

Notice of Meeting

THE EXECUTIVE

Tuesday, 22 December 2009 - 12:00 pm
Committee Rooms 3 & 4, Civic Centre, Dagenham

Please note the revised start time of this meeting

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: 14 December 2009

R. A. Whiteman
Chief Executive

Contact Officer: Alan Dawson
Tel. 020 8227 2348
Minicom: 020 8227 5755
E-mail: alan.dawson@lbbd.gov.uk

AGENDA

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

In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting. **Members are reminded that the provisions of paragraph 12.3 of Article 1, Part B in relation to Council Tax arrears apply to the "Calculation and Setting of the Council Tax Base 2010/11" report (item 8)**
3. **Minutes - To confirm as correct the minutes of the meeting held on 1 December 2009 (Pages 1 - 2)**
4. **Barking Riverside Community Development Trust (BRCDT) (Pages 3 - 23)**
5. **Tendering of an Alternative Education Provision for Year 11 Children (Pages 25 - 30)**
6. **2009/10 Budget Monitoring Report - April to October 2009 (Pages 31 - 45)**
7. **Corporate Grants and Commissioning Programme 2009/10 (Pages 47 - 70)**
8. **Calculation and Setting of the Council Tax Base 2010/11 (to follow)**

9. Annual Performance Assessment of Social Care Services for Adults 2008-09 (Pages 71 - 87)

Appendix A – the Council officers' report provided for the Annual Review Meeting with the Care Quality Commission – is published under separate cover as Supplementary 1.

- 10. Proposed Borough Wide Designated Public Places Order (to follow)**
- 11. Proposed Expansion of Thames View Infant School (to follow)**
- 12. Adult Commissioning Contracts (Pages 89 - 97)**
- 13. Any other public items which the Chair decides are urgent**
- 14. 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).

15. Adult Commissioning Contracts - Part 2 (Pages 99 - 121)

Concerns the financial and business affairs of third parties (paragraph 3)

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

THE EXECUTIVE

Tuesday, 1 December 2009
(5:00 - 5:10 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 Mrs V Rush and Councillor P T Waker

Also Present: Councillor J E McDermott

Apologies: Councillor J L Alexander and Councillor M A McCarthy

95. Declaration of Members' Interests

There were no declarations of interest.

96. Minutes (17 November 2009)

Agreed.

97. Warren Fields and Hainault Road Allotments Site - Proposed Partial Surrender and Re-Grant of Part of Lease to LBB

Received a report from the Corporate Director of Resources on proposals in respect of the Warren Fields and former Hainault Road Allotment site which are currently under a 50 year lease to the Council that is due to expire in 2024.

Discussions have taken place with the landlord, Crown Estate Commissioners, and the management of Cranfield Golf regarding future proposals for the land and it is proposed that the Council's current lease be surrendered and that an extended lease for a reduced area be granted back to the Council, the land to be used for new football and rugby pitches for Warren Comprehensive School. The remaining area will be leased directly by Crown Estate's to Cranfield Golf for use as part of a new 9 hole golf course site, for which planning permission was granted by this Council and the London Borough of Havering in 2008.

Agreed, in order to assist the Council to achieve its "Clean" and "Prosperous" Community Priorities, to:

- (i) Approve the surrender of the whole plot of land, known as Warren Fields and the former Hainault Road Allotment Site, subject to the simultaneous completion by way of a new lease to the Council of the area shown as "Plot C" on Appendix 1 until 2044;
- (ii) Authorise the Corporate Director of Resources, in consultation with Legal Partners, to approve the final terms and conditions of the lease; and
- (iii) Note that "Plot C" will be converted into a new football pitch and a new rugby pitch for Warren Comprehensive School, and Cranfield Golf will fully fit out and fence off the new school playing fields to the Council's

requirements at no cost to the Council.

98. Award of Framework Agreement for the Provision of Cleaning and Janitorial Supplies

Further to Minute No 99 (16 December 2008), received a report from the Corporate Director of Resources on the outcome of the procurement process for a framework agreement contract for the provision of cleaning and janitorial supplies. The procurement has been led by this Council on behalf of the London Contracts and Supplies Group (LCSG).

Agreed, in order to accord with statutory obligations and to ensure the Council has a cost effective and value for money contract, to the award of the Cleaning and Janitorial Supplies Framework Agreement to Bunzl Greenham on behalf of the London Contracts and Supplies Group (LCSG), on the terms set out in the report.

(The appendix to this report was contained in the private section of the agenda by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

EXECUTIVE

22 DECEMBER 2009

REPORT OF THE CHIEF EXECUTIVE

Title: Barking Riverside Community Development Trust (BRCDT)	For Decision
<p>Summary:</p> <p>The Barking Riverside Community Development Trust (BRCDT) will take over the role of the long-term caretaker of Barking Riverside and will be responsible for providing and maintaining community and recreational facilities, funding towards sustainable transport, participating in the multi-utility service company (and taking an active role in promoting sustainability and CO₂ reduction) and providing community support, educational involvement and employment opportunities.</p> <p>The formation of the BRCDT was agreed by the Executive on 20 February 2007. This report is to provide an update on the formation of the BRCDT, and agree the proposed structure and business plan of the BRCDT. Previously to this, the proposed structure of the BRCDT, including the formation of the Board was agreed as part of the report to the Development Control Board (application DC/04/01230/OUT) on 15 November 2006.</p> <p>Wards Affected: Thames</p>	
<p>Recommendation(s)</p> <p>The Executive is recommended to agree:</p> <ul style="list-style-type: none"> (i) The proposed structure and draft business plan (Appendix 1) of the BRCDT; (ii) To give the Chief Executive delegated authority to agree on the final business plan for the BRCDT; and, (iii) Recommend to the Assembly the selection of the first Board Members to represent the Council. 	
<p>Reason(s)</p> <p>The BRCDT will ensure that the new community facilities, housing and population growth at Barking Riverside is managed in a way that will provide a sustainable and safe community for new residents while allowing LBBB to continue providing the same level of service to the remainder of the Borough. This will assist the Council in achieving its Community Priorities of a 'Safe, Clean, Fair and Respectful' Borough.</p>	
<p>Implications</p> <p>Financial</p> <p>There will be no direct financial implications for LBBB in the formation and running of the BRCDT. At each Quarter Date the Shadow BRCDT will provide the Council and BRL with</p>	

a set of accounts demonstrating:

- how much money has been paid into the BRCDT Account
- how much money has been raised by the Service Charge;
- how much money has been spent by the Shadow BRCDT on meeting the BRCDT Duties and Responsibilities;
- the anticipated level of expenditure required by the Shadow BRCDT to meet the BRCDT Duties and Responsibilities over the following 12 months.

There could be a risk to the Council if the BRCDT fails financially; this is detailed in the Risk section of this report.

Legal

The Council will not be supplying land, finance or guarantees to the BRCDT. The BRCDT will be funded and under-written by Barking Riverside Limited (BRL). However, those Council Members / Officers appointed to the board will have fiduciary duties to the BRCDT.

The council's Legal Partner should continue to be consulted on the development of the BRCDT and the relevant documentation.

Contractual

The BRCDT will manage its assets and will collect rents and fees from the residential and commercial properties to fund this management. The Council will not have any role in managing these assets apart from having two votes on the Shadow BRCDT Board.

Risk Management

Initially the BRCDT will be set up with 'shadow status' (here after referred to as the 'Shadow BRCDT'), meaning that whilst it will have the form and function of a full community development trust it will, during its 'shadow' period, be funded by BRL and as such BRL will have greater control over the way the BRCDT operates than it will when it has 'full' status. The 'Full BRCDT' comes into being when its income matches its outgoings and is therefore self-sustaining and no longer requires BRL to underwrite it.

The first risk is that the Shadow BRCDT folds and the costs and responsibility of running Barking Riverside fall to the Council. As BRL, which is 49% owned by the Homes and Communities Agency (HCA) and 51% owned by Bellway Homes will underwrite all the costs until the BRCDT has an income of its own and the full BRCDT is formed, this risk is considered to be minimal. Even if a new government were to abolish the HCA the Government of the day would still retain their stake. Also the Council is represented on the Shadow BRCDT Board, and will be able to examine the BRCDT accounts quarterly, the risk should be further minimised. Whilst this is a low risk, the effects of this risk could have a significant financial impact on the Council.

The second risk is that the BRCDT does not fulfil its contractual obligations as listed in this report and in the Business Plan. The risk to the Council is that if these obligations are not met the Council may be required to step in and fund and / or manage BRCDT's assets. The risk to stakeholders, such as the school, is that due to lack of management competition, the school may be paying BRCDT for management that is insufficient. To minimise the risk of this, BRCDT assets should be drawn up with the advice of the Council's Legal Practice and will ensure step-in rights in any case of potential failure. The ability for stakeholders such as the school to withhold payment of maintenance and

management fees will ensure that BRC DT operates transparently and to a high standard.

Staffing

No further staffing levels are required other than those agreed by the Executive on 20 February 2007.

Customer Impact

The BRC DT will have a positive impact on existing residents in Thames View and Great Fleete as well as for future residents through providing and managing additional community facilities. Other customers such as the Council, the Police and the NHS Barking and Dagenham are well served in the community facilities. The BRC DT will provide consistent management across the whole of Barking Riverside, and will also alleviate pressure on the Council's funds for maintenance and management across the Borough.

The BRC DT is a trust that will allow local residents to have direct involvement in the running of their community and to take control of services. This will allow the residents to have an impact on their quality of life and to take ownership of the community they live in.

Safeguarding Children

The BRC DT will be involved in the maintenance of the school buildings, playing fields and open space. There will be a high level of maintenance and management, resulting in good quality, healthy buildings, places for education and safe and secure areas for children.

Crime and Disorder

There is no reference to security in the area included the Business Plan. This is not considered to be a problem as crime has been considered in all aspects of the design of the residential and local centres. Continued maintenance of the buildings will reduce the possibility of crime. The BRC DT will provide a space in each local centre for the police. The Metropolitan Police have had an input into the design of their space in the first neighbourhood centre. The BRC DT will also work with the Council's Community Safety and Prevention Team to ensure public safety.

Property / Assets

The freehold of all buildings on the site and the open / public spaces are to be transferred from BRL to the BRC DT. Ordinarily the Council would adopt much of the community (ie non-commercial / residential) elements of the estate (community buildings, roads, open spaces and public squares etc) but at Barking Riverside the Council has given itself the option to not take on the responsibilities (such as those associated with maintaining these public areas) on the basis that the BRC DT will fulfil this role. The Council may choose to adopt some roads on Barking Riverside, and if that occurs, any roads not adopted will also be managed and maintained by the BRC DT. A commuted sum would be given by BRL to the Council. The mechanics of this are set out in the Barking Riverside Section 106 Agreement that the Council entered into in August 2007.

Options appraisal

Options for the structure and set up of the BRC DT were considered at the time of drafting the Section 106 in 2006. These options formed the decision making process at the time of the report to the Development Control Board in November 2006 and so will not be drawn out for the purpose of this report. In short, different structures such as bonds, charitable organisations and other more traditional structures were considered, with the existing structure and make-up of the Board of the BRC DT determined at this time.

The make-up of the Board is to be considered. At present the Council has put forward two Councillors for these roles, with observer status for Directors and Officers. Should one member of the Board be required to be a Director or Officer from the Council is an option for consideration, as it may determine whether it is two Councillors who are put forward for these roles.

Head of Service: Jeremy Grint	Title: Head of Regeneration and Economic Development	Contact Details: Tel: 020 8227 2443 Fax: 020 8227 3490 E-mail: jeremy.grint@lbbd.gov.uk
Report Author: Alison Hall	Title: Regeneration Officer	Contact Details: Tel: 020 8227 3897 Fax: 020 8227 3490 E-mail: alison.hall@lbbd.gov.uk

1. Background

- 1.1 Barking Riverside Limited (BRL) is a joint-venture company established and owned by the Homes and Communities Agency and Bellway Homes Limited. BRL is charged by the Government with the acquisition and development of land at Barking Riverside in the London Borough of Barking and Dagenham as a residential community consisting of up to 10,800 homes with the necessary social, community and transport infrastructure. The regeneration of Barking Riverside is on land which adjoins the River Thames south of the A13 road in the heart of an area identified as a priority for meeting housing need in the South East of England and which forms part of the wider Government proposals to regenerate the "Thames Gateway".
- 1.2 As the level of growth in the area will be faster than normal, and at a higher density than the rest of the Borough, the management and maintenance costs may be higher than the rest of the Borough. Therefore, the BRCDT has been proposed to help manage the area. The formation of the BRCDT was agreed at the Executive on 20 February 2007. This report sets out the tasks and structure of the BRCDT and the initial draft business plan. Furthermore the report requires that two LBBD Councillors are put forward as BRCDT Board Members to represent the Council.
- 1.3 The Section 106 Agreement places an obligation on BRL to develop residential units of different types (eg, houses and apartments for occupation by single persons and families) and for different socio-economic groups. There is a requirement that, on aggregate, 41% of the housing (expressed as habitable rooms) is to be "affordable". A range of affordable tenure models will be provided. The BRCDT will assume a management relationship with the proposed Barking Riverside Housing Investment Company (BRHIC) once it is established and also with each plot developer. Each block will set up a block manager who will be responsible for controlling the lease provisions and maintaining / servicing the block to the minimum BRCDT standards as specified in the leases with regard to external areas. The block manager will be encouraged to contract the BRCDT to undertake the maintenance / service functions (any absolute requirement to use

the BRCDT has to be tempered by the legal rights of residents and block owners under the various landlord and tenant legislation).

- 1.4 The establishment of the BRCDT is an important step in the continuing progress of the Barking Riverside development. The Shadow BRCDT will be required to be established prior to the construction of built assets, public areas, open space, community buildings and roads. Stage 1 of the development, which is due to be started in January 2010, will contain 1,451 new homes, a large proportion of which will be for families. Stage 1 will also be home to a new neighbourhood 'Rivergate' centre comprising of a primary school with nursery, a place of worship, BRCDT offices, a police shop, and retail, as well as 93 residential apartments. It is important that the Shadow BRCDT is well established prior to Stage 1 being completed. The planning application for the Rivergate Centre was submitted to the Council at the end of November 2009.
- 1.5 The draft business plan presented to this Executive contains the principles of the BRCDT (**Appendix 1**). As BRL works towards establishing the shadow BRCDT, some changes may be required to the draft business plan, but it is not expected that these will change the fundamental structure of the BRCDT, therefore, council officers within the regeneration and legal teams will be authorised to make these changes.

