religious and sporting groups) and may arise in the context of partnership working.

3.3.2. If the Council decides to subsidise certain service users it has the responsibility to use fair, transparent and objective criteria in deciding who should be subsidised and why. It should be possible to communicate these criteria to service users.

3.3.3. Again any proposed subsidy must demonstrably support specific Council priorities or policy objectives. The financial implications of the subsidy must be identified in advance and must be able to be accommodated within existing Council budgets.

3.3.4. It is important to examine each proposed subsidy on its merits and to avoid blanket approaches to this issue. For example, subsidising benefit claimants across all Council services could improve access to services while exacerbating the poverty trap associated with the interaction of tax and benefit tapers. This could add disincentives of a return to work and reinforce social exclusion. It could also add to the cost of the services at the expense of low income groups who are in employment.

- 3.3.5. It is important therefore that such subsidies are focussed and have a reasonable chance of making a significant contribution to the Council priority or policy under consideration.
- 3.3.6. The proposed subsidy regime must be simple to administer. Complex bureaucracies for assessment and recovery will add significantly to the cost of service provision for all users while adding little value. The need to keep things simple and cost effective will affect the detail and sensitivity of any income assessment and the extent to which charges are directly linked to precise levels of service provision.

Charging Policy Commission

Fundamental Principles

1. Charges should be made for goods and services when ever the Council has a power or a duty to do so and all cases where the council is providing goods and services already provided by the Private Sector.
2. The starting presumption should be that charges will be set a level to recover the full cost of the service including all overheads and where appropriate to mirror prevailing commercial rates. In the short term it is accepted that transitional arrangements may have to be put in place including a review of service costs, before full cost recovery is attained.
3. Discounting or subsidising charges may only be considered is cases where:
 - Such a policy would demonstrably support or promote Council priorities and policy objectives in an effective manner.

And

 - The consequences of the discount or subsidy can be both quantified and accommodated within the Council's budgetary estimates.

Or

 - Where it is necessary to enable the Council to meet its legal responsibilities given prevailing contractual frameworks, statutory provisions or eligibility criteria.

Checklist for Reviewing Charges

1. What if any charges are currently levied? When were they last reviewed?
How were these charges arrived at? Do they vary with the level of service provided?
2. What proportion of the cost of the service provided do they recover? What is the value of any surplus or subsidy within existing arrangements?
3. Is there a significant “cost of collection”?
4. Who are the customers of the service? How would they be affected by charging?
5. What Council priorities, policies or objectives are supported by this service?
6. Should the Council be providing this service? Is the service also provided by the private or voluntary sectors? At what price?
7. What would be the impact of charging on the basis of full cost recovery?
 - In financial terms – for example would there be an increase or decrease in revenue?
 - In terms of the impact on Council policies and priorities? – for example would there be a significant decrease in the take up of the service?

What is the evidence for these projections of the impact of the policy?
8. Is there a case for subsidising or discounting the charges? What Council priority or policy would this support? What evidence do we have to indicate that subsidies or discounts would make a significant impact?
9. What alternative approaches have been considered? Do these service users have access to other sources of funding or subsidy? Have these sources been fully utilised?
10. How could such a discount or subsidy be structured or focused to achieve the best results?
11. Can the discount or subsidy be applied in a cost effective manner that is easy to communicate to customers? What would be the costs of collection if a discount or subsidy was implemented?
12. Can the income raised through the charging regime make a significant impact on the quality of service provision?
13. When will this charge next be reviewed? How will the impact of changes in the charging regime be monitored and reported.

Reserves

1. General Reserve

- 1.1. The free balance for 2009/10 is estimated to be £7.4m. This takes into account the current approved usage of the reserve in future years.
- 1.2. A significant amount of the services that the Council provide have little or no risk in terms of potential financial performance and other internal and external influences and factors. After assessing all the Council's spending areas it is considered that a minimum level of general reserves would be around £7.5m.

2. Repairs and Renewal Reserve

- 2.1. This reserve is set up to fund the repair and renewal of specific assets and is broken down into a small number of individual reserves e.g. New Technology.

3. Invest to Save and Service Reconfiguration Reserves

- 3.1. The Council is continually undergoing significant changes in its service provision as it addresses both its community and corporate priorities. Over the next few years changes as a result of the introduction of new ways of work, the transformation and re-shaping agenda, re-directing resources into priorities, government priorities and realising efficiency gains will significantly change the way the Council conducts its business.
- 3.2. Alongside this, the Council will also be required to make savings in order to continue to produce a balanced budget and in some cases this will require pump priming funding in order to achieve long term savings and efficiencies.
- 3.3. In 2005/06 a £4m reserve was ear-marked for potential invest to save activities and a further £4m was also set-aside into a Service reconfiguration reserve. Approvals have already been given in respect of the Customer First project, the office accommodation review, the Council restructure, the Contract framework agreement and a number of invest to save projects. The remainder of the reserve will be held for potential other one-off costs associated with service reconfigurations such as efficiency schemes, invest to save schemes, delivery of e-Government targets etc. Where invest to save funding is approved, and funded from the Invest to Save reserve, the initial savings derived from these investments will be used to replenish the reserve thus allowing more invest to save proposals to be considered in the future.

- 3.4. The use of these two reserves will be reviewed annually as part of the budget setting process.

4. Insurance Fund

- 4.1. The Insurance Fund is held to meet potential and contingent liabilities for insurance that the council self insures. In recent years the Council's contributions and payments from this fund have been broadly neutral. The Insurance Fund is currently being independently reviewed to ensure that its level of provision is appropriate for any future unforeseeable items e.g. contaminated land.
- 4.2. However, the Council recognises the need to ensure it has a strong approach to its risk management arrangements and the level of technical expertise of a corporate finance nature.

6. Barking College

- 6.1. The Adult College was given local delegated status about 12 years ago and is able to carry forward its budget surplus (or deficit). The college is almost entirely funded through Learning and Skills Council (LSC) income, which is allocated to the college for Further Education and Adult and Community Learning Course provision and delivery based on the LSC formula. The fund consists of an IT fund, specific projects and a contingency.

7. Schools Balances

- 7.1. These balances represent sums held on behalf of the schools and are earmarked for their use in accordance with the Council's Education finance arrangements.

8. Housing Reserves

8.1. HRA Working Balance

The position on this reserve reflects the decisions made by the Executive on 17th February 2009 when the HRA estimates were considered along with the rent increase.

8.2 Major Repairs Reserve (MRR)

The MRR at the 1/4/09 is forecasted to be nil. The estimated ongoing balance may fluctuate since contributions into the MRR will be broadly mirrored by the planned capital expenditure on MRR projects. Any balance is a timing issue.

8.3. Leaseholder Repair Fund

Leaseholders contribute annually to this reserve in order to fund significant repairs. It is essentially ring fenced to cover their contribution to the relevant repairs.

HRA reserves are ring fenced to the HRA.

Profile of Reserves

Type of Reserve	Bal 1/4/09 £m	Bal 1/4/10 £m	Bal 1/4/11 £m	Bal 1/4/12 £m
General Reserve(*)	7.4	7.4	8.9	10.9
<u>Earmarked Reserves</u>				
Repairs and Renewals	0.6	0.6	0.5	0.5
Invest to Save	1.1	1.5	1.2	0.8
Service Reconfigurations	0.2	0.7	0.2	0
Insurance Fund (**)	7.0	7.0	7.0	7.0

* Balances in 2009/10, 2010/11 and 2011/12 will increase owing to a programme to replenish reserves

** Currently subject to an actuarial review

Profile of Reserves
Ring fenced areas

Type of Reserve	Bal 1/4/09 £m	Bal 1/4/10 £m	Bal 1/4/11 £m	Bal 1/4/12 £m
Barking College	0.2	0.1	0	0
School Balances (net)	7.4	6.0	5.0	4.0
<u>HRA</u>				
- Working Balance	4.5	4.3	3.0	3.0
- MRR	0	0	0	0
- Leaseholder Repair Fund	5.2	5.7	6.2	6.7
- Rent Reserve	0.9	0.7	0.5	0.3

Sensitivity Analysis

Whilst assumptions as to events in the immediate future can be predicted with a high degree of certainty, this becomes less so in subsequent years. It is therefore important to be aware of the significant issues that can impact on future year budgetary assumptions, and the degree of any such impact.

Revenue

The table below considers the impact of a number of high risk factors (excluding school budgets)

Issue	Variance from budget	Cost £'000	Likelihood
Variance in Net Budget (ex DSG)	1%	1,500	Possible
Reduction in Formula Grant funding	1%	1,000	Unlikely
Non-collection of Council Tax	1%	500	Possible
Further increase in Pay award	0.5%	1,000	Unlikely
Other inflation factors	0.25%	925	Possible
Variance in interest rates	0.5%	250	Possible
Increase in Adult Care costs	1%	150	Possible
Increase in Children's Placement costs	1%	150	Possible
Reduction in Leisure income	1%	24	Possible

The impact of variances from the budgeted position can be expressed in terms of the impact upon the council tax:-

Council tax band	Impact on Council tax of additional spend at:- (before discounts)	
	£0.5m	£1m
A	£6.48	£12.96
B	£7.56	£15.12
C	£8.64	£17.28
D	£9.72	£19.44
E	£11.88	£23.76
F	£14.04	£28.08
G	£16.20	£32.40
H	£19.44	£38.88

Capital

The capital programme also includes external funding. Including proposed schemes a total of £328m has been identified. Should the expected level of external funding not materialise, the programme would have to be cut accordingly. A 10% reduction in external funding would create a £33m gap in the budget if it was not cut, and financing this would cost the Council approximately £2.6m per annum in revenue costs.

Summary of Additional Schemes to be added to Capital Programme 2009/10 to 2012/13

<u>Department</u>	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Adult & Community	495	570	2,195	150	3,410
Children's	9,340	45,980	12,200	750	68,360
Customer Services	5,230	3,115	3,170	2,485	14,000
Resources	485	215	35	0	735
Total Programme	15,640	49,880	17,600	3,385	86,505
<u>Funding:</u>					
Internal Sources	5,805	4,170	4,920	2,155	17,050
External Sources	9,835	45,710	12,680	1,230	69,455
Total Funding	15,640	49,880	17,600	3,385	86,505

Summary of Proposed Capital Programme 2009/10 to 2012/13
(following inclusion of schemes in Annex 8)

<u>Department</u>	<u>2009/10</u> <u>£'000</u>	<u>2010/11</u> <u>£'000</u>	<u>2011/12</u> <u>£'000</u>	<u>2012/13</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Adult & Community	25,545	5,847	3,365	150	34,907
Children's	23,459	79,184	64,228	98,512	265,382
Customer Services	32,523	26,347	20,050	15,985	94,905
Resources	18,340	11,474	3,385	0	33,199
Total Programme	99,867	122,852	91,028	114,647	428,393
<u>Funding:</u>					
Internal Resources	55,089	30,764	12,440	2,155	100,448
External Sources	44,778	92,088	78,588	112,492	327,945
Total Funding	99,867	122,852	91,028	114,647	428,393

Prudential Capital Guidelines

1. In April 2004 the financial capital financing system was introduced based upon a prudential system of borrowing. Authorities have greater freedom to borrow than under the previous system, providing that they can meet the necessary capital and interest repayments from revenue accounts. The capital programme that has been set for 2009/10 to 2012/13 requires the Council to borrow over this period. This makes the Prudential Code for Capital Investment relevant.

The system provides a more integrated approach to capital investment decision making with an authority having to take account the following when setting its capital investment plans:

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

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

2. The requirements of the prudential system are based around some clear fundamental principles including:
 - A three year rolling capital programme and revenue forecast is to be prepared and maintained with estimates of the council tax and/or average housing rent for each year.
 - Capital spending decisions must be both affordable and within sustainable limits in relation to the levels of Council Tax and HRA rent required to support these plans over the medium term
 - When considering the affordability of capital decisions the Council will need to take into account all the available resources, both in terms of its capital payments and receipts, and its revenue income and expenditure
 - All authorities must adopt the treasury management code.
 - Authorities should not borrow for revenue purposes (except in the short-term)
3. The system places reliance on a set of “prudential indicators” which must be determined by each local authority for the forthcoming year and the two following financial years.

These indicators can be grouped into the following categories:

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

Although there are 5 key prudential indicator headings, they should not be looked at in isolation as they all have inter-relationships with one another. These compulsory prudential indicators are referred to in the Local Government Act 2003 and are embodied in the CIPFA Prudential Code.

4. The prudential indicators can be summarised as follows:

Affordability

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

The indicators for affordability are:

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

Prudence

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

- Net borrowing and Capital Financing requirement

Capital Expenditure

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

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

External Debt

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

The indicators for external debt are:

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

Treasury Management

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

- Adoption of CIPFA Code of Practice for Treasury Management in the Public Services
 - Upper limit on fixed interest rate exposure
 - Upper limit on variable interest rate exposure
 - Upper and lower limits for the maturity structure of borrowing
 - Prudential limits for principal sums invested for longer than 364 days
5. The code also places specific responsibilities on the Chief Finance Officer to ensure that matters required to be considered when setting and revising prudential limits are reported to the decision making body and to ensure that appropriate monitoring and reporting arrangements are put in place to assess performance against all the forward-looking indicators.
6. All local authorities are required to pay a proportion of their housing revenue account capital receipts into a national pool as follows:
- Right to buy receipts including proceeds from sales to existing tenants or occupiers and mortgage payments by past tenants to the authority are subject to a pooling rate of 75%.
 - Large and small scale voluntary transfer will not be pooled and may be used for any capital purpose.
 - All other housing capital receipts are subject to pooling at a rate of 75% for dwellings and 50% for land, commercial and other HRA property – unless they are used for affordable housing or regeneration where the poolable part of the receipt may be reduced to zero in accordance with the 'in and out' rules. Poolable receipts include the disposal of mortgage portfolios and payments made to redeem landlords share.

Contacts

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Glossary

Community Plan

The Community Plan sets out the Barking and Dagenham Partnership's shared vision for improving the quality of life and services in the local area.

GCSx

GCSx stands for Government Connect Secure Extranet. It is a secure private Wide-Area Network which enables secure interactions between connected Local Authorities and organisations.

Housing Revenue Account

All councils are required to maintain a separate account which sets out the income and expenditure arising from the provision of council housing.

Levies

These represent the sums required to be paid by the Council to certain non governmental organisations to finance their operations. In the case of Barking and Dagenham, these are the East London Waste Authority, the Lee Valley Regional Park Authority, the London Pension Agency and the Environment Agency.

Local Area Agreement

Local Area Agreements (LAAs) are formal agreements made between central and local government in a local area. Their aim is to achieve local solutions that meet local needs, while also contributing to national priorities and the achievement of standards set by central government.

Net Budget

This represents the Council's total expenditure less any specific income it receives from running services. The balance (known as the net budget) is then funded by a combination of direct Government grant and Council Tax.

One Barking & Dagenham

One Barking and Dagenham is a programme of organisational culture change. It is about everyone delivering excellent services by working together as one team, with our partners, and having a supportive environment with the right skills and resources to deliver for customers.

Place Survey

The Place survey is a new survey carried out by local authorities every two years. It asks local people for their perceptions about the area in which they live and the results of the survey is used to provide data for twenty of the new National Indicators.

Projected commitments

These represent the value of goods or services which the Council plans to undertake in the future.

Recharges

These represent the financial value of providing those indirect services which support the delivery of front line services. They will include services such as professional services, general administrative support, Transport, Building cleaning and Grounds maintenance.

Ring-fenced specific grants

These represent any Government grant which is given to the Council for a specified purpose.

SWIFT

SWIFT is the name of the software system used by the Council to record information on the health and social care needs of individuals.

