

Notice of Meeting

THE EXECUTIVE

Tuesday, 16 June 2009 - 5:00 pm
Council Chamber, Town Hall, Barking

Members: Councillor L A Smith (Chair); Councillor R C Little (Deputy Chair); Councillor J L Alexander, Councillor G J Bramley, Councillor S Carroll, Councillor H J Collins, Councillor R Gill, Councillor M A McCarthy, Councillor Mrs V Rush and Councillor P T Waker

Date of publication: 5 June 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 19 May 2009 (Page 1)**
4. **Local Adult Safeguarding End of Year Report (Pages 3 - 11)**
5. **Parks Police Review Progress Report (Pages 13 - 19)**
6. **Facilities and Activities for Children and Young People Scrutiny Panel - Final Report (Pages 21 - 44)**
7. **Budget Monitoring (Pages 45 - 52)**
8. **Annual Treasury Management Statement 2008/09 (Pages 53 - 61)**
9. **Council's Revenue and Capital Outturn 2008/09 (Pages 63 - 96)**
10. **Housing Investment Programme 2009-11 (to follow)**

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

- 13. Regeneration of Thames View and Establishment of Barking Riverside Housing Investment Company (Pages 97 - 129)**

Concerns a financial and contractual matter (paragraph 3)

- 14. Proposed disposal of Land at Birdport Avenue (Pages 131 - 139)**

Concerns a land disposal matter (paragraph 3)

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

THE EXECUTIVE

Tuesday, 19 May 2009
(5:00 - 5:30 pm)

Present: Councillor L A Smith (Chair), Councillor R C Little (Deputy Chair), Councillor G J Bramley, Councillor S Carroll, Councillor H J Collins, Councillor R Gill, Councillor M A McCarthy, Councillor Mrs V Rush and Councillor P T Waker

Also Present: Councillor A Agrawal, Councillor I S Jamu and Councillor J E McDermott

Apologies: Councillor J L Alexander

Councillor Smith welcomed recently appointed Cabinet Members Councillors Gill and Waker to their first Executive meeting.

1. Declaration of Members' Interests

None declared.

2. Minutes - 21 April 2009

Agreed.

3. Local Development Framework Pre-Submission Barking Town Centre Area Action Plan

Received a report from the Corporate Director of Resources concerning the Barking Town Centre Area Action Plan (AAP) and the Urban Design Supplementary Planning Document which forms part of the Council's Local Development Framework and is being submitted for further consultation prior to its formal submission to the Secretary of State for approval.

Agreed, in order to assist the Council to achieve all of its Community Priorities to approve the pre-submission report of the Barking Town Centre Area Action Plan and the Urban Design Supplementary Planning Document for public consultation.

4. Amalgamation of Ripple Infant and Junior Schools to form Ripple Primary School

Received a report from the Corporate Director of Children's Services regarding proposals to amalgamate Ripple Infant and Junior Schools to form an all-through Primary School from the start of the Autumn Term 2009 (2009/2010 academic year).

Agreed, in order to assist the Council to achieve all of its Community Priorities to the amalgamation of the schools into one Primary School with effect from 1 September 2009.

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THE EXECUTIVE

16 JUNE 2009

REPORT OF THE CORPORATE DIRECTOR OF ADULT & COMMUNITY SERVICES

| | |
|---|------------------------|
| Title: Local Safeguarding of Adults End of Year Report | For Information |
| <p>Summary:</p> <p>Barking and Dagenham Safeguarding Adults Board are committed to protecting the human and civil rights of vulnerable adults. The recognition of suspected or actual abuse towards a vulnerable adult is the responsibility of all staff within all agencies.</p> <p>All individuals regardless of disadvantage or disability have the right to the greatest possible control over their lives. Vulnerable adults should be able to live as independently as possible and to make informed decisions about their lifestyles, including taking risks if they choose. The Safeguarding Adults Board believes that vulnerable adults have the right to be involved in making plans for their care and to be offered realistic alternatives if they are being intimidated or are afraid. The SAB agreed a business plan for 2008/09 against which significant progress has been made. Following an independent audit of progress across adult safeguarding the SAB will agree the revised 2009/10 business plan at the SAB meeting in June 09.</p> <p>This report updates Members of the Executive on the progress that the Adult Safeguarding Service and the SAB has made over the past year.</p> <p>Wards Affected: All</p> | |
| <p>Recommendation(s)</p> <p>The Executive is asked to note the updated report and agree to receive a further report from the Board in March 2010.</p> | |
| <p>Reason(s)</p> <p>This report identifies the progress made by the Safeguarding Adults Board (SAB) in addressing the area of adult safeguarding over the last 12 months.</p> | |
| <p>Implications:</p> <p>Financial:</p> <p>In May 2008 the Public Service Board agreed a significant allocation of Area Based Grant (ABG) to deliver plans for the safeguarding of vulnerable adults. In addition to ABG, agencies across the Partnership have allocated resources both towards the central team, which is sited within the Council and also towards mainstreaming the adult safeguarding agenda within their own agencies. The total local authority budget for the service in 2009/10 is approx £365,000.</p> | |

Legal:

No Secrets: guidance on developing and implementing multi agency policies and procedures to protect vulnerable adults from abuse 2000 is the fundamental piece of guidance regarding safeguarding of adults. Early this year it was reviewed and the overwhelming consensus from most regions was that there is a need for government to provide a stronger legal framework, commensurate with child safeguarding. This would serve to ensure that the issue gains greater leverage, profile and that accountability is increased. The guidance dictates that Adult Safeguarding services sit within the remit of Directors of Adult Social Services. In Barking and Dagenham this responsibility rests with the Corporate Director of Adult and Community Services, who is the Chair of the Safeguarding Adults Board (SAB).

The Mental Capacity Act (MCA) 2005 is legislation which pertains to adults who lack capacity to make health, social care or financial decisions. Decisions can include medication, diagnostic tests, allied health professional care, nursing care and social care, including where a person should live, care provided in care homes and domiciliary care. If there is evidence to suggest that a person lacks capacity, the Act must be used and a capacity test carried out. The test must be time and decision specific. If a person fails the test then the action taken must be evidenced to be in their best interest and recorded.

Deprivation of Liberty Safeguards (DOLS) were introduced into the Mental Capacity Act 2005. It is a legal process which authorises the detention of a person who lacks capacity, and who need such care or treatment in their best interest to protect them from harm. It applies to individuals in care homes (registered under the Care Standards Act 2000 whether placed under public or private arrangement) and hospitals. LBB and Barking and Dagenham NHS Trust are the Supervisory Bodies in this process and are responsible for considering requests for authorisations, submitted by Managing Authorities (care homes/hospitals). This duty came into force on 1 April 2009 and the remit has been placed with the Safeguarding Adults Team. A dedicated officer has been recruited to co-ordinate this process. We have also trained practitioners, via the University of East London, to carry out assessments.

Risk Management:

There are some high risks associated with the Adult Safeguarding service. Failure to protect vulnerable adults from abuse and neglect could potentially lead to death or serious injury, resulting in increased challenge and scrutiny from governing bodies as well as a loss of public confidence in the Council and a damaging impact on the reputation of the authority. Quality Assurance systems are being developed to mitigate this task.

Social Inclusion and Diversity:

The Adult Safeguarding Service aims to protect vulnerable adults from harm and as such it is specifically targeted towards older people, those with mental health issues, those with physical disabilities, learning disabilities, sensory disabilities and drug and alcohol issues. A large proportion of reports received by the service are regarding females. Data collation is underway to inform service provision and to ensure that the service is accessible to all vulnerable groups within the borough. As this data is collected, the information will be used to inform a review of the Equality Impact Assessment currently in

place for the service and the Safeguarding Adults Board.

Crime and Disorder:

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals. Often the abuse of vulnerable adults is of a criminal nature and as such the Adult Safeguarding Service works closely with the Police, who are a key partner on the Safeguarding Adults Board.

Options Appraisal:

Not applicable

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1. Introduction

Barking and Dagenham Safeguarding Adults Board are committed to protecting the human and civil rights of vulnerable adults. The recognition of suspected or actual abuse towards a vulnerable adult is the responsibility of all staff within all agencies.

Whilst some learning can be taken from Children's Safeguarding it is important to note that there is a fundamental difference in that the assumption should be that adults have the right and capacity to make their own decisions and choices. All individuals regardless of disadvantage or disability have the right to the greatest possible control over their lives. Vulnerable adults should be able to live as independently as possible and to make informed decisions about their lifestyles, including taking risks if they choose.

Barking and Dagenham has seen significant investment across all agencies in Adult Safeguarding. As a board we have contributed pan-London to this emerging agenda and are participating at a national level as the agenda is developed.

2. Achievements to date

2.1 The Safeguarding Adults Board have made steady progress in embedding safeguarding practices across the partnership. Achievements include:

2.2 Within the Council:

- The restructure of the Adult Safeguarding Team, including the appointment of a Group Manager, three Safeguarding Adult Officers; two Protection,

Conference and Funeral Officers and a Safeguarding Adults Support Officer;

- A review of the remit, role and responsibilities of the Team and re-sitting within the Council's Community Safety and Neighbourhood Services Division;
- A review of all processes and procedures across the partnership;
- Review of SAB policies, through a whole service audit;
- Consolidation of strategic and operational links with Children's Services and the Local Safeguarding Children Board. In particular, increasing communication, the development of common standards and practice with a focus on disabilities and the 14 -25 years age group;
- Links with community safety and the statutory responsibilities of the YOS manager in responding to children and young people but also to older vulnerable people in their households.
- Shared training and the promotion of Safeguarding which has not been mutually exclusive to children or adults; hence working to ensure that this is addressed holistically when we interact with families.
- The delivery of two partnership Serious Case Review learning events;
- The development and delivery of a comprehensive training programme, including delivery to the voluntary sector; service providers and partner organisations;
- The production of the 2007/08 Annual report;
- Safeguarding raised as a priority area for discussion at the Personalisation Provider Forum;
- Delivery of bespoke Adult Safeguarding training for Adult Care Service Managers;
- Delivery of corporate Adult Safeguarding training;
- The development of public awareness materials;
- Commissioning of Adult Safeguarding Investigators training;
- Processes to recruit an Independent SAB Chair;
- Response to the No Secrets Consultation/Review;
- Implementation of our duties, alongside Barking and Dagenham NHS Trust as Supervisory Body for the Deprivation of Liberty safeguards.

2.3 Barking and Dagenham NHS Trust:

- The recruitment of a lead nurse for Adult Safeguarding;
- Development of joint PCT/LBBD Induction training for all new staff which brings together Adult Safeguarding; Child Safeguarding and Domestic Violence Awareness;
- The allocation of £15,000 towards the delivery of the SAB Action Plan for the year 2008/09;
- Allocation of funding for Adult Safeguarding Learning Disability posts;
- Following some Adult Safeguarding concerns with a local provider the development of joint Action Plans for improvement;
- Implementation of duties as Supervisory Body for the Deprivation of Liberty safeguards.

2.4 Barking, Havering and Redbridge University Hospitals Trust:

- Continued participation in the SAB;
- Consultant allocated with special interest in Adult Safeguarding;

- Clinical support provided to adult safeguarding;
- Participation from all levels in learning events;
- Delivery of training to professionals;
- Appointment of a patient safety officer;
- Continued development of a BHRT Safeguarding Adult Board with a particular focus upon those individuals with Learning Disabilities.

2.5 Metropolitan Police:

- Ongoing dedicated post for Elder Abuse and other adults;
- Capacity to flag elder abuse on the CRIS System;
- Public Protection Desk overseeing relevant referrals of cases to the necessary social care crisis response;
- Recognition that Adult Safeguarding is a growing area of work for the Police, with a particular focus upon the Metropolitan Police recently drafted guidelines;
- Ongoing training to officers around elements of vulnerability including mental health, substance misuse, domestic abuse and adult protection;
- Centrally, the Met. are piloting nurses within custody suites – Barking and Dagenham are watching this pilot to assess viability and financial risk associated with the model.

2.6 Fire Service:

- Development of a local referral pathway for concerns;
- Ongoing Adult Safeguarding training for all Fire Officers in Barking and Dagenham;
- Work with the Fire Service to identify Adult Safeguarding issues as officers enter people's homes to do Home Fire Safety checks.

2.7 Voluntary Sector:

Carers of Barking & Dagenham

- Identified Safeguarding Adults Champion;
- Produced an annual review of their safeguarding policy and procedures and have updated their information as a result of legislative changes;
- Produced safeguarding articles for their newsletter.

HUBB

- Mandatory training of staff;
- All staff have an enhanced CRB check. All volunteers and Committee members have a standard CRB check;
- Membership to the training sub-group and the Safeguarding Board;
- The advocates take part in safeguarding reviews;
- Involved in delivery of DOLS training.

Age Concern Barking & Dagenham

- Review and update of Safeguarding Adults Policy and Procedure;
- Training underway through a member of staff who attended the Action on Elder Abuse Train the Trainer course;
- Whole organisation training underway for all staff through the Adult Safeguarding Team;

- Ongoing development of a joint publicity in preparation for World Elder Abuse Awareness Day in June 09.

Crossroads

- Ongoing provision of risk assessment, respite and home share scheme.

3. Serious Case Review

As our Adult Safeguarding practice develops we constantly learn lessons from routine review of cases. From time to time more complex issues emerge. To date there is no statutory framework to undertake Serious Case Reviews in regard to the safeguarding of vulnerable adults but in order to accelerate our learning the Board has chosen to undertake a review on one particularly complex case. Learning from this is outlined below:

- 3.2 Mrs S was an 87 year old widow who lived with her son in Dagenham, who has her carer. She had a complex medical condition of hypothyroidism, hypertension, benzodiazepine dependency and progressive kidney disease. Mrs S had suffered a fall in the spring/summer of 2008 which had left her mobility limited and effectively she was bed bound. She collapsed at home in September 08 and was taken to hospital where she died some days later. Early indications were that she had been neglected and malnourished. It was evident from the review that Mrs. S was very reluctant to engage with social services because of a negative experience she had experienced when her husband was in receipt of care. In addition she was reluctant to let anyone into her home.
- 3.3 The final report for the Miss S Serious Case Review is to be presented to the SAB at the June meeting for sign off. It brought into question the skills and competencies of staff from different agencies. Learning was identified around missed opportunities through failure to share information between agencies and identified issues in escalating safeguarding risks. Finally it also raised questions around what formal guidance should be provided around what staff should do when faced with complex cases – particularly when service users have capacity and choose to self neglect or refuse support.
- 3.4 The key findings of the Serious Case Reviews centred around:
- Improvements in initial assessment and assessment of risk;
 - The need to develop escalation policies;
 - The need for increased awareness around Adult Safeguarding issues across all agencies;
 - The need to develop skills in evaluating capacity.

An action plan has been devised and implemented around the findings of the SCR.

4. Forthcoming issues

4.1 As part of our ongoing review of Safeguarding and to strengthen our Board, the SAB have determined to appoint an Independent Chair.

4.2 Review of No Secrets – the Government review of ‘No-Secrets’ is drawing to its conclusion. It is anticipated that this will transform the way the Partnership responds to the Safeguarding Adults agenda by providing clearer expectations and performance measures to lend greater accountability for safeguarding work. The key issues to which Members should have regard include:

- The likelihood that a legislative framework will be defined for adult safeguarding;
- The development of the Personalisation Agenda across the country, which is being translated at a borough level; the Board is therefore also focussing on what this will mean in terms of safeguarding;
- Imminent changes in the recruitment practices of staff who have access to vulnerable adults once the new national Vetting and Barring Scheme goes live;
- Changes in the Deprivation of Liberty agenda and the impact this will have upon how we safeguard those individuals whose circumstances make them vulnerable.

4.3 It is anticipated that Pan London Adult Safeguarding procedures will be launched during the summer months. We have consulted with the Board on these and it is likely that these will be adopted. Therefore our current local policy and procedure will be reviewed and aligned to the new guidance in the coming months.

4.4 Audit and performance management framework – performance management systems are being developed. 213 referrals were received by the Safeguarding Adults Team in 2008/09. It is anticipated that some of the increase can be attributed to increased levels of training and awareness across the Partnership. Physical, financial and neglect are cited as the three most prevalent types of abuse.

The performance management and quality assurance framework will enable the Board to:

- Monitor trends,
- Analyse the origin of abuse,
- Track cases across service providers,
- Evidence effectiveness of intervention,
- Identify case outcomes,
- Monitor non-compliance to procedures,
- Evidence risk management and reduction,
- Provide evidence of service user satisfaction,
- Review of clients post abuse,
- Identify the effectiveness of the Criminal Justice Response,
- Identify any lack of co-ordination between partner services.

4.5 The Safeguarding Adults Board also self identified the following specific areas for development in last year's Annual Report:

- To develop the role of the champions further, arranging networking events and ensuring that more providers are nominating champions.
- To further develop the SAB sub-groups
- To launch a Safeguarding Adults Board web page
- To Launch e-alerting processes
- To continue to raise the profile of safeguarding vulnerable adults strategically within the local area Community Strategy.
- For SAB partners to agree future contributions both financial and 'in-kind' to the further work of the Board and Sub-Groups.
- To implement flagging and tracking data capabilities across agencies – currently partners such as the Police and the NHS have no discrete recording systems that enable us to elicit any comparable data about adult protection concerns they have been involved with. Any statistical information gathered is only from the local authority perspective and does not offer a comprehensive view of safeguarding issues across the community.
- Increased commitment is needed by all partner agencies to the development of Safeguarding Adults work.

5. Priorities for the Current Business Plan

5.1 A Business Planning Day was held in October 2008. This together with the review of the Annual Report recommendations from 2007/08 has led to the development of next year's seven priority themes for improvement:

- Priority 1 – Review Safeguarding Adults Leadership, Reporting Structures and promote Partnership
- Priority 2 – Develop a Safeguarding Adults Communication Strategy for partnership and Public Information needs
- Priority 3 – Develop a Safeguarding Adults Quality and Performance Framework & Improve Safeguarding Adults Data Capture and Analysis
- Priority 4 – Revise the Safeguarding Adults Multi-agency Policy & Procedure
- Priority 5 – Promote Safeguarding Adults Multi-agency Good Practice and Support
- Priority 6 – Develop a Safeguarding Adults Training Strategy
- Priority 7 – Improve Safeguarding Adults aspects of Commissioning and Contracting

6. Consultees

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

- Cllr. H Collins, Cabinet Member for Adults & Public Health
- Anne Bristow, Corporate Director for Adults and Community Services

- Melanie Field, Legal Partner Safeguarding and Partnerships
- Steve Whitelock, Group Manager Finance, Adult and Community Services
- Bruce Morris, Head of Adult Care Services
- Karen Ahmed, Head of Adult Commissioning
- Jacquie Mowbray, Joint Director for Mental Health
- Tolis Vouyioukas, Divisional Director for Safeguarding and Rights
- Members of the Safeguarding Adults Board

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

No Secrets

Deprivation of Liberty Safeguards

Safeguarding Adults Board Annual Report 2008/09

Safeguarding Adults Board Business Plan 2009-2011

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THE EXECUTIVE

16 JUNE 2009

REPORT OF THE CORPORATE DIRECTOR OF ADULT & COMMUNITY SERVICES

| | |
|---|------------------------|
| Title: Parks Police Review Progress Report | For Information |
| <p>Summary:</p> <p>In 2007 a review of the Parks Police Service was undertaken to reconsider the presentation, deployment and management of the service. The recommendations of the review were presented to the Executive on 18 December 2007 for Member decision on the most appropriate option to implement in order to take the service forward. This report sets out the service's (now named the Safer Parks Team) progress in implementing the review recommendations just over a year on.</p> <p>Wards Affected: All</p> | |
| <p>Recommendation(s)</p> <p>The Executive is asked to note the current progress of the Safer Parks Service in the implementation of the agreed recommendations from the review.</p> | |
| <p>Reason(s)</p> <p>The Executive requested that the new service be reviewed after the first year of operation and a further report be delivered to the Executive, to include the effectiveness of the new service and the on-going financial implications.</p> | |
| <p>Implications:</p> <p>Financial: Previously the service cost the Authority approximately £700,000, £320,000 of which came from a Parks Service SLA. The remainder had substantively been achieved through historical income targets set alongside the service budget.</p> <p>In December 2007 the Executive agreed that the budget for the service would be reconsidered during the 2008/09 budget setting process to enable the suggested recommendations to be put in place, and a budget of £570,000 was agreed for the revised service.</p> | |
| <p>Legal: Safer Parks Officers are sworn in by a Magistrate in order to enforce byelaws pertaining to parks and open spaces. This gives them a power of arrest for offences against byelaws when operating in one of the Council's parks to which those byelaws apply. Prosecution for offences against byelaws is now successfully up and running in conjunction with the Legal Practice. The Practice have a prosecutions lawyer and an anti-social behaviour lawyer who advise and prosecute under the relevant legislation.</p> | |

Risk Management:

The service review considered the risks facing the service if the recommendations were not effectively implemented and were categorised as:

- Reputational risks: ability to maintain and improve the service's reputation with the community and partners.
- Operational risks: of the service operating within impaired policies and procedures
- Strategic risks: to the service's contribution to the delivery of the community plan themes, particularly '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'

Social Inclusion and Diversity:

Parks and open spaces play a key role in increasing community cohesion in the borough. However the public have reported consistently in the past that they do not feel safe in them. With Safer Parks Officers now dedicated to the borough's strategic parks the community are growing familiar with the officers, and the introduction of mountain bikes has been well received by park users. The service is also leading on a range of engagement projects through many different forums and groups.

