

Notice of Meeting

THE EXECUTIVE

Tuesday, 7 July 2009 - 5:00 pm
Council Chamber, Civic Centre, Dagenham

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: 26 June 2009

R. A. Whiteman
Chief Executive

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AGENDA

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

In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 16 June 2009 (Pages 1 - 5)**
4. **Council Debt Write-Offs (Pages 7 - 17)**
5. **Strategic Partnership for Support Services – ICT Market Testing (Pages 19 - 26)**
6. **Any other public items which the Chair decides are urgent**
7. **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). ***There are no such items at the time of preparing this agenda.***

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

THE EXECUTIVE

Tuesday, 16 June 2009
(5:00 - 6:15 pm)

Present: Councillor L A Smith (Chair), Councillor R C Little (Deputy Chair), Councillor J L Alexander, Councillor S Carroll, Councillor H J Collins, Councillor R Gill and Councillor Mrs V Rush

Also Present: Councillor W F L Barns, Councillor J E McDermott and Councillor J R White

Apologies: Councillor G J Bramley and Councillor M A McCarthy

5. Declaration of Members' Interests

None declared.

6. Minutes - 19 May 2009

Agreed.

7. Local Adult Safeguarding End of Year Report

Received and noted a report from the Corporate Director of Adult and Community Services concerning progress that the Adult Safeguarding Service and the Safeguarding Adults Board has made against the 2008/09 business plan.

Agreed, in order to assist the Council to achieve its Community Priorities, 'Safe', 'Fair and Respectful' to receive a further report from the Board in March 2010.

8. Parks Police Review Progress Report

Following on from a review of the Parks Police Service, received and noted a report from the Corporate Director of Adult and Community Services concerning progress in implementing the review recommendations.

Arising from the discussions, asked that the Safer Parks Team look further into tackling issues of excessive drinking, motoring offences and dog fouling within the borough's parks.

9. Facilities and Activities for Children and Young People Scrutiny Panel - Final Report

Received a report from the Facilities and Activities for Children and Young People Scrutiny Panel which included a review of the facilities and activities in the Borough for children and young people up to the age of nineteen and considered the uptake and usage data and the accessibility of facilities and activities currently available, with a view to identifying any barriers to access that may exist.

The Panel considered evidence from a wide range of people involved in using or delivering activities for young people. Members also undertook a number of site visits to observe projects and clubs providing activities for young people, as well as hearing directly from young people themselves through visits to school councils.

Councillor White thanked officers for their hard work in assisting the Scrutiny Panel.

Agreed, in order to assist the Council achieve its Community Priorities of 'Safe', 'Inspired and Successful', to recommend the report to the Assembly for adoption.

The Executive thanked Councillor White and the Scrutiny Panel for their work.

10. Budget Monitoring

Received a report from the Corporate Director of Resources providing an update on the Council's revenue and capital position for the first month of the 2009/10 financial year.

The current position for revenue expenditure indicates a balanced budget for the year, although all departments have identified areas of concern where budget pressures may arise and these will need addressing as part of the Council's ongoing budget monitoring process.

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

- (i) the current position of the Council's revenue and capital budget as at 30 April 2009;
- (ii) the position for the Housing Revenue Account; and
- (iii) that where potential pressures have been highlighted, Corporate Directors are required to identify and implement the necessary action plans to mitigate these budget pressures to ensure that the necessary balanced budget for the Council is achieved by year end.

11. Annual Treasury Management Statement 2008/09

Received a report from the Corporate Director of Resources regarding the Annual Treasury Management Statement which details the Council's outturn position in respect of its treasury management activities.

Agreed, in order to assist the Council to achieve all of its Community Priorities and as a matter of good financial practice, to approve the Treasury Management Annual Report for 2008/09.

12. Council's Revenue and Capital Outturn 2008/09

Received a report from the Corporate Director of Resources regarding the Council's provisional revenue and capital outturn position for the financial year 2008/09.

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

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

13. * Housing Investment Programme 2009-11

Received a report from the Corporate Directors of Customer Services and Resources concerning the Council's housing investment highlighting the progress made in delivering the programme and detailing on-going financial commitments.

Agreed, in order to assist the Council to achieve its Community Priorities of 'Safe', 'Clean', 'Fair and Respectful' to,

- (i) note the current position on the delivery of capital investment in the Council's housing stock, including works to make homes decent and associated outputs for 2008-2009;
- (ii) The prioritised housing investment programme of works for 2009-10 to 2011-12 periods, for resources previously approved by the Executive on February 17 2009 and by the Assembly on 25 February 2009 and revised resources as detailed in appendix 1. The Capital Programme is adjusted for

the relevant re profiling of resources and projected spend contained in this report; and

- (iii) Delegate authority to the Divisional Director of Asset Strategy & Capital Delivery and Divisional Director of Housing Services in consultation with the Cabinet Member for Housing and Legal Partner to agree the detailed programme with the programme heads, and award the contracts for the projects identified for the housing investment programme.