THE EXECUTIVE

24 MARCH 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Gascoigne Estate Regeneration	For Decision
<p>Summary:</p> <p>The Gascoigne Estate has long been identified by the Council as a priority for comprehensive regeneration. Following the agreement of the Executive in May 2008, the estate has also been identified as one of six major regeneration initiatives to be taken forward by the Local Housing Company as a means of accelerating the delivery of new affordable and private housing in the Borough.</p> <p>Within this context, and based on the findings of a high level Framework Planning exercise, this report sets-out the basis for progressing work on an initial phase of renewal (Phase 1A) that will focus on an area in the north of the estate but which will also include, due to its availability, the Kingsbridge site located in the south west of the estate on Ripple Road.</p> <p>To this end, the report proposes broad development principles and an over-arching phasing strategy that will guide the future regeneration of the estate together with a programme for the master planning of Phase 1 and the production of detailed proposals for Phase 1a and the Kingsbridge site. It also seeks authority for the serving of Initial and Final Demolition notices on secure tenants in Phases 1 and 2.</p> <p>Effective consultation and engagement will be a critical success factor for the initiative as a whole. The report describes key elements of the proposed Consultation and Engagement Strategy for member approval (a full copy of the Strategy is appended to the report).</p> <p>The project is included in the Local Housing Company (LHC) financial model and project officers have been actively exploring different options for front-funding costs associated with pre-contract design stages, leasehold buybacks, decants and demolitions.</p> <p>At the time of writing the LHC as the Council's proposed development partner was awaiting confirmation from the Homes and Communities Agency (HCA) that the LHC projects, including the Gascoigne, will be supported in accordance with the financial model and that a current bid for £20m funding support to progress the LHC programme which includes Gascoigne is approved. Furthermore, progressing buybacks and meeting decant costs in Phase 1A and the buy-back costs of Phase 1B of the Gascoigne project will be dependent on the approval of a £9m funding bid from the LDA Targeted Funding Stream. A decision on both bids is expected in March and a position statement will be given at the meeting of the Executive.</p> <p>Wards Affected: Gascoigne Ward</p>	

Recommendation(s)

The Executive is asked to approve, subject to funding:

1. The overarching Phasing Strategy for the Gascoigne Estate and the detailed Phasing Strategy for Phase 1.
2. The outline programme for the master planning of Phase 1 and the detailed design stages for Phase 1A and the Kingsbridge site.
3. Commencement of decant and buybacks for Phase 1A and buy-backs in Phase 1B.
4. The serving of Initial Demolition Notices on all secure tenants within Phases 1 and 2 in order to suspend the requirement for the Council to complete right to buy applications for as long as the Notices remain in force.
5. Authority to serve Final Demolition Notices on all secure tenants within Phase 1 and 2 once the proposed demolition dates are known, in order to render all existing right to buy applications ineffective and prevent any further right to buy applications being made.
6. The demolition of properties in Phase 1A and the Kingsbridge site once vacant possession has been secured.
7. The Gascoigne Estate Consultation and Engagement Strategy.

Reason(s)

In order to assist the Council to achieve its Community Priorities of:

- Regenerating the local economy
- Raising general pride in the Borough
- Better education and learning for all
- Improving health, housing and social care

And is also linked to the Council's Local Area Agreement (LAA) adopted on 25th June 2008.

Implications:**Financial:**

The report sets out a range of pre-construction tasks and actions in order to progress the initial phase of the regeneration of the Gascoigne estate. These include masterplanning, site assembly including acquisitions, decants and demolitions together with detailed design work and securing planning consent. These one-off costs, as detailed in sections 4.1 and 4.2, amount to approximately £13.8m. It is intended that the various work items will be funded from external sources. To this end funding has been sought as part of wider bids for some £20m to the Homes and Communities Agency (HCA) and the London Development Agency (LDA) under the Targeted Investment Stream to support and accelerate the development programme of the proposed Local Housing Company. Consideration of the bids is not expected until mid March, although officers hope to be in a position to provide a verbal update to the Executive at its meeting on the 24 March.

On-going revenue implications of these proposals affecting the HRA are also identified. In summary the effects are the loss of HRA rental income and service charges offset by a reduction in management and maintenance cost.

It should be noted, therefore, that the recommendations in this report have been framed to seek the approval of the Executive to progress the various work items subject to securing

external funding approvals.

Legal:

1. Master Plan - the masterplanning brief for the redevelopment of the Gascoigne Estate should give due regard to the Council's emerging Local Development Framework proposals for the area.
2. Once the master plan has been completed, a further report should be presented to Members for its approval.
3. Demolition Notices - this report seeks Members' approval of the service of Demolition Notices on the Right to Buy leaseholders and applicants on the Estate. Under the Housing Act 2004, Local Authorities are empowered to serve Demolition Notices where an area has been identified for regeneration or redevelopment. This is a two stage process. Service of the Initial Demolition Notice (IDN) will suspend completion of RTB applications during the period of the Notice. Service of the Final Demolition Notice (FDN) renders ineffective any RTB application and prevents the submission of new applications.
4. Approval is sought for the services of Notices on RTB applicants within Phases 1 & 2 with the intention for Notices relating to Phase 3 to be served at a later date.
5. Members' approval should be sought when the redevelopment has progressed to the stage of service of Notices on RTB applicants within Phase 3.
6. Service of any Notice should follow the publicity provisions in the 2004 Act which includes advertisement of the Notices in the local press and Council website. Appendix 1 of the report sets out more details on the Notices, their operation and effect.
7. Site Assembly - site assembly will consist of buy backs and decants. If the council is unable to negotiate buy backs with residents, it may have to use its compulsory purchase powers to acquire these properties. The CPO process can sometimes be lengthy. The redevelopment timetable should include an allowance for this.
8. Decant Plan - it is important that there is a robust decanting plan in place. The service of Demolition Notices does not give the council the right of automatic possession. If the tenant is unwilling to give up possession, the council would have to apply to the court and justify possession on one of the grounds in the Housing Act 1985 which includes demolition for the purposes of regeneration and redevelopment. The court will only grant possession if it is satisfied that suitable alternative accommodation is available.
9. The decant policy for each Phase of the redevelopment should be presented to Members for approval before commencement of consultation with residents.
10. Procurement – procurement relating to the recommendations in this report should be undertaken in accordance with the provisions of the Council's contract rules and procurement rules including EU procurement rules where applicable.
11. The Legal Partner should be consulted in entering into terms and conditions with

suppliers in relation to such procurement

Risk Management:

The risks related to this project primarily include those of non-delivery or poor delivery, which would have the most impact on residents at the Gascoigne Estate.

There is the risk that the Council will not be able to acquire, by agreement, all the interests in the area that are required for the implementation of the Gascoigne regeneration. In this circumstance the Council would need to exercise its Compulsory Purchase Powers. If this were to happen, the main risk to the Council would be that, due to a valid objection or other reason, the CPO is not confirmed. To minimise this risk a CPO would not be sought until extensive negotiations have taken place with all parties, a relevant masterplan and robust delivery strategy has been agreed. Legal advice will have been sought to ensure the strongest possible case for a CPO is developed. The proposed decant/acquisitions/CPO process will incorporate lessons learnt from the Lintons and Eastern End Thamesview. Appendix 1 contains more detail related to serving of the initial demolition notices

Social Inclusion and Diversity:

Positive interventions are being made to enhance community cohesion as part of this regeneration project. An equality impact assessment (EIA) will be undertaken by the client team. It will identify a baseline for the Gascoigne Estate to help understand existing levels of social inclusion and the diversity of the local population. The EQIA will contain an assessment of risks to future equality from delivering the regeneration project. The impact assessment will be used to:

- Specify the briefs for the master planning and detailed design exercises
- Highlight key issues and opportunities to be addressed
- Critique and qualify emerging proposals in the masterplan and design strategies to optimise how proposals directly address equalities and diversity issues and meet needs.
- Act as a measure against which interventions are monitored and evaluated
- Help ensure regeneration has an overall beneficial impact for all parts of the community.

The completion of a robust EQIA is largely restrained by the current lack of a comprehensive data base to undertake a full analysis of the composition of the community and its varying needs. To address this, the Council has commissioned a team of consultants to develop a neighbourhood data knowledge management system to collate a wide range of locally held administrative datasets. It should be noted that the data management tool will be of help not just to the EQIA for the Gascoigne but can be rolled-out for use by other area-based EQIA's and studies in the Borough as a whole.

Crime and Disorder:

Levels of crime and disorder are known to be high in and around Gascoigne. Figures published by the Department for Communities and Local Government show some areas have crime levels amongst the worst 10% in the country. Violent crime is particularly high. This can be partly addressed in the design of the built environment and a change in the fabric will be a catalyst to a better, more balanced community. Improved facilities for young people will also provide new opportunities for education, recreation and employment directing them away from crime. Specific types of violence such as domestic violence can be helped by social aspects

of the regeneration programme such as better access to services based in local community centres, as well as better quality housing.

Options Appraisal:

Option 1. Do nothing.

The need to address socio-economic and environmental issues and opportunities on the Gascoigne Estate has been identified by Council, tenants, residents and key public sector partners for some time. The reputation of the Council would be at risk if it does nothing to help local communities in the Gascoigne. A failure to progress regeneration to secure an improvement would only exacerbate existing concerns and negative feelings and perceptions about the Council's ability to deliver positive change. Such an approach would conflict with the position adopted in the Council's Decent Homes Option Appraisal (2005).

Option 2. Focus available resources on maintenance and improvement rather than a redevelopment option.

The cost of maintaining and improving properties has been evaluated against the redevelopment options. It has been concluded that the maintenance/improvement option would be less cost effective in the medium to long-term. This is because the buildings are approaching the end of their useful life expectancy and the types of improvements that are needed are improvements to the infrastructure and fabric of the buildings. Essential maintenance and repairs will continue throughout the project lifetime. While the maintenance and improvement option would resolve some of the immediate housing conditions concerns, it would fail to address overall environmental issues on the estate. Such an approach would conflict with the position adopted in the Council's Decent Homes Option Appraisal (2005).

Option 3 Comprehensive redevelopment of the whole estate

In order to redevelop the whole estate, initial demolition notices would need to be served to all residents and this would put the Council under pressure to complete both leaseholder buybacks and demolition of the whole estate within a nine year period. The project timescales have been estimated at 15 to 20 years and to bring the timescales forward would put a significant additional pressure on the existing resources and budget. Furthermore, the Council does not have a capacity to rehouse a large number of tenants within this timescale. Therefore this option is discarded due to resource and budgetary constraints.

Option 4 Initially focus redevelopment on the high-rise blocks across the whole estate

The majority of residents' complaints are related to maintenance/repairs of the high rise blocks including the lack of double glazing, inefficient heating and lifts not working. There are also issues with the ongoing communal repairs and vandalism as high rise blocks seem to be targeted more for damage to communal areas. Redeveloping all the tower blocks first would reduce costs of communal repairs and eradicate all other problems linked with the blocks. However, due to their relatively small footprints and scattered locations across the estate, demolishing all of the high rise blocks first would not provide developable sites of any sufficient size to deliver economically viable development parcels and this would not work financially.

Option 5. Proceed with a phased strategy reflecting likely resource availability

The option recommended in the main body of this report which includes progressing discrete phases, or sub-phases, that are determined by likely resource (front and gap funding) availability. High rise blocks located in individual phases would be redeveloped progressively as part development proceeds. This option offers a sustainable and deliverable solution to the challenges associated with the Gascoigne project whilst promising to deliver high-quality new homes and support long-term positive socio-economic changes in the area.

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1. Introduction and Background

- 1.1 The Gascoigne Estate lies in the southern part of Barking Town Centre. It is bordered by St Paul's Road to the north, Abbey Road to the west, Ripple Road and King Edward's Road to the east and the New England Industrial Estate and Alfred's Way (A13) to the south
- 1.2 The whole estate, developed between 1966 and 1971, has 2,436 dwellings, predominantly Council owned flats, comprising a mix of high rise and three story blocks. Approximately 400 units have been purchased under right to buy. The Estate is divided by Gascoigne Road which runs on a north south axis between St Paul's Road and the A13. Gascoigne Rd effectively makes a physical division between the two halves of the Estate which have distinct characteristics in terms of housing, occupancy and layout.
- 1.3 The area to the east of Gascoigne Road is predominantly a Local Authority Estate of approximately 24 hectares (gross area). The area contains most of the Estate's high rise blocks and is seen as the first area of focus for regeneration activity. It consists of 1775 low, medium and high rise properties and has a density of around 74 units per hectare (compared to a Tanner Street development with a density of 119 units per hectare). Approximately 200 units have been purchased leasehold, under right to buy.
- 1.4 The 11ha area to the west of Gascoigne Road consists of 485 homes in almost entirely 3 storey blocks. This area will be affected by Phase 2 of East London Transit route (although at the time of writing the future of the proposal is uncertain) and an emerging Masterplan for the River Roding corridor being produced by the London Thames Gateway Development Corporation.
- 1.5 The Council is committed to delivering the comprehensive regeneration of the Estate. Alongside the physical regeneration of the estate, the Council wishes to build a mixed community, with a variety of tenures living in well designed homes of different sizes and types, supporting high quality local services and dealing with the current economic and social regeneration issues on the estate. Key to the Council's vision is that the perception of Gascoigne as an "Estate" should disappear, with the area becoming integrated with its surroundings as a largely residential area within the overall regeneration of Barking Town Centre.
- 1.6 Fundamental to the overall regeneration project is the desire of the Council to create a balanced community. It is anticipated that the density of the Estate will increase significantly over the development period as a combination of a new medium/high-rise build and a reduction in wasted and inefficient unusable spaces is implemented. In terms of social housing the Council is looking for a mix of new rented, intermediate, shared ownership or similar tenures. Importantly, it will also be seeking to introduce an owner occupied element to what is predominantly a social housing area/mix.
- 1.7 Basic development principles and expectations were approved in the Executive Report "Gascoigne Estate – Regeneration Programme" of 20th July 2004 (Agenda issue No. 54). It recognised that in order to move forward with any programme to regenerate the Gascoigne Estate, a number of tenants would need to be decanted.

To ensure that those who want to return can do so, and that temporary moves are kept to a minimum, a development phasing plan would need to be developed.

- 1.8 The Borough, in collaboration with English Partnerships, appointed in January 2008 a consultant team to prepare the Gascoigne Regeneration Framework plan for the Estate as a whole. The Framework was intended as a high-level outline strategic document that would provide sufficient information to enable an incremental and phased regeneration programme for the Estate without being detailed.
- 1.9 It was always intended that the Framework would underpin the future masterplans for the area. A further report will be presented to the Executive prior to the appointment of masterplanners to agree more detailed objectives for Phase 1 including density, layout and massing.
- 1.10 Once the masterplan has been produced and detailed planning permission has been obtained on behalf of the LHC, the Gascoigne redevelopment will be delivered by the LHC who will work closely with other organisations such as Homes and Communities Agency to ensure what is delivered meets national as well as regional and local goals.
- 1.11 The Executive Report “Barking & Dagenham Local Housing Company and Barking Riverside Local Housing Company” dated 7th May 2008 (Agenda No. 156) approved in principle that land at Gascoigne estate should be included as one of six areas that will be subject to an exclusivity/ option agreement with the Local Housing Company (LHC) and be transferred to the Barking & Dagenham LHC under 125 year leases (now proposed as 150 year leases) when the terms of the Exclusivity/ Option agreement are fulfilled.

2. Current Position and Key Findings

- 2.1 The Gascoigne Regeneration Framework, completed in December 2008, recommended that, given the existing physical layout and state of the repair of most high rise buildings, all the redevelopable land within the East of the estate is considered for new build. West Gascoigne has fewer Council owned properties and thus the recommendation is to identify strategic redevelopment and infill sites that will make a positive contribution to the improved public realm within the West. The Framework will be presented to the Lead Member for Regeneration, Gascoigne Ward Councillors and senior officers in April 2009.
- 2.2 The internal and member consultation concurrent with the work on the Framework has resulted in a proposed high-level three phase implementation strategy for the Estate as a whole. The three phases shown on Map 1 will be subdivided into smaller development areas that have flexibility to respond to speed of decants, buybacks and prevailing market conditions and resource availability. The estimated duration of the whole programme is 15 years with each phase being approximately five years. The strategy envisages a start of Phase 1 at the northern end of the Estate with Phases 2 and 3 progressing south towards A13 as the programme develops. This is with the exception of the Kingsbridge site in the southern end of the Estate that is included in as part of the Phase 1A redevelopment programme as described in paras 3.4 to 3.8 of this report.