An important finding from the review was that the service did not have sufficient processes in place to accurately record and monitor incidents, or details of other activities undertaken by the service. This has been greatly improved with recording systems being implemented in-line with those used by the Safer Neighbourhood Teams and will now allow the service to undertake a full Equality Impact Assessment to determine if any groups are not using and benefiting from the parks.

Crime and Disorder:

The public consistently report that they do not feel safe in the borough's parks and open spaces. Therefore decisions reached about the provision of security services in parks and the visible uniformed presence within open spaces are crucial to achieving a safer borough, and to the Council's delivery of its obligations under Section 17 of the Crime & Disorder Act 1998 (as amended).

There is a greater clarity over the role of the Safer Parks Service following the review and the implementation of the Executive's recommendations. This reassurance service is now embedded with positive feedback from park users. The number of crime and disorder incidents have been relatively small, with the Safer Parks team beginning to look at specific problem solving and engagement projects with the community. Compared with the same period last year it appears that graffiti, general criminal damage and illegal use of motorcycles within the parks are down considerably.

The review considered the implications of how the roles of the Parks Police Service and the Metropolitan Police differ, and the recommendations took steps to ensure the two are distinguished between. For example the renaming, change in uniform and removal of batons from the service.

Options Appraisal:

The option agreed by the Executive on the 18 December 2007 (Minute 103) for the future provision of the service was:

Option 2 - Reassurance and long-term problem solving Service

- The implementation of a Council-delivered 'Reassurance' service which will provide a patrolling presence in the Borough's parks, in the form of a Safer Parks Team
- To authorise the Corporate Director of Adult and Community Services to determine the details of the new service in line with the proposals
- The introduction of Fixed Penalty Notices for the infringement of the Council's Parks and Open Spaces byelaws, and to delegate authority to the Corporate Director of Adult and Community Services (or his/her nominated deputies) to issue Fixed Penalty Notices
- Budget provision for this service to be considered as part of the budget process for 2008/09 to facilitate the service changes

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|--|--|--|--|--|--|---|--|--|
| Contact Officer: Glynis Rogers | | | Title: Head of Community Safety & Neighbourhood Services | | | Contact Details: Tel: 020 8227 (2827) (GR) 020 8227 (5747) (VJ) Fax: 020 8227 (2846) E-mail: glynis.rogers@lbbd.gov.uk valerie.jones@lbbd.gov.uk | | |
| Valerie Jones | | | Strategic Group Manager (Community Safety) | | | | | |

1. Introduction and Background

- 1.1 The review of the Parks Police service was commissioned after concerns were raised about the practice of the service carrying batons. It became apparent through meetings to resolve the legal concerns that the role and function of the Parks Police needed to be clarified. In addition, the emergence of Safer Neighbourhood Teams alongside the partnership work with the Community Safety service area has led policing practice to change in the Borough and across London. How this fitted in with the role of the Parks Police needed to be addressed. In December 2007 Members were therefore asked to consider the Parks Police service for the first time since 2003.
- 1.2 The 2007 review addressed the legal status and powers of the Park Police as well as the budget and costs. Four options were considered for future service configuration and delivery. It was considered whether the service should be: a fast time response service; a reassurance and long term problem solving service; or the status quo should be maintained with minor changes.
- 1.3 Members agreed that the new look service would take a Reassurance and Long-term problem solving approach as a Safer Parks Team and that the Budget Provision for the service would be considered as part of the 2008/09 Budget setting process. The Corporate Director for Adult and Community Services was authorised to determine the details of the service in terms of:
- the configuration of the service
 - the provision of vehicles, uniform and protective equipment
- 1.4 Set out below is an update on the progress of the implementation of these Recommendations

4. Budget

- 2.1 Previously the service cost the Authority approximately £700,000, £320,000 of which came from a Parks Service SLA. The remainder had historically been achieved through largely unrealistic income targets set alongside the budget.
- 2.2 Following the service review Members agreed a budget for the Safer Parks Service of £570,000, with Parks continuing to contribute £320,000 of this. The income targets were also removed meaning a much more stable budget for the service. As many of the savings were made in year the service is still carrying some of the costs of the original service. We expect this to be rectified in 2009/10 and that service will come in on budget.

4. Configuration of the Service

- 3.1 The name of the service has now changed to the Safer Parks Team and the subsequent re-branding is almost complete. The service has been re-structured in-line with the revised budget. There are now nine officers, including two dog handlers, and one Sergeant reporting to the Group Manager for Community Safety.
- 3.2 To follow the new service approach of offering reassurance to the public, the Safer Parks Officers have all been designated strategic parks which they are dedicated to. These are Barking Park, Mayesbrook Park, Valence Park, Old Dagenham Park, Eastbrookend Country Park, Central Park, Parsloes Park, St. Chad's Park and Goresbrook Park. Officers are all now allocated to these parks meaning that the community are becoming increasingly familiar with them, contributing to community confidence with parks.

4. Reassurance and Problem-Solving

- 4.1 The officers have taken to the new arrangements with enthusiasm and dedication. Many favourable comments have been received from the community regarding the condition and the safety of parks. Compared with the same period last year, graffiti, general criminal damage and illegal use of motorcycles within the parks appears to have reduced considerably.
- 4.2 Where incidents have occurred, regular patrols have taken place to prevent a reoccurrence of the problem, increasing visibility and making people feel safer. When a problem has been identified, witnesses are spoken to and the area examined. The relevant partners have then been involved, meetings held between stakeholders and tactics agreed. The process of problem solving has resulted in several successful resolutions, of which some are shown below.

Barking Park – Reported incidents have reduced since the involvement of dedicated Safer Parks Officers. Projects are underway to remedy certain issues. For example, the problem of prostitution in the Ilford Lane area of Barking Park was resolved through consultation with partners where it was decided to cut down bushes and fit a camera to a nearby lamppost. The

problem is now under control since recommended remedial works were undertaken and the increased volume of patrols within the park.

Central Park – Drug paraphernalia had been found in some areas of the park, and the Safer Parks Officers have been working closely with the Drug and Alcohol Action Team to address the issue.

Goresbrook Park – Hedges alongside Dagenham Avenue have been trimmed to increase visibility and enhancing the feeling of safety to park users.

Mayesbrook Park – Weekend car parking obstructions have been dealt with and the problem of illegal motorcycling has been virtually removed. Previous graffiti problems have ceased.

Parsloes Park – Regular foot patrols have highlighted fly tipping and a couple of other minor incidents which have all been dealt with. The problem of weekend football parking is being assessed with a number of solutions presented for approval.

5. Vehicles, Uniform and Protective Equipment

Vehicle Provision

5.1 The Service's vehicle fleet has been reduced by removing the marked Land Rover. The vehicles, listed below, have all now been re-marked with the 'Safer Parks' and 'Safer Parks Constabulary' wording:

- 2 Ford Focus estates (dog vehicles)
- 2 Suzuki Scrambler Motorcycles
- 4 Mountain bicycles

5.2 The introduction of the mountain bikes has been well received with the public and especially the younger park users, helping the team to establish a strong credibility with them. Bike safety training has been arranged for officers by the Road Safety Team and in April two of the Safer Parks Officers will undertake a further course to qualify to Instructor level. In the future, this will enable officers to provide free training for community groups in parks in the borough.

Uniform and Equipment

5.3 One of the findings of the service review was that there was not enough clarity around the community's expectations of Parks Police Officers and its relationship with the Metropolitan Police Service. One of the issues causing confusion was the uniform and its similarities to that of MPS officers. As a result the Safer Parks Officers' current uniforms have been re-branded.

5.4 Arrangements are in hand to enable the Safer Parks Team to communicate directly with the MPS via a shared radio channel on Airwave radios

6. Partnership Working and Community Engagement

- 6.1 Partnership working has improved greatly in the past year, particularly between the Safer Parks Officers and the Safer Neighbourhood Teams. Safer Parks Officers also regularly attend the relevant Ward Panel Meetings, Neighbourhood Partnership Meetings, Friends of Parks groups, the Anti-Social Behaviour Standing Case Conference and the Youth Forum to contribute to joint problem-solving processes.
- 6.2 Community engagement is now a key element of the role of the Safer Parks Officers and a number of projects have been developed, including:
- Cycle training undertaken by Safer Parks Team to park user groups, schools and individuals within our parks
 - “Bicycle Polo” and possible “Bicycle Football” league involving the Safer Parks/Safer Neighbourhood teams, youth and minority groups
 - Off road cycle training campaign (training for use of our open spaces) arranged for May 2009 involving eight schools over a ten day period.
 - Easter egg hunt in St Chads Park involving Friends of the Park
 - Easter Egg Hunt in Old Dagenham Park involving reception year of William Ford School
 - BMX training and racing in Old Dagenham Park
 - Support to the Parks Service in the introduction of a Park watch scheme in the Spring
 - Young Person Mentoring Scheme commenced in January with Safer Parks Officers taking an active role

7. Enforcement

- 7.1 In the past five months the Safer Parks Service have dealt with approximately:
- 24 incidents of youth nuisance
 - 22 incidents of illegal vehicle use (e.g. riding of motorcycles)
 - 7 incidents of graffiti/vandalism
 - 6 incidents of fly-tipping
 - 6 reports of drug paraphernalia
 - And a number of incidents of burnt-out cars, drinking within parks and aggressive dogs/dog fouling
- 7.2 As well as this the Safer Parks Service have worked with the Anti-Social Behaviour team to issue 19 written warnings, over 30 verbal warnings, approximately 14 referrals to the Metropolitan Police and 5 referrals to the Drug and Alcohol Action Team.

8. Consultees

- 8.1 The following were consulted in the preparation of this report:
- Cllr. Val Rush, Cabinet Member for Environment and Sustainability
 - Anne Bristow, Corporate Director of Adult and Community Services

- Nina Clark, Divisional Director for Legal and Democratic Services
- Steve Whitelock, Group Manager Finance, Adult and Community Services
- Darren Henaghan, Head of Environment and Enforcement
- Paul Hogan, Head of Leisure, Arts and Olympics

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

- Parks Police Review – report to the Executive 18 December 2007

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THE EXECUTIVE

16 JUNE 2009

REPORT OF THE FACILITIES AND ACTIVITIES FOR CHILDREN AND YOUNG PEOPLE SCRUTINY PANEL

| Title: Facilities and Activities for Children and Young People Scrutiny Panel – Final Report | For information / comment |
|---|----------------------------------|
| <p>Summary: The Facilities and Activities for Children and Young People scrutiny report was commissioned and completed prior to the review of the Council's Constitution and new procedures relating to scrutiny panel reports being agreed by the Assembly.</p> <p>This report is, therefore, being considered under the old procedures, where final reports of scrutiny panels had to be presented to the Scrutiny Management Board (SMB), the Executive and the Assembly. This report was agreed by SMB on 22 April 2009 and is now being presented to the Executive for information and comment.</p> <p>The Facilities and Activities for Children and Young People Scrutiny Panel met on 6 April 2009 to agree their final report and recommendations.</p> <p>Once the report has been agreed by the Assembly, the Council will ask the relevant officers and partners to respond to the recommendations and provide an implementation plan. A report setting out the progress of the implementation plan will be presented to the Children's Services Select Committee after six months.</p> <p>A copy of the report is attached as Appendix A.</p> <p>Wards Affected: All</p> | |
| <p>Recommendation: The Executive is asked to consider the report and provide any advice or suggestions prior to finalisation and formal presentation to the Assembly.</p> | |
| <p>Reason: The proposed recommendations will, if adopted, assist in achieving the Community Priorities of 'Inspiring and developing successful young people creating a borough of opportunity for all'.</p> | |
| <p>Implications:</p> <p>Financial: There are no direct financial implications arising from the proposals contained in this report, however, any associated costs from implementation of the recommendations will be met from existing budgets and/or from external funding.</p> | |
| <p>Legal: Recommendation 8 states 'The Panel recommends that NHS Barking and Dagenham work with partners to investigate the possibility of updating the free swimming passes available to young people to include swipe card technology that automatically records user details, including age, ward and ethnicity of those accessing the service, for statistical</p> | |

| | | |
|--|---|--|
| <p>monitoring purposes. This information should then be used to target information and publicity at groups of young people that are not accessing the free swimming offer'. This recommendation would entail the processing of personal data as defined under Data Protection Act 1998. Officers of NHS Barking and Dagenham (and the council to the extent that the council would have a role to play) should consult with their respective legal advisors to ensure any data processing is in accordance with the legislation and any relevant Codes of Practice from the Information Commissioner. There are no other comments.</p> | | |
| <p>Risk Management: None</p> | | |
| <p>Social Inclusion and Diversity: The Panel has been mindful of the equalities and diversity implications associated with this review. Recommendations 16 and 17 are specifically aimed at removing barriers to facilities and activities for children and young people with learning difficulties and disabilities.</p> | | |
| <p>Crime and Disorder: None</p> | | |
| <p>Options Appraisal: None</p> | | |
| <p>Contact Officer: Clair Bantin</p> <p>Lead Member: Councillor John White</p> | <p>Title: Scrutiny Manager, London Borough of Barking and Dagenham</p> | <p>Contact Details: Tel: 020 8227 2995 E-mail: clair.bantin@lbbd.gov.uk</p> |

Consultees:

- Councillor John White, Lead Member of the Facilities and Activities for Children and Young People Scrutiny Review Panel
- Andy Knight, Group Manager for Leisure Centres
- Bola Ojo, Integrated Youth Support Services
- Frances Basham, Play Projects Development Officer
- Erik Stein, Group Manager - Extended Schools
- Christine Pryor, Head Of Integrated Family Services
- Meena Kishinani, Head Children's Policy and Trust Commissioning
- Dr Justin Varney, Joint Assistant Director of Health Improvement (Children & Young People), NHS Barking and Dagenham
- Heather Wills, Head of Community Cohesion & Equalities
- Susan Leighton, Principal Librarian
- Tolis Vouyioukas, Divisional Director of Safeguarding and Rights
- Joanne Caswell, Adviser, Personal Development
- Winston Brown, Legal Partner
- Joe Chesterton, Divisional Director of Corporate Finance

- **APPENDIX A**

1. LEAD MEMBER'S FOREWORD

- 1.1 The Education and Inspections Act 2006 introduced a duty on local authorities to ensure that young people have access to sufficient positive leisure-time activities in their local area. Furthermore, these activities must be sufficiently well publicized and delivered in consultation with young people themselves. The Government's Aiming High Implementation Plan, published in October 2008, set out the need for all young people to have access to the support and opportunities they need to succeed in education, to take part in activities that develop their social and emotional skills and to enjoy their leisure time.
- 1.2 The Council, working in collaboration with partners, is committed to ensuring that these duties are met. A varied and growing menu of activities is on offer to our young people through a variety of services providers. The borough is also ahead of schedule in providing extended services through schools and a new integrated Youth Services model is under development, to name some of the examples of positive work being undertaken in the borough.
- 1.3 Results from the most recent TellUs data¹ indicate that children and young people in Barking and Dagenham take part in a wide range of activities, with participation levels similar to national averages. Results showed just under half of children and young people rate activities and things to do in the local area as very or fairly good, again comparable nationally. Three quarters of our young people report visiting local parks and playgrounds, 56% visit the cinema or sports clubs and around a third either attend youth clubs, libraries, museums, youth centres or cafés to meet friends.
- 1.4 However, there is still work to be done. The proportion of our young people exercising for at least thirty minutes daily is slightly lower than the national figures, and – as in 2007 – the proportion of our young people who report feeling unsafe on public transport is much higher than the national average. The consultation commissioned by the Panel during the course of the review also revealed that young people's fears about personal safety present barriers to them travelling to youth activities². In addition, the number of young people who feel that improvements are still required to make the area a better place to live is also still higher than average.
- 1.5 I feel confident that we will rise to meet these challenges, with the help of young people themselves. A particularly positive aspect of this review for me was the level of enthusiasm and insight displayed by the young people I spoke with during the course of this review. As a Panel we met with a number of young people – both within the formal Panel setting and through site visits to Schools Councils – and heard some very helpful comments and ideas, which have been incorporated into the final report and recommendations.

¹ TellUs 3, 2009

² New Youth Clubs and Youth Buildings Survey, 2009

- 1.6 Finally, it remains to say that, while this review has attempted to identify some of the areas where further improvements could be made, it is not a conclusive report. As the review topic encompasses so many wide-ranging issues, it was not possible to give thorough consideration to all aspects. Instead, we decided to focus on the key areas that we felt would benefit most from scrutiny input, and to highlight other issues for possible future review as necessary.
- 1.7 I am grateful to all those who contributed and I trust that the recommendations put forward will assist those responsible for delivering facilities and activities within the borough, leading to even better provision for children and young people.

Councillor John White, Lead Member of the Facilities and Activities for Children and Young People Scrutiny Review Panel

2. INTRODUCTION

- 2.1 On 7 November 2007 the Scrutiny Management Board commissioned an in-depth review of activities available to children and young people in the borough and the facilities available to support these activities, and established a time-limited scrutiny panel to undertake this work. Unfortunately, the Panel's investigations were delayed due to Members' personal circumstances and work ceased.

The Panel was reformed with a new membership on 17 September 2008 and work formally recommenced on 24 September 2008. Terms of reference for the Panel can be viewed in Appendix One.

- 2.2 The review was prompted by a number of considerations, as follows:

- The topic was identified as an area of Member interest.
- The provision of 'facilities and services for young people' was identified as one of the top five community priorities in a 2008 survey of over two thousand residents, staff and partners.
- The review was intended to coincide with the development of the Council's Youth Services department, which is undergoing significant change as part of a development programme as it moves towards a more integrated model.

- 2.3 The Facilities and Activities for Children and Young People Scrutiny Review Panel consisted of six Councillors and four lay members:

- Councillor John White (Lead Member)
- Councillor Donald Hemmett
- Councillor Dee Hunt
- Councillor Barry Poulton
- Councillor Warren Northover
- Councillor Philip Waker
- Ms Sharon Benson
- Mr David Cross
- Ms Maggie Mitchell
- Ms Tina Woodhouse

The Lead Services Officer for the review was Christine Pryor, Head of Integrated Family Services. The Lead Scrutiny Officer was Clair Bantin, Team Manager, Scrutiny and Civic.