2. The Barking Riverside Community Development Trust

2.1 Financial

- 2.1.1 There will be no financial implications for LBBB in the formation and running of the shadow BRCDT. BRL will fund the shadow BRCDT until it becomes self-sustaining (i.e. being able to pay for the things needed to meet its roles and responsibilities), at which time the full BRCDT will be formed. This is likely to take approximately seven years. BRL is committed to funding the shadow BRCDT for as long as it takes to become self-sustaining. At each Quarter Date the Shadow BRCDT will provide the Council and BRL with a set of accounts demonstrating:
- how much money has been paid into the BRCDT Account
 - how much money has been raised by the Service Charge;
 - how much money has been spent by the Shadow BRCDT on meeting the BRCDT Duties and Responsibilities;
 - the anticipated level of expenditure required by the Shadow BRCDT to meet the BRCDT Duties and Responsibilities over the following 12 months.
- 2.1.2 The main source of income for the BRCDT will be through the collection of estate wide service charges, conveyancing fees and commercial rents.
- 2.1.3 The Council will have two Board Members on the Shadow BRCDT Board which will initially have four Board Members, so will have the ability to vote on where funds are spent. During the Shadow BRCDT period, BRL has the final say on what is spent within the development albeit the Council also has the right to audit the accounts, which will be submitted to the Council on a quarterly basis (a requirement under the Section 106, Part 7, 5.1.2).

2.2 Legal

- 2.2.1 The Council's Legal Department has commented that it is important that the leases for the stakeholders within the local centres, such as for the schools, are flexible enough to ensure that the school gets the first option on the use of the playing fields. They also suggested that an 'opt-out' option for the schools from the maintenance and management agreements with BRCDT can be written in, in case BRCDT does not provide a level of maintenance to the standard required by the school.
- 2.2.2 As a result of the consultation with Barking Riverside Limited, the following points and issues have been taken on board. The key point at this stage is that these details have not been finalised. All details about leases and the use of land by different stakeholders will be considered when required and these comments will be taken on board. The terms of the Trust have yet to be finalised, and the Council's legal practice will continue to monitor and advise on this.
- 2.2.3 At this stage the BRCDT will solely be responsible for the land at Barking Riverside. However, through the BRCDT Board meetings, discussion will take place about possibly extending the remit of the BRCDT to include neighbouring estates such as Thames View and Great Fleete.

2.3 Contractual

- 2.3.1 The BRCDT will manage the following assets which it will own:
- The freehold of the school
 - The freehold of the sports and playing pitches
 - Non-adopted open spaces
 - Non-adopted roads
 - The 'utility trench'
 - Private car parking spaces that are not allocated to a specific residential unit
 - Other shared community space including the premises of the public library, PCT offices, the BRCDT's own offices, the Place of Worship, community Police space, social enterprise buildings, sports facilities, community halls and meeting rooms.
 - The freehold of retail, office and other commercial space
 - The rest of the development site that is not going to be developed in the near future, including a large area adjacent to the River Thames, and the existing jetty.
- 2.3.2 LBBD will have the opportunity to choose to adopt both roads and open space. Through negotiations with the Council's transport team, it is likely that LBBD will adopt the principal roads running through the site and linking with the existing public highway, but no other roads, i.e. not the secondary and tertiary estate roads. All areas not adopted will be managed by the BRCDT.
- 2.3.3 BRCDT then covenants to:
- Enforce parking restrictions on private roads and private parking bays
 - Maintain the physical assets it owns

- Ring-fence any income from the ownership of physical assets, to go into the BRCDT financial plan
- May be responsible for the servicing of common parts to blocks (affordable housing, wholly private, or a mixture of affordable housing and private). One of the BRCDT's key tasks is to ensure that there is no distinction between the level of service/maintenance given to affordable and market dwellings.

2.3.4 Where practicable and permissible, the BRCDT will call upon the use of the Council's direct services. The Council's direct services will be expected to provide a competitive tender response.

2.3.5 Ultimately it will be the BRCDT's responsibility to ensure that it has all the necessary funds, consents and insurance protection in place before carrying out functions. The BRCDT will generally have to adhere to its governance requirements.

2.3.6 The BRCDT will need to phase its role and functions. Activity will vary depending on the level of funding available and the number and make-up of residents which invariable grows and changes over time.

2.4 Risk

Risk	Probability	Impact	Mitigation
The Shadow BRCDT folds and the costs of maintenance fall onto the Council.	Low	High	In reality the risk of default is low because BRL will fund the BRCDT until it is self-funding, which should take approximately 7 years. In order to achieve self funding, the BRCDT will collect estate wide service charges, conveyancing fees and commercial rents. Because the community and commercial assets on Barking Riverside will be owned by the BRCDT, it will not be LBBDs responsibility to ensure the maintenance of these assets is continued. Although, to ensure BRCDT meets its social responsibility to Barking Riverside residents, the Council is able to use its position on the BRCDT board to influence decisions relating to financial matters. Even if the HCA were abolished by an incoming government the new government would still retain a stake.

BRCDT does not make enough money to carry out its functions	Low	High	<p>If the BRCDT cannot collect enough money from the estate wide service charges, conveyancing fees and commercial rents, it could alter the way the BRCDT operates. At present, this risk is unknown as we do not know how active the economy will be and how quickly people will move into the development.</p> <p>To minimise this risk, as the development progresses, the shadow BRCDT can monitor the income and alter the financial structure of the BRCDT through the board (which will have LBBB representatives on it) to ensure that the BRCDT can still undertake the necessary functions. BRL have committed to funding the CDT until it is financially viable.</p>
Stakeholders within the community facilities dissatisfied by the level of management from the BRCDT.	Low	Medium	<p>To ensure that stakeholders, such as the school, are satisfied by the level of maintenance and service provision from BRCDT, it will be written into the lease that they are able to challenge the service provided by the BRCDT. This will minimise the lack of competition of service providers on the site.</p>
The Employment Strategy does not understand the customer needs, including the various equality groups	Low	Medium	<p>It is expected that the BRCDT will work closely with the Council to ensure that employment opportunities are offered fairly to all residents within the Borough. The BRCDT has an obligation through the Section 106 to provide employment opportunities, therefore, this will be monitored by the Council to confirm that this employment is in line with the Council policy.</p>
BRCDT does not fulfil the contractual responsibilities as listed in section 2.3	Low	Low	<p>It is unlikely that the BRCDT will not fulfil its contractual obligations, as this will have a detrimental effect on Barking Riverside. Through lease agreements, the risk of this happening is low and it is unlikely that LBBB would need to step in to take over any obligations not met by the BRCDT.</p>

LBBB does not adopt any roads on the site.	Low	Low	The Council will only adopt the principal roads on the site if they are constructed to LBBB standards, which they are planned to be. Adopting these roads will increase the cost and responsibility to the Council on Barking Riverside, but should not have more than a minimal risk. The Council also does not need to adopt any other roads if we do not want to, mitigating further financial risk.
No residential involvement in the BRCDD board	Low	Low	This is very unlikely, but if it does happen, the impact will be minimal. Residents have a right to a share when they purchase their unit, but that does not mean they will want to participate in the decision making processes of the BRCDD. In the instance of low resident involvement, the BRCDD will still make decisions in the same way as any company does even if no shareholders turn up. It will be a key role of the BRCDD to provide training and support to any resident that wishes to be involved.

2.5 Customer Impact

- 2.5.1 The Borough is poorly ranked on the English Indices of Deprivation. It is amongst the most deprived districts in England. Although secondary education has made impressive strides in the last ten years (Barking and Dagenham is a Beacon Council for secondary education), other indicators point to an adult community suffering low aspirations and ill-prepared to respond to a rapidly changing labour market.
- 2.5.2 It is in the context of the Government's wider aims within the Thames Gateway coupled with the Borough's local needs that BRL propose this strategy to promote, set up and support a community trust structure to take over the role of long-term caretaker of the Barking Riverside Development and its future residents and workers.
- 2.5.3 Furthermore, the BRCDD will also have a 'social' role and will be involved in the creation of a sustainable community, including transport, biodiversity, social inclusion, health and wellbeing, education, affordable housing, maintenance and management of social and community infrastructure, sport and play space and generally creating a community in which people want to live. This will have positive impacts for the residents of Barking Riverside as well as for all residents within the Borough. By providing these services, support and education, Barking Riverside will be a place that all residents from the Borough will be able to enjoy. This will be especially evident in the availability of public open space, sports

facilities and access to the River Thames. The improved public transport links will enable people to access the area easily and will allow all people, not only those with access to a private car, to make use of the BRCDT facilities.

- 2.5.4 The BRCDT will provide space for voluntary and community organisations within the local and district centres. Social Enterprise will be encouraged as well as support for a credit union and a community legal advice centre.
- 2.5.5 Through the Section 106, the BRCDT has a requirement to employ local residents, both from within Barking Riverside and also from within the wider Borough of Barking and Dagenham. The BRCDT will provide job opportunities for employment on Barking Riverside. The BRCDT will also work in partnership with the Council to pro-actively manage sport, leisure and culture. BRL will put together an Employment Strategy which will be updated as the development progresses.
- 2.5.6 The BRCDT will participate in the multi-utility service company (MUSCo) and take an active role in promoting sustainability and CO₂ reduction. The MUSCo will enable residents to monitor how much energy they are using and seek to encourage them to be more sustainable in their energy use.
- 2.5.7 The public areas that are not adopted by the Council will be managed and maintained to at least the Council's standards by the BRCDT.
- 2.5.8 The BRCDT will not be responsible for social housing management functions, as these will be carried out by the relevant affordable housing provider, with the intention that it will eventually transfer its affordable units to the Barking Riverside Housing Investment Company (BRHIC).
- 2.5.9 Stakeholders such as the schools, PCT, Faith Forum and Police are all customers, have been involved in the design of the neighbourhood centre and are involved in the discussions around the BRCDT. The aim of the BRCDT is to encourage resident participation in the running of their community and therefore sharing the responsibility of providing a safe, healthy and successful community.

3. Links to Corporate and other Plans and Strategies

- 3.1 The BRCDT is a requirement of Part 7 of the Section 106 for the outline planning permission, 04/01230/OUT. Part 7 provides the structure for the formation of the shadow and full BRCDT and the rights, duties and responsibilities.
- 3.2 The Barking Riverside Development is a key regeneration project for the Borough and references to the project can be found in the current Local Development Framework (LDF) documents:
- Core Strategy Pre-Submission Report:
 - Chapter 4: Managing Growth. Policies CM1, CM2
 - Borough Wide Development Policies Pre-Submission Report:
 - Chapter 2: Sustainable Resources and the Environment. Policy BR2
 - Chapter 3: Creating a Sense of Community. Policy BC1
 - Pre-submission Site Specific Allocations Development Plan Document:
 - Chapter 2: Managing Growth. SSA SM1: Barking Riverside

3.3 Previously to the Local Development Framework (LDF), Barking Riverside was also included in the Unitary Development Plan (UDP), policies BR1 – BR3.

4. Consultees

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

Councillors

Councillor Alexander, Cabinet Member for Safer Neighbourhoods and Communities

Councillor Bramley, Cabinet Member for Finance and Human Resources

Councillor R. Gill, Cabinet Member for Education and Children's Wellbeing

Councillor McCarthy, Cabinet Member for Regeneration

Councillor Barns, Thames Ward Councillor

Councillor Poulton, Thames Ward Councillor

Councillor Rawlinson, Thames Ward Councillor

Officers

- John Hooton, Strategic Financial Controller
- Lee Russell, Group Manager Resources and Budgeting
- Sharon Roots, Group Manager Risk Management
- David Robins, Group Manager Procurement and Efficiency
- Paul Ansell, Strategic Procurement Manager
- Yinka Owa, Legal Partner – Property, Contracts and Procurement
- Susanna Hancock, Equality and Diversity Officer
- Julian Stanyer, Property / Asset Management team
- Mike Freeman, Group Manager Schools Estate
- Richard Hallgate-Hills, Children's Services
- John Dawe, Group Manager Democratic Services
- Paul Hogan, Head of Leisure Arts
- Jeremy Grint, Head of Regeneration and Economic Development
- Heather Wills, Head of Community Cohesion and Equalities
- Mike Phillips, Senior Community Development Officer

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

- Executive report and Minutes 142, 20 February 2007
- Development Control Board (application DC/04/01230/OUT) on 15 November 2006
- Planning application for the Rivergate Centre November 2009
- Project Monitoring Document 2009

6. List of appendices:

Appendix 1 - BRCDT Draft Business Plan

This page is intentionally left blank

THE BARKING RIVERSIDE COMMUNITY DEVELOPMENT TRUST (BRCDT)

Business Plan

(working draft as at 26.11.09)

This is an overview business plan of key aspects of the BRCDT intended to set out the current thinking on what it will own, what it will manage and what it will be doing. This note also proposes a legal structure and terms for the BRCDT governance.

This overview business plan is intended to be a 'live' work in progress document which is expected to develop as the development at Barking Riverside commences and those charged with delivering estate services begin their active roles. It therefore forms part of an iterative process. The process of reviewing and where applicable amending and updating this overview business plan will be one of the BRCDT's first duties.

The following appendices are referred to in this overview business plan **but not included in this draft version**:

- Appendix 1** BRL's paper dated December 2008 entitled 'The strategic Proposal to Set up the Barking Riverside Community Development Trust'
- Appendix 2** Draft BRCDT Terms of Reference
- Appendix 3** Draft table identifying obligations falling to the relevant parties
- Appendix 4** Draft Financial Plan
- Appendix 5** Extract from the Section 106 Agreement dated 7 August 2007 between (amongst others) LBBD and BRL relating to the BRCDT.

1 WHAT WILL THE BRCDT OWN, MANAGE AND DO?

1.1 The BRCDT will manage the physical assets it owns¹, which are likely to be²:

- (i) the freehold of each of the school sites and the buildings on them (including community³ nurseries and family welfare space) and the pitches and other play areas associated with the schools. The internal space of the school buildings and the pitches and other play areas associated with the schools will be subject to long leaseholds ('virtual freeholds') granted to the school governing body or the local education body or such other appropriate body as directed by LBBB. In those leases the school will benefit from the necessary rights and reservations including easements and rights over things like common parts and areas shared with other users;
- (ii) non adopted open spaces;
- (iii) non adopted roads;
- (iv) the 'utility trench' - this is the covered trench through which the utility apparatus (most likely owned by the MUSCo) will run together with other conduits for telecommunications, etc;
- (v) private car parking spaces;
- (vi) other shared community space including the public library, PCT offices, the BRCDT's own offices, the Place of Worship⁴, community Police space⁵, social enterprise buildings, sports facilities (outside those dealt with as part of the schools (above)) and the health clinic(s). For these uses the BRCDT will retain the freehold and grant short leases;
- (vii) the freehold of retail, office and other commercial space. Long leases will be granted to occupiers. The BRCDT will manage the common parts and collect the ground rents;
- (viii) the rest of the development site. BRL will as part of its disposal strategy transfer the freehold of the estate to the BRCDT in parts over time, including the river frontage and riverside walkways.