- 2.3 In addition to the above, the Framework outlines strategies for movement and access, community and social infrastructure and open space. The key elements of these are outlined below.
- 2.4 Movement and Access Strategy recognizes that good connections through and within the new neighbourhood are vital for the Estate's integration in the surrounding area. Links between areas of activity and open space form the basis of the proposed movement network. Key changes proposed, subject to separate funding, to the existing local routes to ensure high quality north-south and east-west connections include:
- Improving east-west connections between Gascoigne, the Barking Town Centre, the River Roding and residential areas to the east.
 - Eliminating the through-routes from the A13 to the town centre and providing a dedicated Heavy Goods Vehicle routes for the industrial area to the south of the Estate.
 - Changing the gyratory system at the St. Paul's Rd/Ripple Road to a T-junction.
 - Changing the St Paul's Rd/ Gascoigne Rd roundabout to a junction to ease the movement for pedestrians and cyclists.
 - Reconfiguring St Paul's Rd and Abbey Rd to make it an area of pedestrian priority.
 - Creating better pedestrian crossing facilities over the A13.
- 2.5 Community and Social Infrastructure Strategy is based on providing easy access to the existing core of community facilities and creating opportunities for additional facilities to locate along the most accessible routes. The key proposals include:
- Improving interface of the Gascoigne Primary School and the Maples Training centre with the surrounding area by creating well defined entrances.
 - Improvements to the existing retail area along Ripple Road.
 - All new local facilities to be located along the most accessible streets such as Gascoigne Rd, Ripple Rd and St. Paul's Road.
 - Providing an extension to existing educational facilities at an existing depot site located along the Shaftesbury's on the west of the Estate. Given the current need for extra primary school provision in the Town Centre, the Westbury Centre (located to the east of the Estate, off Ripple Rd) will be assessed for use as a primary school.
- 2.6 The concept for the Open Space Strategy is to create a comprehensive and interlinked system of green routes and spaces. A central community park is proposed in the north-eastern part of East Gascoigne to be supported by a network of smaller spaces with different character and uses providing for the needs of different sectors of the community. This would promote social interaction, vital for the creation of the sustainable neighbourhood. Existing open spaces in West Gascoigne will be rationalized and improved.
- 2.7 It is envisaged that the new Gascoigne neighbourhood will meet high standards of sustainability with homes required to meet the carbon emissions requirements of Code for Sustainable Home (CSH) no lower than Level 4 and heat supplied through the Barking District Heating Network (DHN) using the waste heat from Barking Power Station. At the time of writing it was planned that heat will be available in 2011-2012.

3. Report Detail

Initial Phase - Programme and Decants Strategy

3.1 The subdivision of Phase 1 into four subphases A, B, C and D is shown on Map 2. The four subphases have been selected in consultation with the Lead Member for Regeneration, Ward Members and senior officers.

3.2 The unit and leaseholders numbers and pending right to buys in Phase 1 are summarised in the following table:

Phase 1 subphases:	Dwellings	No leaseholders	Pending Right-to-Buy
1A	206	26	5
1B	69	17	1
1C	83	26	0
1D	153	48	1
Total	511	117	7

Gascoigne Phase 1	08	2009/10				2010/11				2011/12			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Development Framework	X												
Masterplanning and consultation Phase 1		X	X	X									
Detailed Planning documentation Phase 1A					X								
Planning determination 1A						X							
Detailed design Phase 1A					X	X	X						
Procurement 1A						X	X						
Financial Close							X						
Buybacks Phase 1A and 1B			X	X	X	X	X	X	X				
Decant Phase 1A				X	X	X	X	X	X				
Start on site/ Build Out 1A									X	X	X	X	X

- 3.3 Officers will be developing specific decant policies that will be presented to the Executive for approval prior to the commencement of detailed consultation with affected residents. These will take into consideration best practice on comparable estate renewal projects in other parts of London such as Woodberry Down and the Kidbrooke Estate. On these projects success has been linked to adequate staff resourcing and innovative policies allowing for decanted residents to move within the same estate along with the use of leasehold buybacks as temporary short-term accommodation. The following table outlines the indicative programme for the master planning of Phase 1, site assembly for Phases 1A (buy-backs and decants) and 1B (at this stage, buy-back costs only) and the detailed design stage and build out of Phase 1A. All assumptions in the programme are subject to the approval of current funding bids.

Kingsbridge Redevelopment

- 3.4 As described in para 2.2 Kingsbridge site will be progressed as part of Phase 1 of the Gascoigne redevelopment programme
- 3.5 During the development of the Framework Plan officers have looked at the long-term strategies for the reprovision of non-general accommodation. Highlighted of particular concern was the current condition of St Mary's older people's accommodation. This was explored further with officers from Adult and Community Services. Currently, 28 sheltered housing units are located at the site but have had ongoing maintenance issues and it is considered refurbishing them would not be viable. Due to its location, St. Mary's residents would be affected by an increase in noise and pollution as a result of the regeneration activities during Phase 1 which would have a negative impact on their quality of life.
- 3.6 On behalf of the LHC, the Kingsbridge site shown on Map 2 has been identified as suitable for early reprovision of sheltered housing that would enable St. Mary's residents to remain on the estate and offer the opportunity for other Phase 1 older residents to be rehoused subject to the criteria for older people's accommodation been met. Originally developed in 1987 as Part 3 accommodation Kingsbridge was decommissioned in 2000 as it did not meet current regulations on room sizes and bathroom facilities and has been empty since. In recent years, it has been used as a temporary accommodation by a number of voluntary groups that have been offered alternative accommodation and are expected to vacate the premises by the end of May 2009.
- 3.7 Regeneration and Economic Development officers will be working in collaboration with relevant departments during 2009 to produce a full development brief including detailed accommodation and facilities specification. As part of this, architects will be selected for concept work including the capacity of site to accommodate adults with physical disabilities. A full brief and agreed development programme will be presented to the Executive in the 2nd quarter of 2009 along with details of the LHC delivery business plan for the site. The site would be developed by the LHC who will then tender for the service provision. The LHC indicative development timescales are shown below:

Kingsbridge Site Redevelopment	08	2009/10				2010/11				2011/12			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Development brief		X											
Consultation			X										
Planning documentation				X									
Planning determination					X								
Detailed design					X	X	X						
Procurement						X	X						
Financial Close							X						
Start on site								X					

3.8 The LHC recognise the regeneration aspiration to achieve the highest quality standards of design, construction and service provision, as this would be the first visible project of the Gascoigne Estate renewal and it is important to ensure it sets the right tone for the rest of the project.

3.9 Project officers have obtained an estimate for a £150,000 demolition. Officers have applied for £200,000 from HCA to front fund demolition and concept design. A full financial appraisal will be presented to the Executive with the business plan. It is proposed that demolition starts as soon as funding is confirmed and vacant possession is obtained. The recommendation has been framed accordingly.

INITIAL DEMOLITION NOTICES

Purchase and re-letting of privately owned properties

3.10 The Gascoigne Regeneration Framework anticipates the phasing of the redevelopment proposals over a fifteen year period. During this time the acquisition of leasehold owned properties in the re-development areas would run concurrently with the re-housing of tenants. The Council always seeks to acquire by negotiation but would ultimately use CPO powers if necessary. Properties acquired directly via Right-to-Buy that are within the claw-back of the discount period are exempt from paying back this discount under the terms of the Housing Act 1985. Properties acquired in later phases would be used to provide decants for effected early phase tenants.

Demolition Notices and Suspension of the Right to Buy

3.11 Under the provisions of the Housing Act 2004 the Council is empowered to serve demolition notices where areas have been identified for regeneration and redevelopment. These notices are in 2 stages: firstly the Initial Demolition Notice which is valid for up to a maximum of 7 years, followed by the Final Demolition Notice which is valid for up to 2 years (with possible extension subject to Government permission).

Declaration of an Initial Demolition Notice will prevent named properties from being acquired from the Council through Right-to-Buy. Full details of the implications of serving these Notices are contained in Appendix 1.

- 3.12 The Notice will include all Council-owned properties identified as being included in the Phases 1 and 2 as these areas are to be affected within the first 9 years of the programme, serving Notices for Phase 3 is not proposed due to the risk of Serving a Notice which would expire prior to any re-development occurring.

Decant and transfer voids

- 3.13 Properties in later phases of the regeneration proposals, which are vacated due to transfer activity and are not scheduled for imminent demolition (within twelve months of the date of vacation), will be re-let as part of their mainstream letting activity. Prospective tenants or transferees offered these properties will be fully appraised of the status of the property and their eventual entitlement to compensation and rehousing package. The objective is to prevent a rise in the number of void properties and minimise the risk of vandalism and property damage. If demolition is imminent, the property will remain void. Compensation will only be paid when the property is entered on the priority demolition list; tenants transferring before this stage will not receive financial assistance.
- 3.14 Properties from later phases that are vacated through transfer or termination of tenancy, may be used as decant properties for residents affected by the earlier stages of the regeneration plans, subject to further consultation and practical issues that may arise. Tenants decanted in this way will retain their security of tenure. This is subject to full evaluation for a detailed Decant Strategy which will be brought to the Executive at a later stage.
- 3.15 Further details of the above will be reported to the Executive within Decant Strategy and Policy report.

Timescales and Service of Notices

- 3.16 The Initial Demolition Notice would be served following the first stage community consultation and will last for a period of seven years from the service and publication of the Notice.
- 3.17 The Initial Demolition Notice is followed by a Final Demolition Notice, which remains in force for two years. Declaration of the Final Demolition Notice will be subject to further Committee approval at that stage. Public consultation will be maintained throughout the Notice period.

Notification

- 3.18 The declaration of Initial Demolition Notices will be publicised with advertisements in the local press and through the Gascoigne Neighbourhood Management Team. During the life of the Notice Gascoigne Estate regeneration project officers will deal with general queries and questions in close collaboration with the Right to Buy Team.

Gascoigne Community Consultation and Engagement Strategy

- 3.19 Gascoigne Project Officers in consultation with Members, Senior Officers and the Gascoigne Neighbourhood Management team (NMT) have developed a consultation and engagement strategy that will continue throughout the lifetime of the project. During the Framework preparation stage of the project, there has been very limited engagement with residents. This was a deliberate choice as the conceptual nature of the framework meant there was little for the residents to engage with, potentially leading to a consultation fatigue at an early stage. A more detailed consultation will be undertaken as part of masterplanning process.
- 3.20 The consultation will be divided into three stages, with different levels of engagement reflecting different stages of the development process as outlined below. A close working relationship with the Gascoigne NMT would be developed and maintained throughout the consultation and engagement process.
- 3.21 Stage 1 – Community Consultation on the Framework Plan (January 09 – April 09) – informing both tenants and leaseholders of the Council’s plans for the redevelopment of the Gascoigne Estate with a particular focus on phasing. Timetable of the key consultation activities prior to the masterplanning process are outlined in Appendix 2.
- 3.22 Stage 2 – Community consultation and residents involvement in the Masterplanning process (April 09 – October 09) - focused on residents directly involved in each phase of redevelopment. The appointed Masterplanning team would be requested to work closely with the NMT team and engage with key stakeholders and the residents through a variety of groups already active on the Estate.
- 3.23 Stage 3 – Capacity Building and working towards greater community integration and cohesion. Alongside the Stages 1 and 2, project officers have identified a need to provide extra community development/capacity building resource in order to facilitate resident engagement in the neighbourhood renewal throughout the project’s 10-15 year lifespan. This would include a range of projects with different user groups (e.g. young people and older people) to be facilitated by external and internal resources as needed.

4. Finance

Capital Implications (indicative)

- 4.1 The various work streams described in this report to progress the initial regeneration programme for the Gascoigne estate amount to some £13.8m. This includes the demolition, detailed design and planning application stages for the redevelopment of the Kingsbridge site (£488,000), site assembly including leaseholder buy-backs and decants for Phase 1A and buy-backs in Phase 1B (£9,000,000), demolition (£3,000,000), and the masterplanning, detailed design and planning consent stages for Phase 1A (£1,380,000). Indicative costing is shown in the following table.

Indicative Costs Phase 1	2009/10	2010/11	2011/12	TOTAL
	£	£	£	£
Capital Costs				
Acquisitions (Phase 1A and 1B)	3,000,000	3,000,000	3,000,000	9,000,000
Demolition		1,500,000	1,500,000	3,000,000
Masterplanning Phase 1A	225,000			225,000
Design fees to stage D/ Planning Phase 1A		262,500	787,500	1,050,000
Kingsbridge Site (demolition)	150,000			150,000
Kingsbridge Site, detailed design and planning)		338,000		338,000
Other – enabling activities		45,000		45,000
Consultation	20,000	20,000	20,000	60,000
Total	3,395,000	5,165,500	5,307,500	13,868,000
Funding				
Targeted Funding Stream (London Development Agency)	3,000,000	3,000,000	3,000,000	9,000,000
Homes Communities Agency	170,000	1,520,000	1,520,000	3,210,000
Local Housing Company	225,000	645,500	787,500	1,658,000
Total	3,395,000	5,165,500	5,307,500	13,868,000

4.2 The £13.8m cost of the work items form part of two current bids to the HCA and the LDA Targeted Funding Investment Stream to secure approximately £20m of working capital and enabling investment funding to progress and accelerate the development programme of the proposed Local Housing Company. Decisions on the bids are expected in mid-March and officers hope to be in a position to provide an update on the progress of the bids to the Executive at its meeting on the 24th March. It should be noted, however, that the recommendations attached to this report have been framed to seek the approval of the Executive for work items with costs implications subject to the necessary funding being in place from external sources.

Revenue Implications (indicative)

	2009/10	2010/11	2011/12	2012/13
	£	£	£	£
Stage 1 – Costs				
- loss of HRA rental income/ Phase 1	118,146	673,501	211,580	353,244
- loss of service charge Phase 1	31,603	192,095	55,259	100,991
Staff Costs (funded by LHC)	to be confirmed by LHC			

5 Other Issues

- 5.1 LBBD will be contracting authority on behalf of the LHC for demolition, acquisitions, masterplanning and detailed design stages of the redevelopment. An established procurement code of practice will be followed based on the size of a contract and a nature of works and/or services being commissioned.
- 5.2 The Gascoigne Estate is part of the Gascoigne Ward, an area to the southwest of the Borough close to Barking Town Centre known to be amongst those most in need of regeneration because of the statistics showing significant deprivation in crime, access to services, education, health, employment and housing.
- 5.3 The government 2007 Index of Multiple Deprivation shows Gascoigne Ward to be within the top 10% most deprived in the Country with 26% of the working population claiming benefits (August 2008, DWP Benefit Claimants) and at 10% the ward has the highest unemployment claimant count rate in the Borough (January 2009, Office for National Statistics: Jobcentree plus administrative system). The implications of the Executive approving the recommendations are that deprivation will be addressed by renewing physical and social fabric of the Estate to be achieved through collaboration with the Gascoigne community via Members, Neighbourhood Management team and other key stakeholders.

6. Consultees

- 6.1 The following were consulted in the preparation of this report:

Cllr McCarthy, Lead Member for Regeneration
Cllr Smith, Lead Member for Housing
Cllr Rush, Gascoigne Ward Member
Cllr Flint, Gascoigne Ward Member
Cllr McKenzie, Gascoigne Ward Member
Alex Anderson, Group Manager Finance
Paul Ansell, Procurement Officer
David Robins, Group Manager Procurement
James Oaten, Group Manager Equalities and Diversity
Yinka Owa, Legal Partners - Procurement and Contracts
Shawn Frazer, Neighbourhood Management
Heather Wills, Head of Community Cohesion and Equalities
Ken Jones, Programme Director Local Housing Company
Mike Robinson, Planning Policy
Daniel Pope, Spatial Planning and Environmental Sustainability
Anthony Alexander, Housing Project Manager
Joe Baker, Group Manager Sustainable Development
David Higham, Group Manager Transport Strategy

Background Papers Used in the Preparation of the Report:

Local Development Framework: Planning for the future of Barking and Dagenham – Site specific allocations issues and options report, LBBD, 2008
Spatial Regeneration Service Scorecard 2007/10

LBBB Executive Report 7/5/08 Item number 156: 'Barking and Dagenham Local Housing Company and Barking Riverside Local Housing Company' Barking Town Centre Area Action Plan (under consultation at the time of writing)

Appendix 1

Gascoigne Estate Redevelopment – Serving Initial Demolition Notices

Exemption from the Right to Buy

The Right to Buy scheme enables local authority tenants to buy their homes at a discount. Changes introduced by the Housing Act 2004 allow landlords to suspend the completion of a transfer or a grant of lease and/or to render a claim to exercise the Right to Buy ineffective (that is, to exempt dwellings scheduled for demolition from the Right to Buy). Further amendments were introduced by the Housing and Regeneration Act 2008. This is achieved as set out in the following paragraphs.