- 2.4 The original Panel held two formal meetings on 15 January 2008 and 11 February 2008. The Panel then recommenced its work, holding a further seven evidence-gathering meetings from 24 September 2008 until 30 March 2009, hearing evidence from a wide range of people involved in using or delivering activities for young people. Findings from the two meetings of the original Panel were also reviewed and incorporated into the overall body of evidence.

Members also undertook a number of site visits to observe projects and clubs providing activities for young people, as well as hearing directly from young people themselves through visits to school councils. In addition, Members invited comments from members of the BAD Youth Forum and also commissioned detailed consultation through the LBBD Young People's Panel. Full details of witnesses and site visits are given in Appendix Two.

A final Panel meeting was held on 6 April 2009 to agree the report and recommendations.

3. FINDINGS AND RECOMMENDATIONS

- 3.1 In compiling the findings, the evidence gathered by the Panel has been grouped into key themes, and recommendations are presented with the relevant themes to provide context. For ease of reference the recommendations can also be viewed as a list in Appendix 3.

3.2 Integrated Youth Services

The Council's Youth Services department is undergoing significant change and development as it moves towards a more integrated model of service delivery. These changes are based on extensive public consultation with young people specifically and across all sections of the community.

The vision is to engage more young people by providing a range of activities in each locality, thereby creating easily accessible provision that meets young people's needs. Targeted, bespoke provision will be available for those that need it and emphasis will be placed on early intervention. All young people with learning difficulties and disabilities will have full access to universal provision for children and young people. Crucially, young people will help shape and deliver services and have a clear voice in all aspects of the Youth Service.

So far, a number of steps have already been taken to put this vision into practice. A one-off grant of £450 000 has been allocated to youth provision and a Youth Commissioning Team has been established to consider current services and future requirements. There has been an increased focus on joint working with Neighbourhood Management, Lifelong Learning and Leisure services, as well as collaboration with the new Foyer and partners to secure an information, advice and guidance centre in its reception. The number of detached youth worker roles has also been increased and recruitment is underway to fill these positions.

The key priorities for the coming year will be to get the new Integrated Youth Services Board up and running, to retender the ConneXions contract, and to work with partners to significantly increase the number of activities available for young people, especially those relating to physical fitness.

Recommendation 1: The Panel strongly supports the work being undertaken to develop LBBD Youth Services and requests that a report be brought back to the Children's Services Select Committee (or relevant Scrutiny body) in six months to update Members on progress in this area.

3.3 Youth clubs

Members heard details of the highly successful Longbridge youth club being run by PC Graham Mann in partnership with Barking Abbey School. The model for this youth club places young people firmly at the centre of service delivery, with service users taking ownership and responsibility for the way the club is run and the activities on offer. This high level of buy-in has been achieved through extensive consultation before the club was established and also because young people set the programme for the club and sit on the steering committee.

The club is not restricted to students at Barking Abbey but is instead open to all those living in the local area. Approximately one hundred young people attend the club every week, spread over two nights.

At least nine youth clubs are to be set up over the next two years, based on the Longbridge youth club model. PC Mann is working towards establishing a youth club in every ward in the borough. However, Members note challenges in delivering this goal, namely sourcing stable and sustainable funding and finding suitable venues (these issues are similar to those for the voluntary and community sector as a whole, and are discussed in further detail in Section 3.12).

3.4 Extended Schools

3.4.1 Current position and targets

Extended Services in and through schools, often called 'Extended Schools', are intended to provide access to a range of services and activities for children and young people. There is clear evidence that supporting children (and their families) at a young age has a large impact on outcomes and life chances in later life.³ Therefore, a key priority and challenge for schools is to reach the most disadvantaged families, and to ensure the early identification of children who have additional needs or are at risk of poor outcomes, within a framework of providing mainstream services for all.

³ *How well are they doing?* (Ofsted, 2008) found that the extended services are having a positive impact on children's achievement and personal development. Academic results in the first wave of full-service extended schools improved at twice the national average rate between 2005/06. The percentage of pupils achieving five plus A*-C grades at GCSE increased by just over 5 percentage points, compared to the national average of 2.5 percentage points.

Government targets indicate that every school should be offering extended services by 2010. The Mori report *Testing the Core Offer* found that nationally there is strong support for providing a range of services, with most schools expecting their services to grow over the next few years. Barking and Dagenham has already exceeded the previous target, which stated that 30% of secondary schools and 50% of primary schools should be delivering extended services by September 2008.

The extended services offer is as follows:

- A varied menu of activities, combined with childcare in primary schools
- Swift and easy access (referral) to specialist services.
- Community access to school facilities
- Parenting support

Schools are not required to provide services directly, but instead work with the local authority and other partners to commission providers and to link existing provision through school clusters and children's centres. However, a few schools still restrict the extended services they provide to their own pupils and require further encouragement to work collaboratively with neighbouring schools to create a comprehensive offer for across the local area.

3.4.2 Funding and value for money

Schools currently receive funding to support the development of extended services. This budget is managed at the school's discretion in order to provide a varied menu of activities, as guided by the needs of the school community. This funding will cease in 2010.

In addition, secondary schools receive an additional investment from the Jack Petchey Foundation, which has led to the development of comprehensive out-of-school-hours learning programmes, and two secondary schools received further funding from the Big Lottery's Extended Schools Programme. The School Sports Partnership and the National Healthy Schools Programme also contribute towards provision.

3.4.3 Take-up of activities

The number of secondary school pupils participating in out-of-school-hours learning funded by the Jack Petchey Foundation has more than doubled over the period 2005/06 - 2007/08 from 3197 to 6530, with a further increase predicted for 2008-09. Uptake of out of school hours learning is not currently measured in primary schools.

The annual PESSCL survey (Physical Education and School Sports Club Links) shows that the uptake of out-of-hours sport and high quality PE has increased from 2006-2007 to 2007-2008 across Key Stages 1 to 4. The number of pupils who have participated in one or more community sports, dance, or multi-skill clubs with links to the school has fallen slightly over the last year across Key Stages 1-3, with Key Stage 4 experiencing no change. The increase in the total number of pupils participating in high quality PE and out-of-hours sport may be linked to this slight decrease.

There is still work to be done to ensure that the most disadvantaged students are fully accessing the all activities on offer. The percentage of Special Education

Needs (SEN) students taking part is lower than the percentage of SEN students across the student population as a whole, at 13.7% compared to 21.3%. Students receiving free school meals, who make 23.7% of students across the borough, represent only 8.5% of the total number of attendees. Most notably, only 6.3% of students with English as an Additional Language who are taking part, as compared with 32.4% of the school population as a whole.

Recommendation 2: The Panel recommends that alternative funding sources be identified for supporting the delivery of extended services within schools from 2010. The Panel notes that, while applying minimal charges for some services may be unavoidable, it is important that the broad range of provision remains free or heavily subsidised, given the need for take-up from low income families.

Recommendation 3: The Panel notes the importance of ensuring that comprehensive monitoring of service user figures be carried out across the range of extended services within schools, not only to increase the quality of our data and enable non-users to be targeted, but also in preparation for possible funding bids for 2010. To this end, the Panel recommends:

- i) That the monitoring of take-up of out-of-school-hours provision be extended to all primary schools.
- ii) That details of the monitoring arrangements used by Jo Richardson Community School be made available to all schools within the borough as a model of good practice.

Recommendation 4: The Panel commends the examples of excellent joint working already taking place in many schools. However, the Panel recommends that, where appropriate, LBBD Children's Services work with schools to increase joint delivery of extended services between neighbouring schools and to ensure that out-of-school-hours services offered by any given school are open to all rather than being limited solely to pupils of that school.

3.5 Summer's Sorted and Summer Uni

The borough's second annual Summer's Sorted campaign (2008) saw the provision of over a hundred activities spread over more than seventy locations in the borough, delivered by a range of voluntary, statutory and private partners.

The aim of the 2008 campaign was to increase participation by young people aged between twelve and nineteen by involving them in a wider spread of activities borough-wide, with additional focus on more challenging activities for older teenagers. The Leisure and Arts Team also worked in collaboration with Neighbourhood Management and the Metropolitan Police to target and engage with young people on estates.

The 2008 campaign was able to deliver a number of additional summer activities, following a successful bid for funding to run a Summer Uni programme. The Summer Uni programme - now run by all thirty-two London boroughs - is open to young people between the ages of thirteen to nineteen who wish to take part in a number of educational and vocational courses. In total forty-six courses were available, ranging from arts and sports to career and study support, spread across nineteen venues in the borough.

Participation in Summer's Sorted is measured through the return of monitoring forms from providers. The forms returned so far suggest a high level of participation in 2008, but many forms have not yet been returned so final figures are not available. However, it appears that the number of participants from the age group five to eleven has risen dramatically since 2007, but that the number of participants aged twelve to nineteen has remained relatively low. It also appears that 2008 saw a slightly higher take-up of activities amongst ethnic minority groups. Due to online enrolment in the Summer Uni programme, participation could be accurately measured, with 590 young people getting involved.

Members raised concerns relating to the dissemination of the Summer's Sorted brochure and the level of publicity associated with the 2008 campaign. These issues are considered in more detail in Section 3.15.

3.6 Free swimming

3.6.1 What's on offer?

The local Primary Care Trust, NHS Barking and Dagenham, is working in partnership with the Council and Amateur Swimming Association to provide a programme of free swimming to help address issues of childhood obesity and low rates of physical activities amongst young people in Barking and Dagenham. Swimming is known to have a significant impact on obesity and it was noted during consultation that most people who didn't engage in any physical activity said that swimming was their preferred sport.

The two-year pilot was introduced as part of the Change for Children agenda and is split into four main projects, as follows:

- (i) Adults and Toddlers - free swimming aimed at assisting parental bonding and providing an early introduction to exercise.
- (ii) School-based swimming, in which school swimming is subsidised, but schools must increase other activities on offer. A 25% uptake is predicted over the next two years.
- (iii) Out of School swimming, which is now free for young people.
- (iv) Swimming Apprenticeships - young people can gain NVQ level qualifications and receive training in leisure services.

Out of School swimming was launched in July 2008 and was more popular than predicted, resulting in some initial bad publicity due to queues and waiting times. However, overall the high level of uptake is extremely positive and the scheme has attracted national interest due to its success in engaging young people.

It is hoped that it will be possible to take a similar approach with other sport activities in future, and initial consideration has been given to basketball and rugby programmes. Members are concerned that at present there is no co-ordination of sports provision for young people in the borough.

Members suggest that, although better planning would have mitigated the challenges associated with the initial launch of free swimming in the borough, the long queues also reflect the imbalance between swimming facilities and demand. Members commend the decision to open a new replacement pool in Becontree Leisure Centre by 2011 and recognise resource constraints, but are keen to see consideration given to providing additional swimming facilities in the medium to long term, possibly through the provision of an outdoor pool or lido.

3.6.2 Challenges

Members note concerns relating to child poverty and safeguarding – for example, unsupervised young children being sent to spend a day at the pool by the parents, and arriving with no money for lockers or lunch.

Concerns were also expressed that the timings of free swimming sessions were not adequately coordinated with other youth activities on offer from the community and voluntary sector, such as football clubs, meaning that young people often had to choose between activities rather than accessing both.

Members were also concerned that the healthy aspects of swimming were being undermined by young people accessing fast food outlets after the session, or en route to different activities.

Recommendation 5: The Panel recommends that the dates and timings of future free swimming sessions should be planned in consultation with providers of other activities for young people, to avoid clashing activities where possible. The Panel asks LBB Leisure Services to lead on facilitating these discussions with partners.

Recommendation 6: The Panel recommends that NHS Barking and Dagenham work with partners to plan exit routes from free swimming sessions that channel young people towards other youth activities available to them at that time and in that area. Where possible, these exit routes should also steer young people away from fast food outlets and towards healthier food options.

Recommendation 7: The Panel recommends that LBB Youth Services give consideration to providing detached youth worker support during busy free swimming sessions.

Recommendation 8: The Panel recommends that NHS Barking and Dagenham work with partners to investigate the possibility of updating the free swimming passes available to young people to include swipe card technology that automatically records user details, including age, ward and ethnicity of those accessing the service, for statistical monitoring purposes. This information should then be used to target information and publicity at groups of young people that are not accessing the free swimming offer.

Recommendation 9: The Panel recommends that LBB Leisure Services liaise with the various sports and leisure centres in the borough to co-ordinate a joined-up approach to sports provision for young people across the borough.

3.7 Play

There is significant national support for developing Play, in large part due to a recent UNICEF report noting that children's need in the United Kingdom as regards Play are not being met. New government funding means that local authorities have a unique chance to transform the quality of their play spaces and play activities over the next few years.

Significant work is being undertaken regarding Play in the borough, and a number of new project and activities aimed at children and young people aged between zero and sixteen year olds have been put in place.

It has recently been confirmed that the strategic lead officer for Play will sit within Children's Services. However, Members are concerned that Play is still not 'owned' and may get lost in the gaps, as there is no dedicated officer for this area. For example, Members feel it is unlikely that there is currently capacity within Children's Services for someone at the correct level to attend Planning meetings to act as an advocate for Play requirements and needs during Section 106 negotiations. Members are also concerned to hear that the Play Partnership does not have a formal reporting line and the Play Strategy has not yet been adopted.

Recommendation 10: The Panel recommends that consideration be given to identifying resources to appoint a permanent dedicated officer for Play, reporting to Head of Integrated Family Services (the identified strategic lead officer for Play).

Recommendation 11: The Panel recommends a reporting line for the Play Partnership be established through the Children's Trust.

Recommendation 12: The Panel recommends that the Play Strategy be rewritten to be more concise and to take into account new government guidance. Once adopted, the Strategy should be published on the Council's website in keeping with practice in other London boroughs.

3.8 Heritage

Heritage Services are in the process of developing the two main heritage sites in the borough; Valence House Museum and Eastbury Manor House.

When the development is complete in 2010 services will include extensive work with schools, as well as family learning and entertainment opportunities. A publicity campaign will be launched nearer the time to ensure that members of the public are aware of what is on offer.

Members commend the work being undertaken at the two sites, but note the need to widen the remit of Heritage Services to build links with other sites of interest within the borough, including Barking Abbey and nature-based areas.

Recommendation 13: The Panel commends the work undertaken by LBBD Heritage Services in developing Valence House Museum and Eastbury Manor House, but recommends that, in addition, officers look to build further links with other sites of interest within the borough, including Barking Abbey and nature-based areas.

3.9 Arts and music activities

There is an extensive programme of arts activities available for young people in the borough through the Community Arts Service, including dance, film, theatre and much more. In addition, in 2008 the yearly Molten Festival delivered two days of free arts activities at the Dagenham Town Show.

Music-related activities for young people are available through the Community Music Service, and these two services often work closely together, delivering joint music and arts activities.

Members note that it is difficult to coordinate publicity for the various activities on offer, as the Community Arts and Community Music Services are responsible for funding organisations to deliver activities and, therefore, do not control the publicity arrangements.

3.10 Libraries

The borough has eleven libraries, five of which have been replaced since the 1990s, which compares favourably to many other London boroughs.

All libraries are free to join and there are no late fines for young people up to sixteen years old. There are a variety of materials available to users, including internet facilities, audio visual items and a wide range of books printed in a number of languages. In addition, staff provide support to use library facilities and signposting to impartial information, advice and guidance on activities available in the borough.

Library staff also work in consultation with other partners, such as schools, to enhance the service and facilities offered to young people. This includes a programme of class visits to libraries for five to eleven year olds and the provision of activities in school holidays, such as the 'summer reading challenge'. In addition there is a year round reading club.

Members note that libraries do not provide homework clubs due to staff capacity issues, but that library facilities could potentially be used as venue to support clubs run by voluntary organisations (see Section 3.12, below).

Recommendation 14: The Panel recommends that LBBB Library Services liaise with LBBB Youth Services and the Barking and Dagenham Council for Voluntary Service to consider the potential for libraries to host homework clubs run by local voluntary organisations.

3.11 Opportunities for young people in further and adult education

There are a large variety of courses available to suit young people's requirements, ranging from apprenticeship schemes to flexi-learning programmes. Developments are also underway to extend provision through the recently opened Jack Petchey Foyer in Barking.

By 2013 it will be necessary to provide all young people with the chance to select from a choice of seventeen diploma areas, and common timetabling arrangements are being adopted across the borough in preparation for this.

As well as accessing providers within the borough, such as Barking College, many young people travel outside the borough to learn. Redbridge College and Havering College are both used by many Barking and Dagenham young people, and consequently it is necessary to maintain excellent cross-borough links.

The recent merge between the Adult College and Barking and Dagenham Training Services is expected to significantly reduce administrative costs.

3.12 Facilities and activities provided by the voluntary and community sector

3.12.1 Provision

There are a large number of voluntary services within the borough, ranging from professional, well-regulated services to those delivered on an informal, ad hoc basis. Many, although not all, of these services are affiliated to the Council for Voluntary Service, Barking and Dagenham's umbrella organisation for the third sector.

There is also a variety of provision targeted at different needs, including traditional youth clubs; crime diversion activities; cultural and religious groups; homework support clubs; arts, leisure and sport clubs; groups meeting specialist needs, such as those for young carers and disabled young people; and groups addressing specialist issues, such as sexual health.

3.12.2 Funding

Members note that the sector faces difficulties regarding funding, especially the ability to access core funding and plan long-term projects. One reason for this is because much of the funding available is targeted at supporting new, innovative projects rather than established schemes.

A second and even greater problem is that funding is allocated on a short-term basis, leading to great instability in services, anxiety about premises and overheads and the inability plan for the future. Furthermore, to secure funding, projects need to be able to demonstrate that they are results-based. However, smaller organisations often do not have the time or skills to collect and analyse data, and in any case their time is arguably better spent delivering services.

3.12.3 Accommodation

A second challenge for the sector is gaining access to suitable premises, leading to situations in which groups such as homework clubs are being run from the coordinator's living room (see Section 3.10 and Recommendation 14), or where new youth clubs cannot be set up (see Section 3.3).

Members note that the community halls in the borough are not fully utilised and could potentially be used as space to run youth activities. There are currently thirteen community halls in the borough, managed by Community Associations (consisting of twelve to twenty individuals living in the management area, who are elected annually at a public meeting). The halls are for general use for any kind of social, leisure, educational or recreational purpose, but the management committees make the final decision on which groups are granted access, based on community needs.

Members are concerned to hear that in some cases, the community associations in charge of running the halls are resistant to allowing young people to use the facilities. Members are keen to improve young people's access to the halls and, where possible, to give them an increased voice in their management. By law, young people under the age of eighteen cannot sit on the management committees; however, young people's views can be taken into account through consultation.

Members also note that the excellent facilities at The Vibe are not fully utilised and could also be used as space to run youth activities

Recommendation 15: Members note the importance of making full use of the borough's building and facilities in order to support the voluntary and community sector make more activities available to young people. To this end, the Panel recommends:

- i) That Community Hall management committees be encouraged to look favourably on applications for space to run youth projects and activities.
- ii) That, where necessary or appropriate, the [LBBD Community Development Team](#) facilitate meetings between Community Hall management committees and the young people in question to help dispel any concerns and to promote a positive image of young people.
- iii) That, as it is not legally possible for Community Hall management committees to include youth representatives, each management committee should nominate a 'Youth Champion' from amongst their membership. The Youth Champion's role would include representing the views of young people in the management area and publicising their role to young people in the area.
- iv) That [LBBD Youth Services](#) investigate making the facilities at The Vibe (when not in use) available to voluntary and community groups delivering activities for young people.

Please also note Recommendation 14, relating to use of library space to deliver homework clubs.