1.2 A note on public adoptions: LBBB will have the opportunity (but not the obligation) to choose to adopt both roads and open space. At the sub framework plan (SFP) stage, BRL will submit to LBBB plans showing potential areas for adoption in expectation that LBBB will advise BRL of their intention to adopt any of those areas within the SFP plan. At that stage BRL will submit an updated business and financial plan to LBBB to be considered by LBBB and both LBBB and BRL will seek to reach agreement on any affordable contribution towards ongoing maintenance of any areas proposed to be adopted by LBBB. If agreed, LBBB will

¹ In most if not all cases the freehold of the site, and therefore the parts and assets to be built out under the Barking Riverside planning permissions, is currently owned by Barking Riverside Limited ("BRL"). BRL will transfer the freehold of assets to the BRCDT.

² list current at the date of this note but is subject to ongoing review

³ As opposed to private

⁴ In terms of the building fabric. Internal space will be owned and managed by the occupier

⁵ Under the Barking Riverside s106 this space is returnable to the BRCDT if the Police cannot show need for it

confirm the areas for adoption, which would then be adopted on practical completion. All of the areas that are not adopted at this stage will then pass over to the BRCDT.

1.3 A note on schools:

- (i) it is currently intended that the BRCDT will manage the maintenance of the school buildings and each of the pitches and other play areas associated with the schools⁶ up until: (1) the point (if indeed it comes about) when LBBB sets up a sports trust; or (2) LBBB choose to opt out;
- (ii) if LBBB sets up a sports trust the management of the playing fields will be offered to LBBB if they want it. Until that point the BRCDT will manage the pitches and other play areas and, through the school lease, the school will have the first option to use those areas to meet curriculum requirements. It is likely that the same employees of the BRCDT who work the community reception desk will be responsible for booking the playing fields meaning that the school's staff do not need to worry about management of the pitches outside school hours;
- (iii) if LBBB opt out (ie choose to maintain and manage the school premises, pitches and associated play space themselves) then under the terms of the school lease there will be some shared easements, rights of way and other rights and reservations to govern the co-existence of the school and other non-school uses

1.4 As well as being the manager and custodian of physical assets, the BRCDT will have the following jobs to do⁷:

- (i) enforce parking restrictions. It will do this both on the fully private spaces (i.e. those spaces that on the ground are obviously linked to commercial and residential blocks) as well as what will appear to be public spaces adjacent to the primary and secondary roads (but in fact these spaces will be unadopted parts of the road hence a private entity can enforce parking on those areas. There will need to be tight crossovers with the various rights of both the public enforcing authority and user that would ordinarily apply if the car parking was part of the public highway);
- (ii) maintain the physical assets it owns (above);
- (iii) ring-fence any income obtained from its ownership of physical assets (above) - all income will go into the BRCDT financial plan. Whatever the legal make-up of the BRCDT, it (or at least part of it if the BRCDT is in fact made up of several legal entities) will be a not for profit organisation with all profits being ploughed back into the

⁶ this is subject to review and consistency with the approach agreed with LBBB and other stakeholders with regards to a potential sports/leisure trust which may or may not have asset ownership of play spaces. The principle is acceptable, at least as an ambition of the BRCDT (and as such an ambition built into the BRCDT's make up will not bind LBBB - they maintain their discretion as relevant approving authority)

⁷ list current at the date of this note but is subject to ongoing review

- (iv) project;
(may⁸) be responsible for the servicing of common parts to blocks (affordable housing, wholly private, or a mixture of affordable housing and private). One of the BRCDT's key tasks is to ensure that there is no distinction between the level of service/maintenance given to affordable and market dwellings.

1.5 Furthermore, the BRCDT will undertake various 'social inclusion' functions as it is the community hub. The BRCDT's roles and responsibilities are intended to be flexible and very much overlap with many other areas important to the creation of a sustainable community, including transportation, biodiversity, social inclusion, health and wellbeing, education, affordable housing, maintenance and management of social and community infrastructure, sport and play space and generally creating a community in which people want to live. These 'social inclusion' functions may include⁹:

- (i) acting as an interface between the new and existing communities by:
 - (A) being a port of call for members, residents of all tenure within the community to contact with any concerns, issues and suggestions with the running of their own emerging community e.g., how the Open Space, community buildings are managed and cared for;
 - (B) adult education as part of the extended schools;
 - (C) facilitating (and in some cases start) discussions between existing charitable organisations and the potential users of new community interests, for example managing the biodiversity of Open Space under the guidance of the London Wildlife Trust;
 - (D) giving priority to employing appropriately qualified residents from the wider community (i.e. both from within the Barking Riverside development and outside) in the day to day management and maintenance of open space and other social enterprises;
- (ii) provide open and useful space as a destination area in their own right. These areas will therefore become part and parcel of the everyday lives of those living and/or working within Barking Riverside. They will be accessible to all, both in the immediate community and also for the wider public within the Borough. The facilities will be open not only from an accessibility point of view but also from an interest point of view by involving a wide range of recreational facilities (i.e. a range of art, cultural, religious, health, recreational and sporting uses);

⁸ See section 2 for details - there needs to be alignment with the thinking on the BRHIC (Barking Riverside Housing Investment Company), private leases and the MUSCO

⁹ For further details see Sections 3 and 6 of the Strategic Proposal Document December 2008 (appendix 1). The list presented here is a snapshot of the BRCDT's potential role. Ultimately the list will be crafted by people within the community working alongside the various stakeholders after the Full BRCDT is established. From then, there will be no restrictions upon what the list can include - the Full BRCDT is much more than a normal estate management company.

- (iii) work in partnership with LBBB to pro-actively manage sport, leisure and culture. Many services will be shared by different parts of the community to improve sporting standards and interests. The community will be invited to make their interests and preferences known so that the users can guide actual provision. For example, BRL is providing a series of sports facilities under the Section 106 Agreement that are capable of lasting for many years and if, over the years, the community decide that, for example, a football pitch is better turned into a series of tennis courts then the community and the BRCDT can work together to achieve that change. Of course, all changes will be regulated by a fair and open and democratic process (see terms of reference (appendix 2) for membership of the BRCDT and voting rights);
- (iv) work with LBBB to maximise local employment opportunities. There are specific obligations on BRL to provide job opportunities to the local community and coordination will be through the BRCDT;
- (v) take an active role in the Barking Riverside Transport Strategy Steering Group (the custodian of the Barking Riverside Transport Strategy). This allows residents a unique opportunity to feed ideas and concerns into the provision of green transport measures that form an integral part of the development at Barking Riverside;
- (vi) provide funding to sustainable transport measures as set out in the Barking Riverside Transport Strategy (terms of reference (appendix 2) for information on how money is raised)¹⁰;
- (vii) be on the ground and at hand to implement the sustainable transport measures put forward by the Barking Riverside Transport Strategy Steering Group, for example implementing car clubs and shop-mobility;
- (viii) take an active role in multi-utility service companies - these one stop utility service companies are the best and most efficient ways of providing heating, electricity and communication services in terms of user friendliness, cost and environmental impact and provide public information on sustainable uses of energy and waste;
- (ix) be the custodian and caretaker of community infrastructure including non-adopted streets, open space and public realm. These areas will be managed and maintained to LBBB's standards to ensure that there is consistency between the new and existing. In carrying out this role the BRCDT will employ Direct Services, just as LBBB would. As and when LBBB wish to take over the day to day management and maintenance responsibility of these areas it would be able to do so - the detail will be worked up and agreed with LBBB prior to the approval of the first major master plan stage (known as a Sub Framework Plan Stage);
- (x) provide online education and training sources through the running of the BRCDT website (which will be free to residents to use), which will include things like advertising new jobs and links to the wide range of training courses that are available to the community but which often go unrecognised because of the lack of information

¹⁰ Reference to Transport Strategy to be added

sources. The same website will be used to advertise all of the other functions of the BRCDT and invite residents for their views on how things are run;

- (xi) facilitate social enterprise and inclusion. What does this mean for residents? It means pro-actively working with the community to help set up a number of local initiatives that not only generate local employment and enterprise but help promote other ideologies such as sustainable development. Real life examples include organic farm box delivery and unwanted furniture collections for recycling. ;
- (xii) run crèches in partnership with the Local Education Authority that can be afforded by all;
- (xiii) organise the small things that can make a difference in everyday life but which inevitably do not always reach the top of the priority ladder and instead rely upon charitable organisations and donations; things like children's youth and sports clubs, new mums and babies clubs and social clubs for the elderly to compliment those facilities that are already run by the social service providers.

- 1.6 The above is not intended to include social housing management functions as they will be carried out by the affordable housing provided, which is intended to be the BRHIC.
- 1.7 Where practicable and permissible, the BRCDT will call upon the use of LBBB's direct services. LBBB will be expected to provide a competitive tender response and at all times the BRCDT will be free to pick a more competitive tender.
- 1.8 Ultimately it will be the BRCDT's responsibility to ensure that it has all the necessary funds, consents and insurance protection in place before carrying out functions. The BRCDT will generally have to adhere to its governance requirements (see separate terms of reference (appendix 2)).
- 1.9 The BRCDT will need to phase its role and functions. Activity will vary depending on the level of funding available and the number and make up of residents which invariable grows and changes over time.
- 1.10 The BRCDT will at all times adhere to all legal requirements relevant to it, its functions and those that it employees. In addition and specifically in relation to children (to the extent that it is not a legal requirement) where employees of the BRCDT are likely to come into contact with children they will be the subject of the Home Office's new Vetting and Barring Scheme.

2 RELATIONSHIPS WITH OTHER ENTITIES

With the MUSCO¹¹

- 2.1 The current intention is for the BRCDT to set up with the selected utility company (or companies) a 50:50 joint venture vehicle (aka the MUSCo). The BRCDT will be a wholly silent partner of the MUSCo albeit it will secure via overage provisions an income as and when a 'super surplus' is achieved. This is likely to be (at least

¹¹ Multi Utility Service Company - this is the entity to be set up between BRL and selected energy providers. It will be a special energy supplying company with a legal obligation to supply utilities to residents.

initially) over a thirty year period - detail will be available when BRL has set up the MUSCo.

2.2 By being a part of the MUSCo, the BRC DT will also have opportunity to establish local interest in the MUSCo. Residents will be able to access all of their utility bills on one single part of the BRC DT website. Residents will also be able to see how much energy they personally are saving and how much the development is saving, all part of the promotion of green and sustainable energy use. In this way it is hoped that residents feel as though they have ownership of the MUSCo and the way in which it is run albeit they have no formal legal entitlement in that regard.

With BHRIC

2.3 It is not proposed that the BRC DT will be legally connected to BHRIC in the corporate sense. There will instead be direct contractual covenants between the parties particularly governing leasehold maintenance and service arrangements. In addition, the freehold of the site will eventually pass from BRL to the BRC DT with 125 year leases (starting from the date of practicable completion) being granted to plot developers and the BHRIC.

2.4 As referred to above, there will be a management relationship between the BRC DT, the plot developers and BHRIC. The current proposal is that each block (whether privately owned or part of BHRIC's holding) sets up a block manager. That manager's management of the block is controlled by the lease provisions and ultimately there will be a direct covenant from the block owner and manager to BRL that ensures that common parts are used, maintained/serviced appropriately and consistently across the site and across tenures and land ownerships to a performance specification approved by the BRC DT. Each block manager will be encouraged to contract the BRC DT¹² to undertake the maintenance/service functions and as suggested above the BRC DT will be expected to seek to use LBB D's direct services or could itself subcontract the functions back to the BHRIC.

2.5 Commercial plot developers will instinctively be reluctant to sign up to a lease that requires them ('sticks' will drive down land values so 'carrots' are proposed) to use the BRC DT for the servicing of common parts used by private residents. This hesitation can be overcome by (the carrots):

- (i) allowing the BRC DT to itself act as agent on behalf of the market residential properties and if necessary employ a contractor that the commercial block developer has ties with. But this will not be at the expense of LBB D's direct services - those services will be offered also albeit it is recognised that direct services cannot be compelled on the private sector. It will be down to competitor tendering and ensuring that the required specification of maintenance is achievable and affordable and consistent across the site and consistent with aspirations from both an LBB D public sector perspective as well as a commercial operator perspective; and

¹² The BRC DT Business Plan currently assumes there will be a minimum of [three] years income on the management and service side of things

- (ii) setting up the BRCDT in such a way that inspires confidence that the BRCDT will manage and service the common parts of the site (in the wider sense of the term so therefore including estate, plot and block common parts) so that block managers and residents do not feel as though they have to go elsewhere in order to either keep prices to a minimum or to keep standards to a certain level

2.6 So, the BRCDT will be ready to be responsible for all maintenance, albeit recognising that:

- (i) Block managers have the right to go elsewhere, hence there needs to be an incentive (carrot) to use the BRCDT; and
- (ii) residents have tenant rights under the relevant landlord and tenant legislation which allows them to set up their own service company if certain conditions are met.

2.7 Each disposal pack will contain details of the how the BRCDT can assist with block management, maintenance and servicing¹³. For absolute clarity this intended service agreement is only for external, common ways, and landscaping – it does not include internal maintenance of flats which will be owned by leaseholders or the BRHIC.

With BRL

2.8 BRL and LBBB will set up the shadow BRCDT in accordance with the terms of the Barking Riverside Section 106 Agreement (extract at Appendix 5).¹⁴

2.9 When the shadow BRCDT becomes self sufficient (meaning that its income is matching its outgoings on a per annum basis), BRL will set up the full BRCDT. At that point BRL's obligations under the Barking Riverside Section 106 Agreement change and effectively the responsibility of caretaking for the estate goes to the BRCDT. There is likely to be a good number of years before that happens but ultimately it will be determined by the Financial Plan which is produced, reviewed and approved by various parties including LBBB. A working draft of the Financial Plan is at Appendix 4.