The Council can serve an “initial demolition notice” on “affected tenants”. The notice has the effect of suspending the tenant’s right to take a transfer of the property but does not prevent a tenant from progressing a claim under the RTB up to (but not including) the point of transfer. Under the Housing and Regeneration Act 2008, the maximum suspension period permitted under an initial demolition notice has been extended from a period of 5 to up to 7 years.

The Council can later serve on affected tenants a “final demolition notice”. This has the effect of “disapplying” the Right to Buy for 2 years, though the period can be extended if the Secretary of State so directs. Any existing claim ceases to be effective.

If the initial demolition notice is served and there is no demolition within the period specified in the notice, then no further initial or final demolition may be served during the period of 5 years (from the end of the notice), without the consent of the Secretary of State. The Initial Demolition Notice suspends and the Final Demolition Notice extinguishes the RTB and triggers compensation.

If a final demolition notice is served and there is no demolition within 2 years, then no further initial demolition notice or final demolition notice may be served during the period of 5 years (from the end of the notice), without the consent of the Secretary of State.

The Proposal

As of mid-September 2008 there were 18 Right To Buy applications for all the affected dwellings. There is also the potential for further applications to be submitted in the future. To allow applications to complete would complicate the process of achieving vacant possession of the properties, increasing the risk and costs to the Council and the Local Housing Company in delivering the overall redevelopment scheme.

The phasing of the development is divided into three phases: Phase 1 (2008-2013), Phase 2 (2013-2018) and Phase 3 (2018-2023). The report proposes that the Council serves an initial demolition notice to suspend the Right to Buy for secure tenants of the Phases 1 and 2 of the Gascoigne Estate.

The Executives approval is sought to issue notices to suspend the Right to Buy in respect of properties affected by the proposed scheme. In making this proposal, Officers have undertaken a detailed risk assessment and consider this to be the most effective option without opening the Council up to Challenge from prospective Right to Buy enquiries.

The regeneration of Gascoigne Estate has been underpinned by executive decisions as listed below.

Executive Report Gascoigne Estate – Regeneration Programme dated 20th July 2004 outlined details of basic development principles. It recognised that in order to move forward with any programme to regenerate or renew the Gascoigne Estate a number of tenants will have to be decanted. To ensure that those who want to return can do so and that temporary moves are kept to a minimum a development phasing plan will need to be developed. The recommendations were agreed in the Agenda No. 54

Executive Report “Barking & Dagenham Local Housing Company and Barking Riverside Local Housing Company” dated 7th May 2008 gave approval that land at Gascoigne estate, land at Thames View, London Rd/ North Street, Marks Gate and Goresbrook Road area be subject to an exclusivity/ option agreement with the Local Housing Company (LHC) and be transferred to the Barking & Dagenham LHC under 125 year leases when the terms of the Exclusivity/ Option agreement are fulfilled The recommendations were agreed in the Agenda No. 156

Community Engagement and Information - Publicity requirements in respect of the suspension of the Right to Buy.

There are specified publicity requirements relating to the suspension of the Right to Buy by the service of demolition notices. The publicity requirements for both initial and final demolition notices are the same and have to be repeated.

The initial demolition notice needs to be sent to each individual tenant and, where the identity of the tenant cannot be ascertained with certainty, it is permissible to address the notice to “The Occupier”.

An Intention of Demolition public notice advertisement needs to be published:

- a) in a local or other newspaper circulating the locality;
- b) in any newspaper published by the Council; and
- c) on the Council’s website

The publicity must be given in these publications before the notices are served on the tenants.

Legal implications

The relevant provisions are sections 138A and 138B of, and paragraph 12 to 16 of schedule 5 and all of schedule 5A to, the Housing Act 1985 – all of which were introduced by the Housing Act 2004. These provisions came into force on 18th January 2005. The provisions deal with the technicalities of the contents, effect and method of service of such notices (to suspend the Right to Buy) and with the circumstances in which they can be served.

Under the Housing and Regeneration Act 2008 that came into force on 22nd July 2008 Schedule 5A to the Housing Act 1985 (c. 68) (initial demolition notices) has been amended to increase maximum specified period to carry out demolition from five to seven years

It is important to emphasise that service of these suspension notices does not give the Council the right of possession of the affected dwellings and that the Council still has to justify possession and termination of the secure tenancy under one of the Housing Act grounds.

Appendix 2

Gascoigne Estate Community Consultation and Engagement Strategy

Introduction

This strategy sets out key principles, aims, objectives and methodology for the community consultation and engagement strategy associated with the Gascoigne Estate redevelopment. It considers who should be consulted as well as when and how they should be consulted. However, the Council does not want to be too prescriptive about the methodology as this would be developed in agreement with project stakeholders as the programme progresses.

In line with the Council's consultation strategy that stipulates the commitment of the Council and its partners to ensuring local communities are more involved in shaping the places in which they live, it is our aspiration to develop a programme of consultation and engagement activities that would enable a meaningful resident involvement in the redevelopment programme from its outset. The level of engagement would vary throughout the life of the project, ranging from informing residents about the future plans for the Estate in a Stage 1, to consulting and involving them in the design process in a Stage 2 as set out under the Consultation Phasing section of the strategy. It is particularly important to inform tenants at the Stage 1, as they need to be aware of the Council's redevelopment plans before Initial Demolition Notices are served. Furthermore, this strategy also sets out some guiding principles for a programme of activities that would lead to an increased community integration and cohesion throughout the project lifetime. These social investment processes will be managed by the Council and its partners alongside the process of physical change.

Background

The Borough is committed to delivering the comprehensive regeneration of the Gascoigne Estate. Alongside the physical regeneration of the estate, the Council wishes to build a mixed community, with a variety of tenures and incomes living in high quality homes of different sizes and type, supporting high quality local services and dealing with the current economic and social regeneration issues on the estate. Key to the Council's vision is that the perception of Gascoigne as an "Estate" should disappear, with the area becoming simply integrated, as a largely residential area, within the overall regeneration of Barking Town Centre.

The Gascoigne Estate is divided into East and West Gascoigne by Gascoigne Road that runs north south through its centre. The estate occupies 35 hectares, comprising 2,436 predominantly Council owned dwellings, within low, medium and high-rise properties in Barking Town Centre. The Council has identified the following characteristics of the estate as a basis for planning improvement:

- The cul-de-sac layout and arrangement of similar building clusters creates an unsatisfactory homogeneity, a lack of legibility and easy access across the site, confusion over ownership of semi-public spaces and a consequent atmosphere of insecurity
- The uniformity of tenure and building types restricts the potential expansion and mix of the neighbourhood population.

- The presence of high-rise building is unpopular with many of the existing tenants

In October 2007 the Borough in collaboration with English Partnerships appointed a design-led consultancy team to develop a Regeneration Framework as a basis for future redevelopment.

The framework, finalised in December 2008, has identified general principles for the phased redevelopment of the Estate over the 10-15 year period. These include:

- urban design framework (movement strategy, opportunities, constraints, potential for development)
- generic guidelines for development (orientation and type of urban blocks, character and nature of development)
- energy strategies.

Different objectives have been identified for development on east and west Gascoigne. West Gascoigne has a greater number of leaseholders and fewer Council owned blocks, whilst large portions and blocks on East Gascoigne are owned by the Council. Thus the objective is to redevelop the 24ha of available land on the East and to identify strategic redevelopment and infill sites on the West.

Further to the endorsement of the framework, a masterplan will be developed and a planning application for the first phase submitted during 2009.

Due to its size and a close proximity to significant regeneration activity already taking place in the Barking Town Centre, the redevelopment of the Gascoigne Estate will represent an important and significant stage in the regeneration of the area with a potential to become the Borough's flagship neighbourhood renewal project. The finished development should not only deliver the Council's aims for exemplar housing development but also meet the aspirations of local residents and stakeholders. Thus, it is essential that consultation is fully integrated into the process of the framework plan endorsement and masterplanning.

There is also a need to complement formal consultation with a rich programme of engagement activities and projects that would be sustained throughout the life of the project. This would help residents see immediate changes in their living environment. These are outline under Stage 3 of the Consultation Phasing section of the strategy

Consultation to Date

During the Framework preparation stage of the project, there has been very limited engagement with residents. This was a deliberate choice as, from the Officer's perspective and experience, there is an underdeveloped social and community infrastructure on the estate with which to engage on what were at the time early strategic principles. Furthermore, conceptual nature of the framework meant there was little for the residents to engage with, potentially leading to a consultation fatigue at an early stage.

As part of evaluation, baseline review and identifying constraints and opportunities on the Gascoigne estate, the Framework Plan consultants held two workshops in November and December 2007 respectively – one with the professional's stakeholder group and the other with a group of community representatives, residents and front line Neighbourhood Management staff of the Gascoigne Estate. The workshop participants were asked about

issues that affect their perception of the Gascoigne Estate and what needs to change to make it a better place to live. Similar questions were also put to all residents in the Neighbourhood Management newsletter questionnaire in July 2007. The responses reflected the need to improve and enhance the physical environment for it to be more liveable but also stress the need for socioeconomic improvements and change in the area. The findings have been reflected in the final draft of the Gascoigne Development Framework.

In addition to the above, the consultation on the overarching principles of the Gascoigne Estate redevelopment including the proposed land uses as well as the design and implementation issues had taken place as part of the statutory consultation on the Barking Town Centre Area Action Plan in July and August 2008. At the time of writing, the consultation report was under preparation.

Experience of consultation has demonstrated that working with local communities instead of for them is the only way to achieve sustainable development for the future. It has to be noted that in recent years considerable consultation has been undertaken on the Estate, so it is important to avoid duplication of what had already taken place and prevent consultation fatigue caused by too much consultation and too little action and feedback. It is therefore crucial to coordinate community engagement activities between partners and ensure clarity of purpose. We will ensure that community engagement activities are realistic and that expectations are not raised unnecessarily. Consultation will be integrated into Neighbourhood Management arrangements as far as possible. Furthermore, we would establish clear processes to feed back on community engagement activity and outcomes and give reasons if unable to deliver on expectations.

A review of the comparable estate regeneration projects in the Borough has shown that high aspirations around the level of resident involvement in the project indicated in this strategy will only be sustained if the Council and its partners are committed to adequately resourcing the consultation. This would mean ensuring internal resources are complemented by external consultants when appropriate.

Consultation Objectives

The consultation objectives are:

- To agree a common vision for the Gascoigne Estate
- To develop proposals that are practical, achievable, affordable, offer Value for Money (VFM) and fulfil the needs of the wider community as well as those of residents on the estate
- To achieve “buy in” to the transformation of the estate and the wider area across different stakeholder groups
- To engage with the whole community, aiming to consult and communicate with as high a percentage of residents on Gascoigne Estate as possible, as well as representative samples.
- To motivate and change perceptions of the project, and build long term sustainable relationships.
- To identify the residents’ view on any given option.
- To evaluate qualitative data and feedback to LBBB, highlighting any concerns or issues.
- To continually feedback, progress and changes to residents, with the most appropriate method.

- To produce regular updates for internal and external stakeholders and residents.
- To address stigma associated with a large unpopular estate

Local Context

This strategy is underpinned by the Council's own Community Engagement and Consultation Strategy (January 2007). It also takes into account principles set out in the English Partnership's document on their approach to community engagement and work in line with the Statement of Community Involvement for the Local Development Framework and Land Disposal Consultation Guide.

Spatial Regeneration's current and recent consultation and engagement activity has been used to inform this strategy. In particular, this strategy draws on lessons learned from public consultation/engagement process at the eastern end of Thames View (EETV) in Dagenham since 2006.

The strategy is also taking into consideration draft Consultation/Engagement Strategy for the Local Housing Company. Its purpose is to set out the minimum commitment for the scheme (or particular stages within a scheme).

Equality and diversity

It is important that consultation is inclusive because sections of the community, e.g. minority groups, may have needs and views that are different from the majority which, if they are not consulted effectively, may remain invisible. While consultation with specific groups might be appropriate when they will be the main users of the proposed development, for example, leisure facilities for young people, it should be possible to draw together different communities to promote common interests.

It is easier to consult some groups than others. Apart from "hard-to-reach" groups, other people might need assistance if they are to participate fully in consultation events. Parents, for instance, might need to have child care facilities available. We will pay particular attention to arrangements that might need to be put in place to encourage the participation of:

- Children and young persons
- Black and minority ethnic groups - BaME
- Faith groups
- People with disabilities
- Older people
- - LGBT

Members consultation

The involvement of the Portfolio, Executive and Ward Councillors will be a major part of the consultation process. Councillors will be briefed prior to any residents and tenants meeting or any other public meeting. Councillors will be invited to all events that will be held on the Estate and contribute to agenda planning.

All information and notification of meetings or events will be sent to Councillors at least seven days in advance by e-mail, letter or if an urgent reply or request is required by telephone.

Consultation Phasing

The consultation will be divided into two stages, with different levels of engagement reflecting different stages of the development process as set out below. There is a necessity to shape the expectation of the residents. If the stress is to be on consultation rather than involvement then this should be clearly communicated at the earliest opportunity.

In addition to the consultation, there is a need to provide extra community development/capacity building resource. The key principles of the ongoing social investment programme are set out under the Stage 3 of this section.

Stage 1 – Community Consultation on the Framework Plan.

This stage would start by informing both tenants and leaseholders of the Council's plans for the redevelopment of the Gascoigne Estate with a particular focus on phasing. The preferred method would be sending a newsletter to all residents as this would ensure all residents receive information at the same time. The newsletter will be clear and concise containing the project team contact details as well as when additional information will be available to the residents. To enable the involvement of hard to reach groups we will ensure the newsletter include translations, large print and/or audio versions as needed.

Further to the initial information, a presentation of the draft framework will be arranged as part of the Neighbourhood Management meeting on October 22.

This would be followed up by a public exhibition of the final framework plan in a key location(s) in Gascoigne Estate or in the town centre (e.g. Vicarage Field). Definition will be given to the stakeholders outlining what can be influenced by the involvement and consultation strategy and how the council intends to feed this back to the stakeholders.

Stage 2 – Community consultation and residents involvement in the Masterplanning and detailed design process

During this stage the resources will be focused on residents directly affected by each phase or sub phase of redevelopment. While the appointed Masterplanning team or architects developing detailed designs for a particular sub phase will have to identify how they will consult with residents in their own consultation strategy, they would be requested to work closely with the Neighbourhood Management team and engage with the residents through a variety of groups already active on the Estate. This will include Baseline Youth Inclusion Programme (YIP), Gascoigne Children's Centre, Arabic Speaking Support Association, Somali Womens Association, and Turkish Speaking Women's Association.

Given the 10-15 year lifespan of the project one set piece masterplan does not seem viable as it would bring with it a resolution that would freeze ideas about what a place should be like, and how it can mature and adapt to changing needs and circumstances over the extended period involved.

In the projects team's view, the current housing market conditions and the existing layout of the estate will dictate a very gradual approach, with quite small-scale phases of redevelopment, in a number of places simultaneously. This would fit well with the very close identification and interest that residents usually have with 'their' block, or group of homes in a street. The focus of this stage will be on engaging with the residents directly

affected by moving out or into each of these small places will stimulate a high level of interest and participation in issues that affect them directly; whereas strategic planning of the whole estate is likely to mean less and be of lesser interest. Phasing approach has been agreed with the Ward Members in November 2008.

Stage 3 – Capacity Building: working towards greater community integration and cohesion

Alongside the programme of consultation outlined in the Stages 1 and 2 of the strategy, there is a need to provide extra community development/capacity building resource. This stage would have a dual focus on both affected residents of immediate redevelopment phases and the residents of later phases. The purpose of this would be to facilitate resident engagement in the neighbourhood renewal throughout the project 10-15 year lifespan. The Neighbourhood Management service was launched in October 2007 to provide general community development resource. The consultation on the regeneration site will continue though to be the key responsibility of the regeneration section.

Good practice suggests that promoting sustainable regeneration on estates involves various factors including maximising resident involvement especially at the design stage if not before. It is accepted wisdom that if regeneration schemes do not reflect the wishes of tenants they are unlikely to endure. As the Council's largest estate regeneration project, Gascoigne presents an opportunity to innovate further in this area and create extra depth and scope of engagement achieved.