3.13 Children and young people with Learning Difficulties and Disabilities

There is a good range of provision in the borough specifically for children and young people with learning difficulties and disabilities. However, in many cases significant challenges are presented in accessing these activities, not least due to the lack of an accessible station within the borough. During their site visit to Trinity Special School, Members heard that the provision of transport for children attending out-of-school-hours clubs significantly increases the numbers of children accessing these activities.

In addition, a number of mainstream venues and activities also present access problems, such as a lack of accessible changing rooms and ramps at swimming pools. Members strongly support attempts to develop a 'lending library' of equipment from Trinity Special School to various play schemes and other activities, in order to make them more accessible.

Members note the new performance indicator relating to parents and carers of disabled children, and agree this may act as a driver for change. However, Members remain concerned by the quality of monitoring information relating to disabled children and young people, and the lack of clear targets for improvement. This not only makes it difficult to monitor inclusion and progress, but also compromises the ability to attract additional funding.

Recommendation 16: Members strongly recommend that LBBD Safeguarding and Rights work with other LBBD Children's Services departments and schools to gather the relevant data and produce formal baselines and targets for

- i) The provision and take-up of youth activities amongst children and young people with learning difficulties and disabilities.
- ii) Improving accessibility for those with learning difficulties and disabilities to all youth services and activities in the borough.

Recommendation 17: Members recommend officers investigate the possibility of providing door-to-door bus transport for children and young people with additional needs who wish to access youth activities, or allocating council transport during off-peak times.

3.14 Safer travel for young people

Transport for London (TfL) runs a number of projects and schemes across all London boroughs to promote safety amongst young people using public transport. Young people's access to free travel is conditional on their observation of an acceptable behaviour contract whilst using this resource. TfL is also working with schools to ensure they meet the requirement to have a school travel plan in place by 2010.

TfL also provides a number of programmes that are specific to Barking and Dagenham, including:

- i) 'Now You See Me, Now You Don't' – a programme aimed at managing the transition between primary and secondary school
- ii) 'The Price' – a road safety programme aimed at Year 7 students
- iii) 'Wasted' – a drugs and driving programme aimed at Year 9 students

Members commend the interactive and thoughtful educational materials used by TfL in schools to promote the message of safer travel to young people, as well as the excellent work being done by the police on crime and disorder issues relating to transport, particularly through the Safer Transport Teams.

Members are concerned that Barking and Dagenham is one of only four London boroughs that does not currently have a Junior Safety and Citizenship Scheme. The scheme, run by TfL and the London Transport Museum, provides a free transport education service to all schools within the Greater London area to promote safety and responsible travel on and around the capital's transport system. The service,

led by trained school liaison officers, helps prepare ten and eleven-year-olds for independent travel before they move to secondary school.

Members note that TfL are eager to establish the scheme in the borough and that similar schemes are run at cost in both Hackney and Southwark because suitable venues have been made available by the local authority.

Recommendation 18: The Panel supports establishing Junior Safety and Citizenship Scheme in Barking and Dagenham and urges officers to identify a suitable building and liaise with TfL to set up the scheme.

3.15 Getting the message across – information and publicity

A key piece of feedback from the young people consulted at Panel meetings and during site visits was that they were unaware of the range of activities available to them. Although most young people knew about the activities on offer through their schools, there was much less awareness of non-school-based activities. Young people predominantly indicated that they would like to receive information through school and through new / social media and text updates.

There is a statutory duty to provide information about services for parents / carers of children and young people from birth until the age of twenty. LBBB Integrated Family Services is developing a new information service called the Family Services Directory (FMS), which will meet this duty, as well, as well as providing information directly to young people themselves.

The new Directory is being developed from the old Children's Services Directory, but will be designed in a more user-friendly format with more focused results. The Directory was launched for practitioners in March 2009, and will be opened to all users during National Family Week in May 2009.

Members support the provision of this new service and are keen to see it widely publicised through schools. However, Members note that the FMS will focus on services, and believe that there is still a need for a directory or listing of the youth activities available in the borough.

Members recognise the challenges of collating and publicising a fully comprehensive list of all activities offered through the voluntary and community sector, due to the disparate and ad hoc nature of some of the projects delivered. However, Members commend the guide produced by the Council for Voluntary Service and support the decision to make this information available online in the near future.

Recommendation 19: The Panel recommends that schools be asked to include an alert of the launch Family Services Directory in their newsletters to parents and that details of the launch should be sent to school governors, with a request for them to use and promote the new service.

Recommendation 20: The Panel recommends that a comprehensive directory of activities available to children and young people in the borough be compiled, drawing together statutory, third sector and private provision. This directory should be:

- i) Available online, easy to search and designed in an appealing format, in consultation with young people.
- ii) Widely publicised to young people and their parents, with particular focus on using schools as channels of communication.
- iii) Linked into new media and social networking sites, such as having a presence on Facebook and the ability to sign up for text updates.

The Panel asks LBBD Youth Services to take the lead on liaising with other Council departments and external partners to move this initiative forward.

3.16 Scope of the review

Members note that, due to the restructure of the Scrutiny function, this review was drawn to a close earlier than might otherwise have been desired. A significant element of the review – the opportunity to invite submissions and views from local residents – was therefore not carried out as originally intended, although extensive consultation did take place with young people.

Recommendation 21: Members ask the Children’s Services Select Committee to consider taking up this work during the next municipal year by using a range of Council-based and external media to invite comments from the public on facilities and activities for young people in the borough, with a view to making further recommendations based on these comments, as appropriate.

4. CONCLUSIONS

4.1 Given the large topic area encompassed by facilities and activities for children and young people, it was not possible for the Panel to thoroughly investigate all issues that potentially could have been included in the review. Members specifically identified the following issues as worthy of further investigation:

- The provision of recreational and diversionary activities for young people to stop them becoming involved in anti-social behaviour. This issue may ultimately form part of a wider review of Youth and Crime.
- Young people’s perceptions of safety and fear of becoming a victim of crime when travelling in the borough to access youth activities. This issue may ultimately form part of a wider review of Youth and Crime.
- Perceptions of young people amongst borough residents in general and promoting a positive image.
- The extent to which young people in the borough have a room or space of their own for study. This issue may ultimately form part of a wider review of Housing Development and Affordable Housing.
- The provision and take up of childcare and parenting support. Both of these issues are key elements of the Extended Schools model, but were not addressed through this review due to the age range under consideration.

The Children's Services Select Committee or another relevant Scrutiny body may wish to undertake further scrutiny of these issues at a future stage.

5. BACKGROUND PAPERS

- Autumn Census (2008). *Data extract.*
- Facilities and Activities for Children and Young People Scrutiny Panel (2008-09). *Agenda papers and minutes.*
- HM Government (2003) *Every Child Matters*
- HM Government (2005). *Youth Matters. Department for Education and Skills.*
- HM Government (2006). *The Education and Inspections Act*
- HM Government (2007). *Aiming high for young people. A ten-year strategy for positive activities. Department for Children, Schools and Families.*
- HM government (2007). *The Children's Plan: Building Brighter Futures.*
- HM Government (2009). *TellUs 3.*
- Ipsos Mori (2008) *Testing the delivery of the core offer in and around extended schools.*
- LBBD (2008). *Community Strategy consultation*
- Ofsted (2008) *How well are they doing? The impact of children's centres and extended schools.*
- QA Research (2009). *New Youth Clubs and Youth Buildings Survey.* Consultation commissioned by the Facilities and Activities for Children and Young People Scrutiny Panel.

Facilities and Activities for Children and Young People Scrutiny Panel Terms of Reference

- 1) To broadly review facilities and activities in the Borough for children and young people up to the age of nineteen (excluding 0-5 services), with a view to establishing the facilities and activities that currently exist and identifying any gaps or areas for improvement.
- 2) To consider the uptake and usage data and the accessibility of facilities and activities currently available, with a view to identifying any barriers to access that may exist.
- 3) To consider the variety of facilities and activities currently provided and the associated usage costs and how this compares to other local authorities, particularly our statistical neighbours.
- 4) To review the findings of the recent survey undertaken by Youth Facilities Group, a subgroup of the B.A.D. Youth Forum. The survey asked young people aged between thirteen and nineteen to give their views on the facilities and activities on offer to them in the borough.
- 5) To consider what further support may be required to assist volunteers willing to give time and support to children and young people.
- 6) To encourage members of the public to engage with this important issue through attending public evidence-gathering sessions and providing ongoing feedback.
- 7) To consider any related equalities and diversity implications.
- 8) To report back to SMB with findings and recommendations for future policy and/or practice.

Contributors to the review

The following people submitted reports or presented evidence at formal Panel meetings:

| | |
|-------------------|---|
| 24 September 2008 | Christine Pryor, Head of Integrated Family Services |
| | Clair Bantin – Team Manager, Scrutiny and Civic |
| 20 October 2008 | Meena Kishinani – Head of Children's Policy & Trust Commissioning |
| | Frances Basham – Play Project and Development Officer |
| | Micheal McCormack – Community Arts Officer |
| | Carl Blackburn – Barking and Dagenham Council for Voluntary Service |
| | Susan Leighton – Principal Librarian (Learning and Development) |
| 20 November 2008 | Deborah Thomas – Interim Group Manager, Disabled Children's Team |
| | Dr Justin Varney, NHS Barking and Dagenham |
| | Erik Stein – Group Manager for Extended Schools |
| | Paul Hogan – Head of Leisure and Arts |
| | Lee McDonough – Leisure Centre Manager |
| | Sarah Barker, National Graduate Trainee, Scrutiny Team |
| 15 December 2008 | Alan Lazell – Head of Skills, Learning and Enterprise |
| | Heather Wills – Head of Community Services, Libraries and Heritage |

| | |
|------------------|---|
| 12 January 2009 | Paul Hogan – Head of Leisure and Arts |
| | Bernadette Davenport – Division Support Officer, Leisure & Community Services |
| | Joan Gibbons – Integrated Family Services |
| | Christine Pryor – Head of Integrated Family Services |
| | Sally Allen-Clarke – Senior Youth Worker |
| | Seven young people from BAD Youth Forum |
| | PC Graham Mann |
| 17 February 2009 | Claire Lacey – Transport for London |
| | Carl Horsman – Transport for London |
| | Chris Nix – Transport for London |
| | Chris Hall – Transport for London |
| | Joan Gibbons - Integrated Family Services |
| 30 March 2009 | Clair Bantin, Team Manager, Scrutiny and Civic |

The following site visits were undertaken by Members during the course of the review:

- Trinity Special School, introduction to Extended Schools activities – 13 November 2008
- Vibe Youth Centre – 17 November 2008
- Ripple Junior School, introduction to Extended Schools activities – 27 November 2008
- Barking Rugby Club – 29 November 2008
- Jo Richardson Community School, introduction to Extended Schools activities – 2 December 2008
- Dagenham and Redbridge Football Club, Kicks Project – 5 December 2008
- Barking and Dagenham CrossRoads – 6 December 2008
- Robert Clack School, meeting with School Council – 11 December 2008
- Eastbury School, meeting with School Council – 15 January 2009
- Urban question time - 19 January 2009

The Panel is very grateful to all those who contributed to this review.

List of Recommendations

The following recommendations are set out here as a list, for ease of reference.

Recommendation 1: The Panel strongly supports the work being undertaken to develop LBBB Youth Services and requests that a report be brought back to the Children's Services Select Committee (or relevant Scrutiny body) in six months to update Members on progress in this area.

Recommendation 2: The Panel recommends that alternative funding sources be identified for supporting the delivery of extended services within schools from 2010. The Panel notes that, while applying minimal charges for some services may be unavoidable, it is important that the broad range of provision remains free or heavily subsidised, given the need for take-up from low income families.

Recommendation 3: The Panel notes the importance of ensuring that comprehensive monitoring of service user figures be carried out across the range of extended services within schools, not only to increase the quality of our data and enable non-users to be targeted, but also in preparation for possible funding bids for 2010. To this end, the Panel recommends:

- i) That the monitoring of take-up of out-of-school-hours provision be extended to all primary schools.
- ii) That details of the monitoring arrangements used by Jo Richardson Community School be made available to all schools within the borough as a model of good practice.

Recommendation 4: The Panel commends the examples of excellent joint working already taking place in many schools. However, the Panel recommends that, where appropriate, LBBB Children's Services work with schools to increase joint delivery of extended services between neighbouring schools and to ensure that out-of-school-hours services offered by any given school are open to all rather than being limited solely to pupils of that school.

Recommendation 5: The Panel recommends that the dates and timings of future free swimming sessions should be planned in consultation with providers of other activities for young people, to avoid clashing activities where possible. The Panel asks LBBB Leisure Services to lead on facilitating these discussions with partners.

Recommendation 6: The Panel recommends that NHS Barking and Dagenham work with partners to plan exit routes from free swimming sessions that channel young people towards other youth activities available to them at that time and in that area. Where possible, these exit routes should also steer young people away from fast food outlets and towards healthier food options.

Recommendation 7: The Panel recommends that LBBB Youth Services give consideration to providing detached youth worker support during busy free swimming sessions.

Recommendation 8: The Panel recommends that NHS Barking and Dagenham work with partners to investigate the possibility of updating the free swimming passes available to young people to include swipe card technology that automatically records user details, including age, ward and ethnicity of those accessing the service, for statistical monitoring purposes. This information should then be used to target information and publicity at groups of young people that are not accessing the free swimming offer.

Recommendation 9: The Panel recommends that LBB Leisure Services liaise with the various sports and leisure centres in the borough to co-ordinate a joined-up approach to sports provision for young people across the borough.

Recommendation 10: The Panel recommends that consideration be given to identifying resources to appoint a permanent dedicated officer for Play, reporting to Head of Integrated Family Services (the identified strategic lead officer for Play).

Recommendation 11: The Panel recommends a reporting line for the Play Partnership be established through the Children's Trust.

Recommendation 12: The Panel recommends that the Play Strategy be rewritten to be more concise and to take into account new government guidance. Once adopted, the Strategy should be published on the Council's website in keeping with practice in other London boroughs.

Recommendation 13: The Panel commends the work undertaken by LBB Heritage Services in developing Valence House Museum and Eastbury Manor House, but recommends that, in addition, officers look to build further links with other sites of interest within the borough, including Barking Abbey and nature-based areas.

Recommendation 14: The Panel recommends that LBB Library Services liaise with LBB Youth Services and the Barking and Dagenham Council for Voluntary Service to consider the potential for libraries to host homework clubs run by local voluntary organisations.

Recommendation 15: Members note the importance of making full use of the borough's building and facilities in order to support the voluntary and community sector make more activities available to young people. To this end, the Panel recommends:

- i) That Community Hall management committees be encouraged to look favourably on applications for space to run youth projects and activities.
- ii) That, where necessary or appropriate, the [LBB Community Development Team](#) facilitate meetings between Community Hall management committees and the young people in question to help dispel any concerns and to promote a positive image of young people.
- iii) That, as it is not legally possible for Community Hall management committees to include youth representatives, each management committee should nominate a 'Youth Champion' from amongst their membership. The Youth Champion's role would include representing the views of young people in the management area and publicising their role to young people in the area.

- iv) That LBBD Youth Services investigate making the facilities at The Vibe (when not in use) available to voluntary and community groups delivering activities for young people.

Please also note Recommendation 14, relating to use of library space to deliver homework clubs.

Recommendation 16: Members strongly recommend that LBBD Safeguarding and Rights work with other LBBD Children's Services departments and schools to gather the relevant data and produce formal baselines and targets for

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- ii) Improving accessibility for those with learning difficulties and disabilities to all youth services and activities in the borough.

Recommendation 17: Members recommend officers investigate the possibility of providing door-to-door bus transport for children and young people with additional needs who wish to access youth activities, or allocating council transport during off-peak times.

Recommendation 18: The Panel supports establishing Junior Safety and Citizenship Scheme in Barking and Dagenham and urges officers to identify a suitable building and liaise with TfL to set up the scheme.

Recommendation 19: The Panel recommends that schools be asked to include an alert of the launch Family Services Directory in their newsletters to parents and that details of the launch should be sent to school governors, with a request for them to use and promote the new service.

Recommendation 20: The Panel recommends that a comprehensive directory of activities available to children and young people in the borough be compiled, drawing together statutory, third sector and private provision. This directory should be:

- i) Available online, easy to search and designed in an appealing format, in consultation with young people.
- ii) Widely publicised to young people and their parents, with particular focus on using schools as channels of communication.
- iii) Linked into new media and social networking sites, such as having a presence on Facebook and the ability to sign up for text updates.

The Panel asks LBBD Youth Services to take the lead on liaising with other Council departments and external partners to move this initiative forward.

Recommendation 21: Members ask the Children's Services Select Committee to consider taking up this work during the next municipal year by using a range of Council-based and external media to invite comments from the public on facilities and activities for young people in the borough, with a view to making further recommendations based on these comments, as appropriate.

THE EXECUTIVE

16 JUNE 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

| | |
|--|---------------------|
| Title: Budget Monitoring Report April 2009/2010 | For Decision |
| <p>Summary:</p> <p>The report updates the Executive on the Council's revenue and capital position for the first month of the 2009/10 financial year.</p> <p>The current position for Revenue expenditure indicates a balanced budget for the year. However, all departments have identified areas of concern where budget pressures may arise and these will need addressing as part of the Council's ongoing budget monitoring process.</p> <p>As a result all departments are beginning to identify and implement the necessary controls and action plans required to ensure a balanced budget at year end. The outcomes and progress of any 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 there are currently no indications of any significant pressures which cannot be contained within the service budgets.</p> <p>In regard to the Capital programme, the current projection is that total spend will be in line with the budget by the year end. Directors will continue to review the delivery of individual capital schemes to ensure maximum spend is achieved by the year end.</p> <p>Wards Affected: This is a regular budget monitoring report of the Council's resource position and applies to all wards.</p> | |
| <p>Implications:</p> <p>Financial: The overall revenue budget is indicating early potential budget pressures in several areas, however, Directors are beginning to identify and implement the necessary action plans to mitigate these pressures. The capital programme is reported to be on target against the working budget of £99.7m.</p> <p>Legal: There are no legal implications regarding this report.</p> <p>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.</p> | |

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.

Recommendations

The Executive is asked to:

1. note the current position of the Council's revenue and capital budget as at 30th April 2009 (sections 3 and 5 of the report);
2. note the position for the Housing Revenue Account (section 4 of the report);
3. note that where potential pressures have been highlighted Directors are required to identify and implement and implement the necessary action plans to mitigate these budget pressures to ensure that the necessary balanced budget for the Council is achieved by year end (section 3 and 4 of the report);

Reason

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

| | | |
|--|---|--|
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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 At the end of April 2009, the Council is projecting a balanced budget for the year end, however, there are various indications of early potential pressures across individual departments, which will need appropriate managing in 2009/10 and these will need to be considered further as part of future monitoring reports to the Executive.
- 2.1.2 As a result departments are beginning to identify and implement the necessary action plans to ensure that the Council addresses these early pressures so that it produces 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 throughout the year through the regular budget monitoring meetings and reports.

3. Service Position

3.1 General

- 3.1.1 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 a balanced budget is produced for the year end. To this end, Corporate Directors are beginning to identify action plans to address and rectify these pressure areas and these plans will be actively monitored by the various Resource Monitoring Panels.

3.2 Adults and Community Services Department

- 3.2.1 At this early stage of the year the Department is projecting a break-even position, albeit this projection is based on only one month's activity.
- 3.2.2 The Department is already experiencing financial pressures in the Learning Disability Service area with regards to Transitions arrangements from Children's Services. Whilst the relevant management team is attempting to manage these pressures, it is felt that these are likely to have an effect on the overall Department's budget performance during the year.