3 GOVERNANCE - GENERAL PRINCIPLES

Regulation

3.1 The currently anticipated rules governing the BRCDT (both in shadow and full form) are set out in the draft BRCDT terms of reference at appendix 2. That is an iterative document in that it will change to keep up to date with current thinking between stakeholders, particularly on the role and function of the BRCDT. In other words the terms of reference are intended to accommodate innovative thinking as opposed to straight jacketing current thinking. For probity reasons all changes will be required to be mooted and approved in accordance with a fair and corporate type procedure.

¹³ Consideration to be given to a common management spec to be appended to leases

¹⁴ Note - we need to revisit the 2007 S106 to see that it does not frustrate principles agreed between the parties now and that may mean a variation to the S106.

3.2 The BRCDT will need to phase its role and functions. Activity will vary depending on the level of funding available and the number and make up of residents which invariable grows and changes over time.

Funding

3.3 BRL will underwrite the Shadow BRCDT until it becomes self-sustaining i.e. being able to pay for the things needed to meet its roles and responsibilities - at that point the Full BRCDT will be formed. At no point in time will any financial burden be placed on LBBB for items remaining within the BRCDT.

3.4 The Shadow BRCDT is expected to be self-sustaining quite early on in the expected 20 year build out programme (BRL will probably have to underwrite the BRCDT for the first seven years or so, or longer if needed).

3.5 Whether Shadow or Full, the BRCDT's main source of revenue will be through the collection of estate wide service charges, conveyancing fees and commercial rents. The BRCDT will also be able to apply for match-funding for both capital and revenue grants (where often LBBB is prohibited) for example lottery funding, sports grants and charitable donations.

3.6 Whilst BRL underwrites the funding for the Shadow BRCDT BRL has the final say on what is spent on what¹⁵ albeit the Shadow BRCDT's function and performance requirements are matters that require board approval at which LBBB and BRL have equal voting rights. 'Check and balance' is achieved by LBBB having those voting rights on the Shadow BRCDT board, BRL being required to carry out a wide range of functions in the Barking Riverside s106 Agreement, BRL being required to pay certain sums received into the Shadow BRCDT account and LBBB having the right to audit the accounts under the Barking Riverside s106 Agreement. As and when the Full BRCDT is formed LBBB and BRL have equal voting rights plus residents build up their voting rights as and when each neighbourhood ward is formed (and then each ward takes a proportion of BRL's voting rights).

¹⁵ This principle is set out in the Barking Riverside s106 Agreement

This page is intentionally left blank

EXECUTIVE

22 DECEMBER 2009

REPORT OF THE CORPORATE DIRECTOR OF CHILDREN'S SERVICES

Title: Tendering of an Alternative Education Provision for Year 11 Children	For Decision
<p>Summary: This report concerns the need to tender for an Alternative Education Provision for Year 11 Children, which will then identify a provider to deliver this service from September 2010 for a period of up to five years (being a three year contract with provision to extend for a further two years).</p> <p>Councils have a statutory duty to deliver education provision for all children and young people living in the borough. This service will cater for children who are new to the Borough, but do not have an allocated school place and those who would benefit from alternative provision. The Council has taken a flexible approach and is delivering via several different models of alternative education provision in order to meet our statutory duties.</p> <p>This report is seeking approval to tender the Alternative Education Provision so the Council can continue to meet its statutory duties, improve the service received and ensure Value for Money.</p> <p>The new service will continue to be tailored around the pupil's needs, both educationally, vocationally and wider – including any special educational needs which may not have been adequately identified and met. The Service will offer the opportunity for the cohort to take GCSE's or gain formal vocational qualifications, leading to greater opportunities for them in terms of career progression in the future.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s) The Executive is recommended to agree:</p> <ul style="list-style-type: none"> (i) The procurement of an Alternative Education Provision for a period of five years (three years with an option to extend for a further two years dependent upon funding and satisfactory performance). (ii) In accordance with the Council's Constitution, Contract Rules paragraph 3.6, to advise the nature of Councillors' involvement in the procurement and award process, if any. 	
<p>Reason(s) To assist the Council in achieving its Community Priority of "Inspired and successful young people - a borough of opportunity for all young people so that they can play an active economic role for the good of all".</p>	

Implications

Financial

The new contract will be continued to be funded from Dedicated Schools Grant (DSG) with a value of £210,000.00 to £300,000.00 (exclusive of VAT) per academic year depending on accepted tender price. Total value of contract (including contract extension clause of two years) £1,050,000 to £1,500,000 (exclusive of VAT).

Funding of this service has been in place since September 2005 and will continue to be available from the Dedicated School's Grant for the proposed contract period.

Legal

The Council has power to enter into contracts for the provision of Alternative Education Services ("the Service") under section 1 of the Local Government (Contracts) Act 1997 on the basis that such Service is properly required for the discharge of the Council's duties.

It is anticipated that the estimated value of the Service will be in excess of the threshold for application of the Public Contracts Regulations 2006 (the Regulations), of £139,893. It should be noted, however, that this Service is classified as a Part B Service under the Regulations and not subject to the full application of the Regulations. Accordingly the procurement shall be undertaken in accordance with the requirements of the Regulations for Part B Services and the Council's Contract Rules and Code of Practice.

The conditions of contract to be entered into between the Council and the successful tenderer are yet to be agreed and Legal Services shall advise on the implications thereof upon receipt of instructions.

In deciding whether to award contract, the Council must comply with the principles of administrative law including taking into account all relevant considerations, the outcome of the valuation of each of the tenders and their financial implications. In particular in order to comply with the Council's fiduciary duty and duty to ensure Best Value, the Council must be satisfied that the tenders represent value for money for the Council.

Contractual

The Council has a statutory duty to deliver this service. Through the tendering process we will test the market to ensure value for money and to identify a competent provider to deliver this service.

A contract will be awarded to the successful tenderer for a period of up to three years, with an option to extend for a further two years dependent upon future availability of funding and satisfactory performance.

The new contractual arrangements will ensure an enhanced specification for the service and all safeguarding issues will be addressed. This will bring further benefits to the service and service users. Monitoring procedures will also ensure an enhanced quality of service. There will be monitoring reviews each term and the provider must complete a revised monitoring form before these reviews.

Risk Management

By advertising this service on various procurement and Department for Children, Schools and Families (DCSF) websites we should identify a number of providers able to deliver this

service.

The service will ensure that the Council is able to meet their statutory duties under the Disability Discrimination Act 1985 and to ensure the provision of equality of access to the curriculum for all children including disabled children and those with special educational needs.

During the delivery of this service the quality of the provision will be maintained by written contractual arrangements which will contribute to ensuring a quality service – through a robust specification (based on good practice and Government Guidance) and on-going service review – which will take place on a termly basis with the Operational Manager, Children’s Service Commissioning and Procurement Team and the Provider.

If the identified provider is unable to deliver the service once contracted due to a change in its financial circumstances. The service users could be transferred to the Pupil Referral unit, local Colleges or Flexi-Learning, but this would only be a contingency as this would be at a higher cost.

Staffing

No specific implications.

Customer Impact

The Race Relations (Amendment) Act 2000 places a requirement on councils to make an assessment of the impact of new and revised policies in terms of race equality. Existing policies have already been subjected to impact assessments. This Council has adopted an approach of extending the impact to cover gender, disability, sexuality, faith, age and community cohesion. As this report does not concern a new or revised policy there are no specific adverse impacts as far as this report is concerned.

Safeguarding Children

Councils have a statutory duty to deliver education provision for all children and young people living in the borough. This service will cater for children who are new to the Borough, but do not have an allocated school place and those who would benefit from alternative provision.

The service will be measured against some of key outcomes outlined under the Governments Every Child Matters vision.

Crime and Disorder

Section 17 of the Crime and Disorder Act 1998 places a responsibility on councils to consider the crime and disorder implications of any proposals. There are no specific implications insofar as this report is concerned.

Property / Assets

No specific implications.

Options appraisal

Prior to four years ago the cohort of children currently being supported would have been placed at Barking College at a cost higher than currently being expended.

It has been identified that schools do not have the capacity to support all new arrivals onto their rolls. It is felt that this flexible option helps the Council to meet its Statutory Duty of

<p>providing education to all children.</p> <p>The identification of a new provider with the ability to deliver GCSE will contribute towards the Council's drive to increase the number of children in Further Education, Employment or Vocational Qualifications.</p>		
<p>Head of Service: Jane Hargreaves</p>	<p>Title: Head of Quality and School Improvement</p>	<p>Contact Details: 020 8270 4818 jane.hargreaves@lbbd.gov.uk</p>
<p>Report Authors: Meena Kishinani</p>	<p>Title: Head of Children's Policy and Trust Commissioning</p>	<p>Contact Details: 020 8227 3507 meena.kishinani@lbbd.gov.uk</p>
<p>Jane Hargreaves</p>	<p>Head of Quality and School Improvement</p>	<p>020 8270 4818 jane.hargreaves@lbbd.gov.uk</p>

1. Background

- 1.1 Councils have a statutory duty to deliver alternative provision for children or young people who have entered the authority with no allocated school place or for those children who require some form of alternative provision outside the mainstream system.
- 1.2 The Council has taken a flexible approach in delivering several different models of alternative education provision in order to meet our statutory duties.

2. Report detail

- 2.1 The current service provider (Lifeline) has been delivering alternative education provision for four years. The provider was identified following a benchmarking exercise and was procured as a pilot. It provides full time education to Year 11 pupils who have been excluded or who have attendance problems or who are new to the Borough but do not have an allocated school place.
- 2.2 We are seeking to identify a provider to deliver an alternative education service which will deliver academic and vocational qualifications for year 11 young learners. In accordance with European and Council Procurement Rules.
- 2.3 Interested parties will be invited to tender on an open basis. All submissions will be evaluated against pre-determined evaluation criteria, of 70% quality and 30% price.

The breakdown of quality weightings will be as follows:

- Service Delivery 30%
- Management and staffing 15%
- Evaluation, Monitoring and performance 20%
- Communication 15%
- Interview and presentation 20%

2.4 The evaluation panel will be made up of an:

Advisory Teacher
Inclusion Officer
Commissioning and Procurement Officer
Representative from Human Resources or Finance
Business Support

2.5 The expected timetable will be as follows:

Action	Date
Deadline for all tender documents	17 Dec 2009
Executive Approval	22 Dec 2009
Advertise	4 Jan – 10 Feb 2010
Tenders Documents to be returned	10 Feb 2010
Evaluation of tenders	15 -17 Feb 2010
Interviews to be conducted	22 Feb 2010
Approval from Director and 151 Officer and 10 day standstill period	24 Feb 2010
Contract Award	12 Mar 2010
Contract Delivery	1 September 2010

2.6 The total contract value for the service over a three year period, plus two year extension period is expected to be between £1,050,000.00 - £1,500,000.00 (exclusive of VAT) – dependent on an agreed tender price

3. Links to Corporate and other Plans and Strategies

3.1 In accordance with Corporate plans this service will be monitored against targets, outcomes and will be contributing towards the following key performance indicators:

- Achievement of a Level 2 qualification by the age of 19
- Achievement of a Level 3 qualification by the age of 19
- 16 to 18 year olds who are not in education, employment or training (NEET)
- The number of learners achieving an Entry Level 3 qualification in numeracy, from 2008-09 to 2010-11

4. Consultees

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

Cllr Rocky Gill, Cabinet Member for Education and Children's Wellbeing
Helen Jenner Director of Children's Services
David Tully Acting Group Manager Children's Service Finance
Ann Jones Group Manager Education Inclusion
Eldred Taylor-Camara Deputy Head Legal Services
Gail Clark Acting Head of Human Resources
David Robins Group Manager Procurement and Efficiency

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

- (i) Back on Track - A strategy for modernising alternative provision for young people” (DCSF).
- (ii) Guidance on "Commissioning Alternative Provision” (DCSF)

THE EXECUTIVE

22 DECEMBER 2009

REPORT OF THE CORPORATE DIRECTOR OF FINANCE AND COMMERCIAL SERVICES

Title: 2009/10 Budget Monitoring Report - April to October 2009	For Decision
<p>Summary</p> <p>The report updates the Executive on the Council's expected revenue and capital outturn position based on the period April to October and projected to the end of the 2009-10 financial year.</p> <p>The current forecast for revenue expenditure across the Council has identified that all departments are projecting in-year pressures amounting to £4.9m (Adults & Community Services £0.9m, Children's Services £1.9m, Customer Services £1.9m and Resources £0.2m). The Chief Executive has asked each department to prepare recovery plans to eliminate their potential overspends. These recovery plans have to date identified savings of £2.9m that are expected to be delivered by year end. In addition, there are net potential corporate risks of £1.6m.</p> <p>Current interventions to improve the financial position other than the implementation of recovery plans are;</p> <ul style="list-style-type: none"> • A non-essential expenditure freeze • A partial recruitment freeze (non essential posts) • A freeze on the use of consultants and agency staff (unless absolutely necessary for the running of key services) • Re-phasing of capital projects to delay expenditure <p>The Director of Finance and Commercial Services will reassess the financial position at the end of December. Should financial projections at the end of December continue to indicate too low a level of forecast balances the Corporate Director of Finance and Commercial Services will need to implement further in-year budgetary restraint.</p> <p>Should the interventions above be unsuccessful in bringing the position back into line, the impact will be that the Council's General Fund balance could fall to a deficit position by the end of the financial year. Should the General Fund balance remain in deficit by the end of the year, the Director of Finance and Commercial services will be unable to commend a balanced budget and reserve position to the Council.</p> <p>The Housing Revenue Account (HRA) is forecasted to have a year end working balance (including the Rent Reserve) of £3m which includes an in year contribution to balances of £2m. The HRA is a ring fenced account and cannot make contributions to the General Fund.</p> <p>In regard to the Capital Programme, the current projection is that the year-end outturn position will be £112.1m against a working budget of £118.3m. Directors are currently reviewing the delivery of individual capital schemes to ensure maximum spend within budget is achieved by the year end, and where any re-profiling is required this will be presented to the Executive in the December Budget Monitoring report. Capital budgets</p>	

cannot contribute to the General Fund although officers are working to ensure that all appropriate capitalisation occurs.

Wards Affected: All wards.

Recommendations

The Executive is asked to:

1. note the current projected position for 31 March 2010 of the Council's revenue and capital budget (sections 3 and 5 of the report and **Appendix A and C**);
2. note the position for the HRA (section 4 of the report and **Appendix B**);
3. note that in light of the current potential overspend, departments are continuing work to identify recovery plans to eliminate overspends;
4. note that the Corporate Director of Finance and Commercial Services has imposed mechanisms to reduce in-year expenditure;
5. note potential further actions may be required.

Reason

As a matter of good financial practise, the Executive should be regularly updated with the position on the Council's budget. In particular, this paper alerts Members to particular efforts to reduce in year expenditure in order to manage the financial position effectively.