14. Any other public items which the Chair decides are urgent

Agreed to congratulate

- (i) all Parent Governors and staff at Robert Clack Comprehensive School for their hard work, and the head teacher Sir Paul Grant, who was recently knighted in the Queens Birthday Honours for his services to local and national education; and
- (ii) Councillor Milton McKenzie who was awarded a MBE for his services to trade unionism and to diversity and equal opportunities in the borough.

15. Private Business.

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

16. Regeneration of Thames View and Establishment of Barking Riverside Housing Investment Company

Received a report from the Chief Executive concerning proposals to provide affordable housing and regenerate Thames View.

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

- (i) Authorise the Director of Resources (subject to funding) to acquire the remaining five properties at the eastern end of Thames View Estate at above market levels if necessary on the grounds that this will enable the Council's proposals for the eastern end of Thames View estate to go ahead without the delay and additional costs that would be entailed through a CPO process;
- (ii) The main principles of the Masterplan for Thames View as outlined in section 2 of the report;
- (iii) Approve the medium density option at the eastern end of Thames View and to housing development on the former garage sites;
- (iv) To further sites (as identified in section 2.2.3 of the report) being explored at Thames View for possible redevelopment;

- (v) That the principles of the Thames View Masterplan be incorporated into a draft Supplementary Planning Document for public consultation;
- (vi) That the draft Heads of Terms be used as the basis for concluding contract negotiations with Southern Housing Group;
- (vii) That the Legal Partner Procurement, Contracts and Property and the Divisional Director of Corporate Finance be jointly given delegated powers to negotiate and settle final contract documents as anticipated by the draft Heads of Terms;
- (viii) Note that a further report will be brought to Executive once contractual documentation has been finalised (including details of any substantive variation from the transactions contemplated by the Heads of Terms) which is anticipated to be in September 2009. This further report will set out details of
 - contractual terms
 - funding terms provided by HCA and EIB
 - BRHIC business plan and financial model
 - other relevant information;
- (ix) That the Council enters a Development Agency agreement with SHG whereby the Council indemnifies SHG for costs (estimated at up to £500k) incurred in obtaining a detailed planning permission for land at Thames View in the event that the BRHIC is not established; and
- (x) That the Legal Partner, Procurement, Contracts and Property and Divisional Director of Corporate Finance are collectively given delegated powers to negotiate the Development Agency agreement terms.

17. Proposed disposal of Land at Bridport Avenue

Received a report from the Corporate Director of Resources regarding proposals to dispose of land at Bridport Avenue.

Arising from the discussions, deferred a decision pending further officer consultation with Eastbrook Ward Members and Havering Council.

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

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EXECUTIVE

7 JULY 2009

REPORT OF THE CORPORATE DIRECTOR OF CUSTOMER SERVICES

Title: Debt Write Offs October – January 2009 to March 2009 (4th Quarter)	For Information
<p>Summary:</p> <p>Barking and Dagenham Direct is made up of a number of service areas. Two of these (Income & Collection & Rents & Benefits Sections), are linked to the billing, collection and recovery of the vast majority of debts that fall due to be paid to the Council for chargeable services and statutory levies such as Council Tax and Business Rates.</p> <p>The value and type of debts written off as uncollectible within these two sections, must be reported to the Executive on a quarterly basis in line with the Council's Financial Regulations. This is the fourth such report for the financial year 2008/9 and provides a summary of debts written off for Q4 i.e. January to March 2009 shown in table 3 of Appendix A. In total £2.764m of debts have been written off for the 2008/09 year up to 31 March 2009.</p> <p>Wards Affected: None.</p>	
<p>Recommendation(s)</p> <p>The Executive is asked to note the debt write-offs for the fourth quarter of 2008/09 as detailed in the report and that a number of these debts will be published in accordance with the policy agreed by Minute 69 (6 November 2007).</p>	
<p>Reason(s)</p> <p>As a matter of good financial practice and to accord with the Council's Financial Rules.</p>	
<p>Implications:</p> <p>Financial:</p> <p>All debts written off will have been provided for within the Council's Bad Debt Provision and as such there should be no specific financial implications. However, there is the possibility that unforeseen and unplanned additional write offs occur, which lead to the value of debts written off in any year, exceeding the agreed bad debt provision.</p> <p>Where this is likely to happen, this quarterly report will act as an early warning system and will enable additional control measures to be agreed and taken, to either bring the situation back under control, or to make appropriate adjustments to the bad debt provision.</p> <p>Legal:</p> <p>There are no specific legal implications of publishing the details of individual debts as any lists published will be limited to those cases where prior to the debt being written off, the</p>	

debt has been proven at Court as rightly and properly due.

Risk Management:

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

Social Inclusion and Diversity: No specific implications.

Crime and Disorder: No specific implications.

Options Appraisal: Not applicable.

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

1.1 The Income & Collection Section and the Rents and Benefits Sections are responsible for the collection of the vast majority of debts falling due to the Council by way of statutory levies and chargeable services. Whilst measures are taken to collect all debts and levies due, it is invariably the case that some debts will remain unpaid, even after concerted efforts have been made to collect them.

1.2 In order that the Council can take proper account of debts that will actually be paid and also take account of debts that are unlikely to be paid, the writing off of uncollectible debts are carried out on a regular basis. This way the Council is able to take account of just those debts that it knows will be paid, whilst making some provision within its accounts for debts that are unlikely to be paid.

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

2.1 The processes and procedures in place for managing and recording debts written off are governed by the Council's write off policy. The purpose of the policy is to establish a framework to regulate the write off of irrecoverable debts and long standing unallocated and unclaimed credits.

2.2 Adherence to this policy will ensure that there is always consistency and probity adopted in the procedures of debt and credit write offs and that best practice is followed in:

- Debt collection and recovery
- Accountancy code of practice
- Audit controls

3. Authorisation to write off debts

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

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

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

4. Current Position

4.1 The net value of debts written off for the fourth quarter (Q4) of 2008/9 (i.e. January 2009 – March 2009) was £ 1,400,951.70 as shown in table 3 of Appendix A. The total cumulative debt write off for 2008/09 now stands at £2.764m.

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

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

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

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

5.4 Housing Benefit overpayment debts written off relate to relevant adjustments in this area.

5.5 Former tenant arrears relate to previous occupation of rented Council housing.

6. Publication of individual details of debts written off

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

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

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

- 6.4 As was previously outlined within the 6 November 2007 Executive report, it was recommended that the following types of debt write offs are excluded from this publicised list:
- (a) Debts that have been written off following a corporate complaint being upheld
 - (b) Debts that have been written off due to the debtor falling within one of the many vulnerable groups (e.g. elderly, disabled, infirm etc.)
 - (c) Where the original debt was raised in error
 - (d) Where debts have been written off, but no legal action has been taken to prove that the debt was legally and properly due
 - (e) Where the debt has been written off following bankruptcy or insolvency action (the majority of these cases will be individually publicised)
- 6.5 The exclusion of the category of debts listed above will eliminate the possibility of any unnecessary and potentially costly legal challenges from debtors, who take issue with their details being publicised. It is intended that where the details or whereabouts of debtors become known following publication, those debtors will be pursued as far as is possible, to secure full payment of the debt.
- 6.6 The list provided at Appendix B does not include any debts or debtors that fall within categories (a) to (e) above, so the list as it stands can be publicised.

7. Ongoing debt recovery and tracing work

- 7.1 It should be noted that debt recovery and tracing work is an ongoing activity within the Income & Collection and Rents & Benefits section. Some form of tracing work continues on debts even after the debt has been written off. We have a number of management tools to find debtors, including national systems such as Experian. In many cases, tracing and follow-up work can continue for up to a year after the debt has been written off (e.g. in the case of higher debts) and debtors have been known to resurface up to five years after a debt has been written off.
- 7.2 Where debtors are located either by ourselves or other departments, for example often Tenancy audit find debtors, the section who owns the debt is advised and the recovery process can be resumed. The debt is often written back on so that legal action can commence or be picked up from where it was left.
- 7.3 The Council has a duty to provide temporary accommodation to homeless persons in accordance with Part VII Housing Act 1996 (as amended Homelessness Act 2002). The vast majority of temporary accommodation is PSL (Private Sector Licence), this is privately owned property, leased to a lettings agent which in turn is licensed to the Council to accommodate homeless households.

Arrears on temporary accommodation are an issue for all London Boroughs. A number of factors contribute to the risk of high-level arrears in temporary accommodation. Working families who do not receive maximum benefit find affordability a significant problem. The Housing Service has endeavoured to address this by introducing a 'Working Families Shortfall Policy'; however the law precludes the Council from applying different charging arrangements for working families. Many homeless households often have multiple debts and complex social

and welfare problems, all of which contribute to risk of arrears in their temporary accommodation.

Every effort is being made to support customers and minimise debt. A multi-disciplinary rent panel has been established to look at each individual case and take appropriate action. A business process re-engineering exercise has been carried out on temporary accommodation and income recovery procedures, to ensure the appropriate use of resources and efficient streamlined procedures are in place in preparation of the implementation of Capita I.T. system. This system will provide robust data for better charging, quicker response time, and improvement in customer experience.

8. Consultees

- Cllr G Bramley – Cabinet Member for Finance and Human Resources
- Cllr S Carroll – Cabinet Member for Customer Services
- Joe Chesterton -Divisional Director of Corporate Finance
- Bola Odunsi - Head of Barking & Dagenham Direct
- Annette Cardy - Group Manager (Benefits & Service Development)
- Winston Brown – Legal Partner & Deputy Monitoring Officer
- Tony McNamara – Interim Group Manager Finance

Background Papers Used in the Preparation of the Report:

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

Debts written off 2006/7
Table 1

Write Offs	Housing Benefit	General Income Debts	Former Tenant Arrears	Home Care	Residential Care	Council Tax	NDR	TOTAL
2006/07	£74,086	£209,571	£698,423	£32,234	£98,608	£1,965,030	£82,256	£3,160,208

Debts written off during 2007/8
Table 2

Write Offs	Housing Benefit	General Income Debts	Former Tenant Arrears	Home Care	Residential Care	Council Tax	NDR	TOTAL
2007-8 Totals	£335,194	£165,413	£373,275	£ -	£10,543	£ 668,163	£169,657	£1,722,245

Debts written off 2008/09
Table 3

Debts Written Off during 2008/09 Quarter 1

Write Offs	Housing Benefit	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NDR	TOTAL
Apr-08	Under £2k	£21,248.79	£476.87		£108.26	£644.29	£58,937.17		£81,415.38
	Over £2k	£37,545.09					£2,507.91		£40,053.00
	Over £10k								£0.00
	Total	£58,793.88	£476.87	£0.00	£108.26	£644.29	£61,445.08	£0.00	£121,468.38
May-08	Under £2k	£12,861.66	£72.12			£159.00	£29,413.39		£42,506.17
	Over £2k						£5,330.73		£5,330.73
	Over £10k								£0.00
	Total	£12,861.66	£72.12	£0.00	£0.00	£159.00	£34,744.12	£0.00	£47,836.90
Jun-08	Under £2k		£2,472.94	£590.43	£81.94	£347.18	£28,852.60		£32,345.09
	Over £2k						£11,709.69		£11,709.69
	Over £10k								£0.00
	Total	£0.00	£2,472.94	£590.43	£81.94	£347.18	£40,562.29	£0.00	£44,054.78
Quarter 1 Totals	£54,445.64	£71,655.54	£3,021.93	£590.43	£190.20	£1,150.47	£136,751.49	£0.00	£267,805.70

Debts Written Off during 2008/09 Quarter 2

Write Offs	Housing Benefit	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NDR	TOTAL
Jul-08	Under £2k	£6,073.39			£112.50		£27,522.81		£33,708.70
	Over £2k		£16,602.87				£7,067.28		£23,670.15
	Over £10k								£0.00
	Total	£6,073.39	£16,602.87	£0.00	£112.50	£0.00	£34,590.09	£0.00	£57,378.85
Aug-08	Under £2k	£18,613.28	£5,931.43		£135.99		£21,880.04		£46,560.74
	Over £2k	£16,618.43					£13,495.98		£30,114.41
	Over £10k								£0.00
	Total	£35,231.71	£5,931.43	£0.00	£135.99	£0.00	£35,376.02	£0.00	£76,675.15
Sep-08	Under £2k	£53,325.14	£95,191.28		£132.99		£39,752.50		£188,401.91
	Over £2k	£6,788.57	£48,337.15						£55,125.72
	Over £10k								£0.00
	Total	£60,113.71	£143,528.43	£0.00	£132.99	£0.00	£39,752.50	£0.00	£243,527.63
Quarter 2 Totals	£35,602.17	£101,418.81	£166,062.73	£0.00	£381.48	£0.00	£109,718.61	£0.00	£413,183.80

Debts Written Off during 2008/09 Quarter 3

Write Offs	Housing Benefit	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NNDR	TOTAL
Oct-08	Under £2k	£74,401.96	£100,698.71						£175,100.67
	Over £2k	£14,431.27	£9,614.17						£24,045.44
	Over £10k	£24,998.34							£24,998.34
	Total	£113,831.57	£110,312.88	£0.00	£0.00	£0.00	£0.00	£0.00	£224,144.45
Nov-08	Under £2k	£34,382.46	£75,005.57			£510.65			£109,898.68
	Over £2k	£9,348.41	£37,194.46						£46,542.87
	Over £10k								£0.00
	Total	£43,730.87	£112,200.03	£0.00	£0.00	£510.65	£0.00	£0.00	£156,441.55
Dec-08	Under £2k	£7,815.89						£14,470.53	£22,286.42
	Over £2k	£4,913.61						£15,873.59	£20,787.20
	Over £10k							£34,307.04	£34,307.04
	Total	£12,729.50	£0.00	£0.00	£0.00	£0.00	£0.00	£64,651.16	£77,380.66
Quarter 3 Totals	£224,763.80	£170,291.94	£222,512.91	£0.00	£0.00	£510.65	£0.00	£64,651.16	£682,730.46

Debts Written Off during 2008/09 Quarter 4

Write Offs	Housing Benefit	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NNDR	TOTAL
Jan-09	Under £2k	£50,065.15	£20,861	£0.00	£0.00	£0.00	£64,253.77	£0.00	£135,179.92
	Over £2k	£97,219.83							£97,219.83
	Over £10k								£0.00
	Total	£147,284.98	£20,861.00	£0.00	£0.00	£0.00	£64,253.77	£0.00	£232,399.75
Feb-09	Under £2k	£15,540.37						£9,606.35	£25,146.72
	Over £2k	£227,542.36						£32,371.61	£259,913.97
	Over £10k	£394,515.05							£394,515.05
	Total	£637,597.78	£0.00	£0.00	£0.00	£0.00	£0.00	£41,977.96	£679,575.74
Mar-09	Under £2k	£12,395.48	£109,253.00	£1,940.00	£121.00		£101,383.25		£225,092.73
	Over £2k	£29,421.95	£119,925.00				£22,980.78		£172,327.73
	Over £10k								£0.00
	Total	£41,817.43	£229,178.00	£1,940.00	£121.00	£0.00	£124,364.03	£0.00	£397,420.46
Quarter 4 Totals	£91,555.75	£826,700.19	£250,039.00	£1,940.00	£121.00	£0.00	£188,617.80	£41,977.96	£1,400,951.70

2008/09 Totals	£406,367.36	£1,170,066.48	£641,636.57	£2,530.43	£692.68	£1,661.12	£435,087.90	£106,629.12	£2,764,671.66
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Top 10 debts written off in Quarter 4

NAME	INVOICE NUMBER	AMOUNT	SALESPERSON	REASON
ELIZABETH HARRIS	61933388	£33,003.07	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
CHARLES TURNER	62501881	£24,900.11	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
SHARON WALLER	61931938	£20,115.32	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
JACKSON PEMBA	62502767	£18,162.78	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
ELIZABETH QUARTEY	61930961	£18,137.47	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
THOMAS TUCKER	62501893	£17,810.60	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
VALERIE RABACHE	62001118	£17,364.76	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
SIMONE GARNER	61931992	£17,029.21	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
FRANCIS EMONGO	61931002	£16,750.35	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF
AHMED MUSTAFA	62502510	£16,213.40	HH – FINANCE	RECOMMENDED BY PSL PANEL FOR WRITE OFF

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THE EXECUTIVE

7 JULY 2009

REPORT OF THE CORPORATE DIRECTOR OF RESOURCES

Title: Strategic Partnership for Support Services – ICT Market Testing	For Decision
<p>Summary:</p> <p>The Council is facing severe financial pressures over the next three years as outlined in the current medium term financial strategy. As part of the budget setting process for 2009/10, Assembly agreed that to assist in the process of delivering back-office efficiencies, the council needs to look at all possible delivery mechanisms for central support services, including seeking a strategic partner. An invest-to-save budget was agreed to fund a procurement process to secure a strategic partner.</p> <p>As well as needing to make savings in the overall budgets for central support services, it is clear that a significant programme of ICT modernisation is required to assist all council services to achieve efficiencies, whilst improving or maintaining front-line service delivery. Following a review of support services by PA Consulting in November 2008, it was identified that the current ICT service would need a significant step change in order to develop the agility, capacity and flexibility to respond effectively to the ambition and needs of LBBD led by the One B&D programme. This step change would also need to continue and further drive the improvement in the performance of the ICT services within a context of reducing budgets. The ICT service further needs to adapt as the focus is now on maximising the value from ICT through shared services, including web services, mobile technology & applications and delivering energy efficient, secure and responsive solutions within a rapidly changing technical environment at lower cost. It is noted that the service has improved significantly over the last 4 years and is now considered top quartile in the Society of Information Technology Managers (SOCITM) performance benchmarking for 2008/9 for service and Value for Money (VfM) – and it is within this context that further step change is now needed to take the services forward and ensure this investment is sustained and improved upon</p> <p>Following on from the initial review, an ICT Market Testing Project was initiated and the purpose of which was to establish the framework for delivery of a fit-for-purpose ICT service.</p> <p>ICT is proposed as the first in a series of market testing exercises, via a single strategic partner, to secure greater efficiencies and modernisation of key support services and infrastructure.</p> <p>This report sets out proposals for undertaking the market test and procuring a strategic partner.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Executive is recommended to agree:</p>	

1. To the market testing and procurement of a strategic partner for the development, management and delivery of ICT services within a business transformation context in the first instance and subsequently further services subject to an appropriate business case being made.
2. In accordance with Contract Rule 3.6, to advise whether members require to be further involved with, or be consulted on the procurement and award of the contract.
3. To note that, before any services were added to the strategic partnership, an Executive decision would be required that formally agreed the business case.
4. That the Corporate Director of Resources be delegated to proceed to formally negotiate, via the EU procurement process, for a strategic partner for the services outlined in paragraph 19 of this report.
5. Executive receives a progress report every six months – up to contract signature.

Reason(s)

The council needs to explore all options for the delivery of efficiency savings in back-office and central support functions in order to minimise the impact of future budget reductions on front-line services. In addition, the council needs to ensure it has the ICT capability to assist all services in developing better services at lower cost and greater agility.

Implications:

Financial:

This report outlines a proposal to seek a strategic partner to work with the council in the delivery of some back-office and central support services. This is designed to assist the council in delivering efficiency savings in future financial years. The extent of the savings can not be fully known at this stage as this will depend on the precise package of services to be included and their phasing.

There is a cost to a large complex procurement process of this type in terms of having the right level of commercial and legal expertise to manage the risk of securing a good contractual arrangement for the council. An invest to save fund was agreed as part of the budget process for this.

Legal:

This report is seeking Executive approval to market testing for, and the procurement of, a strategic partner for the management and delivery of ICT services in the first instance and further services subsequently.

It is anticipated that the value of the proposed contract will exceed the EU threshold where tendering in Europe, under the Public Contracts Regulations 2006, is required.

It is therefore proposed that the contract will be advertised in the Official Journal of the EU, using the competitive dialogue procedure – a relatively new procurement procedure which allows a procuring authority to enter into dialogue with interested contractors with the aim of identifying the means best suited to meeting its requirements, prior to awarding a contract.

The report states that a Prior Indicative Notice (PIN) has already been published in the EU

with a view to evaluating potential market interest in this contract, and that the outcome of this was very positive.

The report further states that although the EU advertisement will specify a wide range of anticipated services to be provided under the contract, a phased approach under which only ICT services will be let initially, with the possibility of other services (such as HR, Procurement, Back Office Finance services etc.) being added on thereafter will be adopted. There is nothing in the Public Contracts Regulations, 2006 to preclude this.

The Legal Partner, Procurement, Property & Planning has been involved in this project, and should continue to be consulted on the legal aspects of the proposed procurement.

The Legal Partner, Procurement, Property & Planning confirms that there are no legal reasons preventing Members from approving the recommendation of this report.

Risk Management:

Clearly there are risks associated with embarking on a procurement exercise of this nature, but the use of the Competitive Dialogue Procedure referred to in the report helps to identify those risks and consider how these are best managed.

Customer Service

The One B&D programme has as a key objective to provide an ICT platform that acts as an enabler of excellent customer services and helps the council deliver cost effective services to the residents of Barking & Dagenham. The delivery of this strategy requires the council to ensure it secures a contract with a strategic partner who can assist in ensuring we have the right skills and expertise to achieve this, delivering efficiency savings both in the delivery of ICT services, and to LBBDD services through the effective application of technology throughout the life of the contract.

Crime and Disorder:

No specific implications

Options Appraisal:

Three options have been considered:-

1. Do nothing – this is rejected on the basis that significant savings are required in back-office and central support services.
2. Do-it-ourselves – this option has been fully explored. However, the council requires a range of business transformation and technical expertise and flexible capacity that it does not currently have and would be expensive to procure. In addition, an internal programme of change is unlikely to deliver the level of sustained savings in the time-scale required as there is a limit to the range of services and approaches that a medium sized in-house team can provide.
3. Secure a third party provider to work in partnership with LBBDD. This option provides the greatest likelihood of achieving both the capacity and speed of change required in order to deliver the improvements required.