The reality is that much of the existing environment will be in place for most of the redevelopment period. Residents, both existing and new, will be more concerned about how the neighbourhood continues to work during that time, particularly the uses, management and control of public spaces, communal facilities and services, rather than the abstracted principles of the masterplan. These are the kinds of issue which the Neighbourhood Management Initiative has been focussing on, and around which the Neighbourhood Manager has started to build communities and networks of interest. The engagement resources will therefore initially be focused on residents concerns with general quality of life issues now. Regeneration officers will work with colleagues in the Local Housing Office to establish a set of clear guidelines thereby minimising the potential to cause conflict with their activities.

Two groups of residents whose lives will be particularly affected by the project and to whom special attention must be given are older and younger residents:

- We understand that there are already a significant number of elderly people on the estate, from a wide range of ethnic and cultural backgrounds and that their numbers are growing (this perception needs to be properly and accurately evidenced). A programme of very significant physical change and disruption will have a major effect on their quality of life at a stage in their lives when they might reasonably expect to be having a more peaceful experience.
- The experiences of the next 10-15 years will affect every young person on the estate, in some cases for the whole of their childhood and teenage years. This project must therefore be seen as a special opportunity to recognise and support the role of local primary and secondary schools, and clubs, and to offer young people experiences that will shape, for the good, a life trajectory that will probably take most of them away from the estate and the area once it is redeveloped.

Regeneration officers will be working closely with the Gascoigne Neighbourhood Management team to develop the remit of the successful Neighbourhood Management project with a full programme of environmental and cultural projects to engage existing residents in rewarding activities that will have an immediate impact on the quality of life in the neighbourhood.

There will be a number of cross-cutting themes that will provide residents with opportunities to express their views, and to participate directly in actions that will bring about beneficial changes. These might be:

- ***Design of new homes and Sustainable Lifestyles***
What will a CSH Level 4 home be like to live in? What lifestyle changes will be needed, what new habits? What effect will it have on household budgets? How to give people practical experience of sustainable living through visits, practical support and information?
- ***Development, Neighbourhood, Housing Management and Placeshaping***
How to ensure the redevelopment experience is as unstressful as possible? How to make sure the whole place works as well as practically possible whatever the scale of physical disruption? How to develop interim management solutions for people with special needs, especially the elderly, and young people needing care, foster services and respite housing choices? How to bring old and new residents together in building new homes and creating community and street life?
- ***Environmental stewardship***
How can existing public space be made more useful and usable? How to ensure services and spaces are well maintained during redevelopment period? How to promote biodiversity?
- ***Healthy Living***
How to use and manage existing, transitional and new spaces for exercise, food growing, hanging out and lively play? How to encourage better eating through food growing, bulk/cooperative buying of fruit and vegetables? How to encourage more people to walk, cycle and use public transport?
- ***Culture***
How to use art, music, faith, food and craft skills as ways of bringing people to together, to collaborate across generational, ethnic, social and cultural barriers? How to promote festivals and events that celebrate the place and its people, and start to create a new image and identity?
- ***Enterprise***
How to support people of all ages with good ideas to run projects and create voluntary organisations, social enterprises or straight commercial business, related to the redevelopment process?
- ***Communications and Information Technology***
How to create open channels of communication that link residents and project partners? How to ensure professionals are effectively trained and prepared for working with residents? How to develop communication strategies that ensures

that the project is consistently represented through accessible and positive techniques and message?

What these themes have in common is that they all offer opportunities to start the process of neighbourhood renewal now, around issues of immediate concern through active participation that is likely to have many other positive outcomes including:

- Creating an environment in which participation leads to action, understanding, and changes that are seen as 'good', that should promote greater trust between residents and the council and its partners; important when difficult decisions have to be made or when progress or desired changes are not possible
- Starting the process of changing perceptions about the estate now, creating a new identity for the place and thus a competitive advantage, both before and as the redevelopment happens; and
- Creating a resource of engaged residents with a genuine and informed voice, based on their interests, practical experience and ideas, to make contributions to more strategic levels of decision making of the redevelopment programme, and probably more importantly to play an ongoing role in the management of the new place.

While some of these activities will be supported by the existing officers, it is likely that it will not be possible to "procure" all resources through the Council and its partners. Assistance of external groups specialised in community engagement to be identified in liaison with the Consultation and Engagement Manager, would add a significant further value to existing processes of resident engagement, consultation and involvement. These resources should be invested in and through the Neighbourhood Management structure, with additional people and money to operate an extended range of programmes based on the estate.

Methodology

A variety of methods to actively involve residents and stakeholders will be developed to ensure full and meaningful community involvement. The consultation will be designed around the key objectives of involving and inclusion of the whole of Gascoigne Estate, to assist and enable people to agree priorities, consider options and identify solutions. The development of ideas and proposals in this way will seek to build a strong local consensus in support of the emerging proposals. The techniques involved will include: workshops, focus groups, newsletters, road shows, resident site visits and organised events.

Letters

This mode of consultation will be used to notify residents of any impending meetings or any other important information about the affected sites. All letters will be sent via the post and will not be hand delivered.

Workshops

Participative and interactive workshops on a very informal basis will be held on specific dates on Gascoigne Estate, these will also included adhoc drop in sessions.

Workshops may be used to gather information from different sections of the community and hard to reach groups such as, Black Minority Ethnic, youth, elderly and people with disabilities within the affected area which will allow them to be included in the redevelopment process.

Workshops should be run in small groups to allow participants who are not used to speaking in public to be able to take part in discussions. They should ideally be run by an outside company or organisation that specialises in running workshops with hard to reach groups.

The workshops should be flexible and not just deal with development issues, they should also deal with issues raised by the community from meetings, discussions or from issues raised from the newsletter. It is understood that if the Council does not deal with the everyday issues that affect peoples' lives they will not participate within the process as they feel that their concerns are not being taken on board.

Focus Groups

In recent years the use of Focus Groups in Barking and Dagenham has proven to be popular as a method for discussing issues in more detail and for brainstorming ideas. Focus groups will be of real benefit to the local community as they will be able to discuss and help to shape and influence decisions that will be made and will be made up of residents affected by the development, stakeholders and the wider community from the Estate.

At this point we are unable to identify how the focus groups will be used within the redevelopment process. Interpreters will be present to assist if necessary.

Newsletters

The consultation team will produce periodical newsletters to reach every household on the Gascoigne Estate, including copies sent to stakeholders.

Whilst this is by no means the only method of written communication it is a means of disseminating ideas and information on a regular basis. It is also a key way of generating feedback. The project team will ensure that the information is easy to read, is eye-catching and in a language that is understood by all. The newsletter may be translated as needed

This could be published quarterly if there is enough information to be included in it. The newsletter would notify everyone about general information or events that may be taking place in the area. It is hoped that the residents would write articles and format the newsletter. It is important for residents to take ownership of the newsletter as this helps to ensure its survival after officers, developers have long left the estate.

A new community focused fortnightly Council newspaper the first edition of which is planned for the end of May 2009) could also be used to get information out to residents about the progress on the Estate. Close liaison with corporate communications will be developed to ensure that information sent in advance is up to date prior to being printed. The newspaper will replace existing council publications such as Spotlight and Neighbourhood Matters and information normally provided in them will be available through the new publication.

We will also explore a possibility of creating a blog site for the Gascoigne residents.

Meetings

Meetings will be held with residents of the affected area only and will not be a full public meeting. The meetings will be held when required (if urgent) and will be used to inform residents and tenants of the progress of development as well as to introduce new members of staff/developers who will be involved on the project. The meetings will be chaired by a local Councillor and will be held in an environment that is inclusive, and where verbal abuse will not be tolerated.

The venue will be one that is easy for local residents and tenants to access. They will be held at times and dates that are convenient for residents and tenants to attend (a poll of the dates and times may need to be taken in order to find the most convenient time) and will be within the Disability Discrimination Act 2005 regulations. Officers from the council and other relevant organisations will be available to deal with any questions raised from the meeting or from a previous meeting.

At all meetings a question sheet will be offered to anyone who feels unable to raise a question at the meeting so that they can do so in writing. An answer will be given within 10 working days.

The use of a crèche and interpreters will be offered for all meetings. This could be a real challenge as there are many different languages spoken on the estate. The officers will commit to identify the main community languages (via schools, housing management and social services) at the outset and this will be used to assist in producing cost yardstick for translation/interpretation.

Road Shows

These have proved to be a successful method to engage with a significant number of residents as it provides the flexibility to 'go to' or reach residents.

Varying the times to include evenings and weekends to allow residents and stakeholders in full time employment to visit,

Resident and Stakeholders Site Visits

Experience of other estate redevelopment projects has shown these have proved very successful. They will be conducted as required. Visits to various comparable sites plus sites developed by the chosen developer around the London area would provide the opportunity to discuss first hand some of residents concerns with the team, including the Architects, Developer and Housing Association. It would also help to break down barriers in communication.

Organised Events

The Community Day was held at Gascoigne Community Centre to launch Neighbourhood Management in the ward in August 2007 where residents took part in a number of community activities, met local organisations, partners and service providers and got to know their neighbours. It was a huge success, over 400 residents visited the event. The last community day was held on the 22nd of August 2008 and 350 residents visited the event. Some of the consultation activities could be linked with the next community event. The events organised in the future will place particular emphasis on catering for children allowing lone parents the ability to participate but also to start to involve children in the process.

Funding

The focus of this strategy is about using existing resource (money, people, buildings etc) more effectively and complementing them with additional external resources when needed.

The actions identified under the Stage 1 will bring together existing people and activities to create a more joined up approach to community engagement.

A sum of approximately £40,000 will be sought. The budget will be used for:

- Publicity/ Exhibition Materials
- Venue hire
- Refreshments
- Crèche, translation and interpretation services

Majority of the activities under the Stage 2 will be undertaken as part of the masterplanners appointment during the first half of 2009. The Council and its partners will help support engagement activities that will be set out in the masterplanners consultation strategy. This may include contributing to the cost of venue hire, refreshments and translation and interpretation services. Further details will be presented to the Consultation Board once the masterplanning consultation strategy is available.

Some of the activities outlined under the Stage 3 will be undertaken jointly between Spatial Regeneration, Neighbourhood Management and the Council's partners. Clearly, these resources are limited and external groups will have to be engaged at various stages in order to enrich and diversify the portfolio of projects outlined under the key themes. Due to the lengthy timescales involved and at the time of writing only a strategic overview of the potential projects, it is at this stage difficult to estimate what funding will be needed. Once the projects have been identified Regeneration Officers will be investigating a range of external funding sources. The projects will only progress once the funding has been obtained and there would thus be no financial implications for the Council. It is likely that the initial funding will be sought from the Council and its partners and, in such instances, necessary internal approvals will be sought when needed. We are therefore looking for an in principle approval to continue developing proposals for the Stage 3.

Timetable

As stated previously as the redevelopment is going to be carried out over a number of years, the strategy will need to take account of the length of time that process will take. In order for the strategy to be effective it would be advantageous to look at what modules could be applied over the short, medium and long term of the development process.

The items indicated within the timetable are neither extensive nor exhaustive they are to be treated as an indication of probable steps that could be taken.

There will need to be careful dealing with residents and tenants prior to the commencement of decanting and demolition works within the area. It would be advantageous for the liaison officer appointed by the developer to ensure that they work closely with officers and residents.

Consultation to date	
Date	Item
November 2007	Key stakeholders workshop
December 2007	Residents and tenants workshop

Proposed timetable until July 2009

Date	Item	Timescale	Method	Resources
Feb 2009	Approval of public involvement strategy	1 month	A letter to inform residents?	Councillors and Officers
Apr 2008	Present the finding of the Gascoigne Development Framework including proposed phasing to residents	1 month	A newsletter to be sent to all residents	Neighbourhood Management and Spatial Regeneration officers
Apr 2008	Presentation to residents and tenants on the Gascoigne Development Framework strategy	1 month	Part of Neighbourhood Management Meeting	Neighbourhood Management, Frameworks Consultants and Spatial Regeneration officers
May 2008	Meeting for Phase 1 residents	1 month	Residents meeting at the Gascoigne Estate	Framework Consultants, Neighbourhood Management and Spatial Regeneration officers
June 2009	Exhibition of the Gascoigne Development Framework	1 month	Exhibition to be organised at the Gascoigne Estate or Vicarage Field centre	To be staffed by the Council and its Partners
June 2009	Use the feedback to shape the brief for the initial masterplan of Phase 1	1 month	Desktop analysis	To be staffed by the Council and its Partners
July 2009	Masterplanners appointed	6 months	n/app	n/app

THE EXECUTIVE

24 MARCH 2009

REPORT OF THE CORPORATE DIRECTOR OF CHILDREN'S SERVICES

Title: Barking Riverside First Primary School	FOR DECISION
<p>Summary:</p> <p>This report seeks the Executive's approval to the planning and procurement of the first new primary school at Barking Riverside.</p> <p>Agreement is sought for the development of the school which is suggested would be a Voluntary Controlled Church of England Primary School, subject to consultation and the approval of the Secretary of State for Children, Schools and Families.</p> <p>Secondly, that the procurement route for securing the building would be in partnership with Barking Riverside Limited (BRL) as this first school will be part of the first Neighbourhood Centre at Barking Riverside and designed and constructed holistically as part of that wider centre development.</p> <p>That funding for securing this project should be set aside from the Department of Children, Schools and Families' (DCSF) grant secured earlier this financial year, as the means for providing funds for this project.</p>	
<p>Wards Affected: Thames Ward</p>	
<p>Recommendation(s)</p> <p>The Executive is asked:</p> <ul style="list-style-type: none"> (i) to agree to working with the Diocese of Chelmsford to make an application to the Secretary of State for Children, Schools and Families to establish a first school at Barking Riverside to be a voluntary controlled school, subject to a consultation process; (ii) to agree to the procurement route in conjunction with Barking Riverside Ltd (BRL) on the terms set out in paragraph (15.1-15.3) of the report and authorise the Corporate Director of Children's Services on the advice of the Legal Partner to enter into an agreement with BRL as set out in paragraph 15.4 of the report; (iii) to advise, in accordance with Contract Rule 3.6, whether Members require to be further involved with, or be consulted on, the procurement and awarding of the contract; (iv) to set aside £10.5m from the grant secured from the DCSF to pay the Council's contribution for the design and construction of the primary school. (v) to consider the naming of the new school. 	

Reason

To assist the Council to achieve its Community Priorities of 'Better Education and Learning For All'.

Implications:**Financial:**

The financial aspects of this report are dealt with in detail in Section 16 of this report. Funding to provide a contribution to this school has been provided from a government grant for Exceptional Basic Need, secured to support additional school places.

Legal:

The Secretary of State's approval is required if the intention is not to open the administration of the school to competition. Legal advice is that this school should be a Voluntary Controlled Church of England school because of the timing and the need to bring the decision forward quickly to make use of a Government grant and respond to the needs of a community for school places, so as not to impinge on the Riverside development. This would be subject to consultation and approval by the Secretary of State as indicated. The construction of this primary school is central to the Section 106 agreement that was signed when Barking Riverside was granted outline planning permission, as that agreement stipulates only 500 of the new homes which will be built can be occupied before construction of the first primary school is underway.

The value of the contract for the design and construction of the proposed school is above the EU threshold for works contracts, currently £3,497,313, therefore there is a legal requirement to tender the contract in the EU.

The Legal Partner confirms that there are no legal reasons preventing the Executive from approving the recommendations in this report including a joint EU procurement of a design and build contractor by the Council and Barking Riverside Limited (BRL).

The Legal Partner should be consulted in relation to the contractual aspects of the proposed joint procurement arrangement with BRL and the subsequent contractual arrangements with the successful contractor.

Risk Management:

The development of this scheme impacts directly on the progress which BRL is able to make, as the project for the school has to be on site by the completion of 500 homes. In realistic terms, this means by March 2011. If we fail to meet this timescale, then the development as a whole could be in jeopardy.

Social Inclusion and Diversity:

At present the new community at Barking Riverside does have some difficulty in accessing school provision. This proposal will address this shortfall and we will ensure that the school's design meets current legislation and encourages social inclusion. In addition, south of the A13 there are currently no facilities of any description outside of Thames View. The provision to be made at Barking Riverside enables this to be rectified.

Crime and Disorder:

The design of the school will take into account recommendations in terms of designing out crime and will be developed in conjunction with security advisers.

Options Appraisal:

For the reasons indicated above under Risk Management, there is very little that we could do in terms of options for this school. The location has been agreed with BRL and we are working in partnership with them to bring forward the school on the site, subject to a formal legal agreement about the use of the site.