Implications

Financial:

The overall revenue budget is indicating potential budget pressures in all of the Council's service departments and corporate matters totalling £3.7m against general fund balances at the start of the financial year of £3.7m.

The capital programme is projected to outturn at £112.1m against the working budget of £118.3m.

Legal:

Full legal comments on the situation facing the council appear in section 6 of this report.

Contractual:

No specific implications

Risk Management:

The risk to the Council is that if the currently projected overspends are not eliminated the level of balances will fall to a level which is not acceptable to meet future financial risks. Low levels of balances will lead to significant pressure on being able to agree a balanced budget.

Staffing:

As part of the measures to reduce in-year pressures a freeze on recruitment has been implemented. Recruitment is currently limited to essential appointments only and overtime payments have been reduced.

Customer Impact:

There should be little impact on our customers as the restraint so far has been placed on non-essential services spend. Should current restraints be ineffective, further restraint may impact on low risk services.

Safeguarding Children:

No specific implications

Crime and Disorder:

No specific implications

Property/Assets:

Some non-essential maintenance to properties may be re-phased.

Options Appraisal:

No specific implications

Head of Service: Jonathan Bunt	Title: Corporate Financial Controller	Contact Details: Tel:020 8724 8427 E-mail: jonathan.bunt@lbbd.gov.uk
--	---	--

1 Background

- 1.1 This report provides a summary of the Council's projected revenue and capital position and consequent balances based on the first seven months of the 2009-10 financial year.
- 1.2 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 regularly 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.
- 1.3 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).
- 1.4 The monthly Resource Monitoring Panels (RMP), 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.
- 1.5 Over the last two months reports to the Executive have identified significant pressures being faced by Departments. As reporting enters the second half of the financial year projections become more robust and the opportunity to manage pressures becomes more restricted.

2 Current Position

2.1 The impact of the current revenue projections to the end of the financial year is that the Council's General Fund balance will fall to a deficit position as shown in the table below. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances. Actions are already in place to reduce the Council's cash out-goings and these will continue to be reviewed.

2.2 In the report to Members regarding the setting of the 2009-10 annual budget and Council Tax, the Chief Finance Officer, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003, set a target reserves level of £7.5m. The current projected balance for the end of the financial year is significantly below this level. Whilst the external auditor has not offered an opinion on a minimum acceptable level of general balances the Local Government Act 2003 requires the Authority to set an appropriate level of reserves.

	Balance at 1 April 2009	Projected Balance at 31 March 2010
	£000	£000
General Fund	3,700	(20)
Housing Revenue Account (including Rent Reserve)	977	3,007

2.3 In light of the current financial position, all departments have been instructed by the Chief Executive to prepare recovery plans to eliminate their overspends and, in addition, the Corporate Director of Finance and Commercial Services has imposed a council-wide non-essential expenditure freeze including the close monitoring of recruitment spend through a central panel. Whilst it is too early to assess the effect of the expenditure freeze, the 'likely' effect of the recovery plans identified by departments on the currently projected overspends are shown in the table below.

October 2009	Gross Projected Outturn	'Likely' Effect of Recovery Plans	Net Projected Outturn
	£000	£000	£000
<u>Service Expenditure</u>			
Adult and Community Services	925	(925)	0
Children's Services	1,900	(1,700)	200
Customer Services (1)	1,920	0	1,920
Resources	225	(225)	0
Total Service In-Year Variances	4,970	(2,850)	2,120

(1) Gross projected outturn already includes effects of recovery plans.

2.4 The current forecast end of year outturn position across the Council for the General Fund compared with the position reported last month and taking into account the effect of recovery plans, is shown in the table below.

	October Forecast Outturn	September Forecast Outturn	Movement
	£000	£000	£000
<u>Service Expenditure</u>			
Adult and Community Services	0	1,000	(1,000)
Children's Services	200	1,700	(1,500)
Customer Services	1,920	631	1,289
Resources	0	(104)	104
Total Service In-Year Pressures	2,120	3,227	(1,107)
Other	0	0	0
<u>Corporate Issues</u>			
Building Schools for the Future	1,000	1,000	0
Looked After Children	1,100	0	1,100
Local Housing Company	500	0	500
Budgeted contribution to balances	(1,000)	(1,000)	0
Total In-Year Pressures	3,720	3,227	493

2.5 Additional to the risks identified in the tables above are other pressures where the financial consequence is not yet known and where Directors and Head of Services are attempting to manage the issues. If, however, these pressures come to fruition either wholly or in part, then the financial position will worsen. Equally, if the 'likely' effect of the existing recovery plans is not achieved, the projected deficit position will be worse than reported in 2.1.

2.6 The probability of Departments being able to manage the implementation of their action plans is reduced due to the fact that there are only 4 months left of the financial year in which to implement quite severe savings plans.

2.7 When setting the 2010-11 budget and Council Tax the Authority must have regard for the level of balances and ensure that they are at an appropriate level. If the proposed recovery plans are not achieved and/or if additional in-year pressures arise, the ability of the Authority to set a balanced budget with appropriate reserve levels for 2010-11 will be significantly impaired.

2.8 The Housing Revenue Account (HRA) is currently projecting an in year contribution to balances of £2m (this position has not changed from last month).

2.9 With regard to the Council's capital programme, it is expected that total spend by the year end will be £112.1m, 5% below the budget of £118.2m.

3 General Revenue Services

3.1 The detailed departmental positions, prior to the effects of any recovery plans, are shown in Appendix A. The key areas of overspend and the movements from the previously reported position, are outlined in the paragraphs below.

3.1.1 Adult and Community Services

The Adult and Community Services department is currently projecting that without any corrective action there will be an in-year overspend of £925k which represents a small improvement from the previously reported £1m.

To counter the potential overspend the Departmental Management Team has drawn up a recovery plan which will result in the department breaking even by the end of the year.

3.1.2 Children's Services

The Children's Services department is projecting that without corrective action there will be an overspend of £1.9m by year end which represents an increase of £200k from the previously reported position. This relates to an in-year shortfall on non-grant funded expenditure for Looked after Children (£200k).

In order to mitigate the projected overspend the Departmental Management Team has identified actions to potentially achieve savings of £1.9m. However, of these only £1.7m are currently considered likely to be achieved.

3.1.3 Customer Services

The Customer Services department is currently projecting an overspend of £1.9m which is an increase of £1.3m on the position reported in September. This projection already includes the effect of the recovery plans identified by the Departmental Management Team.

The increase in the overspend is concentrated in the Barking and Dagenham Direct division and is mainly due to further financial scrutiny of the division's position and the continued overspending on employee costs. The key increases in the overspend relate to:

- Court Cost Income shortfall (£300k)
- NNDR – incorrect assumption regarding receipt of Government Grant (£237k)
- Emergency Out of Hours delay in introduction of shared services (£70k)
- Use of agency staff (£231k)

There has also been a deterioration in the projected overspend for the Environment and Enforcement division due to the continued usage of agency staff (£277k).

The Departmental Management Team is working to identify further recovery plans to mitigate the overspend but these are yet to be quantified.

3.1.4 Resources

The Resources department is projecting that without any corrective action there will be an overspend of £225k which is a deterioration of £329k from the position previously reported.

The main movements are as follows:

- The use of interim management support within Human Resources (£119k)
- The engagement of additional locum lawyers to deal with a peak in demand (£86k)
- A fall in rental income due to the effects of the recession (£165k).

To counter the potential overspend, the Departmental Management Team has identified a recovery plan which will result in the Department breaking even by the end of the year.

3.1.5 Corporate Issues

Revenue pressures exist in 2009-10 relating to the Building Schools for the Future project (£1m). A base budget item has been included in the Medium Term Financial Strategy (MTFS) to address this issue in future years. There is also a pressure relating to prior year expenditure on Looked After Children which will not be grant funded by the Home Office (£1.1m) although the authority is continuing to negotiate with Central Government to resolve this. A further corporate pressure relates to the costs of setting up the Local Housing Company (LHC) and the assumption that there will be no recovery of these costs in 2009-10 (£0.5m).

4 Housing Revenue Account (HRA)

The HRA is currently projecting a contribution to balances for the year of £2m mainly as a result of a decrease in the amount of negative subsidy and Housing Benefit Limitation payable and an underspend on Repairs and Maintenance.

The detailed HRA position is shown in Appendix B.

5 Capital Programme

- 5.1 As at the end of October, the revised budget on the capital programme was £118.3m against an original budget of £69.7m. Since the original budget was set, budgets have been transferred from 2008/09 into 2009/10 as set out in previous budget monitoring reports and further new schemes have been approved.

Full details of the Capital Programme are shown in Appendix C.

- 5.2 Actual spend as at the end of October was £39.2m which is 33% of the working budget. At this stage in the year, it is expected that the outturn will be £112.1m against the budget of £118.3m. This position is subject to robust scrutiny to ensure that timetables and milestones can be adhered to and that budgets are realistic. A review of the delivery of all capital projects is currently being undertaken and where any re-profiling is required this will be presented to the Executive in the December Budget Monitoring report.
- 5.3 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 Legal Implications

- 6.1 A billing authority is required to set a balanced budget each year by virtue of section 32 Local Government Finance Act 1992 taking account of required expenditure, contingencies and reserves among other things. Section 43 makes corresponding provision for major precepting authorities. Those sections require the relevant authorities to set an 'appropriate' level of reserves for the year in question. Nothing in section 26 Local Government Act 2003 would prevent these reserves being used during the year, even if as a result they fell below the minimum. However, if it was forecast that this was likely to happen, section 27 requires the Chief Finance Officer to report to the authority, at the time the following year's budget and council tax is being considered, to explain the reasons and any action considered necessary to prevent a repetition. In 2003 CIPFA stated that each authority should determine what is a prudent level of reserves based upon their own circumstances, risks and uncertainties.
- 6.2 As indicated at paragraph 2.1 of this report when the council set the 2009-10 annual budget and council tax the Chief Financial Officer recommended a target reserve of £7.5 m. The current projected balance for the end of the current financial year is well below this level. The council has a specific duty under section 28 Local Government Act 2003 to keep its financial position under review and if it appears that there has been a deterioration in its position it must take such action as it considers necessary to deal with the situation. The report outlines various measures being taken to address the current financial situation.
- 6.3 Members' attention is now specifically drawn to the power and duty vested in the Chief Finance Officer by virtue of section 114 Local Government Finance Act 1988. Under this provision the Chief Finance Officer (section 151 officer) is required to prepare a report if among other things it appears to her that the expenditure incurred by the authority (including proposed expenditure) in a financial year is likely to exceed the resources (including sums borrowed) available to meet that expenditure. A report issued under section 114 must be sent to all Members of the authority and the external auditor. Within 21 days of the issue of a section 114 notice the full council (Assembly) must meet to consider the notice. During this period the authority is prohibited from entering into new agreements involving incurring expenditure. The issue of a section 114 notice is a most draconian measure. All expenditure across the authority must cease save that authorised by the Chief Finance Officer. There would be an inevitable impact on service delivery and functioning of council services. The issuing of a section 114 notice is widely seen as a distress signal and inevitably brings reputation damage to the authority concerned. The exercise of the section 114 duty however must be taken in the light of the financial situation appearing to the Chief Finance Officer. The section 114 duty is one vested in the Chief Finance Officer herself personally. (If she were unable to act the duty falls to the deputy section 151 Officer). She is required to consult with the Head of Paid Services and Monitoring Officer before issuing such a report. The Monitoring Officer is similarly under duty by virtue of section 5 Local Government and Housing Act 1989 to prepare a report for consideration by Members if she is of the view that any decision or omission of the council, committee, sub committee or officer is likely to give rise to a contravention of any rule of law. The full council (Assembly) is required to consider such a report within 21 days and the action under consideration would be halted in the meantime. The Monitoring Officer also has a role in assessing how the Chief Finance Officer

exercises her statutory role in the current financial situation.

- 6.4 Meetings have already been taking place between the Head of Paid Service, Monitoring Officer, Deputy Monitoring Officers and Chief Finance Officer and the deputy section 151 officer. These statutory officers are keeping the situation under close and constant review.
- 6.5 Members will wish to satisfy themselves that every effort is being made to address the current financial situation and officers are currently doing everything possible so as not to require a section 114 report.

7 Consultees

The following were consulted in the preparation of this report:

Councillors

Councillor G Bramley, Cabinet Member for Finance and Human Resources

Corporate

Rob Whiteman, Chief Executive

Adult and Community Services

Anne Bristow, Corporate Director of Adult and Community Services

Children's Services

Helen Jenner, Corporate Director of Children's Services

Customer Services

David Woods, Corporate Director of Customer Services

Resources

Bill Murphy, Corporate Director of Resources

Nina Clark, Divisional Director of Legal and Democratic Services

Winston Brown, Legal Partner – Corporate Law and Employment

Capital Programme Management Office (CPMO)

Finance and Commercial Services

Tracie Evans, Interim Corporate Director of Finance and Commercial Services

John Hooton, Strategic Finance Controller

Jonathan Bunt, Corporate Finance Controller

Lee Russell, Group Manager - Resources

Steve Whitelock, Group Manager - Adult and Community Services Finance

Shenis Hassan, Acting Group Manager - Children's Services Finance

Tony McNamara, Acting Group Manager - Customer Services Finance

Alex Anderson, Group Manager - Systems and Control

8 Background Papers Used in the Preparation of the Report

- Oracle reports
- CPMO reports
- Revenue Monitoring Panel (RMP) briefing papers

9 List of Appendices

Appendix A – General Fund Revenue Budget Monitoring Statement – October 2009

Appendix B – Housing Revenue Account (HRA) Budget Monitoring Statement – October 2009