- 3.2.3 The Department's 2009/10 budgets reflect savings of £4.3m which equates to 6% of the net budget.
- 3.2.4 **Adult Care Services**
This service area is primarily Older Persons Residential and Home Support provided by the Council's remaining in-house services. It also includes the Passenger Transport Service and Sheltered Housing Support. The net budget for the area is £5m. Budget and demand pressures are currently being experienced in Passenger Transport but are being managed by the service.
- 3.2.5 **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 and Mental Health. The net budget for the area is £44m the largest area in cash terms in the Department. The Department set itself some challenging targets in this area for this financial year around staffing and commissioning savings. Interface issues with the local hospitals and the PCT in areas such as Delayed Transfers of Care are acute in this area and are carefully managed. A pressure is being experienced in the Transitions from Children's Services area due to the increasing number of children with care packages/arrangements turning eighteen. Also, in common with other Boroughs and national experiences Learning Disability budgets are experiencing demand for more services.
- 3.2.6 **Community Safety and Neighbourhood Services**
This service area includes CCTV, Community Safety, Parks Police and Security, Substance Misuse, Neighbourhood Management, Youth Offending Service and the Adult Safeguarding Team. The net budgets are in the region of £4m for this area. No significant budget pressures are being experienced in this area at present.
- 3.2.7 **Community Cohesion and Equalities**
This service area covers Heritage and Archives, Library Services, the Barking Learning Centre, Community Development and Halls, Community Cohesion and Equalities and Diversity. The net budgets are in the region of £8m in this area. No significant budget pressures are being experienced in this area at present.
- 3.2.8 **Leisure and Amenities**
The Leisure and Arts service has transferred to Adult and Community Services from the former Regeneration Department. The service area covers Leisure Centres, Parks Services and Arts and Events. The net budgets for the area are in the region of £5m.
- 3.2.9 **Other Services, Central Budgets, Recharges, and Government Grants**
The Adult and Community Services Department receive specific government grants and incur recharges for departmental and divisional support. All specific 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 At this very early stage in the financial year, Children's Services is not predicting any material variance on the budget for either its General Fund or Schools Budget (DSG) activities.

3.3.2 The budget for 2009/10 has been set in the context of an additional £3.5m of funding for Children's Placements and Leaving Care (less £480k as repayment for the previous year's invest to save additions for higher in-house fostering rates) which acknowledges the levels of activity in this area. It is also set in the context of achieving £1.9m of corporate savings and re-profiling £1.9m of internal budget measures to address previous underlying financial difficulties. The Departmental Management Team has addressed these issues for 2009/10 and is confident it can absorb all pressures within the available resources.

3.4 Customer Services Department

3.4.1 The Department's budget for this year is £24.3m. At this early stage there are no immediate pressures and as a result the Department is projecting to deliver services to budget.

3.4.2 The Department is currently undergoing a comprehensive budget review to realign budgets to services based on current service provision. This exercise will be finished in May 2009 and has been fundamental in delivering the savings targets for 2009/10 as well as realigning budgets within service areas and identifying opportunities for future business development.

3.4.3 The budget review has engaged service managers with finance staff and has delivered an outcome where both have a clearer understanding of the needs of the service together with the financial controls needed to deliver services to the highest standard within available resources. This has led to some risk areas being identified quite early in the monitoring process including:

- The vehicle fleet procurement is scheduled to be completed in September 2009. The service will overspend on a monthly basis if this is not completed on schedule. However, the Department has a robust plan to deliver this on target and therefore does not envisage any problems;
- The service is heavily reliant on the use of fuel and other types of natural energy. Any movement in fuel prices will have a material impact on the Department's spend. Controls are being put in place to monitor these areas closely to ensure management actions can be taken early should prices increase.

3.5 Resources Department

3.5.1 At this early stage of the year the Department is confident that it will produce a balanced budget by the end of the financial year.

3.5.2 The Department's budgets have been adjusted for the agreed savings of £2.5m, budget pressures of £0.6m and invest to save projects of £0.5m.

3.5.3 **Corporate Director of Resources & Business Support**

This budget includes the costs for the Director, Business Support, One Barking and Dagenham and some of the Area Based Grant (ABG) expenditure which will be incurred within the Department. The budget also includes an invest to save project for partnering arrangements for back office support services. All of these budgets are currently on target.

3.5.4 **Strategy & Performance**

The division is central to the Council developing and delivering a framework that supports, challenges and ensures the Council is an excellent organisation. Its specific functions include Performance, Innovation, Policy, Partnerships, Marketing & Communications and the Olympic Ambition team. The division is also responsible for the production and distribution of the new Council wide newspaper "The News". The first issue was produced at the end of May with the purpose of providing a single community newspaper with a community focus on issues including: Being safe, feeling safe; Things for young people; Smartening up the borough and supporting residents through the tough economic times. There are no significant financial issues to report for this division.

3.5.5 **Legal & Democratic Services**

There are currently no specific issues to report for this division at this stage and it is currently projected that the level of spend will be in line with the budget at year end.

3.5.6 **IT & Transformation**

Early indications show that a balanced position will be achieved by year end.

3.5.7 **Human Resources**

The division is currently undergoing a reorganisation which will take into account a savings requirement for 2009/10 of £300k. Although there are some vacant posts within the division, any significant delay in the implementation of the new structure could result in some of the required savings not being achieved. The division however, is currently projecting a breakeven position will be achieved by the end of the financial year.

3.5.8 **Corporate & Strategic Finance**

This division is currently undergoing a reorganisation and the new structure will take into account the financial monitoring and support requirements of the four newly formed departments and a more strategic financial approach. There continues to be a significant number of vacant posts within the divisions for which a number of agency staff have been approved to ensure that the service continues to deliver its statutory functions. The continued use of agency staff could create a cost pressure later in the year. The division is, however, currently managing this pressure to ensure it achieves a balanced financial position.

3.5.9 **Strategic Asset Management & Capital Delivery**

Although this division is currently projecting a break even position, there are a number of issues which could lead to financial pressures later in the year. These include:

- The loss of transaction fee income due to the reduction in the land disposal programme;
- Rental income may fall short of budget due to the recession;
- Deferral of car parking charges for staff to 1 April 2010;
- Budget pressures in respect of building repairs and maintenance costs for the Town Hall and Civic Centre.

3.5.10 **Regeneration & Economic Development**

At this early stage of the year the division is projecting a balanced position. However, there are a number of issues which will need to be addressed:

- Land charges income – a shortfall on budget may arise due to housing market contraction and legislative changes to charging arrangements;
- Potential reduction in external income due to the current economic climate e.g. planning application fees, TfL funding.

3.5.11 **Interest on Balances**

The current position on interest from investments is that these are performing to the budget target. A proportion of the Council's investments continue 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 2009/10 which are being closely monitored by the Corporate Finance Division. An element of these investments 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 managers' 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.

4. **Housing Revenue Account (HRA)**

- 4.1 There are no reported variances on the HRA at this early stage. However, there are some areas that will need to be monitored closely over the coming months. Initial indications are that the issue most likely to have the biggest impact through the year is that with the reduction in the Bank of England base rates and the impact on income achieved on interest on balances. This area is under review but the cost pressure could be as much as £500k.

5. **Capital Programme**

- 5.1 As at the end of April, the working budget on the capital programme was £99.7m against an original budget of £75.9m. Since the original budget was set the programme has been updated for both a number of new schemes for 2009/10 and those budgets that were re-profiled from 2008/09 into 2009/10 as approved in the February budget monitoring report.

- 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 April was £2.9m, which is 3% of the working budget. At this early stage in the year, it is expected that the outturn will be in line with the revised budget, however, this position will be subject to robust scrutiny to ensure that timetables and milestones can be adhered to, and that budgets are realistic.
- 5.4 The completion of capital projects on time and on budget not only supports the Council's drive to excellence through its Use of Resources score, but will also ensure that the benefits arising from our capital projects are realised for the community as a whole.

6. Consultees

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

Councillor Bramley, Cabinet Member for Finance and Human Resources
Corporate Management Team
Group Managers – Corporate Finance
Capital Programme Management Office

Background Papers Used in the Preparation of the Report:

- Oracle reports
- CPMO reports

THE EXECUTIVE

16 JUNE 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

| | |
|---|------------------------|
| Title: Treasury Management Annual Report 2008/09 | For Information |
| <p>Summary:</p> <p>The Treasury Management Annual Report presents the Council's outturn position in respect of its treasury management activities.</p> <p>Wards Affected: This is a regular annual report of the Council's treasury management position and concerns the finances of the whole Council.</p> | |
| <p>Recommendation(s)</p> <p>The Executive is asked to approve the Treasury Management Annual Report for 2008/09.</p> | |
| <p>Reason(s)</p> <p>This report is required to be presented to the Executive in accordance with the CIPFA Code of Practice for Treasury Management in the Public Services.</p> | |
| <p>Implications:</p> <p>Financial:</p> <p>This report sets out the outturn position on the Council's treasury management position and is concerned with the returns on the Council's investments as well as its short and long term borrowing positions. Returns above the budgeted levels on the Council's investments and borrowing at lower than budgeted levels contribute to a positive position on the Council's overall finances.</p> <p>Legal:</p> <p>It is a statutory duty for the Council to remain within "authorised borrowing limit" (as set out in the 2008/09 Treasury Management strategy approved by Executive on 19 February 2008).</p> <p>Risk Management:</p> <p>The key risks associated with this report are that the Council fails to achieve budgeted levels of investment income, or incur unbudgeted costs associated with long term borrowing. Neither of these scenarios arose in 2008/09, and the Council has made a surplus on its treasury management function.</p> <p>Social Inclusion and Diversity:</p> <p>No specific implications.</p> <p>Crime and Disorder:</p> <p>No specific implications.</p> | |

| | | |
|--|--|--|
| Options Appraisal: Insofar as this report is concerned an options appraisal is not required. | | |
| Joe Chesterton | Divisional Director of Corporate Finance | Contact Details: Tel: 020 8227 2932 Fax: 020 8227 2252 Email: joe.chesterton@lbbd.gov.uk |
| Miriam Adams | Treasury & Pensions Manager | Tel: 020 8227 2722 Fax: 020 8227 2770 E-mail: miriam.adams@lbbd.gov.uk |

1. Purpose of Report

- 1.1. The Council is required to report on the Treasury Management activities of the Council and those of the external cash portfolio managers for each financial year in accordance with the CIPFA Code of practice for Treasury Management in the Public Services 2001.
- 1.2. The primary requirements of the Code are as follows:
- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;
 - Annual review report of the previous year and strategy; and
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- 1.3. Treasury management in this context is defined as:
"The management of the local authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.4. This Annual Treasury Report covers:
- The Council's treasury position as at 31 March 2009;
 - Annual Strategy Statement 2008/09;
 - Economic Factors in 2008/09;
 - Performance Management in 2008/09;
 - Investment Position for 2008/09;
 - Borrowing Position for 2008/09;
 - Debt rescheduling;
 - Treasury Management costs in 2008/09; and
 - Compliance with treasury limits and prudential indicators.

2. Treasury Position as at 31 March 2009

- 2.1 The Council's debt and investment position at the beginning and end of the

financial year was as follows:

| | Current Financial Year | | | Prior Financial Year | | |
|---------------------------|--------------------------------|----------------------------|--------------------------|--------------------------------|-----------------|--------------------------|
| | 31/03/09 Principal £'000 | Average Rate /Return | Average Life (yrs) | 31/03/08 Principal £'000 | Rate/ Return | Average Life (yrs) |
| Fixed Rate Funding | | | | | | |
| PWLB | 30,000 | 4.06% | 4.5 | Nil | Nil | Nil |
| Market | 20,000 | 3.98% | 69.5 | Nil | Nil | Nil |
| Total Debt | 50,000 | 4.02% | | | | |
| Investments | | | | | | |
| In-House | 47,023 | 5.76 | | 47,574 | 5.51 | |
| External Managers | | | | | | |
| Investec | 37,543 | 7.33 | | 34,940 | 5.82 | |
| SWIP | 23,013 | 5.33 | | 21,816 | 5.25 | |
| RBS | 15,000 | 8.00 | | Nil | Nil | |
| Total Investments | 122,579 | 6.20 | | 104,330 | 5.52 | |

3. Annual Strategy Statement 2008/2009

3.1 The Executive approved an annual strategy for 2008/09 on the 19 February 2008 and it was endorsed by the Assembly on the 27 February 2008.

3.2 The key points from that strategy were:

- To set an authorised borrowing limit of £150m;
- A benchmark for internal and external investments of either 5.5%, or the “3 Month LIBID rate”, whichever was higher;
- That the Council and its fund managers will have regard to the Council’s investment priorities being:
 - (a) The security of capital; and
 - (b) The liquidity of its investments
- That the Council and its fund managers adhere to the procedures set for use of different classes of asset (specified and non-specified) and the maximum periods which funds can be committed;
- That the Council and its fund managers adhere to its counterparty limits;
- That the Council would borrow to finance its capital program once the trigger rate of 4.5% was reached for PWLB loans and 4.25% for market loans; and
- The Council would operate both borrowing and investment portfolios at short and long term periods and as a consequence was at lower risk from being impacted by a sharp, unexpected rise in short-term variable interest rates.

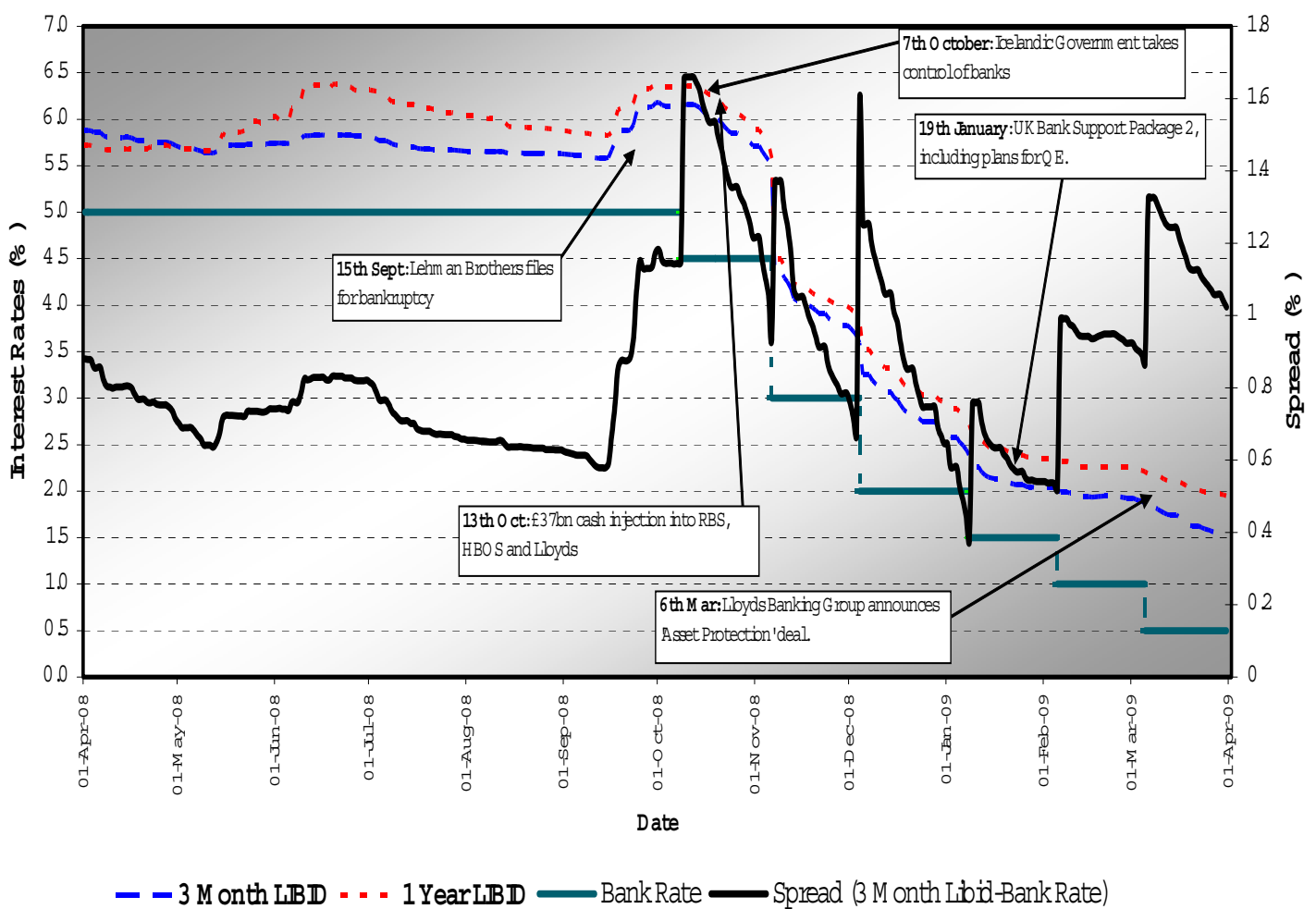
4. Economic Factors in 2008/09

4.1 The graph show the major events of the financial year and the impact they had on

both PWLB and investment rates. The financial crisis, commonly referred to as the “credit crunch” had a major downward impact on the levels of interest rates around the world. On 1 April 2008 the bank rate was 5.0%, and by 31 March 2009, the bank rate was 0.5%.

4.2 On 7 October the Icelandic government took control of their banks and this was followed by the UK government pumping £37bn into UK clearing banks RBS, HBOS/Lloyds, as liquidity in the markets dried up. The financial year ended with markets still badly disrupted, short to medium term interest rates at record lows. Investment income returns have been badly hit but lower borrowing rates in short to medium periods had allowed indebted local authorities to benefit.

Bank Rate vs. Investment Rates 2008-09 and Spread Between 3 Month Libid & Bank Rate



4.3 Key interest rate positions for borrowing and investments in 2008/09 were:

- 12 month bid rates: Between April and June one year rates fluctuated between 5.7% and 6.4%. October saw the start of the fall in bank rates with the closing bank rate at 31 March being 1.85%;
- 5 (and 10 year) gilt yields: The financial year saw gilts start at 4.1%, peaking at 5.5%. After the Lehman collapse, yields were on a general falling trend with the year finishing at 2.4%; and

- Longer-term interest rates: The PWLB 45-50 year rate started the year at 4.43%, while the 25 year was 4.62%. Rates peaked at 5.08% in October. This was followed by a downward plunge with a closing position of 4.25%.

4.4 While the Council avoided investments in Icelandic Banks, the crisis October 2008 led to a major review of credit policy by this Council in order to reduce the exposure to credit risk. The Council will continue to monitor this very closely. As a result of the credit crunch there is now enormous pressures on bank funding, there is limited funding available for banks, with only the top rated banks being able to source funding. This situation now means that a number of banks are now being down graded on the rating scales. This has also led to the nationalisation and part nationalisation of many financial institutions.

5. Performance Measurement

| LBBB Benchmark | 3 Month LIBID | Investec | SWIP | RBS | Internal | Fund Total Performance |
|-----------------------|----------------------|-----------------|-------------|------------|-----------------|-------------------------------|
| 5.55% | 4.46% | 7.33% | 5.33% | 8.00% | 5.76% | 6.20% |

5.1 Overall Performance

One of the key changes in the revision of the Treasury Management Code in 1996 was the formal introduction of performance management relating to investments, debt and capital financing activities. Overall investment income in 2008/09 exceeded the budget by £2.1m. The main reasons for this position were as follows:

- Interest rates were higher than expected during most of 2008/09, compared to when the original budget was set in February 2008. This resulted in higher returns being made;
- Performance by Investec was strong, performing well above the budgeted level across 2008/08. Scottish Widows also attained benchmark figures;
- Decisions were taken by both the in-house team and external managers to lock in significant returns in the early part of the year while rates were still very high; and
- The Council avoided investment in Icelandic Banks, protecting the Council's financial position from potential loss of both balances and investment income.

5.2 Specific Performance

In-House Team

The in-house team has achieved a rate of return of 5.76% for the year, which was above benchmark. The in-house investment portfolio includes short term "cashflow" balances, which can't be invested long to maximise income, so to achieve a return of 5.76% for in-house balances constitutes a strong performance.