Mike Freeman

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1 BACKGROUND

- 1.1 The Executive will be aware that the current arrangement for Barking Riverside is a requirement to provide at least three primary schools and the possibility of a fourth primary school, subject to review.
- 1.2 In addition to this, there will also be a secondary school and a new special school with 200 places to accommodate a growing and new community as part of the Borough.
- 1.3 These new schools will also help to meet a growing demand for school places.
- 1.4 The Assembly has already considered the naming of the school that is being proposed and indicated – at their meeting on 4 July 2001 – support for the name River Gate Primary School. The Executive is asked to instruct officers whether this is still the case.
- 1.5 As well as the primary school, the Neighbourhood Centre will comprise a place of worship, community development trust offices, a local police shop, space suitable for use by the Primary Care Trust, and some retail space with flats above.

- 1.6 Planning applications for the first two stages of development at Barking Riverside were submitted in December 2008. These applications include briefs for the Neighbourhood Centre (which is part of Barking Riverside Stage 1) and the District Centre (which is part of Stage 2). These briefs, once approved, will form the basis for the detailed design work to follow, and there will be separate planning applications for those centres once the detailed designs have been finalised.
- 1.7 An informal Neighbourhood Centre User Group has been formed, led by Regeneration and Economic Development, to help steer the design and future management of the centre. This includes representatives from Council departments, as well as external partners such as the PCT and the Faith Forum. Members of this group will have had the opportunity to comment on the brief mentioned at 1.4 above prior to it being finalised and submitted with the Stage 1 planning application.

2 Demand for Primary School Places

- 2.1 Reports have come to the Executive previously, indicating a growing demand for school places and, as part of that process, we have identified a need to provide a new primary school on the Riverside development. Some initial discussions have been held with BRL and a site has been agreed in principle, subject to a formal legal agreement for the use and transfer of the land which will be on a long term lease.
- 2.2 This primary school will be 3 form entry for 630 pupils aged 4-11 years plus a nursery for 39 full time equivalent 3 year olds and will be located in the Neighbourhood Centre alongside other community facilities including a place of worship and the Community Association offices.
- 2.3 The Section 106 which is in place means that BRL cannot allow more than 500 homes to be occupied until we are in a position to start construction of the first primary school. It is quite vital, therefore, in order not to impinge on the Barking Riverside development and to ensure that appropriate social infrastructure is provided with any more new homes in this area.
- 2.4 The Faith Forum has considered issues about the location of appropriate places of worship and a facility is to be provided at the Neighbourhood Centre which will be sponsored by the Church of England, in conjunction with the Salvation Army.
- 2.5 In order to maintain consistency of provision, it is suggested that the new primary school to be provided on the site should also be secured, bearing in mind new requirements to consider alternative providers and through competition. It would seem to make sense, having regard to the location, to discuss with the Church of England through the Diocese of Chelmsford about the possibility of establishing a Voluntary Controlled Church of England Primary School on the site. This would be subject to a consultation process and discussion, but would underpin earlier decisions to support the application by the Diocese to convert Dagenham Park Community Secondary School to

become a Voluntary Controlled Secondary School. It would mean that more primary school places are being developed in schools with a Church of England character, and these pupils may exercise a desire to attend Dagenham Park, again because of its religious character.

3 What is a Voluntary Controlled Primary School?

3.1 The provision of Voluntary Controlled School status was discussed fully when the issue was raised for Dagenham Park. At that time, the Executive felt it would support such a proposal. The implications for such a proposal are set out below.

3.2 The issues which support the characteristics of a voluntary controlled school are set out in the following paragraphs:

3.2.1 Staffing - The LA would be the employer of staff.

3.2.2 Admissions - The LA would regulate the school's admissions.

3.2.3 Standards - The LA would carry out the school inspections.

3.2.4 The property situation is simplified - The LA is obliged to provide the school site. The LA will have to transfer property on trust but not the playing fields or other land. This would be subject to lease arrangements with Barking Riverside Ltd.

3.2.5 Flexibility - This arrangement has flexibility in that it is possible to move to voluntary aided at a later date should that be considered to be the right direction, but allows the LA to move quickly in partnership with the Diocese of Chelmsford to provide a school.

3.3 An application would need to be made to the Secretary of State for his consent to this process which will incorporate:

3.3.1 Consulting with interested parties as specified taking into account views expressed.

- preparing and publishing proposals; and
- waiting for comments/objections.

3.3.2 Consider proposals on the basis of their educational merits and what they have to offer parents and the local community;

3.3.3 Receiving a decision; and,

3.3.4 Implementing the finalised proposals.

4 The Characteristics of Schools with a Religious Character

4.1 Schools with a religious character have particular characteristics that distinguish them from other voluntary or foundation schools:

- 4.1.1 Instrument of Government - Schools with a religious character have a faith-based ethos that is written into the school's Instrument of Government.
- 4.1.2 Religious Education (RE) and Collective Worship - In voluntary controlled, foundation and trust schools RE is taught to the locally agreed syllabus. In all three types of school collective worship is conducted according to the tenets of the faith.
- 4.1.3 Staff Appointments - Voluntary controlled schools with a religious character require that in appointing a headteacher the governing body of a voluntary controlled school may take into account applicants' commitment to the school's religious ethos.

5 Admissions

- 5.1 For voluntary controlled schools, the admissions authority remains with the local authority – this is a major difference from a voluntary aided school.
- 5.2 It is possible for a voluntary controlled school to give admission priority to children of their faith, but in practice this does not happen generally because of the role of the local authority.

6 Religious Character Designation - the Criteria

- 6.1 The Secretary of State may designate a school as a religious character if it meets at least one of the following conditions:
- At least one member of the governing body is appointed as a foundation governor to represent the interests of a religion or religious denomination;
 - If the school should close, the premises will be disposed of for the benefit of one or more religions or religious denominations;
 - The Trust which owns the site has made it available on the condition that the school provides education in accordance with the tenets of the faith.

7 Inspection of Religious Education

- 7.1 Once the school is designated by the Secretary of State as having a religious character, it will become subject to further periodic inspections pursuant to section 48 of the Education Act 2005 ("2005 Act") on the provision of denominational education. These inspections are in addition to the section 5 inspections of the 2005 Act and are the responsibility of the foundation governors, subject to consultation with a prescribed person for the denomination.

7.2 The religious inspections will be tasked to determine:

- how well does the school, through its distinctive Christian character, meet the needs of all learners?
- what is the impact of collective worship on the school community?
- how effective is the religious education?
- how effective are the leadership and management of the school as a church school?

8 Education plan information

8.1 The DCSF advises if the proposed school is close to an authority border, or one that will draw pupils from a wide geographical area, the proposals must consider school place planning information and the children's and young people's plan for neighbouring authorities. We always plan our school places based on our own forecasting for pupils in the Borough, but also our immediate neighbours' forecasts, due to the location and proximity.

9 Faith information

9.1 If the school is to give priority to applicants of a particular faith or denomination there must be an assessment of the likely demand for places from parents of that faith, and information from the Diocese is being gathered.

10 Information about other schools

10.1 The proposals should take account of other schools in the area (independent as well as maintained) that cater for the same age range as the school. In determining the extent to which these other schools meet current demand there should be consideration of:

- Their type – religious character, single sex, specialist, etc;
- Their location;
- The number of places they provide.

11 Other

11.1 The proposals will need to provide convincing evidence from parents, community groups and/or independent surveys that establish the proposed school is sustainable in the longer term.

In coming to a decision the Secretary of State will consider:

- existing range of local provision – types of school, size, specialisms, etc;
- local standards;
- whether there is an urgent need for the new school;
- parental preferences.

12 Publication

12.1 The details of the proposals must be published in the form of a statutory notice:

- in at least one local newspaper;
- posted at the main entrance of any school(s) named in the proposals in a conspicuous place in the area served by the school (for example the local library, community centre or post office);
- if the school is to be foundation, Trust or voluntary controlled:
- whether the C of E or the LA will establish the school if both are to be involved, the extent to which both will implement the proposals.

13 Governing Bodies of Schools with a Religious character

13.1 If the school is to have a religious character the governing body must apply to the Secretary of State for the school to be designated as such. If it is to become Church of England or Roman Catholic it must get prior approval from the appropriate diocesan authority.

Voluntary controlled & foundation schools

Parent governors	At least a third of the total
Staff governors	At least two places, but no more than a third of the total, including the head teacher
LA appointed governors	At least one place but no more than a fifth of the total
Community governors	At least a tenth of the total
Foundation governors (partnership governors if the school has no foundation)	At least two places but no more than a quarter of the total

13.2 Foundation and partnership governors - foundation governors are appointed by the school's founding body, church or other organisation named in the school's instrument of government. If the school has a religious character the foundation governors must preserve and develop this. They must also ensure compliance with the Trust deed, if there is one. If a foundation school has no foundation or equivalent body, the foundation governors are replaced by partnership governors appointed by the governing body after a nomination process.

14 Timetable

14.1 This school would need to be operational from September 2011, subject to due process.

15 Procurement

15.1 As this school will be part of the Neighbourhood Centre, it is proposed, subject to the Executive's approval, that we would secure the design and building in partnership with BRL using a contractor secured through OJEU for that purpose, so that there is a consistent approach to the design and

construction of the wider Neighbourhood Centre and a good relationship with the residential areas which will surround it. This will also help us to meet the required timescales so as not to impinge on the whole development. This greatly reduces the risk of delaying the future development of the project to BRL. This design and procurement phase will be undertaken jointly between Children's Services and the Intelligent Client Unit of the Asset Management and Capital Delivery Team to ensure we secure the right end product.

15.2 Some early work has been done with Barking Riverside's team of designers and a selection process is planned to secure more detailed design. This will be for the design of the Neighbourhood Centre as a whole, not just the primary school. It is proposed to share design costs on a 50:50 basis. This will ensure value for money from both sides. The competition will be determined on the basis of:

- 40% price
- 25% brief interpretation
- 25% existing portfolio of schemes
- 10% working in partnership

A panel to assess this is being established to include Council side representatives, and will include representation from Children's Services and the Intelligent Client Unit within the Asset Management and Capital Delivery team. They will consider the following issues:

15.2.1 Tenderers' proposals regarding price, price certainty, and risk transfers.

15.2.2 Tenderer's proposals for resourcing the contract, eg the number of skills, expertise and experience of the individuals they intend to dedicate to the management of the contract. How they will source their labour from the market.

15.2.3 Tenderer's approach to the project. Has the tenderer understood what is expected of them; appreciation of size/complexity of what they are being asked to do. Tenderer's proposals around what they are going to do and, more importantly, how they are going to do it. Experience of previous similar projects.

15.2.4 The adequacy of their outline programme for delivering the expected outcomes; how they are going to monitor/control quality and progress.

15.2.5 Proposals for liaison with staff, senior officers, other stakeholders etc through site meetings, for example.

15.3 As the whole procurement process will be a joint activity with BRL, it is proposed that there would be a Heads of Terms between the Council and BRL which would be drawn up, subject to the Council's own legal team's advice and support and this report seeks approval for the Corporate Director of Children's Services to enter into such agreement, subject to advice from the legal team.

- 15.4 Further, the Corporate Director of Children's Services would need to be authorised to appoint, jointly with BRL, designers and enter into a joint arrangement for the construction of the school as part of a joint procurement. This arrangement would be subject to appropriate advice from the Council's own legal team and subject to constraints in the budget, as set out in Section 16.
- 15.5 A final report on the appointment of designers and the construction company appointment will be prepared for the Corporate Director of Children's Services.

16 Finance

- 16.1 We have secured a grant from the Department of Children, Schools and Families of £31,514,596. It is proposed to set aside £10.5m from that fund towards Barking Riverside and the first primary school.
- 16.2 There will be revenue costs associated with the establishment of these additional school places, but funding will follow from the Direct Schools Grant, subject to a report to the Schools Forum.

17 Consultation

- | | | |
|------|---------------------|--|
| 17.1 | Cllr J Alexander | Lead Member for Children's Services |
| | Cllr M McCarthy | Lead Member for Regeneration |
| | Cllr F Barnes | Thames Ward Member |
| | Cllr B Poulton | Thames Ward Member |
| | Cllr J Rawlinson | Thames Ward Member |
| | Rob Whiteman | Chief Executive |
| | Anne Bristow | Corporate Director of Adult & Community Services |
| | Roger Luxton | Corporate Director of Children's Services |
| | David Woods | Corporate Director of Customer Services |
| | Bill Murphy | Corporate Director of Resources |
| | Jane Hargreaves | Head of Quality and School Improvement |
| | Sue Lees | Divisional Director of Strategic Asset Management and Capital Delivery |
| | Jeremy Grint | Head of Spatial Regeneration |
| | Joe Chesterton | Divisional Director, Corporate Finance |
| | Yinka Owa | Legal Partner, Procurement, Contracts, Property |
| | David Tully | Group Manager, Children's Services Finance |
| | David Robbins | Group Manager, Procurement and Efficiency |
| | Sharon Roots | Group Manager, Risk Management |
| | Duncan Stroud | Group Manager, Marketing and Communications |
| | Tammy Adams | Team Leader, Planning, Policy, Strategy |
| | Clive Wilding | Barking Riverside Limited |
| | Canon Peter Hartley | Director of Education, Diocese of Chelmsford |

18 Background Papers

- 18.1 This report takes into the projection of pupil numbers set out in the 10 year Primary Pupil Places Planning Report – 2006/07 to 2016/17.
- 18.2 The report also makes reference to the meeting of the Assembly held on 4 July 2001 (Minute Number 15 refers).

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THE EXECUTIVE

24 March 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Budget Monitoring Report January 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 January 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 (£87k) which are offset by projected underspends in Resources (£400k) and Customer Services (£242k).</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 £4.2m compared to the working budget projection of £3.5million.</p> <p>In regard to the Capital programme, the current working budget is £93.9million with a projected spend of £87.6m. Directors are continuing to review the delivery of individual capital schemes to ensure maximum spend is achieved by the year end, and to this end there are a number of re-profiling and budget transfer requests for individual schemes contained within this report, which if approved will change the working budget to £88.1m.</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"> note the current position of the Council's revenue and capital budget as at 31st January 2009 (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. note the position and projected out-turn for the Housing Revenue Account (Appendix B and Section 4 of the report);
4. agree the re-profiling of individual capital schemes as identified in Appendix D.

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 January 2009 is indicating budget pressures totalling £2.5m. 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 £88.1million with a projected spend of £87.6m (99% 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.

Contact Officer

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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>January Position £'000</u>	<u>Targeted Outturn £'000</u>
Adult & Community Services	0	(600)
Children's Services	3,021	3,021
Customer Services	(242)	(600)
Regeneration	87	(300)
Resources	(400)	(400)
Forecasted Outturn	2,466	1,121
Use of Corporate Contingencies and Balances	(1,121)	(1,121)
Action required	1,345	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 January is currently projecting a break-even position for the year. This represents an unchanged position from December but does reflect a reduction of £900k from its peak earlier in the year. The overall reduction is as a result of the variety of Management actions that are being undertaken within the department.

There continues to be significant 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 and exploration of partnering opportunities.

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 overall forecasted outturn position for Children's Services from the December 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 331 looked after children, the forecast is for an overspend in this area of £3.6million which includes associated legal costs. 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 and the outcome of these submissions will be known shortly.

The main risks of not achieving the reported forecast outturn include: further variations in the position on looked after children and leaving care; further pressures from passenger transport beyond those reported in October 2008; further variations arising from legal services costs; income targets for support from the PCT not being achievable and the exhaustion of further opportunities for flexible use of grants.

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.

There is expected to be an underspend in the retained element of the Dedicated Schools Grant (DSG) for 2008/09. DSG may only be spent on prescribed activities set out in regulation by the DCSF which include: devolved budgets for schools, special needs support for individual pupils, pupils out of school, early years educational provision, admissions, catering and some other specific elements. Any underspend in the retained element would be required to be carried forward into 2009/10 and spent on DSG activities.

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 the 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 which includes associated legal costs.

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.

While the above factors may represent the main direct impacts, the context within which these services are operating will have an influence on the financial performance. For instance,

- The Children and Young People's Bill (Care Matters) sets out the expectations on the Authority in meeting its corporate parenting responsibilities;
- The high number of children in need cases open to children's social care and the historical absence of effective universal preventative services to allow Children's Social Care to concentrate on those children who are subject to a child protection plan and children in care;
- Expectations to improve performance from previous inspections (i.e. not placing children over foster carers' approved numbers); the Joint Area Review and the Corporate Performance Assessment in relation to the education of looked after children;
- The associated financial issues for transport costs, legal costs, contact and children with no recourse to public funds.