Appendix C – Capital Programme Budget Statement – October 2009

APPENDIX A

REVENUE BUDGET MONITORING STATEMENT - OCTOBER 2009

SERVICES	2009/10			
	Original Budget	Working Budget	Forecast Outturn Before Recovery Plan	Projected Variance - over/(under)
	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>				
Adult Care Services	5,054	4,921	4,921	0
Adult Commissioning Services	43,682	43,658	44,583	925
Community Safety & Neighbourhood Services	3,652	3,702	3,702	0
Community Cohesion & Equalities	7,552	7,604	7,604	0
Leisure & Arts	6,473	6,551	6,551	0
Other Services	581	746	746	0
	66,994	67,182	68,107	925
<u>Children's Services</u>				
Quality & Schools Improvement	7,151	7,151	7,751	600
Integrated Family Services	752	752	752	0
Safeguarding & Rights Services	33,074	33,079	34,379	1,300
Children's Policy & Trust Commissioning	2,199	2,199	2,199	0
Skills, Learning and Enterprise	1,837	2,427	2,427	0
Other Services	6,986	6,986	6,986	0
	51,999	52,594	54,494	1,900
<u>Children's Services - DSG</u>				
Schools	(11,382)	(11,439)	(11,439)	0
Quality & Schools Improvement	7,417	7,474	7,474	0
Integrated Family Services	2,575	2,575	2,575	0
Safeguarding & Rights Services	578	578	578	0
Children's Policy & Trust Commissioning	587	587	587	0
Other Services	225	225	225	0
	0	0	0	0
<u>Customer Services</u>				
Environment & Enforcement	21,370	21,888	22,230	342
Housing Services	843	1,008	1,059	51
Revenues & Benefits	2,688	2,207	3,645	1,438
Barking & Dagenham Direct	(518)	(691)	(602)	89
	24,383	24,412	26,332	1,920
<u>Resources</u>				
Chief Executive	(4)	(4)	(4)	0
Director of Resources & Business Support	478	497	(42)	(539)
Strategy & Performance	(86)	(36)	(93)	(57)
Legal & Democratic Services	727	777	1,016	239
Corporate & Strategic Finance	63	104	104	0
ICT & eGovernment	(347)	(347)	(347)	0
Human Resources	(290)	(200)	(81)	119
Strategic Asset Management/Capital Delivery	375	328	659	331
Regeneration & Economic Development	3,151	3,151	3,283	132
Corporate Management	5,757	5,454	5,454	0
	9,824	9,724	9,949	225
<u>Other</u>				
General Finance	(11,180)	(11,894)	(11,894)	0
Contingency	1,500	900	900	0
Levies	7,646	7,646	7,646	0
	151,166	150,564	155,534	4,970
TOTAL	151,166	150,564	155,534	4,970

This page is intentionally left blank

APPENDIX B

HOUSING REVENUE ACCOUNT - BUDGET MONITORING SUMMARY - OCTOBER 2009

	Original Budget £'000	Revised Budget £'000	Forecast £'000	Variance £'000
INCOME				
DWELLING RENT	(74,068)	(74,068)	(71,969)	2,099
NON DWELLING RENTS	(2,473)	(2,473)	(2,610)	(137)
CHARGES FOR SERVICES & FACILITIES	(10,575)	(10,575)	(10,820)	(245)
CAPITALISATION OF REVENUE REPAIRS	(3,500)	(3,500)	(3,500)	0
TOTAL INCOME	(90,616)	(90,616)	(88,899)	1,717
EXPENDITURE				
REPAIRS AND MAINTENANCE	23,982	23,982	22,998	(984)
SUPERVISION AND MANAGEMENT	27,996	27,996	27,661	(335)
RENT RATES TAXES AND OTHER CHARGES	524	524	527	3
NEGATIVE HRA SUBSIDY PAYABLE	22,057	22,057	19,086	(2,971)
HOUSING BENEFIT LIMITATION	504	504	330	(174)
DEPRECIATION AND IMPAIRMENT OF FIXED ASSETS	13,689	13,689	13,689	0
BAD DEBT PROVISION/WRITE OFFS	746	746	746	0
CAPITAL EXPENDITURE FUNDED FROM REVENUE	1,885	1,885	1,885	0
TOTAL EXPENDITURE	91,383	91,383	86,922	(4,461)
NET COST OF HRA SERVICES PER AUTHORITY (I&E) CORPORATE & DEMOCRATIC CORE	767	767	(1,977)	(2,744)
NET COST OF HRA SERVICES	1,578	1,578	(1,166)	(2,744)
INTEREST AND INVESTMENT INCOME	(1,364)	(1,364)	(864)	500
TRANSFER TO / (FROM) RESERVES	(214)	(214)	2,030	2,244
(SURPLUS)/DEFICIT FOR THE YEAR	0	0	0	0
HOUSING REVENUE ACCOUNT SURPLUS B/F	4,200	(977)	(977)	0
HOUSING REVENUE ACCOUNT SURPLUS C/F	3,986	(549)	(3,007)	(2,458)

This page is intentionally left blank

APPENDIX C

CAPITAL PROGRAMME 2009/2010

SUMMARY OF EXPENDITURE - OCTOBER 2009

<u>Department</u>	<u>Original Budget (1)</u>	<u>Revised Budget</u>	<u>Actual to date</u>	<u>Percentage Spend to Date</u>	<u>Projected Outturn</u>	<u>Projected Outturn against Revised Budget</u>	<u>Projected Outturn Variation against Original Budget</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>%</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Adult & Community Services	25,850	27,205	5,049	19%	16,195	(11,010)	(9,655)
Children's Services	7,809	26,881	8,602	32%	23,336	(3,545)	15,527
Customer Services	25,493	34,138	19,125	56%	44,589	10,451	19,096
Resources	10,597	30,073	6,473	22%	28,012	(2,061)	17,415
Total for Department Schemes	69,749	118,297	39,249	33%	112,132	(6,165)	42,383

Note

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

This page is intentionally left blank

EXECUTIVE

22 DECEMBER 2009

REPORT OF THE CORPORATE DIRECTOR OF ADULT AND COMMUNITY SERVICES

Title: Annual Performance Assessment of Social Care Services for Adults, 2008-09		For Information
<p>Summary: This report informs the Executive that Adult Social Care achieved a rating of Excellent in the annual performance assessment of the Council's Adult Social Care Services by the Care Quality Commission (CQC) for the year 2008-09</p> <p>Wards Affected: All</p>		
<p>Recommendation(s):</p> <p>The Executive is asked to:</p> <ol style="list-style-type: none"> 1. Receive the report from Care Quality Commission attached as Appendix B. 2. Note that the performance of Adult Social Care has improved further in 2008-09. 		
<p>Reason(s):</p> <p>The Care Quality Commission requires that their judgement is reported to Councillors no later than 31 January 2010 and is subsequently made available to the public.</p>		
<p>Head of Service: Anne Bristow</p>	<p>Title: Corporate Director Adult and Community Services</p>	<p>Contact Details: Tel: 020 8227 2300 Fax: 020 8227 2241 E-mail: anne.bristow@lbbd.gov.uk</p>
<p>Report Author: Nick Lane</p>	<p>Title: Policy, Research and Engagement Manager</p>	<p>Contact Details: Tel: 020 8227 2420 Fax: E-mail: nick.lane@lbbd.gov.uk</p>

1. Introduction and Background

- 1.1 The Care Quality Commission (CQC) has a statutory responsibility to regulate, inspect and review all social care services in England. Every year they grade each Council in order to demonstrate how well it is performing. In addition, they make a judgment about the capacity to improve. There are four grades available ranging from performing poorly to performing excellently.
- 1.2 The CQC reaches its conclusions by considering the results of their inspection together with information and evidence provided by the Council throughout the year. The process concludes with an Annual Review Meeting. In 2009 the Annual Review Meeting took place on June 26 2009. A copy of the report officers provided

for the Annual Review Meeting is included for information under separate cover as **Appendix A**.

2. Current Position

- 2.1 The CQC published its conclusions for the year 2008/09 on 3 December 2009 and for the third year running has awarded Barking and Dagenham the highest rating possible, 'performing excellently'. A copy of the letter from CQC and the accompanying report are attached as **Appendix C** and **Appendix B**.
- 2.2 In its judgement the Commission noted that of the 33 London boroughs, Barking and Dagenham was one of only six councils demonstrating overall improvements and accordingly ranked the authority as 10th in London. The Council are also one of only eleven councils across the country with improving adult social care services and one of only 32 authorities who received the highest grading.
- 2.3 The Inspectors' conclusions are grouped according to the seven outcomes which were set out in the White Paper, 'Our Health, Our Care, Our Say' together with a combined judgement about the Council's capacity to improve.
- 2.4 Set out below are the main judgements the CQC have delivered:

Overall Grade Awarded for Delivery of Outcomes	Performing Excellently
---	-------------------------------

Delivering Outcomes	Grade Awarded	Direction of travel
Improved health and well-being	Well	
Improved quality of life	Excellent	
Making a positive contribution	Excellent	
Increased choice and control	Excellent	
Freedom from discrimination or harassment	Excellent	↑
Economic well-being	Well	
Maintaining personal dignity and respect	Well	

- 2.5 In addition to confirming the high standard of service that the vulnerable people within the borough receive, the award of a 'performing excellently' status to the Council's adult social care services has clear benefits:
- The Council's ability to attract resources for innovative or pilot projects will be enhanced;
 - Recruitment and retention of staff will be helped by our ability to advertise the Council as an excellent service.
- 2.6 It should be noted that whilst commenting that the Council's capacity for improvement was excellent, Inspectors did identify some areas for improvement.

These included reducing the delayed discharges from hospital, increasing investment and uptake in telecare and increasing the number of people with learning disabilities supported into employment or training.

- 2.7 In order to ensure that the Council retains its 'performing excellently' status, Action Plans are in place to address the areas for improvement and officers are monitoring performance closely.

3. Consultation

- 3.1 The following have been consulted on the content and in the preparation of this report:

Councillor H. Collins, Cabinet Member for Adults and Public Health
Adult and Community Services DMT

4. Background Papers used in the preparation of the report

CQC Annual Performance Assessment Report 2008/2009

5. List of appendices:

Appendix A - Annual Review Meeting Report June 2009 (this report is included under separate cover)

Appendix B - CQC Annual Performance Assessment Report 2008/2009

Appendix C - CQC Annual Performance Assessment Letter

This page is intentionally left blank

Adult Social Care Services

Council Name: Barking and Dagenham

This report is a summary of the performance of how the council promotes adult social care outcomes for people in the council area.

The overall grade for performance is combined from the grades given for the individual outcomes.

There is a brief description below – see Grading for Adult Social Care Outcomes 2008/09 in the Performance Assessment Guide web address below, for more detail.

Poorly performing – not delivering the minimum requirements for people

Performing adequately – only delivering the minimum requirements for people

Performing well – consistently delivering above the minimum requirements for people

Performing excellently- overall delivering well above the minimum requirements for people

We also make a written assessment about

Leadership and

Commissioning and use of resources

Information on these additional areas can be found in the outcomes framework

To see the outcomes framework please go to our web site: [Outcomes framework](#)

You will also find an explanation of terms used in the report in the glossary on the web site.

Delivering Outcomes Assessment

Overall Barking and Dagenham council is performing:

Excellently

Outcome 1:

[Improved health and well-being](#)

The council is performing: **Well**

Outcome 2:

[Improved quality of life](#)

The council is performing: **Excellently**

Outcome 3:

[Making a positive contribution](#)

The council is performing: **Excellently**

Outcome 4:

[Increased choice and control](#)

The council is performing: **Excellently**

Outcome 5:

[Freedom from discrimination and harassment](#)

The council is performing: **Excellently**

Outcome 6:
[Economic well-being](#)

The council is performing: **Well**

Outcome 7:
[Maintaining personal dignity and respect](#)

The council is performing: **Well**

Click on titles above to view a text summary of the outcome.

Assessment of Leadership and Commissioning and use of resources

Leadership

What the council does well:

- Senior management are knowledgeable and there is good engagement from members.
- Continued commitment to piloting innovation, with good outcomes.
- Well planned and advanced approach to personalisation.
- Quality care management supporting Beacon Award for Independent Living for Disabled Adults.

What the council needs to improve:

- Monitor and ensure reductions in staff turnover.

Commissioning and use of resources

What the council does well:

- Personalisation is embedded in approaches to commissioning.
- Range of plans to develop care workforce in the future, including an extensive apprentice scheme.
- Joint commissioning with neighbouring boroughs is well planned to secure improved services.

What the council needs to improve:

- None.

Summary of Performance

Brief overview of performance and progress

The Council's ambitions and commitment to improvement is demonstrated and underpinned by a strong record of promoting innovation, an ability to manage considerable changes to service delivery and partnership working. The council has clearly defined strategies including a high level of engagement with local people and providers that informs local priorities. Members are clearly knowledgeable and supportive of the Council's transformation agenda and, for example, Adult Social Care's alignment with Leisure, Arts and Parks has improved access to mainstream services and is promoting improved health and wellbeing. Quality of care management is good and strong performance management systems show substantial improvements in performance. A cautionary note is struck by an increase in staff turnover but this is expected to subside in the coming year.

The commitment to personalisation informs commissioning strategies overseen by a dedicated Commissioning Team. This ensures focused management of resources informed by the involvement of the voluntary sector and local people in commissioning strategies. The Council has managed to make efficiency savings but not to the detriment of service delivery: a commendable achievement. In order to stimulate local markets and inform commissioning joint strategies with neighbouring Councils are being explored: an interesting development and another example of innovation. A whole systems approach, which is another outcome of joint working has also proved influential in reducing delayed transfers and discharges from hospital into residential and nursing care. People placed in residential care are in good or excellent services and the in-house domiciliary care service is rated as "excellent".

Outcome 1: Improved health and well-being

The council is performing: **Well**

The range of information on health and wellbeing is diverse, comprehensive and widely available. People with learning difficulties are starting to benefit from better healthcare advice and support and this should continue. Strategies for improving local health are very well researched and many campaigns are supporting improving local health with focus on sustainable long term impact due to substantial health inequalities and disadvantage. The department's links to Leisure, Arts and Parks has contributed to improving access for users of social care services, good examples including a 50% rise in swimming after it was made free to all over sixties.

There is good partnership working to reduce and treat drug and alcohol abuse with high levels of retention in rehabilitation. Unique Care and Rapid Response has supported a reduction in hospital admissions. Intermediate care use has reduced but has contributed to a reduction in hospital delays. Continuing Care is well managed in collaboration with neighbouring boroughs. Developments in dementia services are increasingly comprehensive well planned.

What the council does well.

- Plans to reduce health inequalities are based on comprehensive local knowledge.
- Good performance in reducing delayed discharges in partnership.
- Effective partnership working is supporting improved drug and alcohol services and better prevention.
- Services for people with dementia are comprehensive and well planned.

What the council needs to improve.

- Continue to reduce the number of people delayed in hospital in partnership with health colleagues and providers.
- Supporting more older people to achieve independence through intermediate care.
- Continue to support the development of local palliative care.

Outcome 2: Improved quality of life

The council is performing: **Excellently**

Services, information and advice on independent living are easily accessible and ongoing improvements are being made to increase effectiveness.