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Introduction and Background

1. The Council is facing severe financial pressure over the next three years as outlined in the current medium term financial strategy. There is a need for a minimum of £36M over the three year period 2010/11 – 2012/13. This is on a controllable budget of around £121M, so represents almost 30% savings on existing controllable budgets. Radical action is required to meet these targets. If we are to minimise the impact on front-line services, a complete rethink is required in the way we organise and fund support services.
2. At the same time as we need to make significant savings, there is a growing demand within Local Government for ICT and other support services to deliver secure, reliable, energy efficient and highly available systems that will not only support current internal and external customers, but be flexible enough to deliver future business requirements. With the move to citizen directed self service a 24/7 support for services is being seen as expected and necessary in order to reduce avoidable contact during the day and to provide greater flexibility and choice to residents and businesses. ICT support needs to be responsive to this changing environment and this is limited within a medium sized in-house team.
3. As a start to this process of radical rethinking, a review of the ICT service within LBBD was completed in October 2008. This review concluded that while the Council has made reasonable investment in ICT to date, there is still a continued pressure on increasing performance and a need for flexible capacity for the service if it is to meet the challenges of the next few years. In addition, there is a need to obtain a much greater return on the investment and reduce the total cost of ownership of the ICT infrastructure. The industry shift is to increase the use of technology as a service – making use of hosted services, and shared services and reducing the reliance on bespoke and local solutions. Business users demand and expect high availability, fast and secure access to networks and applications at all times of the day.
4. Furthermore the review confirmed that the level of documentation of processes was not to the ITIL/Quality Management standards, which had contributed to individualised methods of working and inconsistent service delivery across applications and services. There was also little evidence of consistent robust project management and the ICT service has of a consequence been driven in a reactive manner by users and events and a very tactical or service driven approach to investment, or large scale projects only addressing certain service issues. This is being addressed through the One B&D programme and the move to corporate programme management controls being in place – with a much stronger focus on business benefit realisation and prioritisation.
5. In considering how to improve the service, there is a need to introduce standardisation and appropriate documentation across the service, reorganise the services to improve efficiency and effectiveness and define in more detail what the customer can expect from ICT in the form of Service Level Agreements (SLA's) which are driven from customer need and that are consistent, realistic and proportionate.

ICT Market Testing

6. Following on from the initial review an ICT Market Testing Project was initiated, the purpose of which was to establish the following:

- What are the future ICT requirements for London Borough of Barking & Dagenham?
 - What resources and skills does the Council need to support the future ICT requirements?
 - Where best should the ICT service sit in the organisation in order to deliver value for money?
 - What level of market interest would there be in partnering with the Council to deliver these services.
7. The project started in January 2009 and is being undertaken by firstly conducting an analysis and documentation of the current ICT services, the “as is” review using industry standard definitions of ICT elements.
 8. The ICT services can then be compared against industry best practice and standards and also by taking account of the requirements of the service departments. A more responsive and accurate ICT requirement, the “to be” ICT service can be determined which can then be exposed to market to test for value for money.
 9. The expected business outcomes of undertaking this exercise are:-
 - increased availability (including 24/7 cover) and reliability of ICT
 - a sustainable platform for change going forward and ongoing investment
 - flexible, standardised and more responsive ICT service
 - alignment and support for the ‘One B&D’ programme
 - greater visibility of ICT costs and services
 - Innovation in delivering ICT services
 - improved value for money
 - ability to more readily benchmark the ICT service against business needs
 - underpins the sharing of information and new ways of working
 - the creation of a more coherent and flexible business led ICT service which also supports more efficient ways of working
 - improved business continuity especially for managing 24/7 web enabled self service and the ability to respond to major emergencies such as a flu pandemic requiring significant home working
 10. In order to gauge market interest a Prior Indicative Notice was published in the Official Journal of the European Union which resulted in over ninety expressions of interest being made.
 11. The first phase of this project is nearing completion and the Council will shortly be in a position to expose the service to the market.

The need for a Strategic Partner

12. While detailed work has only so far been undertaken for the ICT service, it is likely that all central support services, as well as a range of back-office functions located

within other services will require similar examination. It is the nature of these procurement exercises, that they are lengthy and costly. A typical time scale is 18 months from issue of OJEU to contract signature, at a cost of around £300K - £400K including legal advice.

13. It is proposed that we go to market for a strategic partnership that enables incremental growth, incorporating other services, subject to a robust business case. This has two key benefits:-
 - The total cost and time of procurement is significantly reduced as all services form part of a single contract;
 - The partner has an incentive to perform well on the grounds that the council would add additional services once they had proved themselves with the initial service.
14. The council is also actively engaged with other East London boroughs in exploring shared services and has secured £350K to take this forward. In developing a strategic partnership, we would seek to negotiate a legal vehicle that enables the taking on of services from other public sector bodies, through a form of framework agreement. Other such agreements already exist across the country, such as South-West One in Somerset, Southampton or the Cambridge – Northamptonshire partnership.

The Proposed Contractual arrangement

15. It is proposed that the contract take effect from 1st April 2011 and operate for an initial period of seven years, with the option to extend for a further three years. A contract of this length is necessary if we wish to seek investment from a commercial partner as well as allow for the time it takes to grow the partnership with other public sector bodies.
16. It is intended to procure a strategic partnering contract that initially incorporates ICT services but also enables a range of other services to be included within its scope. The intention is to create an “incremental” growth type strategic partnership that can grow over time. A framework will be created to enable the Council to add other services subject to the strategic partner proving themselves as both competent and providing continuing value for money. Additional services will be added subject to appropriate business cases for each service being made.
17. In terms of agreeing the list, it is important to note that adding a service to the OJEU notice at this stage, does not commit the council to outsourcing or sharing that service. However, if a service is not included on the initial list, then the option of considering it at a future date would be excluded. Therefore, it is best to include as many services as possible at this stage, in order to keep options for the future open.
18. In the first instance the ICT services to be incorporated into the contract are:-
 - ICT Business Transformation (including project management, business analysis and technology enabled BPR) and Business Support;
 - Business applications systems Support and Development
 - Technology Services(including networks, operations, telephony, server and desktop) and Printing
 - ICT helpdesk and first line support
 - All departmental ICT support and services

- Web services
19. Other services which may be included subject to a robust business case and Executive approval:-
- HR (excluding strategic advice)
 - Procurement
 - Back office Finance including payroll
 - Barking & Dagenham Direct
 - Revenues and Benefits.
 - Income recovery
 - CCTV
 - Management of other services
 - Back-office support functions for departmental services
 - Asset management and some elements of capital delivery
 - Project & Programme Management
20. There will inevitably be staff transfer issues arising out of the award of a contract to a strategic partner. There are options open to us for dealing with this aspect of the contract, for example a TUPE transfer of staff, or staff secondment to the partner. The benefits and dis-benefits of each will be discussed with bidders as part of the Competitive Dialogue process (see below)

Procurement Strategy

21. The value of this contract is such that it falls under the requirements of the EU Procurement rules and therefore we are required to publish a notice in the Official Journal of the European Union (OJEU) as well as other media i.e. the Council's web site and "The News".
22. It is important to note that the OJEU Notice specifies in full the possible scope of all services that may eventually be delivered under this contract. However the inclusion of a service in the OJEU Notice does not mean that that particular service will be included in the eventual contract, but the EU regulations are such that not to specify a service in the notice will preclude it from inclusion at a later date.
23. For the procurement exercise it is intended to utilise the EU Competitive Dialogue procedure, enabling a process of dialogue with selected bidders in an open and transparent manner with the aim of identifying and defining the means best suited to meet the Council's service needs. The dialogue is carried out in successive stages to reduce the number of solutions discussed and the number of bidders involved. Subsequently a best and final offer will be sought. There are several advantages to utilising this approach. The Council is afforded the opportunity to look at a variety of proposals that the market may be able to offer, to satisfy our service needs and to refine our requirements through the various stages. Contract terms are agreed prior to the final stage and affordability is tested throughout the process.
24. Firms invited to participate in the Competitive Dialogue will be required to have as a minimum: sound financial status; the managerial and technical expertise necessary to operate such a contract; a proven record of managing and delivering a range of services as a strategic partner.

Evaluation and Award Criteria

25. Contract evaluation and award will be made on the basis of 60% quality and 40% price.

26. The quality aspects are:-

- Proposals for working in partnership with the Council to deliver and develop services
- Proposal for managing the implementation of the contract including details of how the new arrangements will be communicated to service users across the Council
- Proposals for the management and supervision of the contract including proposed management team structure and responsibilities
- Proposals relating to handling of transfer / secondment of staff
- Proposals for ensuring effective monitoring and management reporting on quality of services delivered
- Approach to ensuring customer needs are met
- Approach to quality assurance and quality management systems
- Approach to developing and managing relationships with third party suppliers and service providers.

Consultees

The following were consulted in the preparation of this report:

Cllr Graham Bramley, Cabinet Member for Finance and Human Resources

Cllr Shaun Carroll, Cabinet Member for Customer Services

Rob Whiteman, Chief Executive

Joe Chesterton, Divisional Director of Corporate Finance

Yinka Owa – Legal Partner – Contracts

Corporate Management Team

Katherine Maddock-Lyon, Head of Service Customer Strategy & Transformation (which includes ICT)

Background Papers Used in the Preparation of the Report:

- PA Review of support services
- Medium Term Financial Strategy