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 £242k which represents a further reduction from the £131k underspend reported in December.

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 now highlighting an overall underspend of £59k due to the ongoing delivery of the management teams action plan, in particularly reducing agency costs and capitalising vehicle purchase costs. During the year there have been 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 have however been general underspends within other areas of the service as well as increased parking income which has helped to 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 have continued 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 £350k, mainly in the Housing Advice and Temporary Accommodation service, due to greater use of temporary accommodations properties than originally estimated. The January position has however improved from December following the detailed financial review conducted on PSL's which has improved the voids position in this area thus increasing income to the Council

Management is reviewing the current position and is taking action to contain the overspend including revising the projection to reflect a slower reduction in PSL's and 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 now projecting a breakeven position for 2008/09.

3.4.5 Barking & Dagenham Direct

The Service is currently projecting an underspend of £533k. This 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.

3.5 Regeneration Department

3.5.1 The January position is forecasting an overspend of £87k which is an increase of £29k on last month. 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 management team have implemented several actions to ensure the targeted budget is achieved for the year end, and these include holding vacant posts and tighter controls on expenditure. In previous reports it had been estimated that the service would receive £300k from the establishment of the Local Housing Company, however this has now been removed from the 2008/09 projections since it is now considered unlikely that this venture will be completed by the end of the financial year. There is therefore a risk that the department will not be able to achieve its targeted underspend of £300k in 2008/09.

The main cost pressures arising throughout the year relate to reductions in income (e.g. Commercial property, transaction fees, LSC, Land charges) and increased employee and premises costs. These pressures have in the main been able to be offset by savings arising from staff vacancies, additional service income and tight controls on other budget areas.

3.5.2 Directorate and PPP

The current projection is for an underspend of £91k 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 £605k.

3.5.4 Spatial Regeneration

The current projection is for an underspend of £352k, mainly due to savings arising from vacancies and the deferral of recruitment to several posts. The main cost pressure in this area is on income generation in the Local Land Charge service (£258k) as a result of the slow down in the housing market.

3.5.5 Leisure, Arts and Olympics

The current projection is for a small underspend of £28k. 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 £127k.

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 offset 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 £80k mainly due to reduced income in parking and land management and increased operating costs in public conveniences. These costs are being partly off-set through staff vacancies. Potential service issues for the near future are around the delivery of the Capital Programme Unit which 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 continues to have some minor budget pressures in specific service areas such as the energy and maintenance costs of the Civic buildings, however the management team continues to identify alternative funding sources to alleviate these pressures.

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 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 a small 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

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

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.

3.6.8 Corporate Management

There are currently no immediate issues identified within the Corporate Management budget, and it is projected that a small underspend may arise by the end of the financial year which will be used to support the overall departmental budget.

4. Housing Revenue Account (HRA)

- 4.1 The Housing Revenue Account balance at the end of 2008/09 is now projected to be £4.2million 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	646
Forecasted Working Balance – 31st March 2009	4,198

- 4.2 The income due from HRA tenants in respect of Housing Rents and service charges are currently forecast to overachieve by £376k. 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 £853k due to increased energy costs of £256k, increased grounds maintenance and running costs of £547k 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 The 2008/09 Housing Benefits Limitation has been recalculated to assess the benefit in 2008/09 and an increase in HRA balances is expected of £1.2 million.
- 4.5 A review of the item 8 interest calculation has identified additional income to the HRA of £121k in 2008/09 based on the current year's average interest rates.
- 4.6 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 53 sales. This is estimated to generate capital receipts of £4.1million, equalling a projected shortfall in capital receipts of £13.5million. 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 January, the working budget on the capital programme had increased to £93.9m against an original budget of £65.0m. 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. This report is requesting re-profiling and virements of £5.7m which would reduce the working budget to £88.1m and these are detailed in Appendix D.

- 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); and
 - (b) Schemes which have attracted additional external funding, and whose budgets have been increased accordingly.
- 5.3 Actual spend as at the end of January was £62.9m, which is 71% of the working budget once re-profiling has been taken into account. 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.

Full details of the capital programme position are shown in Appendix C.

6. Consultees

- 6.1 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

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APPENDIX A

BUDGET MONITORING REPORT - JANUARY 2009

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	9,596	9,596	0	7,156	0	}	
Adult Commissioning Services	45,294	43,761	39,881	39,881	0	43,761	0	}	
Community Safety & Preventative Services	3,913	4,093	4,591	4,591	0	4,093	0	}	600 (600)
Community Services, Heritage & Libraries	7,499	7,810	6,289	6,289	0	7,810	0	}	
Other Services	643	646	(43)	(43)	0	646	0	}	
	62,557	63,466	60,314	60,314	0	63,466	0	600	(600)
Children's Services									
Schools	123,673	133,179	110,982	96,455	(14,527)	133,179	0	}	
Quality & School Improvement	14,026	13,316	11,097	15,945	4,848	13,216	(100)	}	
Shared Services & Engagement	3,018	3,116	2,597	1,740	(857)	3,116	0	}	0 3,021
Safeguarding & Rights Services	30,885	30,954	25,795	29,058	3,263	34,575	3,621	}	
Children's Policy & Trust Commissioning	3,525	3,428	2,816	1,828	(988)	3,428	0	}	
Other Services	6,902	7,084	5,903	4,811	(1,092)	6,584	(500)	}	
	182,029	191,077	159,190	149,837	(9,353)	194,098	3,021	0	3,021
Customer Services									
Environment & Enforcement	21,714	22,011	18,332	19,520	1,188	21,952	(59)	}	
Barking & Dagenham Direct	4,139	4,283	8,247	7,442	(805)	3,750	(533)	}	358 (600)
Customer Services Strategy	(75)	71	59	66	7	71	0	}	
Housing Services	673	681	2,468	2,036	(432)	1,031	350	}	
	26,450	27,046	29,106	29,064	(42)	26,804	(242)	358	(600)
Regeneration Department									
Asset Strategy & Capital Delivery	304	529	2,818	2,831	13	609	80	}	
Spatial Regeneration	4,297	4,371	3,501	4,770	1,269	4,019	(352)	}	
Skills, Learning & Enterprise	1,700	2,106	3,781	4,449	668	1,979	(127)	}	387 (300)
Leisure, Arts & Olympics	6,704	7,016	5,830	5,921	91	6,988	(28)	}	
Housing Strategy Services	(1,051)	(1,167)	(751)	(230)	521	(562)	605	}	
Directorate, Policy & Strategic Services	(31)	(27)	(197)	(297)	(100)	(118)	(91)	}	
	11,923	12,828	14,982	17,444	2,462	12,915	87	387	(300)
Resources									
Chief Executive	35	37	31	36	5	37	0	}	
Director of Resources & Business Support	130	427	293	109	(184)	246	(181)	}	
Corporate Finance	(296)	39	(87)	122	209	39	0	}	
Human Resources	51	286	218	531	313	286	0	}	
ICT & eGovernment	304	465	388	389	1	243	(222)	}	0 (400)
Partnerships, Policy, Performance & Communications	627	445	411	575	164	445	0	}	
Legal & Democratic Services	818	1,105	789	1,842	1,053	1,178	73	}	
Corporate Management	4,986	4,799	3,799	3,740	(59)	4,729	(70)	}	
General Finance	(15,668)	(27,423)	(17,079)	(18,903)	(1,824)	(27,423)	0	}	
	(9,013)	(19,820)	(11,237)	(11,559)	(322)	(20,220)	(400)	0	(400)
Contingency	1,200	549	0	0	0	549	0	}	0 0
Levies	7,182	7,182	5,436	5,436	0	7,182	0	}	0 0
TOTAL	282,328	282,328	257,791	250,536	(7,255)	284,794	2,466	1,345	1,121

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APPENDIX B

HOUSING REVENUE ACCOUNT - BUDGET MONITORING SUMMARY

Month January 2009

<u>Housing Revenue Account</u>	<u>Original Budget £'000</u>	<u>Revised Budget £'000</u>	<u>Budget Jan-09 £'000</u>	<u>Actual Jan-09 £'000</u>	<u>Forecast £'000</u>	<u>Variance £'000</u>
NET RENT OF DWELLINGS	(73,317)	(73,317)	(61,098)	(60,520)	(73,478)	(161)
OTHER RENTS	(2,593)	(2,593)	(2,161)	(1,465)	(2,539)	54
OTHER CHARGES	(5,542)	(5,542)	(4,618)	(6,185)	(5,811)	(269)
TOTAL INCOME	(81,452)	(81,452)	(67,877)	(68,170)	(81,828)	(376)
REPAIRS AND MAINTENANCE	21,754	21,754	18,128	18,900	21,854	100
SUPERVISION & MANAGEMENT	25,549	25,549	21,291	22,129	26,402	853
RENT, RATES AND OTHER CHARGES	379	379	316	455	468	89
NEGATIVE HRA SUBSIDY PAYABLE	17,046	17,046	15,507	15,507	17,055	9
HOUSING BENEFIT LIMITATION	4,611	4,611	0	0	3,411	(1,200)
DEPRECIATION & IMPAIRMENT OF FIXED ASSETS	19,963	19,963	16,636	16,636	19,963	0
CAPITAL EXPENDITURE FUNDED FROM REVENUE	255	255	0	0	255	0
HRA SHARE OF CORPORATE & DEMOCRATIC CORE (CDC) COSTS	792	792	660	660	792	0
TOTAL EXPENDITURE	90,349	90,349	72,538	74,287	90,200	(149)
INTEREST EARNED	(1,660)	(1,660)	(1,383)	(1,383)	(1,781)	(121)
NET COST OF SERVICE	7,237	7,237	3,278	4,734	6,591	(646)
NET ADDITIONAL AMOUNT REQUIRED BY STATUTE TO BE DEBITED (OR CREDITED) TO THE HRA	(6,982)	(6,982)	(5,818)	(5,818)	(6,982)	0
MOVEMENT IN WORKING BALANCE	255	255	(2,540)	(1,084)	(391)	(646)
2007/08 AUDIT ADJUSTMENT - HOUSING BENEFIT LIMITATION	0	(572)	(572)	(572)	(572)	0
WORKING BALANCE B/F	(2,819)	(3,235)	(3,235)	(3,235)	(3,235)	0
WORKING BALANCE C/F	(2,564)	(3,552)	(3,552)	(4,198)	(4,198)	(646)

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CAPITAL PROGRAMME 2008/2009
SUMMARY OF EXPENDITURE - JANUARY 2009

<u>Department</u>	<u>Original Budget (1)</u>	<u>Revised Budget</u>	<u>Proposed Reprofiling</u>	<u>Revised Budget After Reprofiling</u>	<u>Actual to date</u>	<u>Percentage Spend to Date</u>	<u>Projected Outturn</u>	<u>Projected Outturn against Revised Budget (after re-profiling)</u>	<u>Projected Outturn Variation against Original Budget</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Adult & Community Services	3,661	3,832	(1,159)	2,673	1,311	49%	2,266	(407)	(1,395)
Children's Services	4,982	12,689	785	13,474	10,471	78%	13,281	(193)	8,299
Customer Services	5,683	14,173	1,013	15,186	10,341	68%	13,989	(1,197)	8,306
Regeneration	47,007	60,418	(6,374)	54,044	38,906	72%	55,213	1,169	8,206
Resources	3,675	2,772	-	2,772	1,896	68%	2,838	66	(837)
Total for Department Schemes	65,008	93,884	(5,735)	88,149	62,925	71%	87,587	(562)	22,579
Accountable Body Schemes									
Regeneration	-	-	-	-	-	-	-	0	0
Total for Accountable Body Schemes	-	-	-	-	-	-	-	0	0
Total for all Schemes	65,008	93,884	(5,735)	88,149	62,925	71%	87,587	(562)	22,579

Note

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

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CAPITAL PROGRAMME 2008-09 ONWARDS**REPROFILING OF SCHEMES**

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

CHILDREN'S SERVICES**Schools Modernisation Fund (SMF)**

£200,000 was transferred from SMF to Warren School at the end of 2007/08 to cover a potential overspend. This funding was not needed, and therefore the £200,000 is being transferred back to SMF.

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	1,269	650	1,919
Proposed Profile	1,469	650	2,119

Warren Comprehensive

In line with the above, the budget for Warren Comprehensive is not needed and will be transferred back to SMF.

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	200	0	200
Proposed Profile	0	0	0

Eastbury, Northbury and Roding Primary Schools (Exceptional Basic Need)

£1.45m of additional external funding has been allocated to the Schools Modernisation Programme. It is proposed that this is spent on the primary schools improvement programme for Eastbury and Northbury Primary Schools. In addition, £650,000 has been allocated to this programme for Roding Primary School. The total budget increase is therefore £2.1m.

	2008/09	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000
Current Profile	5,827	5,542	2,995	14,364
Proposed Profile	6,477	6,975	2,995	16,447

CUSTOMER SERVICES

Private Sector Housing

The private sector housing – disabled facilities grant – is part funded from the Department of Communities and Local Government, but requires Council funding equivalent to 40% of the programme. This budget adjustment will add £480k of CLG funding and £33k of Council funding to ensure the programme is fully funded for 2008/09.

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	287	800	1,087
Proposed Profile	800	800	1,600

Disabled Adaptations

The disabled adaptations programme was formerly part of the Housing Futures programme; however, it has now been separated out. The original budget for the programme was insufficient for the programme of works needed, so a transfer is requested for the disabled adaptations programme from the Housing Futures programme as follows:

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	800	0	800
Proposed Profile	1,300	0	1,300

REGENERATION

Housing Futures

The Housing Futures programme is anticipating an underspend in 2008/09, and the programme needs to be re-profiled by £2.9m. In addition, £0.5m is to be transferred to the disabled adaptations budget for works to Council properties. Finally, the external funding for this programme (MRA) has reduced by £1.3m. The total reduction in 2008/09 is therefore £4.7m.

	2008/09	2009/10	2010/11	Total
	£'000	£'000	£'000	£'000
Current Profile	32,084	15,090	17,862	65,036
Proposed Profile	27,439	17,980	17,862	63,281

Barking Town Square

The projected spend for 2008/09 is much lower than the current budget, and therefore a re-profile is needed as follows:

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	1,596	0	1,596
Proposed Profile	596	1,000	1,596

LEGI Business Centres

The projected spend for 2008/09 is much lower than the current budget, and therefore a re-profile is needed as follows:

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	1,787	5,100	6,887
Proposed Profile	1,057	5,830	6,887

ADULT & COMMUNITY SERVICES

A number of Adult & Community Services capital projects need to be updated in order to reflect changes in expenditure patterns and funding requirements. The total funding approval for Adult projects however remains unchanged. In summary funding will be moved from St. Georges to support the Reconfiguration of Elderly Services (Kallar Lodge) and Eastbury Manor House, as follows:

St. Georges

This project has undergone changes and as a result the Council's net contribution to this project can be reduced by £336k and also needs to be re-profiled. The £336k is however required to be used to cover shortfalls on both the Reconfiguration of Elderly Services and Eastbury Manor projects.

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	66	993	1,059
Proposed Profile	130	593	723

Reconfiguration of Elderly Services

It is proposed that the £216k overspend on this scheme is covered by a budget transfer from the St Georges project. The overspend is due to additional unforeseen works required, contractual issues with design consultants and sub-contractors going into receivership.

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	93	0	93
Proposed Profile	309	0	309

Eastbury Manor

It is proposed that the £120k overspend on this scheme is covered by a budget transfer from the St Georges project. The overspend is due to the need for a temporary roof structure.

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	907	89	996
Proposed Profile	1,027	89	1,116

Valence House

The projected spend for 2008/09 is lower than the current budget due to the delay of start on site by contractors, and therefore a re-profile is proposed as follows:

	2008/09	2009/10	Total
	£'000	£'000	£'000
Current Profile	2,694	0	2,694
Proposed Profile	1,135	1,559	2,694

THE EXECUTIVE

24 MARCH 2009.

REPORT OF THE CORPORATE DIRECTOR OF CHILDREN'S SERVICES.

Title: Fees and Charges for Barking Market Square.	For Decision															
<p>Summary:</p> <p>Following experience gained from running the new Market Square, it is now necessary to establish appropriate charges for traders pitches. The 'banded' charges shown on the attachment are designed to recognise that traders do less business the further they are from East Street. Towards the rear of the area, we propose to charge more modest rents in order to minimize the number of empty spaces. This is explained further under 'Financial Implications'. (Our costs will be the same whether or not the whole space is occupied).</p> <p>Wards Affected: Abbey</p>																
<p>Recommendation(s)</p> <p>The Executive is asked to agree:</p> <ol style="list-style-type: none"> Charges in four 'bands', the rates in £ per foot of frontage reducing with distance from the 'East Street' market area. As shown in the plan (attachments 'Appendix A). <table style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Zone A</th> <th>B</th> <th>C</th> <th>D</th> </tr> </thead> <tbody> <tr> <td>Tues/ Thurs.</td> <td>3.05</td> <td>2.50</td> <td>2.00</td> <td>1.50</td> </tr> <tr> <td>Saturday</td> <td>4.12</td> <td>3.00</td> <td>2.50</td> <td>2.00</td> </tr> </tbody> </table> <p>Where Zone 'A' rates are the same as the existing rates in neighbouring East Street.</p> 			Zone A	B	C	D	Tues/ Thurs.	3.05	2.50	2.00	1.50	Saturday	4.12	3.00	2.50	2.00
	Zone A	B	C	D												
Tues/ Thurs.	3.05	2.50	2.00	1.50												
Saturday	4.12	3.00	2.50	2.00												
<p>Reason(s)</p> <p>Need to establish viable charge- rates for the first time, to commence at the start of the 2009/10 financial year. As explained elsewhere, for commercial reasons three of the four bands proposed differ from those charged in East Street.</p>																
<p>Implications:</p> <p>Financial:</p> <p>Annual income at these rates is estimated at £62,000, which assumes continuous occupancy of 22 pitches. The theoretical total is 35 pitches, but full utilization on a market is not achievable. In this case, it is difficult to encourage traders to occupy the pitches towards the rear of the square, even when no charges are imposed.</p>																

This is the first year of trading, in very difficult business conditions. There is thus no precedent to serve as a guide and any estimate may prove inaccurate, so it is wise to work with a conservative one.

Obviously we are working to achieve the best results possible. Please note that the charges were arrived at after consultation with Charfleets Limited, as required under our Partnership Agreement with them. As a private company, whose income directly depends on results, they have every incentive to maximise revenue whilst, at the same time, avoiding the imposition of unrealistic charges.

In budgetary terms, this income is in line with estimates already built into council budgets, and thus does not represent additional income.

Legal:

The recommendation in this report accords with best value principles by proposing that the charges for pitches at the Market Square enables the Council to cover its costs of running and operating the Square including administrative and management costs over the financial year. The proposal is to split charges into 4 bands in recognition of the part location of a pitch plays in attracting footfalls. Those pitches located towards the rear of the Square will pay less.

The proposed charges should achieve this break even position at the assumed achievable continuous occupancy (22 pitches).

Risk Management:

These will be the first charges in the square following the initial rent free period. Agreement is thus required to enable the new charging regime to come into force from the beginning of the new financial year.

Social Inclusion and Diversity:

No specific implications.

Crime and Disorder:

No specific implications.

Options Appraisal:

Ideally we minimize the number of different charges, and we considered having one charge band, or fewer than 4. However experience clearly indicates that the graduated scale is the only one that will maximize utilization of space in the square. The North and East ends of the square have, on occasions, only been partially occupied even with no charge being made.

Contact Officer: Ralph I Cook	Title: Town Centres and Street Trading Manager.	Contact Details: Tel: 020 8227 (6015) Fax: 020 8227 (6048) E-mail: ralph.cook@lbbd.gov.uk
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Consultees.

The following were consulted in the preparation of this report.

Charfleets Limited

(Charfleets are our partners in the running of Barking Town Centre Market. We are by agreement obliged to consider their views when setting fees and charges, though discretion lies with the council).

Cllr McCarthy Lead Member for Regeneration
Roger Luxton Corporate Director of Children’s Services
Alan Lazell Head of Skills Learning and Employment.
Terry Regan Group Manager Skills Learning and Employment.
Tony McNamara Group Manager. Finance.

Background Papers Used in the Preparation of the report:

Fees and Charges Report of the Corporate Director of Resources. 17th February 2009.

(The charges proposed here are structured to harmonize with those established and agreed for the rest of Barking Town Centre Market for the 2009/10 financial year).

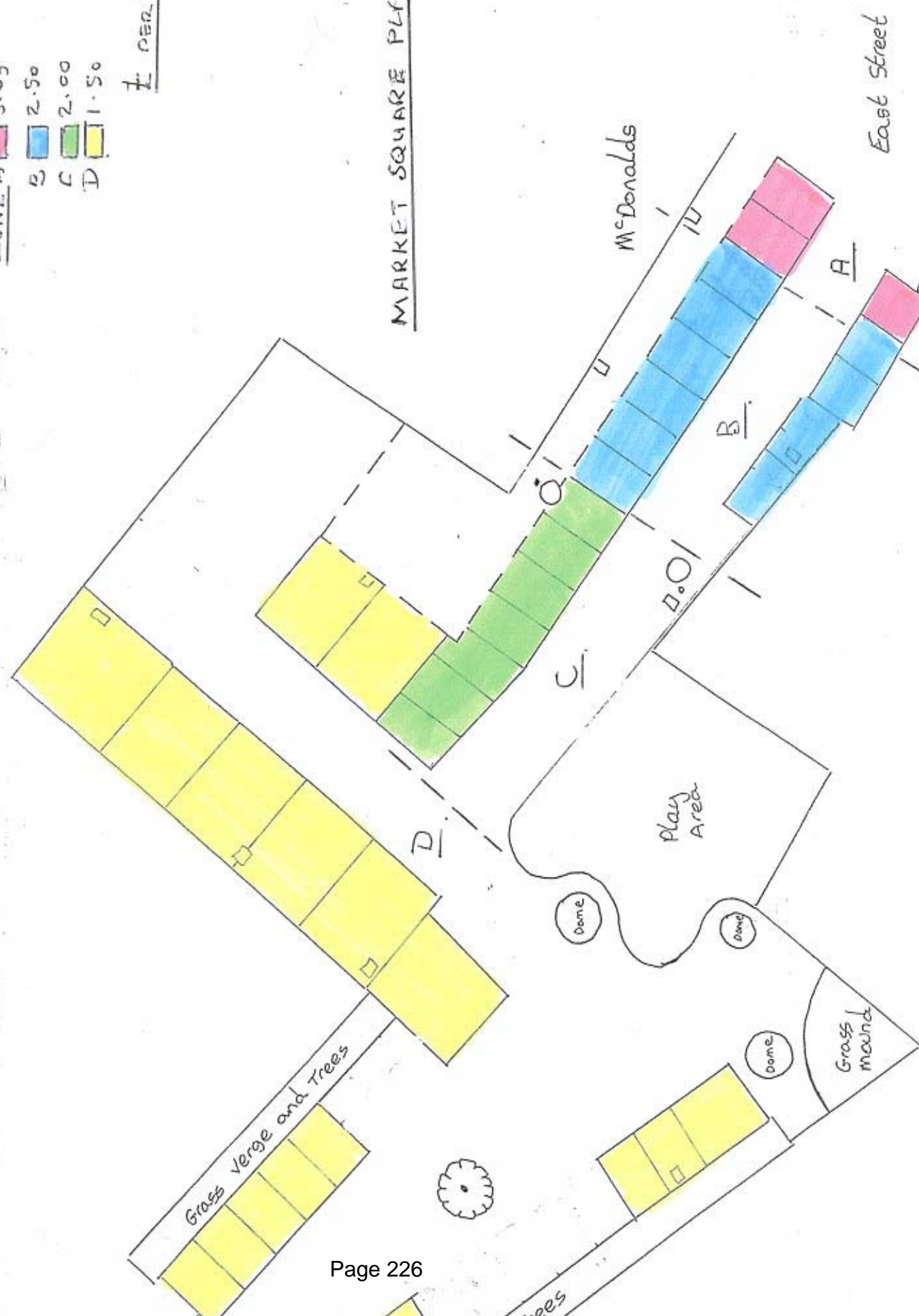
Attachment.

‘A’—‘Market Square Plan’—Showing pitch charge bands A, B, C & D.

ZONE	TUES/THUR	SAT
A	3.05	4.12
B	2.50	3.00
C	2.00	2.50
D	1.50	2.00

± PER FOOT

MARKET SQUARE PLAN



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THE EXECUTIVE

24 MARCH 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

The Appendix to this report is **Private and Confidential** as it concerns information regarding negotiations for a contract for the supply of a service to the Council - relevant legislation: paragraph(s) 3 of Part I of Schedule 12A of the Local Government Act 1972 as amended.

Title: Professional Services Contract – Term Contract 2008 / 2011	For Decision
<p>Summary: In November 2007 the Executive authorised re tendering of the contract for managing the Council's development and disposals programme (Minute 77 2007/2008 refers) with the results to be reported back to the Executive.</p> <p>The contract was accordingly advertised under full European Tendering procedures. The Council received 34 expressions of interest and 21 returned Pre Qualification Questionnaires. Of the 19 companies who subsequently completed tender bids, 10 were eliminated from the process on grounds of cost, and the remaining bidders were assessed on a 70 : 30 quality : price matrix which included interviews.</p> <p>Based on an assumed level of acquisition, disposal, valuation and other activities it is estimated that the cost of the contract over three years will be as shown in the confidential Appendix to this report. However, it should be noted that the market is going through a period of extreme uncertainty and with the acquisitions and disposals programme being subject to change this figure could change significantly each year and over the period of the contract.</p> <p>The contract is to be for a term of three years with a mutual option for a one year extension (i.e. a possible total of four years.)</p> <p>This report seeks authority to enter into a new contract for Professional Property Services with the contractors shown in the Appendix to this report.</p> <p>Wards Affected: None specifically.</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to agree:</p> <p>The appointment of the contractors shown in the Appendix to this report for the provision of Professional Property Services</p>	
<p>Reason(s)</p> <p>The decision will ensure that the Council's acquisitions and development and disposals programmes are managed efficiently. The recommended contractors are large multi-disciplinary firms of Chartered Surveyors able to draw on further areas of practice and</p>	

experience than simply the contract specification itself. The appointment will therefore ensure that appropriate professional advice is available to the Council. This should result in further capital receipts and assist the Council in achieving its Community priorities of “Regenerating the Local Economy” and “Raising Pride in the Borough”.

Implications:

Financial:

The estimated contract value based on planned activity over 3 years, plus existing ongoing costs is in excess of the current 3 year budget. As this is a ‘call-down’ contract the volume of work will be managed by Property Services managers within the existing budget. If work over and above this level is required other external funding will be obtained prior to commissioning these consultants, or the work will not be undertaken.

Members are referred to the Appendix in the Private and Confidential section of this Agenda for further details.

On the basis of the Council’s current programme the cost over the next three years will be as shown in the confidential Appendix to this report.

Legal:

On the basis of the tender process, the successful bidder named in the Appendix to this report has submitted the most economically advantageous bid and officers are recommending that the contract is awarded to that bidder.

Should Members approve the award to the successful bidder, the Council will enter into a contract for 3 years for supply of Professional Property Services with an option to extend the contract for a further year.

Members should note that the value of this contract might fluctuate because of the uncertainties surrounding the property market at the present time as set out in this report.

Risk Management:

Not to enter into the contract will necessitate the Council recruiting additional staff to carry out the contract. If the Council chooses not to enter into the contract and not to recruit additional staff, then it could be obliged to curtail or even abandon the development, disposals and acquisitions programme altogether.

Social Inclusion and Diversity:

No specific implications.

Crime and Disorder:

No specific implications.

Options Appraisal:

Carry out the work in – house. This was rejected due to the cost and difficulty of recruiting and retaining sufficiently qualified and experienced staff to carry out the requirements of the contract. It is also considered that an external provider will be able to draw upon support from other areas of their organisation to support the work undertaken and this support is not available internally within the Council.

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1. Introduction and Background

- 1.1 The Executive authorised the re-tendering of the contract for supply of Professional Property Services (i.e. for the provision of property development and disposal advice) to the Council at its meeting on 7 November 2007 with the results to be reported back to the Executive.
- 1.2 A Prior Information Notice (PIN) was advertised in the Official Journal of the European Union in March 2008 and an advertisement was also placed in the Estates Gazette on 12 April 2008. As a result 34 expressions of interest were received
- 1.3 Invitations to submit Pre-Qualification Questionnaires were sent to all 34 enquirers in March and April 2008 but only 21 responded. The returned questionnaires were vetted and two were found to be unsuitable, based on the information provided.
- 1.4 The remaining 19 organisations were all invited to submit a tender and everyone responded. All but nine of the applicants were rejected on grounds of cost – either that they were proposing to charge significantly more than the current contractor, or their proposed fee structures were unrealistic (e.g. proposing that work is carried out on an hourly rate basis without adequate fee caps to enable the Council to control its budgets.)
- 1.5 The process for considering the tender bids was by written submission followed by interview. The criteria were scored by a weighting system which included a 70% Quality : 30% Price split. A fundamental part of the tender submission was the provision of a Schedule of Rates for undertaking various categories of work as follows:-
 - Disposals.
 - Acquisitions.
 - Valuations.
 - CPO valuations and negotiations.
 - Removal / modification of Covenants.
 - Leasehold enfranchisements.
 - Other professional advice.
- 1.6 Members are referred to the Appendix in the Private and Confidential section of this Agenda for details of the tenderers and the bids submitted.
- 1.7 The contract for the provision of professional services was first tendered in 1998. In 2001 it became clear that it was necessary to have additional resources to carry out initial investigation work and also an additional support to the intelligent client team.
- 1.8 As a result an agency member of staff was recruited to work two days a week via their company, Divercities, to provide that support. By 2006 the workload had increased

enormously and to meet some of that increase the agency member of staff increased the number of days he works for the Council to four days a week.

- 1.9 This role has also provided additional professional support and advice for other areas such as the development of the Local Housing Company.
- 1.10 Over the last three years there have been five attempts to recruit permanent staff and all have resulted in a poor response and on three occasions no one was recruited. Other London Boroughs are still experiencing an inability to recruit suitable staff even in the current economic climate.
- 1.11 When the tenders for the Professional Services contract were received hourly rates were included in the tenders and all the hourly rates of the staff with the necessary experience to carry this support role were considerably higher than the hourly rate currently paid to the agency member of staff.

2. Current Position

- 2.1 It is now proposed to enter into a new contract with the most economically advantageous tenderer shown in the Appendix to this report with effect from April 2009.
- 2.2 It is also proposed to continue with the arrangement with Divercities and the estimated cost of the provision of this role has been included at the existing fee level.

3. Other Issues

- 3.1 The Council will enter into a three year contract for the supply of Professional Property Services.
- 3.2 The Council has a policy of charging purchasers a transaction fee of 3% of the disposal price to cover its' fees and costs. Provided that this policy remains sustainable throughout the course the current property market downturn, a significant part of the fees payable by the Council under the contract will be covered by the transaction fees.
- 3.3 Alternatively, the Council could seek to recruit additional staff and carry out the work "in – house". However, this course of action has not proved sustainable in the past and the Council's current wage structures will not attract sufficiently qualified and experienced staff, even with market supplements. Over the last three years there have been five unsuccessful attempts to recruit permanent staff.

4. Consultees

- 4.1 The following were consulted in the preparation of this report:

Cllr. C Fairbrass
Councillor G J Bramley
Rob Whiteman
Jennifer Dearing
Bill Murphy

Leaders Portfolio
Resources Portfolio
Chief Executive
Corporate Director of Regeneration
Corporate Director of Resources

David Woods	Corporate Director of Customer Services
Roger Luxton	Corporate Director of Childrens Services
Ann Bristow	Corporate Director of Adults Services
Ken Jones	Head of Housing Strategy and Property Services
Sue Lees	Head of Asset Strategy & Capital Delivery
Alex Anderson	Group Manager - Regeneration Finance
Yinka Owa	Legal Partner – Procurement, Contracts and Property
Sue Chappell	Strategic Procurement Manager
Michelle Warden	Senior HR Advisor
John Hooton	Group Manager – Accountancy, Payroll & Pensions
Jeremy Grint	Head of Spatial Regeneration

Background Papers Used in the Preparation of the Report:

- Minute 77 of The Executive 6 November 2007.

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