The range of preventative services is expanding and is working well to reduce the impact of long term conditions and reduce hospital admissions. Delivery of major adaptations has improved with reduced waiting times. Minor adaptations are provided promptly. Equipment use has supported reduced use of residential care. Good local awareness of Telecare has prompted increasing numbers of referrals from community groups with little prior contact with Adult Social Care although less new people used Telecare in comparison to the previous year.

Through commitment to personalised services, the council evidenced that independent living is a high priority. Most older people are supported in their own home and less people have to use

residential care. A diverse range of services promote independence and respect for quality of life is embedded in approaches to services. Adult Social Care enthusiastically promotes involvement of social care users as members of the local community and this approach defines the department's relationships with its local partners in encouraging them ensure that services in the local area are inclusive in their approach to people who use care services.

Many local carers, including young carers, benefit from well developed carer services that support a balanced caring life.

Services for people with dementia are increasingly comprehensive, with improved funding. Investment in services for people with complex needs is promoting increased independence through training and access to personalised services. Extra Care housing capacity expanded significantly with 133 new places, both in purpose built schemes and four former sheltered housing schemes where residents were well consulted and most of whom now benefit from ongoing changes to increase independence.

What the council does well.

- Strong support for independent living through preventative and personalised services.
- Increasingly prompt major adaptation services.
- People benefit from prompt and efficient minor adaptations.
- Carers services are well developed, with good support for young carers.
- Good services to support people with dementia.
- A high number of additional extra care housing placements have been delivered.

What the council needs to improve.

- Continue to reduce waiting times for major adaptations.
- Increase investment in telecare and increase uptake.
- Increase the number of people supported to live independently.

Outcome 3: Making a positive contribution

The council is performing: **Excellently**

People who use services, including hard-to-reach groups are well represented and supported to take part in community life including access to employment and training. The North East London Foundation Trust includes board members from across the local community. Voluntary sector organisations contribute to service developments and ongoing improvements, one example being the 'Mystery Shopper' scheme run by Age Concern. People with learning disabilities benefit from dedicated safeguarding support. The Local Involvement Network (LINK) is well established and has already successfully lobbied for improvements to local services including increased provision of seating at local hospitals.

Dedicated carers consultations have improved the participation of hard to reach groups. People who use services are integral to ongoing service developments including the development of Kallar Lodge, development of assessment for young people in transition and improved comments and complaints procedures. People are able to access advocacy that enables them to contribute to service changes.

What the council does well.

- People using services are well represented and supported to participate in community life.

- Consultation with people who use services is systematic and encouraged through the use of advocacy. Contributions are integral to many service developments.
- The local Local Involvement Network is well established and contributing to service improvements with evidence of positive outcomes.
- Voluntary groups are well supported and support for people with learning disabilities is safeguarded.

What the council needs to improve.

- Continue to promote user led organisations.
- Continue to support the growth of a healthy voluntary sector.

Outcome 4: Increased choice and control

The council is performing: **Excellently**

Information and advice on services is comprehensive and first point of contact staff are able to offer advice on eligibility, personalised support and effectively signpost people who fall outside of eligibility for services to a range of alternative support.

Timely assessment has been significantly affected by the growth in personalised services and needs to improve. Delivery of services remains good. Quality measures for care management and delivery of services are in place but need to demonstrate ongoing improvement based on practice findings. The 'Trusted Assessor' scheme is supporting continued good performance in delivery of minor adaptations. Advocacy services have supported improved assessment practice and outcomes. Less people have to use residential care. A higher than average proportion of carers are able to access assessment, support and advice in comparison to regional trends.

Personalised / Individual Budgets and Direct Payments are well developed and the Personalisation Programme is delivering effective change with many people now able to personalise their support. Numbers of new Direct Payments tripled but uptake by users of mental health services declined. Staff and people who use services are actively consulted and involved in development. Local partners and providers are well engaged in development and notably the council secured status as a pilot site for Individual Health Budgets in collaboration with the National Health Service trust. Ambitious and innovative approaches to potential future workforce problems are being implemented through the apprenticeship scheme which is supporting corporate priorities in addressing local employment and training needs as well as ensuring that people using services will benefit from well trained accredited support. Approaches to market development for personalisation are supporting people to purchase value for money services and are being explored with neighbouring authorities.

The council were nominated for a Beacon Award in supporting independent living for disabled adults. Support for young people in transition is improved through closer working between Adults and Children's Services. Good performance in complaints management was recognised with a British Standards Award for complaints management.

What the council does well.

- People accessing services are supported by effective information and advice.
- 'Trusted Assessor' scheme is supporting continued good performance in delivering minor adaptations.

- Less people have to use residential care.
- Increasing numbers of people are using Individual Budgets and Direct Payments.
- The range personalised support continues to expand and offer increased choice and control.
- Successful market development supporting local priorities through the apprenticeship scheme.
- The council and NHS Trust secured the pilot for individual health budgets.
- Nominated for a Beacon Award in supporting independent living for disabled adults.
- Good complaints management recognised with a British Standards Award.

What the council needs to improve.

- Improve the timeliness of assessments.
- Demonstrate the effectiveness of quality assurance measures in improving care management practice.
- Improve uptake of self directed support in mental health services.

Outcome 5: Freedom from discrimination and harassment

The council is performing: **Excellently**

The council attained Level 5 of the Equalities Standard for Local Government (ESLG) and accreditation noted that as a model of best practice. It was noted in assessment for level 5 of ESLG that local understanding of equalities issues is good and staff are well trained, highly motivated and benefit from strong leadership and training in regards to equalities. Single Status for staff was achieved and the council was accredited for good performance on the employment of people with disabilities by the Department of Work and Pensions. Advice on eligibility is clear and applied fairly and there are few disputes about entitlements. Signposting is well developed. Approaches to reducing harassment and hate crime include a dedicated Hate Incident Scheme with 24 hour access. Numerous third party reporting sites are available and directory of services was released. Actions have instigated a 25% increase in referrals and reports of hate crime incidents. The ability of the third sector to respond to equalities issues has improved following increased investment and resources. Good work with previously hard-to-reach groups has improved outcomes. Successful campaigns have led to increased referrals for support. There is good partnership working with the Police to reduce crime, embed equalities learning and to improve local safeguarding. Telecare and equipment services are support safety at home. Partners are engaged in developing services to improve inclusivity and outcomes. Equality impact assessments have led to improvements and increased referrals in drug advice and treatment services for previously 'hard to reach' groups.

What the council does well.

- Recognised as an example of good practice in reaching Level 5 of the Equality Standard for Local Government.
- Department of Work and Pensions accreditation for good performance on employment of people with disabilities.
- Information and advice on eligibility is clear and comprehensive, with few disputes regarding entitlements.
- Single Status for staff was achieved.
- Expansion of reporting sites for hate crimes has led to an increase in referrals.

- A dedicated Community Development Worker is supporting improved equality in the voluntary sector.
- Services are becoming more inclusive through partnership working.
- Engagement with previously 'hard to reach' groups has led to increased referrals and improved outcomes.
- Good partnership working with the Police.

What the council needs to improve.

None.

Outcome 6: Economic well - being

The council is performing: **Well**

Comprehensive information and support for benefits and entitlements is widely available. Corporate focus through the 'Recession Taskforce' intends to support all local people through the current recession and indirectly support users of social care through providing support for local businesses. Brokerage is available to all users of social care, including people who fund their own care, this includes peer support from people using personalised services. All care managers have received training in Independent Mental Capacity Advocacy. Demonstrable outcomes are not yet apparent. The apprenticeship scheme has provided 750 posts across the borough with 72 in Adult and Community Services with the intention of equipping young local people with the skills to support expected rises in the social care population, with particular emphasis on older people. The scheme also meets key Local Area Agreement priorities in providing employment and training.

The council leads by example in its strong corporate focus on ensuring the employment of 235 people with disabilities. This was recognised through accreditation from the Department of Work and Pensions. Good partnership working is supporting the creation of social enterprises which are providing employment opportunities for people with mental health issues. Uptake of employment opportunities for people with learning disabilities has been affected by the current economic downturn, but levels of activity are good with providers such as Pure Innovations providing advice and support and the Art Blanche project progressing towards community interest business status with links to the London 2012 Olympics. Partner organisations are supporting more people with complex needs to access employment. Support for carers is developing but needs to demonstrate impact and outcomes.

What the council does well.

- Comprehensive information and support for benefits and entitlements is widely available.
- Strong corporate focus on supporting local people through the economic downturn.
- Brokerage is available to all.
- Large and ambitious development of local apprenticeship schemes to meet future care workforce needs.
- The council leads by example in the employment of people with disabilities.
- Partnership working is supporting the establishment of social enterprises and community interest businesses.
- Dedicated safeguarding resources for people with learning disabilities accessing employment and training.

What the council needs to improve.

- The number of people with learning disabilities supported into employment or training needs to increase.
- The effectiveness of support for carers employment needs to be demonstrated.
- Evaluate the impact of implementing Independent Mental Capacity Advocate training.

Outcome 7: Maintaining personal dignity and respect

The council is performing: **Well**

The council continue to develop safeguarding services with substantial investment in resources with numerous cross partnership and departmental examples of preventative support that improves local safeguarding. The Safeguarding Adults team has been expanded; improving responsiveness to referrals. A pilot emergency response team for victims of domestic violence is well regarded and has reduced demand on ambulance and Accident and Emergency. Good joint work with Fire Service has reduced fire safety risks for people using Drug and Alcohol services.

Access to referrals and information was strengthened and a number of high profile campaigns promoted local safeguarding leading to increased referrals. Relocation of Safeguarding to Community Safety and Neighbourhood Services has provided opportunity to integrate safeguarding into wide community safety concerns.

Priorities for development have been determined and a seven point improvement plan completed. Safeguarding practice is scrutinised at a senior level and by local partners and a well established Adult Safeguarding Board. Learning for serious case reviews has focused attention on the ongoing development of assessment and referral, development of escalation policies, awareness raising across the partnership and improved skills for gauging capacity needs.

Plans for quality assurance procedures including case progression tracking are being finalised in partnership with Children's and Mental Health Services to ensure protection is comprehensive and will be implemented in October 2009.

A wide range of training was delivered in partnership which is continuously updated to include key issues such as Deprivation of Liberty Standards and personalisation. Levels of internal training are high. Estimated training to the independent sector is below regional averages. Feedback from complaints led to focused training for care providers on recording, choice, dignity and respect. Carers are supported as 'expert partners' and provide Expert by Experience support to training events.

What the council does well.

- Council Staff at all levels are engaged in improving local safeguarding with good awareness and scrutiny from senior management.
- Expanded Safeguarding team now located in Community Safety and Neighbourhood Services.
- Improved responsiveness to safeguarding referrals.

What the council needs to improve.

- A below average proportion of staff employed in the independent sector received safeguarding training.
- Continue to develop safeguarding services.
- Implement the findings from serious case reviews.
- Deliver planned improvements to quality assurance systems.

Anne Bristow
Corporate Director of Adult and Community
Services
London Borough of Barking and Dagenham
Civic Centre
Dagenham
RM10 7BW

12th October 2009

Dear Ms Bristow

Annual Performance Assessment of Adult Social Care for Barking and Dagenham council 2008/9

Introduction

The annual performance assessment report outlines the findings of the 2009 annual performance assessment (APA) process for your council. Thank you for the information you provided to support this process, and for the time made available by yourself and your colleagues to discuss relevant issues.

With this letter is the final copy of the Annual Performance Assessment (APA) report. Also attached are:

- The Performance Assessment Notebook (PAN), which you have already had an opportunity to comment on for factual accuracy following the Annual Review Meeting and
- The Quality Assurance & Moderation summary, which provides a record of the process of consideration by CQC from which the APA report is derived.

The grades outlined in the APA report are an overall grade for delivering outcomes and a separate grade for each of seven outcomes. The commentary on the two domains of leadership, use of resources and commissioning will be directly transferred to the Comprehensive Area Assessment from the APA report.

The grades we use are:

Grade	Descriptor
<p>Grade 4: (Performing excellently) People who use services find that services deliver well above minimum requirements</p>	<p>A service that overall delivers well above minimum requirements for people, is highly cost-effective and fully contributes to the achievement of wider outcomes for the community.</p>
<p>Grade 3: (Performing well) People who use services find that services consistently deliver above minimum requirements</p>	<p>A service that consistently delivers above minimum requirements for people is cost-effective and makes contributions to wider outcomes for the community.</p>
<p>Grade 2: (Performing adequately) People who use services find that services deliver only minimum requirements</p>	<p>A service that delivers only minimum requirements for people, but is not consistently cost-effective nor contributes significantly to wider outcomes for the community.</p>
<p>Grade 1: (Performing poorly) People who use services find that services do not deliver minimum (performing adequately) requirements</p>	<p>A service that does not deliver minimum requirements for people, is not cost-effective and makes little or no contribution to wider outcomes for the community.</p>

The DASS Director of Adult Social Services is expected to take the report to an open meeting of the relevant executive committee of the council by 31st January 2010 and to inform us of the date this will take place. The council should make the report available to members of the public at the same time and they must copy this grading letter and report to the council's appointed auditor.

ADULT SOCIAL CARE PERFORMANCE JUDGMENTS FOR 2008/09

Overall Grade Awarded for Delivery of Outcomes	Performing Excellently
---	-------------------------------

Delivering Outcomes	Grade Awarded
Improved health and well-being	Well
Improved quality of life	Excellent
Making a positive contribution	Excellent
Increased choice and control	Excellent
Freedom from discrimination or harassment	Excellent
Economic well-being	Well
Maintaining personal dignity and respect	Well

The attached APA report sets out progress about areas of good performance, areas of improvement over the last year, areas which are priorities for improvement and where appropriate, identifies any follow up action CQC will take.