Investec

Rate of return for the year was 7.33%. Investec benefited from locking in high rates of return during the market turmoil in the early and middle part of the financial year. Performance in 2008/09 was favourably affected by raising interest rates early on in the year and lending long term. This position includes an unrealised gain as at 31st March 2009 which will be realised in 2009/10.

Scottish Widows Investment Partnership (SWIP)

SWIP's rate of return in 2008/09 was 5.33%. Performance at the second half of the year was affected by falling bank rates and market conditions. Overall year end

performance was slightly under benchmark. The SWIP mandate will be monitored closely in 2009/10 in light of this performance.

Royal Bank of Scotland

The Council invested £15m in RBS during the year in a callable range accrual, which realised a return of 8%.

5.3 Re-assessment of fund mix

With the bank rate increasing significantly in the first of 2008/09, and 3 month LIBID remaining at 0.75% above bank rate, placing cash on fixed deposit during the earlier part of the financial year proved favourable for both fund manager and the internal team. The investment in RBS callable range accrual also provided diversification to the fund.

6 Investment Position for 2008/09

6.1 Investment Funds Available

The level of investments available to the Council on the 1 April 2008 was £103.5 million. This figure was made up of a range of balances including, revenue reserves and general operational cash balances. The amount available for investment will vary throughout the financial year depending on:

- Use of investment funds ;
- Profile for the receipt of grants; and
- Cash flow management.

At the 31 March 2009 the level of investments had increased to £122.5m as a result of the building of a loan portfolio. This position was anticipated through the regular monitoring and projections of cash flow movement and was in line with projections at the beginning of the year.

6.2 Management of Investment Funds

The Council's investments are managed by four sources being:

- Council In House Team
- Royal Bank of Scotland;
- Scottish Widows Investment Partnership Limited; and
- Investec Asset Management Limited.

The fund management agreements between the Council and Investec and SWIP defines the limits for maximum weighting in gilts, CD's and maximum duration of the fund. Counterparty criteria and exposure limits defined in the treasury management annual strategy also apply to Fund Managers.

The Council meets quarterly with its external investment managers to discuss financial performance, objectives and targets in relation to the investments and borrowing managed on behalf of the Council.

Internally, the Council manages a proportion of its investments in-house. This is invested with the institutions listed in the Council's approved lending list and specified limits.

6.3 Position on the level of investments managed in 2008/09

| Fund Manager: | 1.4.2008 | 31.3.2009 |
|----------------------|-----------------|------------------|
| | £ | £ |

| | | |
|-------------------------------|--------------------|--------------------|
| Council In House Team | 47,574,306 | 47,022,774 |
| Scottish Widows IP Ltd | 21,798,302 | 23,012,883 |
| Investec Asset Management Ltd | 34,171,204 | 37,543,548 |
| Royal Bank of Scotland | 0 | 15,000,000 |
| TOTAL | 103,543,812 | 122,579,165 |

6.4 In House Activity

| Lending | Number | Value |
|-----------------------------------|--------|-------------|
| | | £ |
| Loans b/fwd 1.4.2008 | 15 | £47,574,306 |
| Loans made | 188 | |
| Loans repaid | 149 | |
| Loans Outstanding as at 31.3.2009 | 13 | £47,022,774 |

6.5 Total Interest Earnings

| | £ | Rate of Return (gross of management fees) |
|--------------------------------------|------------------|---|
| | | % |
| Investec Asset Management Ltd | 2,663,844 | 7.33 |
| Scottish Widows IP Ltd | 1,196,521 | 5.33 |
| In-house team | 3,465,276 | 5.77 |
| RBS | 830,334 | 8.00 |
| Total Interest Earned 2008/09 | 8,156,860 | 6.20% |
| 2008/2009 Benchmark | | The higher of 5.50% or average 3 month LIBID 4.6% |
| Budgeted 2008/09 Interest Earnings | 6,031,720 | |
| Over/(under) performance * | 2,125,140 | |

* - of this total, £0.7m relates to unrealised gains which will be realised in 2009/10, and £0.5m is attributable to non-general fund activity. This links into the general finance outturn position in the revenue and capital outturn report.

7 Borrowing position for 2008/09

7.1 Outstanding Debt at 31 March 2009

The Council borrowed occasionally during the financial year for periods less than 1 week. This was to cover occasional cash flow shortages. This did not exceed the authorised limit of £150m; as set out in the Treasury Management Strategy. Short term borrowing as at 31 March 2009 was £3.3m.

7.2 The Council borrowed long term to fund its capital program in 2008/09 as previously forecast, and this borrowing totalled £50m during the year.

Borrowing and Interest Paid in 2008/09

| | 31 March 2009 £ | Average Life | Average Rate (%) |
|------------------------|--------------------|-----------------|---------------------|
| Short Term Debt | 3,000,000 | 2 days | 0.45 |
| Total | 3,000,000 | | |
| | | | |

| | | | |
|----------------|-------------------|------------|------|
| Long Term Debt | | | |
| LOBO | 20,000,000 | 69.5 years | 3.98 |
| PWLB | 30,000,000 | 4.5 years | 4.06 |
| Total | 50,000.000 | | |

8. Debt Rescheduling

The Council went into borrowing this financial year. Debt rescheduling will be a future treasury management decision with considerations for savings, portfolio mix, capital program requirement and interest rates. As investment rates are currently at an all time low due to the credit crunch, the council in making a future decision on debt rescheduling will consider other options like the use of cash to repay longer term debt.

9. Treasury Management Costs

9.1 The costs associated with the internal Treasury Management function (including an element for the regular performance monitoring of the external managers) were as follows:

| | |
|------------------------|---------------|
| Salaries | 60,013 |
| Sector Treasury Advice | 15,000 |
| | 75,013 |

9.2 Fees paid to the external managers during 2008/09 were as follows:-

| | |
|---------------------------|---------------|
| Investec Asset Management | 47,321 |
| Scottish Widows | 30,760 |
| | 78,081 |

10. Compliance with Treasury Limits

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in the revenue and capital outturn report (Appendix F) also on the agenda for this meeting. They are combined into this report as they include indicators relevant to both capital and treasury management.

11. Conclusions

11.1 The key conclusions to draw from this report are as follows:

- a) That investment performance exceeded budgeted levels by £2.1m for the financial year;
- b) That the value of investments as at 31 March 2009 totalled £122.58m; and
- c) That value of long term borrowing as at 31 March 2009 totalled £50m.

12. Consultees

Councillor G Bramley, Cabinet Member for Finance and Human Resources

Bill Murphy, Corporate Director of Resources
Winston Brown, Legal Partner
John Hooton (Group Manager, Accounting & Technical)

Background Papers

- Executive Report 19 February 2008 - Treasury Management Annual Strategy Statement 2008/09
- CIPFA Code of Practice for Treasury Management in the Public Services

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THE EXECUTIVE

16 JUNE 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

| | |
|---|---------------------|
| Title: Council's Provisional Revenue and Capital Outturn 2008/09 | FOR DECISION |
| <p>Summary:</p> <p>The report provides the Executive with the Council's provisional revenue and capital outturn position for the financial year 2008/09.</p> <p>For the Council's General Fund revenue services, it highlights that the final position is an overall overspend of £816k which is in line with the projected overspend reported to the Executive in April. In relation to the Council's net budget of £282m this equates to a minimal 0.3% overspend. Given the significant pressures that have faced the Council in 2008/09, and the projected overspend of £7.4m reported in June 2008, the end-of-year position demonstrates a successful year of financial control, accurate forecasting, good systems/processes and the ability to implement and deliver action plans.</p> <p>The largest in-year pressure in 2008/09 was within the Children's Services department, where the Council experienced increased demand and costs of £3.7m 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 of £2m from Corporate contingencies and balances.</p> <p>Throughout the year all departments have addressed both their own pressures and the approved action plans in order to achieve their necessary targets by the year end. The outcomes and progress of these action plans have been monitored and reported to both the Resource Monitoring panels and the Executive through the regular budget monitoring meetings and reports.</p> <p>The additional costs of £3.7m for Looked after Children Placements have been able to be largely offset by targeted departmental underspends, namely Corporate Resources (£596k), Adults & Community Services (£270k) and Regeneration (£236k) and an approved use of £2m from Corporate contingencies and balances.</p> <p>For the Housing Revenue Account, the final working balance shows a position of £3m which compares to the projected working budget of £3.5m.</p> <p>For Capital, the final position shows that £97.1m has been spent out of a final working budget of £97.2m, an underspend of just £0.1m after taking into account the recommendations set out in this report.</p> <p>The report also covers the position on relevant carry forward requests from departments for capital and revenue projects, for consideration by Members.</p> | |

Wards Affected: All Wards

This is an annual outturn report of the Council's resource position and applies to all wards.

Recommendations

The Executive is asked to:

- (a) Note the final outturn position of the Council's revenue budgets for 2008/09 (Section's 1 and 2 and Appendix A);
- (b) Approve the final in-year budgets adjustments as set out in paragraph 2.7;
- (c) Approve the use of the Council's General Reserve balances to fund the minimal 0.3% 2008/09 overspend (Section 2.8);
- (d) Approve the carry forwards from the Revenue budget to be incorporated into the relevant 2009/10 Departmental budgets (Section 2.16);
- (e) Note the position of the working balance for the Housing Revenue Account (Section 3);
- (f) Note the outturn position for the 2008/09 Financial Health Indicators (Section 4 and Appendix B);
- (g) Note the final outturn position of the Council's Capital programme and approve the additional budget adjustments (Section 5 and Appendix C);
- (h) Approve the carry forward of categories A and E (i.e. committed and rolling programmes) from the 2008/09 Capital Programme to be incorporated into future years service capital programmes subject to a review by CPMO (Appendix D and D(i));
- (i) Approve that the appropriate 2009/10 Capital budgets be adjusted for advanced expenditure in 2008/09 of £7.9m (Appendix E); and
- (j) Note the outturn position for 2008/09 Prudential Indicators (Section 6 and Appendix F).

Reason

As a matter of good financial practice, the Executive should be informed of the final outturn and performance of the Council's Revenue and Capital financial resources.

Implications:**Financial:**

The report identifies the Council's final revenue and capital outturn position for the financial year 2008/09 and the financial performance of all services throughout the year. It indicates that the Council's overall services throughout 2008/09 were maintained and generally delivered within existing budgets.

The report also identifies both the relevant 2008/09 capital budgets that need to be carried forward into 2009/10, and the 2009/10 capital budgets that need to be adjusted for advanced expenditure in 2008/09.

Legal:

There are no legal implications regarding this report.

Risk Management:

The risk to the Council is that the overall 2008/09 budget could have been significantly overspent and that this would reduce the Council's resource position. Whilst there have been variations within individual departmental outturns these have been managed and monitored throughout the financial year by way of specific procedures including reports and necessary action plans to Resource Monitoring Panels, Departmental Management teams, the Corporate Management team and the Executive. This robust process has enabled their overall budgets to be brought broadly into line by the year end which is containable within the Council's reserves position.

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 Joe Chesterton | Title: Divisional Director - Corporate Finance | Contact Details: Tel:020 8227 2932 E-mail: joe.chesterton@lbbd.gov.uk |
|--|---|--|

1. Introduction

- 1.1 At the end of 2008/09 the Council has a net overspend of £816k on its General Fund Revenue services against a profiled budget for the year of £282.3 million (0.3% over budget). The full departmental detail is included in Appendix A and is summarised as follows:

| | <u>Budget</u> <u>£'000</u> | <u>Actual</u> <u>£'000</u> | <u>Over/</u> <u>(under)</u> <u>spend</u> <u>£'000</u> | <u>Roll</u> <u>Forward</u> <u>Requests</u> <u>£'000</u> | <u>Overall</u> <u>Position</u> <u>£'000</u> |
|-----------------------|---|---|--|--|--|
| General Fund Services | 282,328 | 283,082 | 754 | 62 | 816 |

- 1.2 In summary the overall departmental performances, after the recommended approved adjustments (see paragraph 2.7) can be summarised as follows:

| <u>Service Department</u> | <u>Over/(under) spend £'000</u> | <u>Roll Forward Requests £'000</u> | <u>Overall Position £'000</u> |
|----------------------------|---|--|---------------------------------------|
| Adult & Community Services | (270) | 0 | (270) |
| Children's Services | 1,729 | 0 | 1,729 |
| Customer Services | 189 | 0 | 189 |
| Regeneration | (236) | 0 | (236) |
| Corporate Resources | (658) | 62 | (596) |
| Total | 754 | 62 | 816 |

2. Service Position

- 2.1 Overall the Council is reporting an overspend position in 2008/09 of £816k which amounts to 0.3% of the original budget. The 2008/09 financial year has proved a demanding period for the Council with a number of significant financial pressures. The largest area of pressure has been within Children's Services which is reporting a net overspend of £1.7m in respect of Looked after Children Placements and in meeting the Councils' Leaving Care responsibilities (gross overspend of £3.7m less use of an approved £2m from Corporate contingencies and balances).
- 2.2 As a result of the significant pressures within the Children's Services department, 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 to produce a balance budget. During the course of the financial year all departments have been addressing both their own pressures and the approved action plans in order to achieve the necessary targets by the year end. The outcomes and progress of these action plans have been monitored and reported to both the Resource Monitoring panels and the Executive through the regular budget monitoring meetings and reports. These action plans have been successful and reduced the estimated overspend from its peak of £7.4m in June 2008 to its current position of £816k.
- 2.3 The action plans introduced have included holding vacant posts, tight controls on agency recruitment and supplies & services spend, reduction in levels of overtime, reviewing levels of outstanding debt, a more focused use of all revenue grants, maximising grant funding, tighter demand management of care budgets and exploration of partnering opportunities.
- 2.4 The final outturn position has been offset by a number of targeted departmental underspends, namely Corporate Resources (£596k), Adults & Community Services (£270k) and Regeneration (£236k).
- 2.5 As well as the financial pressure in respect of Looked after Children Placements and in meeting the Councils' Leaving Care responsibilities, the Council has also experienced other key financial pressures in 2008/09 including:
- Increased Energy Costs;
 - Increased costs in Adult Services arising from clients in transition from Children's placements i.e. when turning age 18;
 - Delivery of the Homecare Modernisation programme;
 - Reduction in Income Collection e.g. Land charges, Building control, Commercial property and Trade waste;

- Reduced investment income receipts due to lower interest rates;
- Reduced in-year collection of Council tax due to changes in the national economic climate;
- Cost pressures in front line services particularly within the Environmental & Enforcement Service.

2.6 Given the size and variety of the financial pressures, the end-of-year position demonstrates a successful year of financial control, accurate forecasting, good systems/processes and the ability to implement and deliver action plans. A number of the on-going pressures that arose in 2008/09 have now been resolved in the longer term through the 2009/10 Budget process, but these will need to be monitored and managed and may need further addressing as part of future year budget processes.

2.7 As a result of the final year-end postings within the General ledger system there is a need to ensure that for reporting purposes the final revised budget reflects the outturn position.

To this end the following budget adjustments are required for approval, of which the net effect on the outturn position is nil:

- The final outturn position reflects some redundancy costs that arose within the financial year particularly in the delivery of the Homecare Modernisation programme. These additional costs can be funded from the savings in borrowing costs and additional in-year income generated on investment balances, and as a result there is a need to approve a budget transfer of £293k between Adult & Community Services and Investment Income;
- The final outturn position reflects some additional project costs incurred in delivering the set up of the new Capital Delivery Unit. These additional costs can be funded from the savings in borrowing costs and the additional in-year income generated on investment balances, and as a result there is a need to approve budgets increases in the Regeneration Services budget and the Investment Income budget of £185k;
- The final outturn also reflects the appropriate level of project work undertaken in respect of the Building Schools for the Future scheme which cannot be charged directly to the Capital project. These additional costs can be funded from the savings in borrowing costs and the additional in-year income generated on investment balances, and as a result there is a need to approve budgets increases in the Children's Services budget and the Investment Income budget of £400k.

2.8 It is recommended that the final overspend of £816k should be funded from the Council's existing General Reserve balances, where sufficient resources exist to be able to meet this cost.

2.9 Details of each area of the Council's financial position are provided in Appendix A, and a brief summary of each of the department's significant issues arising in 2008/09 is provided below.

2.10 Adult & Community Services

The final outturn position for the Adult & Community Services in 2008/09 is an underspend of £270k. The Corporate Director and the management team have implemented several actions in 2008/09 to ensure the targeted budget is achieved for the year end, including reductions in the use of agency staff, overtime and vacancy management, tighter demand management of care budgets and exploration of partnering opportunities

The main cost pressures arising during the year have included:

- budget pressures early in 2008/09 due to delays in implementing the Older Persons Modernisation programme particularly around Home Care staff redundancies. There was a 6 month delay in delivering this project;
- financial pressures arising from clients in transition from Children's placements i.e. when turning age 18;
- financial pressures in the Learning Disability Service area arose towards the end of the financial year, and these will need to be closely monitored and managed in 2009/10.

2.11 Children's Services

The final outturn position for Children's Services is a net overspend of £1.7m which includes a £2m contribution from Corporate contingencies and balances.

The Children's Services budget has faced a major budget issue during 2008/09, with additional costs of £3.7m arising within the Children's placement and Leaving care services. The net cost after use of Corporate contingencies and balances has in the main been able to be offset through a combination of in-year savings across all service departments.

Looking forward into 2009/10, the budget shortfall experienced in 2008/09 is unlikely to continue due to the 2009/10 base budget being corrected through the 2009/10 budget process. In addition the implementation of new strategies (more in-house foster care capacity and invest to save projects) and the quarterly model unravelling complexities and resolving process issues will further aid controlling costs.

The department has also experienced a number of other cost pressures in 2008/09 including increased transport costs (work is to be undertaken to improve management information and to keep transport eligibility and operational policies under review including a reassessment of current practice), and increased legal costs arising from the additional demands in the numbers of child protection cases. The changes made to the legal practice in 2008 should ensure that in future legal costs are managed more efficiently and effectively.

2.12 Customer Services

The final outturn position for Customer Services in 2008/09 is an overspend of £189k. The main reason for this overspend is a result of an end of year adjustment with regard to an over provision of income received in 2008/09 from Housing Benefit overpayments. Further work is also ongoing in relation to outstanding debt levels in relation to overpayment income, and once concluded any necessary adjustment will be made to the Statement of Accounts which is to be presented to the Assembly at the end of June.

During 2008/09 the Corporate Director and the management team have implemented several actions aimed at achieving their targeted budget. These have included 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.

The main cost pressures during the year have included:

- Energy – Increased energy costs have impacted heavily on services that rely on fuel such as Refuse, Cleansing and Grounds Maintenance services. In addition delays in the procurement of the new fleet has resulted in higher spot hire costs and maintenance costs;
- Private Sector Leasing (PSL) – The Council's homelessness strategy reflects the Government's approach to reducing PSL's which has in turn led to increased budget pressures in 2008/09. Management action to slow down the impact of the homelessness strategy to reduce PSL's, and a mid year increase in the administration charge, has contributed to reducing this cost pressure;
- Income Collection – Income collections rates have been under increasing pressure from the impact of the falling economy e.g. trade waste income was £400k below budget due to the impact of annual increases turning clients to competitors;
- Front Line Services – There has been increased staffing issues during the year resulting in the need to recruit temporary staff.

2.13 Regeneration

The final outturn position for Regeneration Services in 2008/09 is an underspend of £236k. The management actions implemented during the year to achieve the targeted budget have included holding vacant posts, controlling discretionary spend items and achieving efficiency savings e.g. the merger of B&D Training Services with Adult College.

The main cost pressures arising during the year have included:

- Income pressures:
 - land disposal transaction fees – decisions to not sell some assets in the current market conditions has affected the income budget;
 - LSC – reduced income arising from change in LSC priorities;
 - loss of income on land charges;
 - reduced income from market affected by construction of ELT;
 - reduced income from building control – market conditions.
- Cost of Restructuring Regeneration Services;
- Development of Local Housing Company.

2.14 Corporate Resources

The Corporate Resources position covers the services of the Corporate Resources department (including Corporate Management), Interest on balances and borrowing costs, Levies and the Use of the Contingency budget. In 2008/09 these services showed a combined underspend position of £596k.

The final outturn position in respect of the Resources department is an underspend of £479k. The department has faced several pressures during the course of 2008/09 including increases in energy and repairs and maintenance costs in its public buildings.

In 2008 the department introduced its new legal practice service, which will improve the quality, accuracy and timeliness of legal advice as well as reducing costs through reductions in the use of external legal practices. The Corporate Director and the management team have implemented several actions to ensure the targeted budget was achieved for the year end, including curtailing the use of agency staff, holding back posts for recruitment and tight control and prioritisation of spend on areas such as supplies and services.

The General Finance service, which includes Interest on balances and costs of borrowing, showed an overall positive position of £918k during 2008/09.

The key factors contributing to this performance were:

- Available balances for investment purposes;
- Amount of borrowing required in-year and chargeable to revenue services;
- National and Global Interest Rates.

In terms of performance on investment balances, the majority of this performance was generated in the first 6 months of the financial year when interest rates rose as high as 5.75%. In the latter 6 months of 2008/09 interest rates fell sharply as a result of the global and national economic decline, and at the end of the financial year the Bank of England Base Rate was just 0.5%.

The increased interest receipts and reductions in borrowing costs have been used to fund specific budget pressures in service departments particularly around Building Schools for the Future, the implementation of the newly formed Capital Delivery unit and in-year redundancy costs.

In setting the budget for 2008/09, a contingency budget was approved for any unforeseen items that may arise during the year. The final contingency budget showed a net underspend of £77k.

2.15 Use of Reserves

The final outturn for 2008/09 includes a number of projects that have been funded from ear-marked reserves and these can be summarised as follows:

| <u>Description</u> | <u>£'000</u> |
|--------------------------------|--------------|
| Supporting 2008/09 Budget | 484 |
| Children's Placements | 2,000 |
| Invest to Save Projects | 1,023 |
| IT & Efficiency Projects | 651 |
| Use of Service Reconfiguration | 681 |
| Single Status & Equal Pay | 152 |
| Butler Court | 16 |
| Total | 5,007 |

2.16 Corporate Roll-Forwards

A small roll-forward is requested to be approved from 2008/09 into 2009/10 in order to progress with a service issue and development that was unable to be achieved in 2008/09.

The total value of the roll-forward request amounts to £62k, and this has been accounted for as part of the assessment of the Council's overall outturn position (paragraph 1.1).

The detail of the roll-forward is as follows:

- Upgrade of Gas Boiler Solenoid valves at various locations £61,500

Members are invited to consider this request and approve as necessary.

3. Housing Revenue Account

- 3.1 The Housing Finance Act 1972 requires local authorities to maintain a separate Housing Revenue Account (HRA) and the Local Government and Housing Act 1989 requires the Council to ring-fence the HRA thereby preventing any cross-subsidisation from the General Fund. The Council also maintains a statutory duty to ensure that the HRA does not fall into deficit.

The final position for the Housing Revenue Account shows that there is a working balance at 31 March 2009 of £3.020m compared to a opening balance of £2.980m and a projected working balance of £3.5m.

This can be summarised as follows:-

| | <u>Estimate</u> | <u>Actual</u> | <u>Variance</u> | |
|--------------------------------------|-----------------|---------------|-----------------|----------|
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>%</u> |
| Income | (85,084) | (86,580) | (1,496) | 1.8 |
| General & Special Management | 27,107 | 31,844 | 4,737 | 17.5 |
| Repairs & Maintenance | 25,254 | 24,332 | (922) | (3.7) |
| Interest Earned | (1,660) | (2,019) | (359) | 21.6 |
| Housing Benefit Limitation | 4,611 | 3,217 | (1,394) | (30.2) |
| Depreciation | 12,981 | 12,929 | (52) | (0.4) |
| Payment to DCLG | 17,046 | 17,052 | 6 | 0.0 |
| (Surplus)/Deficit | 255 | 775 | 520 | 201.2 |
| Opening balance | (2,165) | (2,165) | 0 | 0 |
| Rental Constraint Allowance | 0 | (185) | (185) | 0 |
| Rent Rebate Subsidy Limitation Admin | 0 | (589) | (589) | 0 |
| Rent Reserve Balance | (1,070) | (856) | 214 | 20.0 |
| Closing balance | (2,980) | (3,020) | 40 | 1.3 |
| Projected Working Balance | (3,552) | | | |

- 3.2 In 2008/09, the HRA generated additional income of £1.5m (1.8%). This was due mainly to additional income due from the water board due to the incorrect billing of water charges. A prudent provision of £750,000 has been included in the 2008/09 accounts whilst ongoing negotiations will be concluded later this year once the audit of the water account is completed. The HRA also received £257,000 more income from insurance claims during the year and a further £500,000 from leaseholders through increases in direct energy costs for lighting and heating and the impact of higher fuel costs in providing General and Special Management services such as grounds maintenance and estate cleaning.

- 3.3 The HRA was able to generate additional income from interest on balances due to higher than expected returns on balances. This generated an extra £359,000 (21.6%) that will increase the HRA's working balance for future years' investment in HRA services to residents.
- 3.4 General and Special Management costs overspent in 2008/09 by £4.7m (17.5%) due to a £2.1m increase in the cost of energy and an increase of £1.2m in general services provided to the HRA such as grounds maintenance, estate cleaning, arboriculture work and tree maintenance. The HRA overspent by £0.5m on staffing costs and by £0.4m on water charges through incorrect billing by the Water Board. The Council is currently in discussions with the Water Board and anticipates a full refund from the Water Board (see paragraph 3.2).
- 3.5 Repairs and maintenance services underspent in 2008/09 by £922,000 (3.7%). This was due mainly to a lower charge from the main contractor of £0.4m and a reduction in insurance costs on repairs and maintenance of £0.6m.
- 3.6 In 2008/09, a technical review of the HRA was conducted to help identify other potential sources of income for the HRA. One of the major successes of this review was the reduction in the payment of Rent Rebate Subsidy Limitation (RRSL) from a budget of £4.6m to £3.2m, a saving of £1.4m. This was achieved by analysing information specific to Barking & Dagenham and using key technical knowledge of the grant claim to reduce the financial burden on the HRA and recovering this directly from Central Government.

This exercise was also backdated to the 2007/08 grant claim which generated a saving of £0.6m which boosted the HRA working balance. In 2007/08 the technical review was also successful in claiming an additional £185,000 from the Rental Constraint Allowance – this being the capping mechanism used by Central Government to restrict Council's from implementing high rent increases to tenants.

4. Financial Health Indicators

- 4.1 The Audit Commission's Comprehensive Performance Assessment (CPA) introduced the requirement for the Council to undergo an assessment into its Use of Resources (UoR). The Council has a clear ambition to deliver excellent value for money services, to constantly improve and to achieve a Level 4 assessment score.
- 4.2 One of key themes within the UoR assessment is the need to evaluate the Council's position regarding its financial standing. A key line of Enquiry in achieving level 4 requires Members to monitor key financial health indicators and set challenging targets, for example, for income collection, level of variance from budget, prudential framework indicators, capital programme management etc. Whilst the council has a good track record of achieving these targets, it is appropriate that performance against these targets is presented to Executive on a regular basis. Currently all health indicators are presented to the Executive on a quarterly basis throughout the financial year. Attached at Appendix B is a list of the Council's significant financial health indicators for the financial year 2008/09.

5. Capital Programme

- 5.1 The total capital expenditure for 2008/09 was £97.1m out of a total budget of £97.2m, an underspend of £0.1m after taking into account the recommendations set out in this report. Included in this report are budget increases as set out in paragraph 5.8 of £6.6m, roll-forward requests into 2009/10 totalling £7.8m, with £7.9m of budgets brought forward from 2009/10 into 2008/09, giving a net underspend position of £0.1m.
- 5.2 These figures indicate that 99.9% of the capital programme was spent in 2008/09. This demonstrates the sound financial management principles that are applied across the capital programme.
- 5.3 The capital programme has been managed throughout the year by project sponsors with support from both the Capital Programme Management Office (CPMO) and departmental finance teams. Significant efforts have been made to co-ordinate this work, ensuring that financial input is received effectively from finance groups, and that technical and project management expertise is received from the CPMO. These efforts have contributed significant progress on a number of projects throughout the year.
- 5.4 The Executive is asked to consider and approve the carry forward of unspent budgets from 2008/09 into future years. The detail of these requests is included in Appendix D to this report. They total £7.8m. An exercise has also been undertaken to highlight any existing schemes that remain uncommitted. This is also detailed in Appendix D. It is recommended that these are rolled forward into 2009/10 following scrutiny by CPMO.
- 5.5 The capital outturn position can be summarised as follows:

| | |
|--|-----------|
| | <u>£m</u> |
| Revised Budget 2008/09 | 90.5 |
| Less: | |
| Actual Expenditure 2008/09 | (97.1) |
| Overspend | 6.6 |
| Budget increases due to external funding | (6.6) |
| Budgets Rolled Forward into 2009/10 | 7.8 |
| Budgets Brought Forward from 2009/10 | (7.9) |
| Net underspend after roll-forwards | (0.1) |

- 5.6 Within the overall position there are a number of issues to note:
- Overall, the total expenditure of £97m is significantly higher than in the previous 4 years and represents an achievement for the delivery of the Council's objectives;
 - The most significant schemes were Housing Futures, which spent £30.6m, £6.5m was spent on Highways upgrade expenditure, £4m on the completion of the Barking Child and Family Health Centre, and £5.3m on Northbury Infants school;
 - Approximately £46m, over 50%, of the capital programme was funded from external sources of funding principally from government departments and agencies – DWP, DCLG, the Lottery and Transport for London; and

- Following changes in legislation back in 2004, the Council now has to pool 75% of right to buy receipts each year. This means that the Council's previously significant capital receipts reserve has dwindled over the past 5 years, and the Council has borrowed to finance capital expenditure for the first time in 2008/09. Loan funding applied to the capital programme is approximately £25m.
- 5.7 The budgets brought forward from 2009/10 of £7.9m are as a result of projects that have spent in advance of their 2008/09 budget, as a result of being ahead of their original programme timetables, so can be funded from resources currently included in the 2009/10 programme. These are detailed in Appendix E.
- 5.8 To ensure that for reporting purposes, the final revised budget reflects the outturn position, there are a number of budget approvals required to the 2008/09 capital programme totalling £6.6m which are:
- Budget increases for projects funded from external funding namely: Transport for London £0.4m and BTC Redevelopment (DCLG) £1.98m;
 - Budget increases of £550k in respect of adaptations and ICT expenditure;
 - Expenditure on Children's Centres has overspent by £0.5m. It is recommended that these schemes are funded corporately. Additional funding may be secured in 2009/10 for these projects, which will reimburse this additional funding;
 - The Council received a "capitalisation directive" from central government of £3.2m in 2008/09 to fund significant one off expenditure for restructuring i.e. the costs of redundancy and early retirement. This expenditure has been capitalised from the revenue accounts and will be funded from corporate resources, which will spread the cost over a number of years rather than the full effect being felt in one year.

6. Prudential Indicators

- 6.1 Regulations issued under the Local Government Act 2003 require local authorities to have regard to the CIPFA Prudential Code for Capital Finance. This code considers the prudence, affordability and sustainability of capital investment decisions made by the Council.
- 6.2 The Council set a series of "prudential indicators" to measure capital investment decisions against the key principles of the code. They include the level of capital expenditure, the associated financing costs and impact on Council Tax and Housing Rents. They also include treasury management indicators which set out limits for investment and borrowing decisions throughout the year.
- 6.3 Appendix F sets out the outturn position for 2008/09 against the indicators as set in February 2008. The headline assessment of these figures is that the capital programme placed a marginally lower burden on the revenue budget in terms of financing costs than had been budgeted for at the beginning of the year, as a result of slippage on the programme. The Council has not entered into any long term borrowing during the year. The treasury management indicators confirm that the limits set for investment and borrowing decisions were adhered to throughout the year.

7. Consultees

Councillor Bramley, Cabinet Member for Finance and Human Resources
Rob Whiteman, Chief Executive
Corporate Directors
Finance Group Managers
CPMO Office
Legal Partners

Background Papers

Oracle Management reports
RMP Briefing Notes

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REVENUE OUTTURN 2008/09

| <u>Service Departments</u> | <u>Original Estimate</u> <u>£'000</u> | <u>Revised Estimate</u> <u>£'000</u> | <u>Actual</u> <u>£'000</u> | <u>Variation</u> <u>£'000</u> | <u>Roll-Fwd Requests</u> <u>£'000</u> | <u>Total Overspend after Roll-Fwd Requests</u> <u>£'000</u> |
|---------------------------------------|--|---|---------------------------------------|--|--|--|
| ADULT & COMMUNITY SERVICES | 62,556 | 64,434 | 64,164 | (270) | 0 | (270) |
| CHILDREN'S SERVICES | 182,028 | 181,230 | 182,959 | 1,729 | 0 | 1,729 |
| CUSTOMER SERVICES | 26,450 | 25,287 | 25,476 | 189 | 0 | 189 |
| REGENERATION | 11,925 | 12,529 | 12,293 | (236) | 0 | (236) |
| CORPORATE RESOURCES | 6,655 | 7,649 | 7,170 | (479) | 0 | (479) |
| GENERAL FINANCE | (15,668) | (16,122) | (16,162) | (40) | 0 | (40) |
| CONTINGENCY | 1,200 | 139 | 0 | (139) | 62 | (77) |
| LEVIES | 7,182 | 7,182 | 7,182 | 0 | 0 | 0 |
| TOTAL | 282,328 | 282,328 | 283,082 | 754 | 62 | 816 |

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Key Financial Health Indicators to 31st March 2009

Revenue

| <u>Financial Monitoring</u> | <u>Quarter 3</u> | <u>Year end</u> | <u>Current</u> | <u>Final</u> | <u>Final</u> | <u>Variance to</u> |
|-----------------------------|-------------------|-----------------|----------------|----------------|--------------------|--------------------|
| | <u>Variance</u> | <u>Variance</u> | <u>Budget</u> | <u>Outturn</u> | <u>Variance to</u> | <u>Quarter 3</u> |
| | <u>Projection</u> | <u>Target</u> | <u>Budget</u> | <u>Outturn</u> | <u>Budget</u> | <u>Budget</u> |
| | £m | £m | £m | £m | £m | £m |
| Service Departments | 2.5 | 0.0 | 291.1 | 292.0 | 0.9 | (1.6) |
| Other Services | 0.0 | 0.0 | (8.8) | (8.9) | (0.1) | (0.1) |
| Total | 2.5 | 0.0 | 282.3 | 283.1 | 0.8 | (1.7) |

Narrative:

Overall the Council is reporting an overspend position in 2008/09 of £0.8m which amounts to 0.3% of the original budget. The 2008/09 financial year has proved a demanding period for the Council with a number of significant financial pressures arising particularly from Looked after Children Placements and in meeting the Councils' Leaving Care responsibilities. As a result of these pressures the Council reported in its June Budget Monitoring report a potential overspend position by the year end of £7.4m. 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 of £2m from Corporate contingencies and balances. Since this time all department's have prepared and implemented a number of action plans aimed at reducing expenditure and moving towards meeting their agreed budget target by the year end. The action plans have included holding vacant posts, tight controls on agency recruitment and supplies & services spend, reduction in levels of overtime, reviewing levels of debt, a more focused use of all revenue grants, maximising grant funding, tighter demand management of care budgets and use of partnering opportunities.

| <u>Income Collection</u> | <u>Target</u> | <u>Cash</u> | <u>Actual</u> | <u>Variance to</u> | |
|----------------------------|-------------------|-------------------|-------------------|--------------------|-----------|
| | <u>Collection</u> | <u>Equivalent</u> | <u>Collection</u> | <u>Target</u> | |
| | <u>Rate</u> | <u>Equivalent</u> | <u>Rate</u> | <u>Rate</u> | |
| | | | | <u>Cash</u> | |
| | | | | <u>Equivalent</u> | |
| Council Tax | 94.0% | £48.113m | 93.0% | (1.0%) | (£829k) |
| NNDR | 99.5% | £49.082m | 96.1% | (3.4%) | (£1.676m) |
| Ctax Arrears - prior years | 27.0% | £1.978m | 20.4% | (6.6%) | (£101k) |
| Rent Collection | 97.4% | £75.174m | 97.2% | (0.2%) | (£173k) |

Narrative:

Council Tax collection did not achieve target by 1%, but is up on last year's performance by 0.7%. In the current economic climate this is an achievement and we will be building on this for the next financial year. A BPR Review of Council Tax is planned for 2009/10. NNDR collection is below target by 0.9%. This target was revised downwards during the financial year when it became evident that the effect of the recession, the new empty property rates legislation and the implementation of the first year of Self Service were all going to have an effect on collection. Of the 32 London Boroughs, 28 have reported collection downturns the others have not yet reported. The calculation for rent collection is based on the calculation for BVPI66a, which is the indicator which was in use for all LA's, until 2007/08. This indicator is no longer a national indicator but we are using the same methodology for the Local Indicator. This shows that the collection rate is virtually identical to 2007/08 even taking into account the economic downturn. It is noted that the amount of former tenant arrears has almost doubled from last year due to eabandonments and evictions.

Key Financial Health Indicators to 31st March 2009

Investments

| | <u>Average Investment Balances</u> | <u>Benchmark Return</u> | <u>Final return 2008/09</u> | <u>Variance against Benchmark</u> | <u>Total Interest Earned</u> |
|---------------------------|------------------------------------|-------------------------|-----------------------------|-----------------------------------|------------------------------|
| | £m | % | % | % | £m |
| Council in House team | 47.0 | 5.50% | 5.76% | 0.26% | 3.450 |
| External Fund Manager (1) | 37.5 | 5.50% | 7.33% | 1.83% | 2.660 |
| External Fund Manager (2) | 23 | 5.50% | 5.33% | -0.17% | 1.200 |
| External Fund Manager (3) | 15 | 5.50% | 8.00% | 2.50% | 0.830 |

Narrative:

Overall investment income in 2008/09 exceeded the budget by £2.1m. Interest rates were higher than expected during most of 2008/09, compared to when the original budget was set in February 2008. However, £0.7m of this relates to unrealised gains which will become realised in 2009/10. Decisions were taken by both the in-house team and external managers to lock in significant returns in the early part of the year while rates were still very high which is the main contributing factor to the strong performance. In addition, the Council avoided investment in Icelandic Banks, protecting the Council's financial position from potential loss of both balances and investment income.

Capital

| <u>Capital Programme</u> | <u>Projected Spend @ Q 3</u> | <u>Original Budget</u> | <u>Working Budget</u> | <u>Actual Spend 2008/09</u> | <u>Variance to Working Budget</u> |
|--------------------------|------------------------------|------------------------|-----------------------|-----------------------------|-----------------------------------|
| | £m | £m | £m | £m | £m |
| Capital Spend | 89.6 | 65.01 | 97.20 | 97.10 | (0.10) |

Narrative:

The total capital expenditure for 2008/09 was £97.1m out of a total budget of £97.2m, an underspend of £0.1m. These figures indicate that 99.9% of the capital programme was spent in 2008/09. This demonstrates the sound financial management principles that are applied across the capital programme.

Key Financial Health Indicators to 31st March 2009

Capital

| <u>Prudential Indicators</u> | <u>Original</u> <u>Indicators</u> <u>2008/09</u> <u>£'000</u> | <u>Revised</u> <u>Indicators</u> <u>2008/09</u> <u>£'000</u> | <u>Final</u> <u>Indicators</u> <u>2008/09</u> <u>£'000</u> |
|---|--|---|---|
| <u>Indicators</u> | | | |
| <u>Capital</u> | | | |
| Capital Expenditure | 65,008 | 97,277 | 97,137 |
| Financing Costs | | | |
| - Ratio of HRA Financing costs to Net Revenue Stream | 16.19% | 15.91% | 15.91% |
| - Ratio of General Fund Financing costs to Net Revenue Stream | 0.66% | 0.31% | 0.44% |
| Impact on Band 'D' Council Tax | £1.92 | £9.03 | £11.76 |
| Impact on Average Housing Rent | £0 | £0 | £0 |
| Capital Financing Requirement | £26,449 | £23,040 | £30,243 |
| <u>Treasury Management</u> | | | |
| Operational Limit on Borrowing | 50 | 50 | 50 |
| Authorised Limit | 150 | 150 | 150 |
| <u>Narrative:</u> | The outturn figures confirm that the limits and controls set for 2008/09 were applied throughout the year, and that the treasury management function and capital investment decisions adhered to the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability | | |

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CAPITAL OUTTURN 2008/09

Summary of Expenditure

| <u>Department</u> | <u>Original Budget</u> <u>£000</u> | <u>Revised Budget (a)</u> <u>£000</u> | <u>Budget Adjustments</u> <u>£000</u> | <u>Revised Budget (b)</u> <u>£000</u> | <u>Actual</u> <u>£000</u> | <u>Overspend</u> <u>£000</u> | <u>Roll Forwards</u> <u>£000</u> | <u>Roll Backs</u> <u>£000</u> | <u>Revised Underspend</u> <u>£000</u> |
|----------------------------|---------------------------------------|--|--|--|------------------------------|---------------------------------|-------------------------------------|----------------------------------|--|
| Adult & Community Services | 3,661 | 2,688 | 250 | 2,938 | 2,425 | (513) | 598 | (44) | 41 |
| Childrens Services | 4,982 | 15,043 | 496 | 15,539 | 14,777 | (762) | 1,594 | (834) | (2) |
| Customer Services | 5,683 | 15,255 | 424 | 15,679 | 16,901 | 1,222 | 286 | (1,740) | (232) |
| Regeneration | 47,007 | 54,705 | 2,127 | 56,832 | 57,036 | 204 | 4,929 | (5,062) | 71 |
| Resources | 3,675 | 2,782 | 3,336 | 6,118 | 5,998 | (120) | 363 | (261) | (18) |
| Total | 65,008 | 90,473 | 6,633 | 97,106 | 97,137 | 31 | 7,770 | (7,941) | (140) |

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CAPITAL OUTTURN 2008/09

ROLL-FORWARDS BY CATEGORY

| <u>DEPARTMENT</u> | <u>CATEGORY A</u> £'000 | <u>CATEGORY B</u> £'000 | <u>CATEGORY C</u> £'000 | <u>CATEGORY D</u> £'000 | <u>CATEGORY E</u> £'000 | <u>TOTAL</u> £'000 |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------|
| Adult & Community Services | 598 | 0 | 0 | 0 | 0 | 598 |
| Childrens Services | 135 | 0 | 0 | 0 | 1459 | 1594 |
| Customer Services | 272 | 0 | 0 | 0 | 14 | 286 |
| Regeneration | 4081 | 0 | 0 | 0 | 848 | 4929 |
| Resources | 329 | 0 | 0 | 0 | 34 | 363 |
| | 5,415 | - | - | - | 2,355 | 7,770 |

Roll-forward Categories being:

- A - Stand alone project - Contractually committed
- B - Stand alone project - Pre-contract spend only - Contractually committed
- C - Stand alone project - Pre-contract spend only - Not yet Contractually committed
- D - Rolling Programme - Contractually committed
- E - Rolling Programme - Not Contractually committed

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CAPITAL OUTTURN 2008/09

ROLL FORWARD REQUESTS

| | Figures for 2008/09 | | | Roll fwd | |
|--|---------------------|----------------|------------------|-----------------|----------|
| | Budget £000 | Actual £000 | Variance £000 | Request £000 | Category |
| Adult & Community Services | | | | | |
| Service Refurbishment | 39 | 25 | 14 | 14 | A |
| Libraries and Heritage | | | | | |
| Eastbury Manor House | 1,027 | 649 | 378 | 378 | A |
| Valance Site Redevelopment | 1,135 | 929 | 206 | 206 | A |
| | 2,201 | 1,603 | 598 | 598 | |
| Children's Services | | | | | |
| Eastbury | 1,272 | 1,232 | 40 | 40 | A |
| Dagenham Park (Formerly Dagenham Priory) | 200 | 125 | 75 | 75 | A |
| Barking Abbey | 34 | 14 | 20 | 20 | A |
| Renewal School Kitchens | 875 | 807 | 68 | 68 | E |
| Schools Asbestos Works | 465 | 352 | 113 | 113 | E |
| Smf 2008/09 | 2,410 | 1,247 | 1,163 | 1,163 | E |
| Schools Reboiler Works | 910 | 824 | 86 | 86 | E |
| Community Music Service/Performing Arts | 29 | 0 | 29 | 29 | E |
| | 6,195 | 4,601 | 1,594 | 1,594 | |
| Customer Services | | | | | |
| <u>Non HRA</u> | | | | | |
| Private Sector Housing | 1,454 | 1,425 | 29 | 29 | A |
| <u>Environment & Enforcement</u> | | | | | |
| Contaminated Land Programme | 300 | 265 | 35 | 35 | A |
| Highways Structural Repairs | 6,500 | 6,486 | 14 | 14 | E |
| 20Mph Zones | 355 | 272 | 83 | 83 | A |
| Dagenham East Station Access | 150 | 117 | 33 | 33 | A |
| Office Accommodation | 133 | 41 | 92 | 92 | A |
| | 8,892 | 8,606 | 286 | 286 | |
| Regeneration | | | | | |
| <u>Transport</u> | | | | | |
| London Cycle Network | 417 | 233 | 184 | 184 | A |
| <u>Housing Strategy</u> | | | | | |
| Land Disposal | 1,500 | 1,389 | 111 | 111 | A |
| <u>Leisure, Arts & Olympics</u> | | | | | |
| Parks and Green Spaces Strategy | 881 | 512 | 369 | 369 | A |
| Barking Park | 90 | 5 | 85 | 85 | A |
| Btc Public Art Project | 46 | 31 | 15 | 15 | A |
| Civic Centre - Kestrel | 30 | 17 | 13 | 13 | A |
| <u>Asset Strategy</u> | | | | | |
| Pts Garage | 40 | 15 | 25 | 25 | A |
| Backlog Maintenance | 960 | 337 | 623 | 623 | E |
| Legionella Works | 988 | 922 | 66 | 66 | E |
| Capitalised Major Repairs Programme | 257 | 104 | 153 | 153 | E |
| Intruder Alarms | 115 | 109 | 6 | 6 | E |
| Asbestos Works | 220 | 184 | 36 | 36 | A |
| <u>Regeneration Spatial</u> | | | | | |
| Barking Town Centre | 101 | 77 | 24 | 24 | A |
| Barking Town Centre | 1,738 | 1,213 | 525 | 525 | A |
| Barking Child & Family Health Centre | 5,113 | 4,113 | 1,000 | 1,000 | A |
| New Dagenham Library & One Stop Shop | 2,539 | 2,507 | 32 | 32 | A |
| Barking Town Square (Phase 2) | 596 | 250 | 346 | 346 | A |

CAPITAL OUTTURN 2008/09

ROLL FORWARD REQUESTS

| | Figures for 2008/09 | | | Roll fwd | |
|--|----------------------------|---------------|-----------------|-----------------|-----------------|
| | Budget | Actual | Variance | Request | Category |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> | |
| London Road | 2,472 | 2,191 | 281 | 281 | A |
| Energy Efficiency Programme | 461 | 437 | 24 | 24 | A |
| Creekmouth | 1,193 | 869 | 324 | 324 | A |
| Legi Business Centres | 1,057 | 963 | 94 | 94 | A |
| Retail Premises Improvement | 128 | 107 | 21 | 21 | A |
| <u>Skills, Learning and Enterprise</u> | | | | | |
| Dagenham Job Shop | 396 | 18 | 378 | 378 | A |
| Barking Apprentice | 525 | 375 | 150 | 150 | A |
| Adult College | 222 | 178 | 44 | 44 | A |
| | 22,085 | 17,156 | 4,929 | 4,929 | |
| Resources | | | | | |
| IT For Members | 22 | 3 | 19 | 19 | E |
| E-Government Programme | 15 | 0 | 15 | 15 | E |
| Citrix Server Upgrade | 160 | 109 | 51 | 51 | A |
| Voice And Data Communication | 576 | 298 | 278 | 278 | A |
| | 773 | 410 | 363 | 363 | |
| LBBD Total | 40,146 | 32,376 | 7,770 | 7,770 | |

Roll-forward categories being:

- A - Stand alone project - Contractually committed
- B - Stand alone project - Pre-contract spend only - Contractually committed
- C - Stand alone project - Pre-contract spend only - Not yet contractually committed
- D - Rolling programme - Contractually committed
- E - Rolling programme - Not contractually committed

CAPITAL OUTTURN 2008/09

Budgets to be brought forward from 2009/10 to 2008/09

| | 2008/09 | | | 2009/10 Budget | |
|--|---------------|---------------|--------------|----------------|----------------|
| | Budget | Actual | Variation | Budget | Reduced Amount |
| | £000 | £000 | £000 | £000 | £000 |
| Adults Services | | | | | |
| Ripple Hall | 130 | 173 | 43 | 593 | 43 |
| | 130 | 173 | 43 | 593 | 43 |
| Childrens Services | | | | | |
| Northbury Infants | 4,555 | 5,278 | 723 | 966 | 723 |
| Schools Legionella Works | 616 | 637 | 21 | 330 | 21 |
| Furze Childrens Centre | 248 | 616 | 368 | 40 | 40 |
| Leys Childrens Centre | 162 | 408 | 246 | 50 | 50 |
| | 5,581 | 6,939 | 1,358 | 1,386 | 834 |
| Customer Services | | | | | |
| Disabled Adaptations | 1,300 | 2,057 | 757 | 800 | 757 |
| Private Sector Households | 800 | 957 | 157 | 1,000 | 157 |
| Housing Modernisation Programme | 2,420 | 2,552 | 132 | 3,033 | 132 |
| Highways | 247 | 329 | 82 | 370 | 82 |
| Foundation Contact Centre, One Stop Shop | 570 | 784 | 214 | 500 | 214 |
| Waste Minimisation | 500 | 899 | 399 | 2,109 | 399 |
| | 5,837 | 7,578 | 1,741 | 7,812 | 1,741 |
| Regeneration | | | | | |
| Housing Futures | 27,439 | 30,271 | 2,832 | 17,937 | 2,832 |
| Cycling Route | 419 | 442 | 23 | 405 | 23 |
| Parks and Green Spaces Strategy | 162 | 243 | 81 | 208 | 81 |
| Becontree Heath Leisure Centre | 96 | 1,954 | 1,858 | 16,615 | 1,858 |
| Wind Turbines | 0 | 2 | 2 | 200 | 2 |
| Dagenham Heathway Public Realm | 1,778 | 1,786 | 8 | 200 | 8 |
| East End Thames View Demolition | 1,376 | 1,536 | 160 | 679 | 160 |
| Barking Foyer | 0 | 98 | 98 | 372 | 98 |
| | 31,270 | 36,332 | 5,062 | 36,616 | 5,062 |
| Resources | | | | | |
| Implement Corporate Accommodation Strategy | 520 | 777 | 257 | 2,612 | 257 |
| Desktop Management Programme | 740 | 743 | 3 | 50 | 3 |
| Microsoft Enterprise Agreement | 457 | 458 | 1 | 384 | 1 |
| | 1,717 | 1,978 | 261 | 3,046 | 261 |
| TOTAL | 44,535 | 53,000 | 8,465 | 49,453 | 7,941 |

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The Prudential Code for Capital Investment in Local Authorities

Outturn Report 2008/09

1. The Prudential Framework for Local Authority Capital Investment

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

2. The Prudential Indicators

- 2.1. The Prudential Code sets out the information that each Council must consider when making its decisions about future borrowing and investment. This takes the form of a series of "Prudential Indicators".
- 2.2. The Code is a formal statement of good practice that has been developed to apply to all authorities regardless of their local circumstances. For example, while Barking and Dagenham is in a debt free position, the indicators in respect of borrowing will not be directly relevant. However, spending on the capital programme results in reduced interest on investments, which creates a gap in the revenue budget, and represents a sum that could otherwise have been spent reducing Council Tax levels, or being spent on other priorities.
- 2.3. This appendix will set out the original estimated 2008/09 prudential indicators as approved by the Council in February 2008, the revised estimates following in year budget adjustments as reported with the capital budget report in February 2008, and the actual outturn position, now that the final spend on the capital programme for 2008/09 is known.

3. **Capital Expenditure**

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

Table 1: Capital Expenditure (Prudential Indicator)

| | 2008/09 Original Estimate | 2008/09 Revised Estimate | 2008/09 Actual |
|--------------|---------------------------------|--------------------------------|-------------------|
| | £'000 | £'000 | £'000 |
| HRA | 30,072 | 33,828 | 33,655 |
| General Fund | 34,936 | 63,449 | 63,482 |
| Total | 65,008 | 97,277 | 97,137 |

- 3.2 Table 1 shows that actual capital expenditure was £97.1m against a revised budget of £97.2m.
- 3.3 The knock on effect of the reduction in spend on the capital programme is a reduction in the costs associated with financing the capital programme, and these are considered in the next section.

4. **Financing Costs**

- 4.1 The prudential code also requires Councils to have regard to the financing costs associated with its capital programme.
- 4.2 For an authority that has debt, the prudential indicator for its financing costs is calculated based on the interest and repayment of principle on borrowing. Conversely, for an authority without debt, it is the interest and investment income from its investments. This income contributes to the financing of the Council's revenue budget. However, when capital receipts are used to finance the capital programme, the amount of interest earned will be reduced. The use of capital receipts to finance the capital programme, rather than to raise interest receipts, is therefore a cost to the Council.
- 4.3 Since the authority does not borrow there is no Minimum Revenue Provision ("repayment of principle") in the General Fund financing costs. For the HRA there is, however, a charge for depreciation based on the Major Repairs Allowance. This is included in the financing costs of the authority although in practice it is matched by an equivalent amount in HRA Subsidy.

- 4.4 Table 2 shows outturn figures for 2008/09 in respect of the Council's Net Revenue Streams for both the General Fund and the Housing Revenue Account, Financing Costs for these two funds and the ratio of Net Revenue Streams to Financing Costs, based on capital expenditure shown in Table 1.

Table 2: Financing Costs (Prudential Indicator)

| | 2008/09 Original Estimate | 2008/09 Revised Estimate | 2008/09 Actual |
|---------------------------|---------------------------------|--------------------------------|-------------------|
| | £'000 | £'000 | £'000 |
| Net Revenue Stream | | | |
| HRA | 78,009 | 81,082 | 81,082 |
| General Fund | 147,249 | 147,249 | 147,249 |
| Financing Costs | | | |
| HRA | 12,627 | 12,900 | 12,900 |
| General Fund | 973 | 461 | 650 |
| Ratio | | | |
| HRA | 16.19% | 15.91% | 15.91% |
| General Fund | 0.66% | 0.31% | 0.44% |

- 4.5 The outturn position for the HRA shows the revenue stream and financing costs in line with the original budget. This has meant that the ratio of financing costs to revenue stream is in line with the budgeted level.
- 4.6 The outturn position for the General Fund shows the same revenue streams as per the budget. However, the reduction in spend on the General Fund element of the capital programme resulted in higher levels of interest being earned on balances than expected.
- 4.7 Financing costs can also be shown with reference to their impact on Council Tax and Housing Rents and this is set out in Table 3.

Table 3: The Impact of Capital Programme on the Council Tax and Housing Rents (Prudential Indicator)

| | 2008/09 Original Estimate | 2008/09 Revised Estimate | 2008/09 Actual |
|---------------------------|---------------------------------|--------------------------------|-------------------|
| | £ | £ | £ |
| For Band D Council Tax | 1.92 | 9.03 | 11.76 |
| For average Housing Rents | 0 | 0 | 0 |

- 4.8 The table shows that, as a result of the underspend on the capital programme, the loss of interest and burden on the revenue budget (and by definition on Council Tax levels) as a result of new schemes was lower than expected, but slightly higher than was originally budgeted, as a result of additional programmes being added to the budget during the year.
- 4.9 As a consequence of the absence of debt and the Government's policy on rent restructuring the capital programme has a minimal impact on future rents. There are no borrowing costs and the revenue contribution to capital expenditure is set according to the rent levels that are established by the rent restructuring regulations.

5. **Capital Financing Requirement**

- 5.1 The Prudential Code requires the Council to measure its underlying need to borrow for capital investment by calculating its **Capital Financing Requirement**.
- 5.2 The outturn position for this is shown in table 4 below. The capital financing requirement identifies the level of capital assets on an authority's balance sheet, and compares this to the capital reserves to see how much of these assets have been "funded". The difference is the level of debt that the authority has to repay in the future, or the "capital financing requirement".

Table 4: Capital Financing Requirement (Prudential Indicator)

| | 2008/09 Original Estimate | 2008/09 Revised Estimate | 2008/09 Actual |
|--------------------------------------|---------------------------------|--------------------------------|-------------------|
| Housing Revenue Account (HRA) | (21,355) | (21,355) | (21,355) |
| General Fund | 47,804 | 44,395 | 51,598 |
| Capital Financing Requirement | 26,449 | 23,040 | 30,243 |

- 5.3 The capital financing requirement has therefore remained in line with the figures as originally set in the Medium Term Financial Strategy (MTFS).

6. **External Debt**

- 6.1 Table 5 sets out the prudential indicators in borrowing limits. The Council is required to set two limits, an operational limit which should be kept to on a day to day basis (but could be exceeded for short term, "cashflow" purposes), and an authorised limit, which is the outer limit for borrowing in exceptional purposes. In the medium term local authorities only have the power to borrow for capital purposes.

- 6.2 The operational limit was set at £50m to cover potential borrowing liabilities from the capital programme in line with the Medium Term Financial Strategy. The Council has a significant borrowing requirement over the next 3 years, so the authorised limit was deliberately set at £150m to provide headroom for any unexpected developments in respect of treasury management.
- 6.3 The Council remained within its authorised limit of £150m throughout 2008/09. The Council borrowed £50m during the year to finance its capital programme, in line with the operational limit as set at the beginning of the year.

Table 5: Authorised Borrowing Limits (Prudential Indicator)

| | 2008/09 Original Estimate | 2008/09 Revised Estimate |
|---|---------------------------------|--------------------------------|
| Operational Limit on Borrowing | £50m | £50m |
| Margin for Unforeseen Cash Flow Movements | £100m | £100m |
| Authorised Limit | £150m | £150m |

7. Treasury Management Indicators of Prudence

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

a) Interest Rate Exposure

Indicator set March 2008:

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

Outturn position:

The Council was not exposed to any interest rate risk in 2008/09.

b) Maturity Structure of Borrowing

Indicator set March 2008:

All the Council's borrowing will be phased so that maturities would not all fall in one year.

Outturn position:

The Council has started to build up a portfolio of debt, and each loan taken on (a total of 5 have been taken on) matures in a different year to reduce this risk.

c) Total Principle Sums Invested

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

8. Summary Assessment

- 8.1 The outturn position is set out above in respect of the Prudential Indicators approved in February 2008.
- 8.2 The outturn figures confirm that the limits and controls set for 2008/09 were applied throughout the year, and that the treasury management function and capital investment decisions adhered to the key principles of the CIPFA Prudential Code of **prudence, affordability** and **sustainability**.

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