Yours sincerely

Colin Hough
Regional Director
Care Quality Commission

This page is intentionally left blank

EXECUTIVE

22 DECEMBER 2009

REPORT OF THE CORPORATE DIRECTOR OF ADULT AND COMMUNITY SERVICES

Title: Adult Commissioning Contracts	For Decision
<p>Summary:</p> <p>Commissioning within health and adult social care is in a very dynamic period. A number of new approaches are being implemented, most significantly 'World Class Commissioning' and 'DH Commissioning Framework for Health and Well Being'.</p> <p>These initiatives coincide with 'Putting People First' (the personalisation of social care) and the implementation of a range of national strategies, notably for dementia, carers and valuing people.</p> <p>Helpfully, a number of external contracts for the provision of adult social care services are due to expire in 2010, with the majority of those coming to an end on 31 March 2010.</p> <p>This then allows the opportunity to review these contracts, but without entering into new long-term arrangements and to create a "breathing space" in which to develop new services and align health and social care priorities. This alignment of services will be based on the latest Joint Strategic Needs Assessment, jointly undertaken by the Council and NHS Barking and Dagenham .</p> <p>This report sets out how the contract review has been undertaken and a number of recommendations in respect of the individual contracts. It seeks the Executive's approval in respect of four possible options, being:</p> <ol style="list-style-type: none"> 1) To terminate 2) Extend with reduced volume pending re-commissioning 3) Extend as current service pending re-commissioning 4) Re-tender <p>The recommendations have been made following individual assessments of the contracts across a number of value for money criteria, including service user satisfaction. The residual portfolio of contracts will deliver a more effective use of resources and will help to achieve a balanced budget within Adult Social Care, whilst allowing the time to develop the new approach to commissioning.</p> <p>Wards Affected: All Wards</p>	
<p>Recommendation(s)</p> <p>The Executive is recommended to :</p> <ol style="list-style-type: none"> (i) Agree the proposals in respect of the individual contracts for each contractor as detailed in the private and confidential document Appendix A; 	

- (ii) Agree to delegate authority to the Corporate Director of Adult and Community Services, in consultation with the Legal Partner (Procurement, Property and Procurement) to progress all aspects of the proposals contained within this report, including the discussions and negotiations with current providers, the extension of current contracts and the procurement and award of new contracts as appropriate; and
- (iii) Consider whether it wishes to nominate a Member to be involved in the procurement and award processes of any new contracts.

Reason(s)

To assist the Council to achieve all of its Community Priorities and a balanced budget within Adult and Community Services for financial year 2010/11.

Implications**Financial**

The overall financial resources of the Council for 2010/2011 have reduced, with Adult Social Care bearing its part of this reduction. A number of initiatives and proposals are being implemented by the department to reduce its own internal costs, without impacting on the level of services provided to its customers.

However, there remains a need to match the social care needs of the community against the available financial resources. This effective use of resources, coupled to commissioning, is one of seven key themes on which Adult Social Care performance is assessed by the Care Quality Commission (CQC).

A component of this assessment is the value for money (VFM) that is achieved from individual services and providers. Where either of these do not continue to deliver value for money, then it is appropriate to consider either reducing the level of service received, or to terminate the contract.

If all the recommendations are agreed by the Executive, this will see an overall indicative cashable efficiency gain of £1,311,254 per annum, (prior to the costs of any re-commissioning activities) for this portfolio of contracts, subject to successful re-negotiation. The financial impact of the individual contract arrangements are included within the Private and Confidential document **Appendix A**.

Legal

This report is seeking Executive approval of a number of proposed actions to be undertaken (details of which are more particularly set out in Appendix A attached) in respect of the existing contracts for the provision of adult social care services, following a high-level review of the current contractual arrangements of the provision of adult social care services.

The transformation of adult commissioning, within adult and health social care, supports the government's future vision as set out in its White Paper "Our Health, Our Care."

The proposed actions to be taken in respect of the contracts include

- (i) extension of some contracts - pending a further review of the services and/or re-tendering of the contracts;

- (ii) termination of some contracts; and
- (iii) re-tendering of some of contracts.

In relation to the contracts in relation to which an extension is proposed, the report is seeking Executive approval to enter into negotiations with the respective service providers to extend the contracts as set out in the Private and Confidential document **Appendix A**, and to delegation to the Corporate Director of Adult and Community Services of the Executive's power under Contract Rule 4.3 to extend the contracts if / when the negotiations are successfully concluded.

Contract Rule 4.3 empowers the Executive to approve contact extensions where to do so would not be in breach of EU procurement rules as set out in the Public contracts Regulations 2006 ("the Regulations").

In this particular case, as the contracts to which the report relate are classified as "Part B" services under the Regulations, the full rigour of the Regulations do not apply, and there is nothing in the Regulations to preclude the Executive from approving extension of the contracts identified in Appendix A, subject to successful negotiation of extension terms with the respective service providers.

In relation to the request to delegate its contract extension powers to the Corporate Director, the Executive has the power under Section 15(6) of the Local Government Act 2000 and under Part C of the Council's Constitution to delegate its powers to officers.

In respect of the contracts in relation to which termination is proposed, this must be undertaken in accordance with contractual provisions in relation to termination as set out in the respective contracts, and the Corporate Director of Adult and Community Services should consult with the Legal Partner (Procurement, Property and Planning) for a review of these contractual provisions.

With regard to the contracts in relation to which re-tendering is proposed, the Executive is required by Contract Rule 3.6 to consider, and approve if it deems fit, the strategy for the procurement of contracts of above £400,000 in value. The proposed strategy for the procurement of those adult social care contracts identified as requiring re-tendering is set out in the Private and Confidential document **Appendix B** of this report.

The Legal Partner (Procurement, Property and Planning) confirms that there are no legal reasons preventing the Executive from approving the recommendations of this report.

Contractual

On 1 October 2009 all providers whose contracts are subject of this report were given six months notice on their contract(s), pending the Executive making its decision. This then legally allows the Council to make a decision of termination in line with the recommendations of this report.

Where any contract is extended, any such extension shall be agreed by way of a contract variation by Adult Social Care, supported by Legal Services. The contract variation will specify both the duration period of the contract and any changes to the service specification or volumes of service provided.

Risk Management

There are a number of risks attached to each recommendation which fall within the following generic categories:

- Providers may be unwilling to further extend.
- Negotiations may deadlock or not achieve the desired outcome.
- Service users and carers may make protest against any reduction or termination of service.
- Resources to achieve the tender time-table may become unavailable and subject to slippage.
- Termination or reduction of the contract may make the provider organisation financially unsustainable.
- Damage to the Council's reputation.
- Reduction in effectiveness of partnership working within the Borough
- Any re-tender may fail to achieve the improvement in service or VFM envisaged.
- Where the recommendations are not approved the full portfolio of contracts may not be affordable within the budgetary resources of Adult Social Care.
- There maybe a number of safeguarding issues arising for a change in service delivery or provider.

Staffing

No specific implications for Council staff, although it may give rise to a number of workforce matters for service providers.

Customer Impact

The aggregate recommendations will ensure that the overall level of customer satisfaction with services will improve, over time. The services will be more relevant to service user needs as they will be involved in the design and planning of new services. This could be on a person centered planning level in respect of a bespoke package of care, or more widely on proposals or specifications for new services.

This is the transformational change set out in "Putting People First" where the Council migrates from a command and control model of care, to one where service users are empowered to become their own commissioner. This is intended to give service users control over the design of their care package and provider(s) they choose in order to meet their care needs and agreed outcomes.

This will mean that, over time, the number of Council commissioned contracts will reduce and this is the start of that process. However, there is a "trade-off" between giving choice and achieving an economy of scale. Therefore, where the capital or overhead costs of operating a service are high, the Council may still need to risk share with providers by awarding block or volume contracts. Additionally, this will suffice where service users are either unable or unwilling to manage their own package of care.

In the short-term a number of service users may not be wholly content at losing services and providers with which they are familiar or satisfied. This will be mitigated through the work of care management and the reprovisioning of their care package on a personalised approach.

Safeguarding Children

No specific implications.

Crime and Disorder

No specific implications

Property / Assets

The recommendations include termination or reduction on a number of contracts. Where the provider organisation is occupying Council owned buildings, discussions between Asset Management, Commissioning and the Provider will take place regarding their continuing occupation of those buildings. In any event, any new arrangement is likely to be cash neutral, as the Council premises are currently provided on a no charge basis.

Options appraisal

1) **Extend all Contracts** – This would not represent VFM and would be contrary to implementing / funding the new approach to the commissioning of health and adult social care services. It is also unaffordable within the 2010/11 budget for Adult Social Care.

2) **Re-tender all Contracts** – Many services are in need of redesign and several may be decommissioned with no new contracts let. The Council and NHS Barking and Dagenham's work in converting the priorities of the Joint Strategic Needs Assessments into fully scoped services is still in development.

3) **Terminate all Contracts** – The contracts provide a range of personal care services to our most vulnerable citizens and such a significant de-commissioning process would have a huge and detrimental impact on their well-being . It would also put the Council in breach of its statutory duties.

4) **Hybrid** – A combination of options 1 to 3 above. This is the preferred option and the approach and outcomes are set out in this report.

Head of Service: Karen Ahmed	Title: Head of Adult Commissioning	Contact Details: Tel: 020 8227 2331 Fax: 020 8227 2241 E-mail: Karen.ahmed@lbbd.gov.uk
Report Author: Jonathan Carr	Title: Interim Group Manager - Commissioning	Contact Details: Tel: 020 8724 8423 Fax: 020 8227 2241 E-mail:jonathan.carr@lbbd.gov.uk

1. Background

1.1 Many of the services provided by Adult Social Care are supplied through a range of independent and third sector providers. These providers range from large national care home operators to small voluntary sector organisations providing, for example, preventive services. In total, excluding individual spot contracts, Adult

Social Care has nearly eighty contractual agreements for the provision of services, representing a spend of some £17 million per annum.

- 1.2 Over 60 of these contracts are due to expire within 12 months or less, with the majority coming to an end as at 31st March 2010. This situation has arisen due to a number of circumstances, but fundamentally a culmination of historic contracting arrangements and plans for service redesign.
- 1.3 This service redesign has the new approach to commissioning health and social care at its heart. Additionally, Personalisation signals a departure from traditional contracting arrangements, to one where the service user becomes their own “commissioner” of services. It therefore requires the Council and PCT to jointly manage the health and social care market in Barking & Dagenham at the strategic level and to ensure that it has the right mix of providers to meet the needs of the Borough.
- 1.4 This approach is new and requires a lot of consultation with service users and other stakeholders to bring about, it is truly transformational. The purpose of this Report is therefore to allow a further time period for this to happen, through a medium-term contract strategy.
- 1.5 Of the 60 contracts due to expire only 40 require a resolution. This is as the remaining 20 either have a further contractual option to extend, or are provided by way of an “in-house” provider. Where “in-house” they are subject to other review processes currently on-going within the Council.

2. Report detail

- 2.1 As previously stated, historic contracting arrangements within Adult Social care have created a situation, where a large number of contracts come to an end in 2010. In many cases, these contracts have already been extended for periods of time longer than those set out in the original contract terms and conditions.
- 2.2 Given the number of contracts it is not practicable to re-tender them all within the time-frame before they expire. In any event, given the Personalisation agenda many of the services may be decommissioned and no new contracts let.
- 2.3 It is therefore necessary to create a “breathing space” in which to undertake a strategic approach to future commissioning activity, including a planned time-table for re-tendering / decommissioning.
- 2.4 A process has been designed and implemented to evaluate the individual contracts which are due to expire leading to the recommendations within the Private and Confidential document **Appendix A**. This process was as follows:

Stage 1: Each of the 3 Strategic Commissioning Managers completed an assessment for the individual contracts which were due to expire within their portfolio. The 3 portfolios cover the following client groups:

- i) Older People
- ii) Learning Disability & Physical Disability
- iii) Social Exclusion & Mental Health

The assessment was based on the contract management, performance and monitoring information collated for the service and service providers. An indicative recommendation in respect of the individual contracts was then taken to Stage 2.

Stage 2: A Panel comprising the Operational Management Team and other key stakeholders was convened to consider the Stage 1 assessments. The Panel made an initial determination on each contract in respect of the 4 possible Options. Where this was either to terminate or reduce, a VFM review and service user consultation was undertaken, co-coordinated by the Commissioning Support Manager.

Stage 3:

1) The VFM review combined the following 2 strands:

- i) Desktop review of existing contract management & performance information.
- ii) Consultation with the service provider, who was asked to:
 - a) Evidence the VFM of the service including unit costs
 - b) Evidence service user satisfaction with the service
 - c) Undertake an impact assessment on the withdrawal of the contract on their future sustainability.

2) The service user consultation comprised face to face meetings between service users and the Contracts Review Team. It focused on the following 3 strands:

- i) Their overall satisfaction with service and service provider
- ii) The outcomes that were being achieved
- iii) The impact any reduction or withdrawal of service would have on them.

Stage 4: Panel was reconvened in order to receive the results of the consultation and to reassess the recommendation. The final recommendations appear as in this Report.

Stage 5: Executive approves the recommendations proposed in this Report.

Stage 6: Providers are informed of Executive's decision and the recommendation implemented. Where this is to terminate or reduce, Commissioning and Care Management will work with the Providers in order to effect a managed exit strategy, arranging alternative care arrangements/options where appropriate.

2.4 This medium-term contract strategy is a part of an overarching commissioning strategy for Adult Social Care, which seeks to transform the way future services are both designed and delivered.

- 2.5 Fundamental to this is the realignment of services through a joint planning and commissioning approach with the NHS Barking and Dagenham. This anticipates a reduction to the spend on high cost residential and nursing placement, whilst promoting preventive services so that as far as possible people do not deteriorate to the point that they need those higher levels of care. The preventive agenda is very much an “invest to save” proposition, although financially it may not easily be quantified, the results from across the country and Department of Health pilots are showing excellent results.
- 2.6 The Commissioning and Personalisation Transformation Teams are working together on an overall Market Development Project in order to achieve this vision. The project includes a number of individual work streams as follows:
- Personalising Services
 - Market Management
 - Market Stimulation
 - Commissioning Strategies
 - Community Development
- 2.7 A full description of the Project and individual work streams is included at **Appendix C**, the market stimulation and community development streams specifically will help the Third and Independent Sectors in changing their business model. This will allow user led groups to develop in such a way as to be capable of providing services directly to Service Users as they take on increasing levels of Personal Budgets in pursuit of ‘Putting People First. As opposed to being reliant on large local authority contracts.

3. Links to Corporate and other Plans and Strategies

- Putting People First
- Transforming Social Care
- Commissioning Framework for Health and Well Being
- Valuing People Now
- Social Inclusion Agenda
- Older Peoples’ Mental Health Strategy
- Community Cohesion Strategy
- Community Plan
- National Dementia Strategy
- National Carers Strategy

4. Consultees

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

Councillor L A Smith, Leader of the Council
Councillor Collins, Cabinet Member for Adults and Public Health
Adults and Community Services DMT
Adult Social Care – OMT’s
DABD and their Service Users
Age Concern B&D and their Service Users
Crossroads B&D and their Service Users

Anchor Care and their Service Users
Carers of B & D and their Service Users

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

Executive Report 29 Sept 2009 “Putting People First – Personalisation”

6. List of appendices (contained within the private and confidential section of the agenda):

Appendix A - Recommendations

Appendix B - Tendering and Procurement Strategy

Appendix C - Market Development Project

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank