

## Notice of Meeting

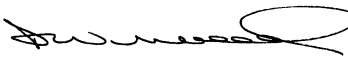
### ASSEMBLY

**Wednesday, 8 December 2010 - 7:00 pm**  
**Council Chamber, Town Hall, Barking**

To: Members of the Council of the London Borough of Barking and Dagenham

**Chair:** Councillor M Hussain  
**Deputy-Chair:** Councillor J Davis

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David Woods  
Acting Chief Executive

Contact Officer: Margaret Freeman  
Tel: 020 8227 2638  
Minicom: 020 8227 5755  
E-mail: [margaret.freeman@lbbd.gov.uk](mailto:margaret.freeman@lbbd.gov.uk)

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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 15 September 2010 (Pages 1 - 12)**
4. **Appointments**
5. **Parent Governor (Secondary) Co-opted Member of the Children's Services Select Committee (Pages 13 - 14)**
6. **Living & Working Select Committee Recommendations - Communal Digital/Satellite TV System Petition Appeal (Pages 15 - 20)**
7. **Council Constitution (Pages 21 - 41)**
8. **11th London Local Authorities Bill (Pages 43 - 44)**
9. **Local Development Framework - Adoption of Site Specific Allocations Development Plan Document (Pages 45 - 51)**

10. **Proposed Provision of a Shared Civil Contingencies Service for Barking and Dagenham and Waltham Forest (Pages 53 - 62)**
11. **Governance Arrangements for New Joint Venture with Agilisys (Pages 63 - 77)**
12. **Pension Fund Annual Report (Pages 79 - 118)**
13. **Motions (Pages 119 - 122)**
14. **Leader's Question Time**
15. **General Question Time**
16. **Any other public items which the Chair decides are urgent**
17. **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 Assembly, 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.***

18. **Any confidential or exempt items which the Chair decides are urgent**

## ASSEMBLY

Wednesday, 15 September 2010  
(7:00 - 8:40 pm)

### PRESENT

Councillor M Hussain (Chair)  
Councillor J Davis (Deputy Chair)

Councillor S Alasia	Councillor J L Alexander
Councillor S Ashraf	Councillor L Butt
Councillor J Channer	Councillor J Clee
Councillor R Douglas	Councillor C Geddes
Councillor N S S Gill	Councillor R Gill
Councillor D Hunt	Councillor A S Jamu
Councillor I S Jamu	Councillor E Kangethe
Councillor G Letchford	Councillor J E McDermott
Councillor M McKenzie MBE	Councillor D S Miles
Councillor M Mullane	Councillor E O Obasohan
Councillor J Ogungbose	Councillor T Perry
Councillor B Poulton	Councillor H S Rai
Councillor A K Ramsay	Councillor L A Reason
Councillor D Rodwell	Councillor T Saeed
Councillor A Salam	Councillor L A Smith
Councillor S Tarry	Councillor D Twomey
Councillor G M Vincent	Councillor J Wade
Councillor L R Waker	Councillor P T Waker
Councillor J R White	Councillor M M Worby

### APOLOGIES FOR ABSENCE

Councillor A Gafoor Aziz	Councillor R Baldwin
Councillor G Barratt	Councillor P Burgon
Councillor E Carpenter	Councillor H J Collins
Councillor L Couling	Councillor E Keller
Councillor M A McCarthy	Councillor C Rice
Councillor L Rice	

#### **20. Minute's silence as a mark of respect for the victims of the floods in Pakistan**

The Assembly stood and observed a minute's silence as a mark of respect for the victims of the floods in Pakistan.

#### **21. Declaration of Members' Interests**

There were no declarations of interest

#### **22. Minutes (21 July 2010)**

**Agreed.**

### **23. Death of former Councillor Donald Hemmett**

Members paid tribute to former Councillor Donald George Hemmett who passed away on 10 August 2010.

Members noted that he had been an active member of the Labour Party and was a hard working councillor, committed to the community and who worked tirelessly for the youth of the borough. He will be missed as a colleague and friend.

The Assembly stood and observed a minute's silence in memory of former Councillor Hemmett.

### **24. Appointments**

Received and noted the report introduced by the Divisional Director of Legal and Democratic Services.

#### **Agreed:**

- (1) to appoint only one councillor as the nominated trustee to the Barking Theatre Company Limited; and
- (2) that the Cabinet Member for Culture and Sport be appointed as the trustee to the Barking Theatre Company Limited with immediate effect.

### **25. Parent Governor (Primary) Co-opted Member of the Children's Services Select Committee**

Received and noted the report introduced by the Divisional Director for Legal and Democratic Services.

**Agreed** to appoint Mrs Ghadeer Al-salem Youssef as the Primary School Parent Governor Co-opted Member to the Children's Services Select Committee.

### **26. Response to Petition - Parking near Doctors' Surgery 7 Salisbury Avenue Barking**

This item was withdrawn prior to the commencement of the meeting.

### **27. Response to Petition - Traffic Management in Salisbury Avenue, Barking**

As the lead petitioner (Mrs J Melis) was unable to attend, her representative Dr Niazi presented the terms of the petition requesting measures to improve road safety and traffic management in Salisbury Avenue, Barking.

Dr Niazi stated that he has been a resident of Salisbury Avenue for over ten years and that the number of motorists speeding in that road had risen in recent years, which is why residents are now raising their concerns. Whilst not commenting specifically on the accident that had happened on 5 July last, he said that this had strengthened residents' resolve to ask the Council to enforce speed limits through the introduction of speed breakers/humps and additional measures as outlined in

the petition.

The Group Manager, Streetscene introduced the report stating that Members and officers had met with the lead petitioner. She stated that it is proposed to prepare an action plan for road safety and traffic management in Salisbury Avenue and that full account will be taken of the outcome of the police investigation.

Councillor Alexander, Cabinet Member for Crime, Justice and Communities, offered the Council's deepest condolences to the family of the deceased child. She confirmed her commitment and that of the ward councillors and officers to working closely with residents on this matter.

**Agreed:**

- (i) to acknowledge the concerns of the residents;
- (ii) to ensure that officers, ward councillors and the respective portfolio holders work with the community to prepare an action plan for road safety and traffic management proposals for the Salisbury Avenue area; and
- (iii) that full account be taken within the review of any findings related to highway issues deriving from the police investigation and any subsequent inquiries.

**28. 11th London Local Authorities Bill**

Received and noted the report introduced by the Head of Customer Strategy and Transformation.

**Agreed** to pass the following resolution:

That the London Borough of Barking & Dagenham approves the inclusion in a Bill to be promoted by Westminster City Council of provisions effecting all or some of the following purposes -

- (a) to alter the application of Chapter VIII of Part IV of the Greater London Authority Act 1999 so that different provision may be made for travel concessions in relation to different railway services and journeys on railway services on the London Local Transport Network and so as to make provision for arbitration in cases where London Authorities consider that charges notified by Transport for London under the reserve free travel scheme are excessive;
- (b) to enact any additional, supplemental and consequential provisions that may appear to be necessary or convenient.

Following a question from a member of the public, which the Chair allowed, it was noted that an older people's day was due to be held on 1 October. The Head of Customer Strategy and Transformation advised that this proposed London Local Authorities Bill is intended to provide a better service to local people and ensure that there is a fair negotiating process in place.

## **29. The Standards Committee - Appointment of Independent Member and Chair**

Received and noted the report introduced by the Divisional Director of Legal and Democratic Services, which included reference to the forthcoming retirement of Mrs Fiona Fairweather at the end of her term of office in October.

Councillor Smith thanked Mrs Fairweather for her work as Chair of the Standards Committee during what he described as a very difficult time.

Councillor N Gill spoke personally of having worked as a member of the Standards Committee with Mrs Fairweather, commenting that she was hard working and always very fair.

### **Agreed to:**

- (1) approve the appointment of Mr Brian Beasley as an independent member of the Standards Committee with effect from 11 October 2010 for a period of four years; and
- (2) appoint Kevin Madden as Chair of the Committee with effect from 11 October 2010 for the remainder of the municipal year 2010/11.

## **30. Annual Report of BAD Youth Forum**

The Chair welcomed representatives of the Barking and Dagenham Youth Forum (B&DYF), Jade Ramsey, Salwa Rahman, Shekhar Seebaluck and Tommy Lee, to the Assembly.

The Corporate Director of Children's Services introduced the report commending the B&DYF on the fantastic work they have done this year.

The Group Manager, Engagement and Extended Schools gave a brief history of the B&DYF, following which the B&DYF representatives spoke in turn about the work of the Forum:

- The Diana Award of Excellence – given for the inspirational qualities demonstrated through their commitment to tackle homophobic bullying;
- The Children and Young People Now Magazine Award – given for their short film “The Secret” to portray understanding and awareness of the issues facing young people who are lesbian or gay;
- The Health Sub-Group campaign on alcohol awareness which entailed the young people producing virals (short film clips that can be distributed via mobile phones) that were shown at the Dagenham Town Show, to raise thought provoking questions such as “How safe am I when I am drunk?”;
- The Crime and Safety Sub-Group which worked in partnership with the Progress Project (a youth forum for young people with disabilities) to create and run workshops on drugs and sexual health;
- The “Light the Park” campaign, highlighting the need for better lighting in

the borough's parks and raising personal safety awareness.

Following questions from Members, it was noted that:

- (1) additional funding would always be welcome in helping the B&DYF to get youngsters interested and keep it running;
- (2) the Forum set their own agendas for their quarterly meetings and ask questions of the councillors who attend;
- (3) there is also a Children's Forum for 5 to 12 year olds made up of representatives of the school councils, which works in the same way as the B&DYF.

Members commended the B&DYF for bringing the work they do to the heart of the Council.

The Leader of the Council, Councillor Smith, gave his support to finding some funding for the "Light the Park" campaign and would endeavour to bring this to the attention of the Mayor of London.

### **31. Motions**

#### **Motion 1. Building Schools for the Future (BSF)**

Moved by Councillor R. Gill and seconded by Councillor Smith.

"This Council welcomes the Government decision to continue to grant BSF funding to the Borough's two sample schools, Dagenham Park Church of England and Sydney Russell, to enable them to proceed with planned school improvements.

However, this Council is deeply concerned by the cancellation of over £200m of the remaining BSF funding which was planned for local secondary schools in Barking and Dagenham.

Over the next five to ten years, Barking and Dagenham will be faced with significant pressures on school places, especially with the re-development of Barking Riverside and the University of East London site. We need funding to provide first class facilities for both our primary and secondary schools. Without that finance previously earmarked for our schools, some of our young people will not get the education they deserve.

We therefore, call upon the Cabinet and our local MPs to continue lobbying Government for the necessary funding to ensure we can meet the needs of every child, and their families, in the borough."

Councillor Smith proposed a vote of thanks to Margaret Hodge MP for the support she had given. He also passed congratulations to the schools in the borough for the best ever GCSE and A level results, noting that four schools had a 100% pass rate, and commending the excellent head teachers for their dedication and hard work.

Councillor Tarry commented that the cancellation of over £200m of BSF funding is committing a generation of young people to a bleak future and will have an impact

on schools over the next 10/20 years. He seconded Councillor Smith's proposal of thanks to Margaret Hodge MP.

In summing up, Councillor R Gill reminded the Assembly that the borough had received only £47m of the promised £270m and that this is having a devastating effect on the borough. The need for school places is a big issue and if central government removes funding for it, then building and regeneration becomes pointless. Councillor R Gill referred to children today still being taught in portakabins as he himself had been. He stated that education is a child's right and this Council's statutory responsibility. He thanked both Margaret Hodge MP and Jon Cruddus MP for their support in organising productive meetings with the Secretary of State for Education, Michael Gove.

The motion was put to the vote and unanimously **agreed** as follows:

For: Councillors Alasia, Alexander, Ashraf, Butt, Channer, Clee, Davis, Douglas, Geddes, N Gill, R Gill, Hunt, Hussain, AS Jamu, IS Jamu, Kangethe, Letchford, McDermott, McKenzie, Miles, Mullane, Obasohan, Ogungbose, Perry, Poulton, Rai, Ramsay, Reason, Rodwell, Saeed, Salam, Smith, Tarry, Twomey, Vincent, Wade, L Waker, P Waker, White and Worby.

Against: None

Abstain: None

## **Motion 2. Playbuilder Grants**

Moved by Councillor Tarry and seconded by Councillor McDermott

"This Council is dismayed at the decision of the Education Secretary, Michael Gove, to freeze Playbuilder Grants this year to councils across the country which would have provided the funding to refurbish existing playgrounds and play areas and build new play facilities for local children.

Because of the Government's decision, locally the future of proposed new and renovated playgrounds and play areas at St Chad's, Central Park, Harts Lane, Middle Meadow, Mayesbrook Park, Pondfield Park, Barking Park and Abbey Green is now in doubt.

Barking and Dagenham councillors believe any Government decision to scrap funding for new play schemes will be at odds with the London 2012 vision - to use the power of the Olympic games to create a healthier London.

This Council hopes, in light of the Olympics and the aim to leave a games legacy of a healthier London, that the Government sees sense and recognises that decent play facilities are not an extravagance, but a necessity.

Senior councillors intend to lobby Lord Sebastian Coe, Chair of the London 2012 Organising Committee, calling on him to put pressure on Government ministers not to betray the Olympic legacy to London youngsters, by scrapping funding for



new play areas in the Borough.

Councillors will also lobby Ministers and we urge local people to write to the Prime Minister and Deputy Prime Minister calling on them to rethink this short sighted decision."

Members spoke in support of the motion stating that they were dismayed to note the freeze on Playbuilder Grants and that this decision was shortsighted of the government. Play areas are important for children and their parents in terms of sport and exercise and also to enable them to socialise with each other.

In response, Councillor Tarry referred to the improvements on the Marks Gate estate which have brought the community together, with constituents commenting to him on how wonderful it now is.

He stated that the relatively small amounts of money that would have been coming to the borough would have had a massive impact and that the freeze is an assault on the lives of ordinary people.

The motion was put to the vote and unanimously **agreed** as follows:

For: Councillors Alasia, Alexander, Ashraf, Butt, Channer, Clee, Davis, Douglas, Geddes, N Gill, R Gill, Hunt, Hussain, AS Jamu, IS Jamu, Kangethe, Letchford, McDermott, McKenzie, Miles, Mullane, Obasohan, Ogungbose, Perry, Poulton, Rai, Ramsay, Reason, Rodwell, Saeed, Salam, Smith, Tarry, Twomey, Vincent, Wade, L Waker, P Waker, White and Worby.

Against: None

Abstain: None

## **32. Leader's Question Time**

### **Question from Councillor Wade:**

"Families are finding it difficult to budget without debt in these difficult times. Credit unions can be useful for small, short term loans to avoid loan sharks and high interest rates. The Council is or was talking with Liberty Credit Union to provide a service in this Borough. Havering Council has used Liberty Credit Union for some time. Is there evidence of popular use or a reduction in loan sharking?

Is there now a service in this Borough or when will there be?

How would the public be told of the service and where would any offices be?"

### **Response from Councillor Smith:**

"I agree that Credit Unions are needed more than ever. We have done everything we can to set up a Credit Union that would enable people to come to us rather than go to "loan sharks" who charge high interest rates and we were disappointed not to have had this approved. I am glad to report that our officers and Members

have been persistent and on Monday this week I met with the Corporate Director of Adult and Community Services and I would like to invite her to update on the situation.”

The Corporate Director of Adult and Community Services reported that the Financial Services Authority has given its approval for Liberty Credit Union to move their services to the borough and that arrangements are being made for people to sign up. She stated that it was hoped the Mayor will be the first person to do this and become member number 2010. It was noted that staff will be able to sign up through payroll services.

### **33. General Question Time**

#### **General Question 1 from Councillor Mullane:**

“I would like to congratulate this Council on the proposed redevelopment of the Leys estate. Would the Cabinet Member for housing be able to assure me that within this estate renewal the overwhelming majority of properties will be Council homes and have the leaseholders as the private properties? And would the Cabinet Member also confirm that there will be a robust referral system in place to ensure the estate renewal meets these stipulations?”

#### **Response from Councillor P Waker, Cabinet Member for Housing:**

“I would like to thank Councillor Mullane for her question, which is arguably a little premature as it is an issue that we will deal with in the medium term once it has been decided how and when people are moved out of the estate renewal areas and what is pulled down and when in the three areas involved.

There is a working party, with a representative on it from each of the three wards, currently looking at this. However, there are a few matters still to be dealt with before we can really start to move ahead on all three areas.

The first is a Call-In to be heard by the Living and Working Select Committee next week. This was put in after the previous formal report to the Cabinet. I am sure this can be dealt with satisfactorily, after which a follow-up report will go to the 28 September Cabinet meeting. This is being prepared at the moment and adjusted to take in to account the views expressed by Cabinet Members and others.

We will then be focusing on the money required to empty out the flats involved (known as decanting) and the settling of matters with leaseholders so that we can then demolish the flats. It should be noted that new programme of Council house building will help us enormously in this decanting process. Our task is to maximize what we can get for Council rent in order to help the people on our list.

The degree of success we have on this depends on the amount of money we have available at that point. We can get a certain amount of council housing by putting land value in, but beyond that, it is as simple as this. The more money we can put up, the more we get for rent and while I cannot today give a figure, my commitment is to do the very best we can.

All the reports we put on this matter do highlight a number of possible sources of

money:

1. Firstly, we would obviously want to apply for grants or access any funding that might become available, albeit we know we are likely to be in some difficult times.
2. We have also highlighted the possibility of a land sale. I would not call this my personal favourite option, but it is one that if we decided the time was right and could get a good deal, we have to have this in our armoury, in case it was required.
3. We are also hopeful that changes to the national Housing Revenue Account arrangements will help us down the line, and this is looking a real possibility, as most councils across the country are recognizing the value of the offer we fought to get from the last government. This is a far cry from last year when we stepped up our long-term campaign on this, but made clear that we would be up for a reasonable deal and taking on a reasonable burden of the national housing debt, or so-called housing debt, in return for keeping all of our own tenants rent money in the future.
4. Another option is income generation in Housing by making better use of resources or in getting revenue savings to the HRA by getting better value for money for what we purchase either outside or inside the council. As well as buying other council services at better value or not using services that are unnecessary because we can do it cheaper ourselves, I am confident that progress to increase available housing revenue will be made here as well.
5. A further alternative is to use some of the Housing Capital Budget because we will be saving on repairing the declining estates once we knock them down. Again, I would not regard that as the first option if it can be avoided because of all the other things we need to do for the places we are not knocking down, but it is another funding option.

Money for the estate renewal has not been easy to come by in recent years, but there are plans to localize some use of national housing money and that is where the London Mayor's role could be increasingly important in the future.

Incidentally, while we will be campaigning for a change of Mayor next year, Boris Johnson, Mayor of London, has chosen to come to Barking and Dagenham next week and has a panel discussion on the supply of housing. As a member of the panel, part of my message to the Mayor will be that unlike some boroughs, we want to build Council housing and he should help us to do that. Also we have people living in bad conditions that we want to change and that he should be assisting us to do this as well.

The Mayor needs to understand that in our area, a large percentage of our population cannot afford to buy and, in many cases, cannot afford part-buy or intermediate housing either.

These are some of the reasons that we need to build Council housing to replace our poor estates as soon as we can, and that goes for areas such as Marks Gate

as well. The number of Council properties is clearly the issue this question raises and while it is not a matter of having a referral system, because its decisions have to go through the democratic bodies of the Council in line with its constitution, I certainly hope that we can, at the very least, end up with a similar percentage of Council housing to private as we have now, at least in overall terms.

We now need to work together to do the best we can for all our residents in this borough and I know we can unite in fighting to maximize what we can produce in terms of Council housing, much needed for people who have now waited long enough.”

**General Question 2 from Councillor McDermott:**

“Would the Cabinet Member for Housing like to give his thoughts on the recent announcement by the Prime Minister of ending the notion of Secured Tenancy? Under the proposals, families whose homes are under occupied, or net income afford them the ability to rent within the private sector, will have to vacate their premises. And does the Cabinet Member agree that this Council should do everything to oppose this ill-thought out piece of legislation?”

**Response from Councillor P Waker, Cabinet Member for Housing:**

“I have given some thought to this and the first thing I want to say is that David Cameron’s statement on this was a cynical Government excuse to avoid supporting Councils to build council housing. It is a cheap and insulting attempt to find easy answers to this in what looks to become another abysmal coalition failure.

Let me first deal with matter of under-occupation - we do try to help with this and move those who are under-occupying and are willing to move, and we try to find something acceptable to them. At the moment, we are fortunate to have back an officer who is very good at this and good at finding acceptable answers for people. We have, in fact, been able to increase this to two officers on the basis of linking in Housing Associations to do this as well and we take a hand-holding approach with great success rather than a payment or bribe-type of approach.

There are many reasons for people wanting to downsize. Sometimes it is a matter of age and people wanting somewhere smaller. We should be able to do this voluntarily and without forcing it on people with a jackboot type approach. That is entirely wrong in my view.

Someone who has lived in their Council house for 30 years, for example, sees his or her children grow up, loves living where he or she is living, should not be forced out. It is treating tenants like second class citizens to others and I do not think that is right either.

It came home to me recently when someone who bought their Council house – a person with 3 bedrooms living alone said that the elderly woman nearby, a tenant, should perhaps give her place up forcibly.

I worked out that if a Council house was bought at the discount price about 25

years ago, it would have been bought for about £16,000 and another house was then out of our Council stock and never at any point available to someone else. The tenant who did not buy, however, has probably paid us something like £50,000, maybe £70,000 in rent over those same years; whether those payments were paid by their own money or by benefits, the Council has received that money. Furthermore, we still have the property available in our stock when she does move on or sadly passes on.

I then ask myself why the person who bought should have a greater security of tenure than the tenant? Why should one be treated less favourably than the other just because her house is still going to be available at some point for other people rather than sold?

In relation to the other point in the question, secure tenure being removed because of a person's income, it then puts Council housing on a means tested basis and once again we would have to say your pay has gone up a little, here we come, let's bring the jackboot once again to stamp over your rights.

Council housing should not become ghettos for poor people. We should fight that sort of approach.

Council housing is both a legitimate and a fair form of housing people and should not be looked down on by millionaire Tories.

A mixed community in Council housing is much better for society and such a move would simply force more people into the private renting nightmare that simply means one person having any extra income they might earn at some stage being drained away to make landlords richer. I can understand someone with the odd place to rent out, but some people are making a business out of other people's misery and some of those landlords are very poor indeed. Not all of them, but too many of them.

The whole idea of attacking the security of tenure is typical Toryism; I do not and will not support the idea and I hope we as a Council will do all we can to stop such a move happening.

I want to see first class housing for first class citizens and more of it and not riches for some at the expense of poverty for others."

### **General Question 3 from Councillor Twomey:**

"In light of the newspaper headlines of Thursday 19 August - "Toddler could lose sight in one eye from infection in dogs poo", could the lead Member please inform the Assembly as to what Barking & Dagenham are currently doing to tackle this increasing problem?

I frequently walk around the borough and also visit several parks on a regular basis, including Pondfield, Parsloes, Mayesbrook and Greatfields and I am disgusted to see the level of dogs foul on both the streets and in the parks.

The Council has recently set up a new initiative, "the Parks Safer Neighbourhood

team” and I know that there has been some success with dealing with this issue within the parks.

In my own ward this problem also highlights other issues such as the keeping of dangerous dogs and the fact that a number of residents in tower blocks seem to be keeping dogs.

I would ask, firstly, if we could consider some campaigns, encompassing both the parks and the streets, to raise awareness of this common problem and also target the people responsible for this in terms of joint working with the local police etc?

And, secondly, with the new localisation agenda, would it be possible to look into by-laws regarding the tighter control of dogs within the borough to tackle all of the above issues?"

**Response from Councillor Alexander, Cabinet Member for Crime, Justice and Communities, on behalf of Councillor Collins, Cabinet Member for Culture and Sport:**

“No one would disagree with the question. The Parks Police are doing a brilliant job and something that we will be raising with them and the street wardens is to challenge people who allow their dogs to foul the parks and streets.

There are by-laws that we do enforce but we have asked officers to look at this and they will be coming back to us. What I would like is for a group of us to get together and find a positive way forward through a co-ordinated approach. This should include the Police in relation to the dangerous dogs aspect.”

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

The Assembly noted congratulations to Dagenham and Redbridge Football Club for their first ever victory over Leyton Orient earlier this month.

## THE ASSEMBLY

8 DECEMBER 2010

## REPORT OF THE ACTING CHIEF EXECUTIVE

<b>Title: Appointment of Parent Governor (Secondary) Co-opted Member to the Children's Services Select Committee</b>	<b>For Decision</b>
<p><b>Summary</b></p> <p>The Secondary School Parent Governor representative position on the Children's Services Select Committee must be re-appointed as Tina Woodhouse's term of office is due to expire and she no longer has a child of statutory school age making her ineligible for re-appointment.</p> <p>The selection of the Parent Governor representative is a two-stage process; the first being the nomination stage and the second being a ballot (assuming more than one nomination is received). All serving school parent governors are eligible to take part in the election process.</p> <p>One nomination to fill the position of Secondary School Parent Governor representative on the Children's Services Select Committee was received, therefore a ballot for the role was not necessary.</p> <p>The successful nominee for the Secondary School Parent Governor position is Mr Ishmael Ncube who is currently serving on the Governing Body of Eastbrook School, and his term of office there runs until 06 October 2011.</p> <p><b>Wards affected: All</b></p>	
<p><b>Recommendations:</b></p> <p>The Assembly is recommended to approve the appointment of Mr Ishmael Ncube as the Secondary School Parent Governor Co-opted Member to the Children's Services Select Committee.</p>	
<p><b>Reason:</b></p> <p>To ensure that the Council's Scrutiny function is in accordance with Article 5 of the Council's Constitution.</p>	
<p><b>Implications:</b></p> <p><b>Legal:</b></p> <p>Section 21 of the Local Government Act 2000 requires the Council to appoint at least one Overview and Scrutiny Committee to fulfil the Overview and Scrutiny function.</p> <p>Education co-opted members have a statutory right to be involved in the Council's decision making processes. However, under the legislation this only applies to Overview and Scrutiny Committees where their functions relate wholly or partly to educational matters which are the responsibility of the Authority.</p>	

The Parent Governor Representatives (England) Regulations 2001 provides that a Local Education Authority shall appoint at least two but not more than five Parent Governor representatives to the relevant Overview and Scrutiny Committee. The Children's Services Select Committee is the relevant scrutiny committee for these purposes. As the Council still maintains Roman Catholic schools, the total number of Church representatives to be appointed shall be one (Church of England) and one (Roman Catholic). Both Parent Governor and Church representatives have the right to vote where education matters are being considered and the right to Call-In Cabinet decisions.

**Financial** - None

**Contractual** - No specific implications

**Risk Management** - No specific implications.

**Staffing** - No specific implications

**Customer Impact** - No specific implications

**Safeguarding Children** - No specific implications

**Crime and Disorder** - No specific implications

**Property/Assets** - No specific implications

**Options appraisal** - Not applicable

<b>Contact Officer:</b> Nina Clark	<b>Title:</b> Divisional Director Legal and Democratic Services	<b>Contact Details:</b> Tel: 020 8227 2114 email: nina.clark@lbbd.gov.uk
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## Consultations

Group Manager Democratic Services – John Dawe  
Legal Partner – Corporate Law and Employment – Winston Brown

## Background papers

Council Constitution  
Local Government Act 2000



## ASSEMBLY

8 DECEMBER 2010

## REPORT OF THE LIVING AND WORKING SELECT COMMITTEE

<b>Title: Communal Digital/Satellite TV System Petition Appeal – Recommendations</b>	<b>For Decision</b>
<p><b>Summary:</b></p> <p>A petition from tenants and leaseholders against the installation of Full IRS (Integrated Reception Service) Digital Communal Aerial Systems and being forced to pay an extra charge was presented to the Assembly on 21 July 2010.</p> <p>It was agreed by Assembly to refer the matter to the Living and Working Select Committee for further investigation and for them to report back any subsequent findings and recommendations.</p> <p>The item was considered at the Living and Working Select Committee at their meeting held on 20 September 2010.</p> <p>Mr. K. Rutter, lead petitioner, presented the issues as to why residents were against the installation of the communal digital aerial and the lack of communication between Stanley Security Solutions Limited, the provider appointed to deliver the contract, and the Council. There were also three other residents in attendance who were party to the petition.</p> <p>Councillor P Waker, Cabinet Member for Housing, was in attendance, along with the then Interim Corporate Director of Customer Services and lead officers on behalf of the Council. Representatives of Stanley Security Solutions Ltd were also in attendance.</p> <p>A site visit to D'Arcy Gardens, Dagenham, was undertaken by Members, including Councillor P Waker, on 26 October 2010 to make further recommendations for the lightning protection and, if any, options for re-siting of the communal aerial.</p> <p>The lessons learned and recommendations made by the Select Committee are set out under paragraphs numbered 6 and 7.</p> <p><b>Wards Affected: All</b></p>	
<p><b>Recommendation(s)</b></p> <p>The Assembly is asked to:</p> <ul style="list-style-type: none"> <li>(a) note the lesson learned from the way that the system installation was progressed; and</li> <li>(b) agree the recommendations of the Living and Working Select Committee as set out in section 7 of this report.</li> </ul>	

**Comments of the Chief Financial Officer**

Over the last four financial years the Council has charged £908,000 to residents against costs of £948,000 which is a slight under-recovery of £40,000.

Any reduction in costs will be determined by the terms of the contract which is not due for renewal until April 2014.

Any refund that is due to residents for non-supply of the service should preferably be by way of credit to their rent account to avoid potential costs associated with physical payments.

For any refunds made there will no associated reduction in costs to the Housing Revenue Account.

**Comments of the Legal Partner**

The Council is required under the Housing Act 1985 to give notice of variation of the change in payments in respect of services. Provided the process is followed the increased charges may take effect at least 4 weeks after a date set in the notice.

The option to permit tenants and leaseholders to establish their own provision of media services requires the Council's consent as Landlord for both tenants and leaseholders. This is a standard term in the tenancy agreement and lease. There are several reasons for this. Firstly, the outside of the building is not part of the letting and secondly, the risks a non-standard attachment to a building presents. The fixing of aerials and dishes to the fabric of the buildings carries a risk of significant damage to the building due to resulting cracks, water ingress and detriment to general structural integrity. In addition the risk of detachment of part or whole of the dish due to winds and general wear and tear would present an unacceptable danger to other tenants, visitors and passers-by. Finally there would be the cost of refurbishment and removal of such equipment in the event the property is vacated. For these reasons a reception system for satellite and television services is provided by the Council and a policy operates not to permit requests by tenants and occupiers to arrange their own attachments.

**Comments of the Risk Management Officer**

There are no specific risk implications associated with this proposal.

<b>Report Author:</b>	<b>Title:</b>	<b>Contact Details:</b>
Councillor J Ogungbose	Lead Member	
Pat Brown	Senior Scrutiny Officer	Tel: 020 8227 3271 E-mail: pat.brown@lbbd.gov.uk

1. **Background**

- 1.1 A petition signed by tenants and leaseholders was received in April 2010 and presented to Assembly on 21 July 2010.

- 1.2 A report prepared by the Divisional Director of Housing Services in response to the petition was also presented to the Assembly on 21 July 2010.
- 1.3 Assembly Members agreed that the issue warranted further investigation and referred the matter to the Living and Working Select Committee for further scrutiny.
- 1.4 The Living and Working Select Committee met with the Lead Petitioner, Mr. K. Rutter, and three other residents at their formal meeting held on 20 September 2010 and undertook a site visit on 26 October 2010.

## **2. Prime Reasons for the Petition**

Mr. Rutter outlined the prime reasons for the petition as follows:

- Lack of communication to inform residents why and when the installation was to take place;
- A majority of responses to the consultation disagreed with installation, but 1772 non-responses were counted as positive;
- Tenants and leaseholders, who had been previously upgraded, complained about poor reception and the aerial being badly maintained;
- Being charged by the Council for the service, even though the cables had not been installed;
- Suitable siting of the masts in communal areas out of sight, instead of on a tenant or leaseholder's property to serve the whole block;
- Up to eight power cables running across properties and the concern of the increase of electromagnetism in the home;
- Lightning protection; and,
- Residents had to pay for their current service providers in addition to the Council charge.

Residents felt their freedom of choice had been compromised and wanted to manage their own aerial service individually.

## **3. Response to Issues Raised at Assembly**

- 3.1 The Council agreed that the contractor, Stanley Security Solutions Ltd, and, in particular the project manager, had given a sub-standard service. There had also been a lack of monitoring procedures by the Council in place. This had arisen because the previous phase of the contract had been carried out by the contractor to an excellent standard.
- 3.2 The first phase of upgrading communal digital TV aerials was carried out in 2004 over a six month period on over 13,000 properties. Two corporate complaints were received, neither relating to the contractor.

The second phase was carried out over a ten month period and required access to 2,406 properties. 142 complaints were received exclusively about the conduct and professionalism of the contractor's staff.

- 3.3 All the equipment (aerials, satellite dishes, wiring, sockets and other associated parts) are the property of the contractor. The London Borough of Barking and Dagenham leases the equipment.
- 3.4 When the current contract ends in April 2014, the contractor has the right to remove all the existing systems or to quote for the sale of those systems to another contractor or the Council.
- 3.5 The weekly charge of 70p per resident is made up of the following elements:
- Leasing fee
  - Repairs and maintenance
  - Annual servicing
  - Public liability insurance for the installation

The Council has started negotiations with the contractor to try and reduce the cost to residents for the remaining life of the contract.

#### **4. Living and Working Select Committee Meeting 20 September 2010**

Following the Living and Working Select Committee meeting with Mr. Rutter and three other residents, Members concluded:

- (a) The Council had to fulfil its role of a responsible Landlord and was accountable to all tenants and leaseholders in blocks of flats.
- (b) The Government requirement to switch TV transmission from analogue to digital TV region by region by 2012.
- (c) Without the installation of digital aerials residents would be left without the ability to watch TV.
- (d) Tenants and leaseholders change and new residents may require the communal digital aerial.
- (e) Tenants and Leaseholders, under the Landlord's agreement, must seek consent to install their own attachments.
- (f) Residents and tenants should have been better informed of the reasons why the work was being carried out.
- (g) Residents should have been consulted as to the siting of the aerials once a survey had been completed.
- (h) There was a lack of notification as to when the work would be carried out and appointments convenient to residents booked.
- (i) The contractor's poor communication for residents to rearrange appointments for work to be undertaken.
- (j) Consultation with the residents was mainly undertaken through written communication.
- (k) The level and reasons for the charge of 70p per week had not been clearly itemised.
- (l) Boxes and cables have been placed on properties, and, although the cables are not connected, residents are being charged 70p per week.
- (m) Residents' health and safety concerns had not been addressed.
- (n) Although sympathetic to non-response to correspondence being counted as in agreement to proposals, it had been clearly laid out in correspondence this would

be the case and is common practice in other organisations when conducting such consultations.

## **5. Site Visit to D'Arcy Gardens, Dagenham on 26 October 2010**

5.1 Members attended D'Arcy Gardens, Dagenham, primarily to look at:

- (a) The siting of the aerials in communal areas;
- (b) Damage to property caused by installation works;
- (c) Lightning protection;
- (d) Health implications relating to cables running externally across properties;
- (e) Unsightly equipment having an impact on the value of a leaseholder's property

5.2 In addition, the electrical safety certificate, the existence of which had been raised at the meeting of the Living and Working Select Committee on 20 September 2010, was made available.

## **6. Lessons Learned**

To address the issues identified where the Council could improve communication and liaison with residents, the following lessons were learned.

- 6.1 A method statement from each contractor would be required at the outset on how they intend to liaise with customers
- 6.2 Mechanical and Electrical staff must oversee any such installations to ensure that the terms of the project are adhered to and that no damage is done to the structure and fittings of the Council's buildings
- 6.3 Residents must be consulted and final plans made available to them of where equipment would be sited
- 6.4 Part of the consultation would include surgeries/public meetings to give residents the opportunity to clarify any concerns they may have
- 6.5 The Council would use the tenants' profile information as a guide on how to communicate with residents, for example, send letters out in Braille to those known to have a sight impairment

## **7. Recommendations**

The Living and Working Select Committee have agreed the following recommendations:

In respect of work carried out in the D'Arcy Gardens area:

- 7.1 The Contractor, Stanley Security Solutions Limited, write to all affected residents and apologise for the sub-standard service provided.
- 7.2 D'Arcy Gardens to be re-assessed for options where communal aerials and cables can be placed.
- 7.3 Once viable options are found, residents will be written to and given 28 days to respond giving preference as to where the communal aerials should be placed.

- 7.4 The Council to negotiate with the contractor to try and reduce the cost of the service to residents for the remaining life of the contract.
- 7.5 To consider a refund of charges to those properties that have not been connected to the system.

Future contract related requirements:

- 7.6 When the lease for the communal aerial expires in 2014, the contract to be reviewed and residents' views considered as to whether the communal aerial is to be maintained.
- 7.7 The Council to improve the monitoring of contracts. Where appropriate, prior to appointment, a method statement be required from contractors on how they intend to liaise with residents/customers.
- 7.8 Once a survey of potential works has been completed, a wide consultation, including surgeries and public meetings, take place to give residents an opportunity to clarify any concerns they may have.
- 7.9 The Council to use the tenants' profile information as a guide on how to communicate with residents, for example, Braille to those who have a sight impairment.
- 7.10 Communal aerials to be inspected by a qualified technician to check lightning protection.

**Consultees:**

- Darren Henaghan, Scrutiny Champion
- Living and Working Select Committee Members
- Yinka Owa, Legal Partner
- Jo Moore, Finance Manager, Customer Services
- Risk Management

**Background Papers Used in the Preparation of the Report:**

- Assembly report of 21 July 2010
- Contract with Stanley Security Solutions Ltd (formerly Block (UK) Ltd dated 24 May 2004
- Living and Working Select Committee Report of 20 September 2010
- Living and Working Select Committee Minutes of 20 September 2010

## THE ASSEMBLY

8 December 2010

### REPORT OF THE ACTING CHIEF EXECUTIVE

Title: Council Constitution	For Decision
<p><b>Summary:</b></p> <p>Part B, Article 2 (The Assembly) paragraph 8, of the Council's Constitution authorises the Assembly to agree changes to the Constitution and associated rules, codes, protocols and schemes relating to the way in which the Council operates. It is standard practice that the Constitution is reviewed annually by the Assembly. However, changes required due to new and/or emerging legislation, best practice or to uphold good decision making principles will be reported throughout the year, as necessary.</p> <p>The proposed changes to the Constitution can be summarised as follows:</p> <p><b>Part B (Articles - Political Structure)</b></p> <p><b>Article 2 – The Assembly:</b></p> <p>The appointment of Corporate Directors will be an Assembly responsibility to bring it in line with the existing arrangements for the appointment of the Chief Executive (see reference to Part C, Section A, paragraph (i) below).</p> <p>Removal of the procedure for petitions in relation to both the Assembly (Article 2) and Select Committees (Article 5C), on the basis it would be more appropriate to sit on the Council's website in order to improve public accessibility.</p> <p>Under the provisions of the Local Democracy, Economic Development and Construction Act 2009 all local authorities were obliged to introduce a local Petition Scheme effective from April this year, with additional provision for an e-petitioning facility to be effective from 15 December 2010. When the current scheme was adopted by the Assembly in February this year the Council reserved the right to amend it at any time including reviewing the thresholds for the submission of a petition once the regulations allowing for e-petitioning became effective.</p> <p>Under the terms of the current scheme, all petitions containing 100 or more signatures from different households can be presented for debate at the Assembly and a similar number where the petition calls a senior officer to account before a Scrutiny Select Committee.</p> <p>Taking into account the maximum thresholds set down in Regulations (5% of the total electorate), and having regard to best practice across other Borough schemes, it is proposed to apply limits of a minimum 1% and 0.5% of the total borough electorate (i.e. names on the electoral register) as at 1 December each year for petitions presented to the Assembly and Select Committees, which equates to approximately 1200 and 600 signatures respectively. The differential in percentages reflects the nature of petitions in so far as those presented to the Assembly are likely to have wider implications for</p>	

the Borough, as opposed to petitions presented to a Scrutiny Select Committee involving an individual senior officer giving evidence on a specific service area. So as not to prohibit members debating smaller scale petitions, it is additionally recommended that the new higher thresholds should only apply to e-petitions, thereby leaving the traditional paper based petitions at the lower threshold of 100 names from different addresses.

## **Article 6A – The Development Control Board**

New wording to reflect the proposed establishment of a Panel to review delegated decisions (see Part C, Section I below).

### **Part C (Scheme of Delegation)**

- **Section A – The Assembly.** Amendment to the list of Assembly delegations as follows:
  - (i) in future the JNC Appointments Panels will only short list candidates to the position of Corporate Directors, with final appointments being an Assembly responsibility to bring it in line with the existing arrangements for the appointment of the Chief Executive; and
  - (ii) approving the Treasury Policy Statement, Annual Strategy Statement and the Annual Report as well as any related Treasury documents (see reference to Part D below).
- **Section I – Development Control Board.** As part of a need to realise efficiency savings in the Regeneration and Economic Service, it is necessary to improve the effectiveness of the Development Control Board by ensuring that Members “add value” to all planning applications that come before the Board.

As part of a benchmarking exercise and in line with a national review of the planning application process, the Board have reviewed its current Scheme of Delegation as set out in the Constitution to ensure that only those applications that warrant Members’ consideration are presented for a decision.

To ensure the effectiveness and suitability of the proposed delegation changes, the Board have also recommended establishing a Panel consisting of four Board Members, including the Chair and Deputy Chair, to select and review on an annual basis a random sample of delegated decisions on a range of applications.

### **Part D – Financial Rules**

Proposed changes around reporting requirements brought about by new legislation and subsequent revisions to the CIPFA Code of Practice to deal with Treasury Management.

The Assembly is asked to note that Part D (Rules), specifically the Council’s Financial Regulatory Framework (contract guidance, rules, code of practice and financial rules) continue to be the subject of an ongoing comprehensive review, and it anticipated that the results of that review will be reported for approval at the next meeting in February 2011.



**Part E (Members/Employee Protocol)**

New wording to provide greater clarity in relation to complaints, allegations or criticisms of Members and officers.

In addition to the above, a number of minor administrative changes including changes to organisational structures have/are being made under the authority of the Acting Chief Executive in accordance with Part H, paragraph 2.1 of the Council Constitution.

Attached at Appendix A is a schedule of the changes requiring approval of the Assembly, as they will appear in the Constitution.

Subject to the Assembly's approval the relevant pages containing the changes, including the administrative changes, will be updated on the Council's website.

**Wards Affected: All****Recommendations:**

That the Assembly agree:

1. the proposed changes to the Council Constitution to take immediate effect; and
2. the thresholds for e petitions as a minimum of 1% of the total borough electorate as at 1 December each year for petitions to the Assembly and 0.5% for those to Select Committees.

**Reason:**

To ensure that the Council's decision making accords with the principles of decision making as set out in Article 11 of the Council's Constitution.

**Implications:**

**Legal** –The Local Government Act 2000 requires Councils to produce, maintain and regularly review the Constitution document which sets out the rules, codes, protocols and schemes by which the Council operates.

**Financial** - No specific implications

**Contractual** - No specific implications

**Risk Management** - Any delays in updating the Constitution puts at risk the normal functions and business of the Council being conducted in an effective, efficient and lawful manner.

**Staffing** - No specific implications

**Customer Impact** - No specific implications

**Safeguarding Children** - No specific implications

**Crime and Disorder** - No specific implications

**Property/Assets** - No specific implications

**Options appraisal** - Not applicable

<b>Contact Officer:</b> Nina Clark	<b>Title:</b> Divisional Director of Legal and Democratic Services	<b>Contact Details:</b> Tel: 020 8227 2114 Fax: 020 8227 2171 E-mail: <a href="mailto:nina.clark@lbbd.gov.uk">nina.clark@lbbd.gov.uk</a>
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**Consultees:**

Winston Brown, Legal Partner Corporate, Employment and Litigation

**Background papers used in the preparation of this report:**

Council Constitution

**THE COUNCIL'S CONSTITUTION  
SCHEDULE OF AMENDMENTS  
REQUIRING ASSEMBLY APPROVAL  
8 December 2010**

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p><b>Article 2 – The Assembly</b></p> <p><b>Page B15</b></p> <p>11.1.12 agree the appointment of the Chief Executive, having considered recommendations from a Panel appointed by the Assembly;</p> <p><b>Page B21 Paragraph 18 Procedure for Petitions</b></p>	<p><b>Change footer to December 2010</b></p> <p>11.1.12 agree the appointments of the Chief Executive <b>and Corporate Directors</b>, having considered recommendations from a <b>JNC Appointments Panel</b> appointed by the Assembly;</p> <p><b>Delete entire paragraph 18 and replace with:</b></p> <p><b>18. Procedure for Petitions</b></p> <p><b>18.1 Petitions may be presented to the Assembly in accordance with the Council's Petition Scheme which can be found on the Council's website at:</b></p> <p><b>www (link to be inserted)</b> <b>NOTE amendments to be made to page numbering on subsequent Articles in Part B</b></p>	<p>Admin change</p> <p>For consistency</p> <p>For simplification and to improve public accessibility</p>	<p>John Dawe ext 2135</p>	

**APPENDIX A**

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
Article 5C – Petition Procedures	Delete entire Article	For simplification	John Dawe ext 2135	
Article 6A – The Development Control Board Page B 47	<p>Change footer to December 2010</p> <p>Change page number to commence at B39</p> <p>New paragraph 13</p> <p>13. Development Control Board Delegated Decisions Review Panel</p> <p>13.1 At its first meeting each municipal year, the Board appoints a panel which will on an annual basis select a random sample of up to 20 delegated decisions on a range of applications and examine and evaluate between 5 and 10 of them, to assess whether relevant planning policies and criteria were applied in each case. The panel consists of the Chair and Deputy Chair of the Board, together with two other Member of the Board. The panel's quorum is three.</p> <p>13.2 The panel will report back its findings to the Board.</p>	<p>Admin Change</p> <p>A review of the DCB delegations to improve effectiveness of the Board and to realise efficiency savings</p>	<p>Jeremy Grint Ext 2443</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p><b>Part C</b> <b>The Scheme of Delegation</b></p> <p><b>Part A – The Assembly</b></p> <p>2.8 Appointing a Panel to deal with all pension related matters, consisting of the Cabinet Member for Finance, Revenues and Benefits plus four other councillors. In addition when required the Chief Executive will arrange for the appointment of an independent adviser to support the Panel.</p> <p>2.9 Appointing a Panel consisting of the Leader and Deputy Leader of the Council (as Chair and Deputy Chair respectively), the relevant Portfolio Holder(s), plus two other councillors to:</p> <p>(i) shortlist candidates for the position of Chief Executive (Head of Paid Service), the appointment of whom to be made by the Assembly;</p> <p>(ii) make decisions in respect of the appointment and/or assimilation of all JNC Officers;</p>	<p><b>Change footer to December 2010</b></p> <p>2.8 Appointing <b>the following Panels:</b></p> <p><b>2.8.1 Pensions Panel</b> - consisting of the Cabinet Member for Finance, Revenues and Benefits, <b>who will act as Chair</b>, plus four other councillors <b>to deal with all pension related matters</b>. In addition when required the Chief Executive will arrange for the appointment of an independent adviser to support the Panel;</p> <p><b>2.8.2 JNC Appointments Panel</b> - consisting of the Leader and Deputy Leader of the Council (as Chair and Deputy Chair respectively), the relevant Portfolio Holder(s), plus <b>at least</b> two other councillors to <b>(i)</b> shortlist candidates for the position of Chief Executive (Head of Paid Service) <b>and Corporate Directors</b>, the appointments of whom to be made by the Assembly <b>and (ii)</b> make decisions in respect of <b>acting/interim appointments to the positions of Chief Executive and</b></p>	<p>Admin Change</p> <p>For clarity</p> <p>To bring in line with existing arrangements for the appointment of the Chief Executive</p>	<p>John Dawe Ext 2135</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>(iii) make decisions in respect of the dismissal and consider disciplinary action and/or grievances in respect of all JNC Officers with the exception of the Chief Executive (Head of Paid Service), Monitoring Officer and Chief Financial Officer (Section 151 Officer), whose cases will additionally require the involvement of an independent person, and in the case of dismissal, be subject to recommendations to the Assembly.</p> <p>2.10 Additionally, with the inclusion of the Cabinet Member for Finance, Revenues and Benefits, considering and making final decisions in relation to salaries and conditions for JNC officers (including the Chief Executive) and the grading of any new JNC posts in line with Council policy.</p> <p>2.11 Appointing a Panel consisting of at least two Members of the Cabinet, plus two other councillors, subject to none having participated in any</p>	<p><b>Corporate Directors, as well as the appointment and/or assimilation of all other JNC Officers;</b></p> <p><b>2.8.3 JNC Disciplinary Panel - consisting of the Leader and Deputy Leader of the Council (as Chair and Deputy Chair respectively), the relevant Portfolio Holder(s), plus at least two other councillors to:</b></p> <p>(i) make decisions in respect of the dismissal and consider disciplinary action and/or grievances in respect of all JNC Officers with the exception of the Chief Executive (Head of Paid Service), Monitoring Officer and Chief Financial Officer (Section 151 Officer), whose cases will additionally require the involvement of an independent person, and</p> <p>(ii) in the case of dismissal, be subject to recommendations to the Assembly.</p> <p><b>2.8.4 JNC Salaries and Conditions Panel - consisting of the Leader and Deputy Leader of the Council (as Chair and Deputy Chair respectively),</b></p>	<p>Title changes for clarity</p>	<p>John Dawe Ext 2135</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>previous Panel relating to the case in question, to:</p> <p>(i) consider appeals in respect of dismissal, redundancy, disciplinary action and grievances from JNC Officers; and</p> <p>(ii) consider, with the involvement of a separate independent person, appeals in respect of disciplinary action and grievances against the Chief Executive (Head of Paid Service), Monitoring Officer and Chief Financial Officer (Section 151 Officer).</p>	<p><b>the relevant Portfolio Holder(s), as well as the Cabinet Member for Finance, Revenues and Benefits, and at least two other councillors</b> to consider and make final decisions in relation to salaries and conditions for JNC officers (including the Chief Executive) and the grading of any new JNC posts in line with Council policy.</p> <p><b>2.8.5 JNC Appeals Panel</b> - consisting of at least two Members of the Cabinet, <b>one of whom shall be appointed as Chair</b>, plus two other councillors, subject to none having participated in any previously <b>appointed</b> Panel relating to the case in question, to:</p> <p>(i) consider appeals in respect of dismissal, redundancy, disciplinary action and grievances from JNC Officers; and</p> <p>(ii) consider, with the involvement of a separate independent person, appeals in respect of disciplinary action and grievances against the</p>	<p>Title changes for clarity</p>	<p>John Dawe Ext 2135</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
	<p>Chief Executive (Head of Paid Service), Monitoring Officer and Chief Financial Officer (Section 151 Officer).</p> <p><b>New paragraph 2.12</b></p> <p><b>2.12 Approving the Treasury Policy Statement, Annual Strategy Statement and the Annual Report as well as any related Treasury documents.</b></p> <p><b>Re-number subsequent paragraphs</b></p>	Legislative requirement	Alan Dawson Ext 2348	
<p><b>Section I – The Development Control Board</b> <b>Page C19</b></p> <p>1.1. Detailed applications for the erection of residential units, which in the opinion of the Divisional Director of Regeneration and Economic Development can be recommended for approval.</p> <p>1.2. Outline applications for the erection of residential development with a site area of more than 0.25 hectares, which in the opinion of the Divisional Director of Regeneration and Economic Development can be</p>	<p>1.1 <b>Any</b> application recommended for approval <b>with five or more objections from local residents other than an application for prior approval which may be agreed by the Divisional Director of Regeneration in consultation with the Chair and Deputy Chair.</b></p> <p>1.2 Applications <b>which are</b> recommended for approval <b>and are considered by the Divisional Director of Regeneration to be contrary to any material aspect of the Unitary Development Plan (UDP) or Local Development Framework (LDF) except applications for:</b></p>	A review of the DCB delegations to improve effectiveness of the Board and to realise efficiency savings	Jeremy Grint Ext 2443	



EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>recommended for approval.</p> <p>1.3. Detailed applications for the erection of non-residential development in excess of 500m<sup>2</sup> (gross).</p> <p>1.4. Outline applications for the erection of non-residential development involving the erection of buildings in excess of 500m<sup>2</sup> or having a site area of more than 1 hectare.</p> <p>1.5. Applications for the mining and working of minerals or the use of land for mineral working deposits.</p> <p>1.6. Applications which are considered by the Divisional Director of Regeneration and Economic Development to be contrary to any material aspect of the UDP.</p> <p>1.7. Applications submitted by or on behalf of a Councillor or by any employee (or their spouse/partner) of the Regeneration and Economic Development Division.</p>	<p><b>1.2.1 flats above shops in retail parades which do not provide amenity space to the standards set in Borough Wide Development Policy BP8;</b></p> <p><b>1.2.2 new houses with a garden of less than 12 metres depth where the new homes do not back on to other houses, adequate back to back distances are maintained, or where the rooms are arranged to ensure there are no overlooking issues;</b></p> <p><b>1.2.3 new homes with less than 1 for 1 car parking in a Controlled Parking Zone.</b></p> <p><b>1.3</b> Applications for the mining and working of minerals or the use of land for mineral working deposits.</p> <p><b>1.4</b> Applications which are <b>recommended for refusal and are</b> considered by the Divisional Director of Regeneration <b>not</b> to be contrary to any material aspect of the <b>UDP or LDF</b>.</p> <p><b>1.5</b> Applications submitted by or on behalf of a Councillor or by any</p>	<p>A review of the DCB delegations to improve effectiveness of the Board and to realise efficiency savings</p>	<p>Jeremy Grint Ext 2443</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
	<p>employee (or their spouse/partner) of the Regeneration Division.</p> <p><b>1.6</b> Applications which any Councillor requests in writing to the Divisional Director of Regeneration within 21 days <b>from the date of validation of the application</b> subject to agreement of the Chair.</p> <p><b>1.7 Subject to the agreement of the Chair, any other application or issue which, by reason of its scale, impact upon the environment or the level of public or likely Councillor interest should, in the opinion of the Divisional Director of Regeneration, be determined by the Development Control Board.</b></p> <p><b>Re-number existing paragraphs 1.10, 1.11, 1.12 and 1.13 as 1.8, 1.9, 1.10 and 1.11 respectively.</b></p> <p><b>Delete existing paragraph 1.14</b> <b>Re-number existing paragraph 1.15 as 1.12</b></p> <p><b>Add new paragraph 1.13</b> <b>1.13 Appointing a Panel of four Development Control Board Members, including the Chair and Deputy Chair, to select and review on an annual basis a random</b></p>	<p>A review of the DCB delegations to improve effectiveness of the Board and to realise efficiency savings</p>	<p>Jeremy Grint Ext 2443</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
	<p>sample of up to 20 delegated decisions on a range of applications and examine 5-10 of them to evaluate whether or not:</p> <ul style="list-style-type: none"> <li>• delegation was appropriate;</li> <li>• the description was correct;</li> <li>• appropriate notifications were issued;</li> <li>• appropriate issues were identified;</li> <li>• the application met the appropriate deadline; and</li> </ul> <p>to report back to the Development Control Board accordingly.</p>	<p>A review of the DCB delegations to improve effectiveness of the Board and to realise efficiency savings</p>	<p>Jeremy Grint Ext 2443</p>	
<p><b>Part D – Rules Financial Rules Appendix A, page D51</b></p> <p><b>(h) Delegations</b></p> <ul style="list-style-type: none"> <li>• With the exception of those items which have to be reviewed annually by the Assembly in accordance with Section 45 of the Local Government and Housing Act 1989 (and any subsequent amendments) the Cabinet shall be the responsible committee for the consideration of Treasury Management matters.</li> <li>• The Cabinet shall consider The</li> </ul>	<p><b>Change Footer to December 2010</b></p> <p><b>(h) Delegations</b></p> <ul style="list-style-type: none"> <li>• The <b>Assembly</b> shall be the responsible committee for the consideration of Treasury Management matters.</li> <li>• The <b>Assembly</b> shall consider The Treasury Policy Statement and any amendments to it as the need arises.</li> <li>• The Chief Financial Officer as Section 151 Officer or Nominated Deputy shall be</li> </ul>	<p>Admin Change</p> <p>Legislative requirement</p>	<p>Alan Dawson ext 2348</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>Treasury Policy Statement and any amendments to it as the need arises.</p> <ul style="list-style-type: none"> <li>The Chief Financial Officer as Section 151 Officer or Nominated Deputy shall be responsible for the operation of the Treasury Management function in accordance with the Treasury Policy Statement and the annual strategy statement as approved by the Cabinet.</li> </ul>	<p>responsible for the operation of the Treasury Management function in accordance with the Treasury Policy Statement and the annual strategy statement as approved by the <b>Assembly</b>.</p>	<p>Legislative requirement</p>	<p>Alan Dawson ext 2348</p>	
<p><b>Part E – Codes and Protocols</b></p> <p><b>Protocol re Member and Employee Relations</b></p> <p><b>Page E29 Contents Page</b></p> <p>16. Complaints and Criticism</p> <p><b>Page E47</b></p> <p>16. COMPLAINTS AND CRITICISM</p> <p>Sadly, but inevitably in such a large organisation, there will be occasions (hopefully rare) when a Member or employee may wish to make a complaint against the other, or</p>	<p><b>Change footer to December 2010</b></p> <p>1.6 Complaints, <b>Allegations</b> and Criticism</p> <p>16. COMPLAINTS, <b>ALLEGATIONS AND CRITICISM</b></p> <p>Sadly, but inevitably in such a large organisation, there will be occasions (hopefully rare) when a Member or employee may wish to complain <b>about</b> the other, <b>make allegations, and/or</b> criticise actions. It is important that procedures are in place to deal</p>	<p>Admin change</p> <p>For clarity</p>	<p>Nina Clark ext 2114</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>criticise actions. It is important that procedures are in place to deal with any such cases.</p> <p>16.1 Complaints by Members</p> <p>16.1.1 A complaint by a Member about an employee should be made to the Corporate Director of the service in question. If, however, a Member feels that the matter is one which could be determined by the Head of Service, the complaint may be referred directly to that person with a copy to the relevant Corporate Director.</p> <p>16.1.2 Complaints should be in writing, marked "private and confidential". A copy should always also be sent to the Chief Executive and the Head of Human Resources.</p>	<p>with any such cases <b>and these are detailed below.</b></p> <p><b>Note: all references to “complaints” below include complaints, allegations and/or criticisms.</b></p> <p>16.1 Complaints by Members <b>about employees</b></p> <p><b>16.1.1 All complaints must be in writing, marked "private and confidential" and sent to the individuals referred to in the following paragraphs, who will determine how best to deal with the matter. Where necessary, the recipient of the complaint will consult with other senior officers and/or Members as considered necessary, including the Section 151 Officer regarding any matters of financial control or fraud, and the Divisional Director of Human Resources and Organisational Development where procedural advice is necessary.</b></p> <p>16.1.2 A complaint by a Member about an employee should be made to the Corporate Director of the service in question. If, however, a Member feels that the matter is one which could be determined by the</p>	<p>For clarity</p>	<p>Nina Clark ext 2114</p>	



EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>16.1.6 Members have a right to know if action has been taken to correct a matter, but they must not either:</p> <p>(i) insist, or be seen to insist, that an employee is disciplined; or</p> <p>(ii) influence the level of any disciplinary action which might be taken against an employee.</p> <p>16.1.7 In all cases, Members and employees have an obligation to maintain confidentiality throughout.</p> <p>16.1.8 As soon as possible but within ten working days, the recipient of the complaint will acknowledge receipt and give an indication of what action they intend to take and approximately how long they need to investigate the matter.</p> <p>16.1.9 Members have a right to be told the outcome of any disciplinary case, but no entitlement to detailed information about the hearing or its conduct.</p> <p>16.1.10 In any instance, if a Member is not satisfied that action has been taken to set matters straight, they may refer the matter</p>	<p>made to the Corporate Director of the former employee's department.</p> <p><b>Renumber subsequent paragraphs</b></p> <p>16.1.10 As soon as possible but within ten working days, the recipient of the complaint will acknowledge receipt <b>in writing</b> and give an indication of what action they intend to take and/or <b>what procedures they intend to follow, together with an estimation of any time lines.</b></p> <p>16.1.11 Members have a right to be told the outcome of any <b>employee</b> disciplinary case, but no entitlement to detailed information about the hearing or its conduct.</p> <p>16.1.12 If a Member is not satisfied that action has been taken to set <b>an employee</b> matter straight, they may</p>	<p>For clarity</p>	<p>Nina Clark ext 2114</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>directly to the Chief Executive for independent assessment.</p> <p>16.1.11 Members must not sit on any meeting of the Personnel Board dealing with a case which they have been involved with.</p> <p>16.1.12 Members have the right to generally question, indeed criticise, reports or the actions of employees, but they should always:</p> <p>(i) avoid personal attacks on employees; and</p> <p>(ii) ensure that any criticism is constructive and well founded.</p> <p>16.1.14 Where a Member has had reason to question, criticise or complain about the actions of a particular employee, once the issue has been dealt with through appropriate mechanisms, irrespective of the outcome, professional behaviour is expected</p>	<p>refer the matter directly to the Chief Executive for independent assessment <b>or, if the case is about the Chief Executive, to the Divisional Director of Human Resources and Organisational Development.</b></p> <p>16.1.13 Members must not sit on any meeting of the Personnel Board dealing with an <b>employee</b> case which they have been involved with.</p> <p>16.1.14 Members have the right to generally question, criticise <b>or complain about</b>, reports or the actions of employees, but they should always:</p> <p>(i) avoid personal attacks on employees; and</p> <p>(ii) ensure that any criticism is constructive and well founded, <b>with relevant evidence at the outset where appropriate.</b></p> <p>16.1.16 Where a Member has had reason to question, criticise or complain about the actions of a particular employee, once the issue has been dealt with through appropriate mechanisms, irrespective of the outcome, professional</p>	<p>For clarity</p> <p>For clarity</p>	<p>Nina Clark ext 2114</p> <p>Nina Clark ext 2114</p>	





EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p><a href="http://www.lbbd.gov.uk/9-council/complaints/complaints-cllrs.html">http://www.lbbd.gov.uk/9-council/complaints/complaints-cllrs.html</a></p> <p>This should be sent to the Monitoring Officer, who will refer the matter as appropriate to the Council's Standards Committee for consideration.</p> <p>16.2.3 Complaints should be in writing, marked "private and confidential".</p> <p>16.2.4 Wherever possible, the anonymity of the employee will be maintained. Should the Monitoring Officer decide that it is necessary for the employee's anonymity to be lifted, for example to assist in the ongoing investigation of the complaint, the employee's head of service will be informed in advance of that decision.</p> <p>16.2.5 The Monitoring Officer has overall responsibility for monitoring formal complaints received from employees about Members.</p> <p>16.3.1 A complaint by a Member about another Member should be</p>	<p><b>Officer</b> will refer the matter, as appropriate, to the Council's Standards Committee.</p> <p><b>Delete paragraphs 16.2.3, 16.2.4 and 16.2.5</b></p> <p>16.3.1 A complaint by a Member about another Member should be made in writing <b>marked "private and confidential"</b> to the Monitoring Officer. <b>If the complaint alleges a breach of the Members' Code of Conduct the complainant should use the form available on the website at the following link:</b></p> <p><a href="http://www.lbbd.gov.uk/9-council/complaints/complaints-cllrs.html">http://www.lbbd.gov.uk/9-council/complaints/complaints-cllrs.html</a></p> <p><b>The Monitoring Officer will refer such complaints, as appropriate, to the Council's Standards Committee.</b></p> <p><b>Delete paragraph 16.3.3</b></p>	<p>For clarity</p>	<p>Nina Clark ext 2114</p>	

EXISTING	AMENDMENT	REASON	CONTACT OFFICER	
<p>made in writing to the Chief Executive who will determine how best to deal with it, in consultation with the Monitoring Officer as necessary.</p> <p>16.3.3 If the complaint alleges a breach of the Members' Code of Conduct it should be made in writing using the form available on the website at the following link:</p> <p><a href="http://www.lbbd.gov.uk/9-council/complaints/complaints-cllrs.html">http://www.lbbd.gov.uk/9-council/complaints/complaints-cllrs.html</a></p> <p>and sent to the Monitoring Officer who will refer the matter as appropriate to the Council's Standards Committee for consideration.</p>				

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**ASSEMBLY****8 December 2010**

**JOINT REPORT OF  
THE ACTING CHIEF EXECUTIVE  
AND  
THE CORPORATE DIRECTOR OF CUSTOMER SERVICES**

<b>Title:</b> Proposed London Local Authorities Bill	<b>For Information</b>
<p><b>Summary:</b></p> <p>On 15 September 2010 Assembly passed a resolution supporting the promotion of a Bill through Parliament to make the necessary amendments to the Greater London Authority Act 1999. This amendment was to allow greater flexibility in the eligibility times for freedom passes run by Transport for London on behalf of the London borough councils and to also introduce a provision for arbitration in the event that Transport for London and London Councils on behalf of the London boroughs could not agree on the costs of the freedom pass at any given time. (Under current arrangements Transport for London has reserve power to impose costs levels if agreement cannot be reached although such power has never had to be used).</p> <p>This resolution was passed at the request of London Councils who had similarly asked all London Borough Councils to pass the same resolution within a stated time scale.</p> <p>Subsequent to the resolution of Assembly on 15 September 2010 London Councils have communicated to all London Boroughs to inform them that they had received notification of Transport for London's withdrawal of support for the Bill. In these circumstances London Councils no longer feel able to progress the Bill and have asked London Borough Councils to cease any further activity on the proposed Bill. London Councils apologised for inconvenience caused to London Borough Councils.</p>	
<p><b>Implications</b></p> <p><b>Financial:</b> The report of 15 September 2010 noted that the proposed amendment to the Bill would provide safeguards to Councils in London to resist certain cost increases. This potential is no longer available but since the result of not progressing with the Bill is that the status quo remains unchanged there are no additional financial implications envisaged.</p> <p><b>Legal:</b> In the event that London Councils and Transport for London choose again to promote any resolution the Council can then consider whether to pass a further resolution in the light of a relevant case submitted at the time.</p> <p><b>Risk Management:</b> No comment</p> <p><b>Social Inclusion and Diversity:</b> No comment</p>	

**Crime and Disorder:**

None associated with this scheme.

**Options Appraisal:**

Since the sponsors of the Bill have now withdrawn support there is no option save to cease work on the proposals unless and until further is heard from London Councils.

<b>Head of Service:</b> Katherine Maddock-Lyon	<b>Title:</b> Head of Customer Strategy and Transformation	<b>Contact Details:</b> Tel: 020 8227 5730 E-mail: <a href="mailto:Katherine.maddock-lyon@lbbd.gov.uk">Katherine.maddock-lyon@lbbd.gov.uk</a>
<b>Head of Service:</b> Nina Clark	<b>Title:</b> Divisional Director Legal and Democratic Services	<b>Contact Details:</b> Tel: 020 8227 2114 E-mail: <a href="mailto:nina.clark@lbbd.gov.uk">nina.clark@lbbd.gov.uk</a>
<b>Report Author:</b> Winston Brown	<b>Title:</b> Legal Partner	<b>Contact Details:</b> Tel: 020 8227 3774 E-mail: <a href="mailto:winston.brown@lbbd.gov.uk">winston.brown@lbbd.gov.uk</a>

## THE ASSEMBLY

8 DECEMBER 2010

## REPORT OF THE CABINET

<b>Title:</b> Local Development Framework – Adoption of Site Specific Allocations Development Plan Document		<b>For Decision</b>
<p><b>Summary</b></p> <p>At its meeting on 28 September 2010, the Cabinet considered the attached report (Appendix A) on the Site Specific Allocations Development Plan Document (DPD) which seeks to resolve the land use implications of the Local Development Framework Core Strategy adopted by the Assembly on 21 July 2010 (Minute 14).</p> <p>The Site Specific Allocations DPD was previously circulated to all Councillors under separate cover and is available on the Council's website at <a href="http://moderngov.barking-dagenham.gov.uk/mgConvert2PDF.aspx?ID=26716">http://moderngov.barking-dagenham.gov.uk/mgConvert2PDF.aspx?ID=26716</a></p> <p><b>Recommendation</b></p> <p>The Assembly is recommended to approve the Barking and Dagenham Local Development Framework Site Specific Allocations Development Plan Document.</p>		
<b>Cabinet Member:</b> Councillor McCarthy	<b>Portfolio:</b> Cabinet Member for Regeneration	<b>Contact Details:</b> Tel: 020 8724 8013 E-mail: <a href="mailto:mick.mccarthy@lbbd.gov.uk">mick.mccarthy@lbbd.gov.uk</a>
<b>Head of Service:</b> Jeremy Grint	<b>Title:</b> Divisional Director of Regeneration and Economic Development	<b>Contact Details:</b> Tel: 020 8227 2443 E-mail: <a href="mailto:jeremy.grint@lbbd.gov.uk">jeremy.grint@lbbd.gov.uk</a>

**Background papers used in the preparation of this report:**

“Local Development Framework – Adoption of Site Specific Allocations Development Plan Document” report and minutes, Cabinet 28 September 2010.

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## CABINET

28 September 2010

## REPORT OF THE CABINET MEMBER FOR REGENERATION

<b>Title:</b> Barking and Dagenham Local Development Framework – Adoption of Site Specific Allocations Development Plan Document	<b>For Decision</b>
<p><b>Summary:</b></p> <p>The Site Specific Allocations Development Plan Document (DPD) is focused on delivering the Core Strategy which was adopted by the Assembly on 21 July 2010. The purpose of the Site Specific Allocations document is to resolve the land use implications of the Core Strategy and therefore to consider the future of sites across the borough, not only sites that may have some development potential but also sites which may need protecting.</p> <p>The Site Specific Allocations Development Plan Document (DPD) has been through two stages of consultation; issues and options and submission.</p> <ul style="list-style-type: none"> <li>• Issues and Options. The Executive approved the Site Specific Allocations Issues and Options document 20 May 2008 and consultation was undertaken on it during July and August 2008 and the document was revised to address the feedback received.</li> <li>• Pre-Submission. The Cabinet and Assembly approved the Pre-Submission Site Specific Allocations DPD on 21 April 2009 and 13 May 2009 respectively for a six week consultation and for submission to the Secretary of State.</li> </ul> <p>Following this consultation a hearing was conducted by an independent Inspector to determine whether or not the Pre-Submission Site Specific Allocations DPD was “sound” and “legally compliant”. The Inspector issued his report on 7 July 2010 and has confirmed that the Site Specific Allocations is sound and legally compliant subject to a number of changes being made to the document. The changes improve the document and do not raise any issues of principle. The majority of the changes are necessary to provide more explanation and background detail to the Site Specific Allocations and so do not change the Site Specific Allocations themselves. The more significant changes include:</p> <ul style="list-style-type: none"> <li>• Clarifying how the flood risk and transport impact of sites will be assessed. This was in response to representations from the Environment Agency and the Highways Agency.</li> <li>• Amending the allocation for South Dagenham West in agreement with the landowners Axa Sunlife so that it allowed some employment uses. This brought the allocation in line with the adopted Core Strategy.</li> <li>• Providing more detail on the Council’s approach to planning for open spaces again in line with the Core Strategy</li> <li>• Strengthening the monitoring section of the document.</li> </ul> <p>The revised Site Specific Allocations DPD has been circulated under separate cover to all Councillors. Members of the public can obtain a copy from the author.</p> <p><b>Wards Affected:</b> All</p>	

<b>Recommendation(s)</b>		
The Cabinet is recommended to agree:		
(i) to recommend to the Assembly that the Council approves the Barking and Dagenham Local Development Framework Site Specific Allocations Development Plan Document.		
<b>Reason(s)</b>		
To help deliver all the Community Plan priorities.		
<b>Comments of the Chief Financial Officer</b>		
<p>The Cabinet and Assembly approved the Pre-Submission Site Specific Allocations DPD on 21 April 2009 and 13 May 2009 respectively. The changes recommended by the Inspector do not change the financial implications of the document. The Site Specific Allocations sets out the future for a significant part of the Council's land holdings. It safeguards a number of sites and captures and enables a number which are at various stages of development. In terms of capital receipts to be generated it is consistent with the capital programme approved by Assembly. These sites have been identified in partnership with Children's Services, Regeneration and Economic Development, Adult and Community Services, Property Services, Leisure Services and the Primary Care Trust. The minor costs of adopting the Site Specific Allocations will be met from within the existing Regeneration and Economic Development Division budget. These costs involve placing a notice in the news and printing a limited number of copies of the document.</p>		
<b>Comments of the Legal Partner</b>		
The legal implications of the recommendation in this report are incorporated at paragraph 4 of the report.		
<b>Head of Service:</b> Jeremy Grint	<b>Title:</b> Divisional Director of Regeneration and Economic Development	<b>Contact Details:</b> Tel: 020 8227 2443 E-mail: jeremy.grint@lbbd.gov.uk
<b>Cabinet Member:</b> Councillor McCarthy	<b>Portfolio:</b> Cabinet Member for Regeneration	<b>Contact Details:</b> Tel: 020 8724 8013 E-mail: mick.mccarthy@lbbd.gov.uk

**1. Background**

Please see the report summary.

**2. Proposal**

Please see the report summary.

**3. Financial Issues**

- 3.1 The minor costs of adopting the Site Specific Allocations will be met from within the existing Regeneration and Economic Development Division budget.

3.2 The site allocations determine what potential uses will be allowed on development sites and will therefore have financial implications for land owners and prospective developers. In addition the policies set out criteria for the allocated sites which are consistent with policies approved in the Council's adopted Core Strategy. These will also have financial implications for landowners and developers.

#### 4. Legal Issues

4.1 The Planning and Compulsory Purchase Act 2004 (the "Act") required the Council to replace its Unitary Development Plan (UDP) with a Local Development Framework (LDF). As observed above the Site Specific Allocations DPD is a key LDF document.

4.2 The Local Authorities (Functions and Responsibilities) (Amendment) (No 2) (England) Regulations 2004 provide that adoption of LDF documents are not an Executive function, so the resolution to adopt LDF documents under section 23 of the Act must be carried out by the Assembly.

#### 5. Other Implications

5.1 Further implications to adopting the Site Specific Allocations DPD are set out as follows:

- **Customer Impact** In line with the Council's adopted Statement of Community Involvement the Site Specific Allocations DPD has been through two key stages of consultation and consulted the following groups, the Faith Forum, Forum for the Elderly, Lesbian, Gay, Bisexual and Transgender Forum, Refugee Forum, Tenants Federation, Youth Forum, Disablement Association Barking and Dagenham, Age Concern, Citizens Panel. Dagenham Dock Employers Forum and Chamber of Commerce. In addition, due to the localised impact of this document (due to the allocation of sites for specific types of development), neighbourhood areas were targeted in the consultation process through vehicles such as neighbourhood management meetings and resident associations.

Full details of consultees, those who responded, comments raised, and how those comments are reflected in the document are set out in a consultation statement which is publicly available on the Council's website. This statement was reported to Councillors when the Executive agreed the pre-submission version of the Site Specific Allocations DPD on the 21 April 2009. In finding the Site Specific Allocations DPD legally compliant the Inspector judged that the Council met its legal requirement to comply with the arrangements sets out in its Statement of Community Involvement.

In preparing the Site Specific Allocations DPD officers have needed to have a thorough understanding of the current and forecast population profile of the borough and this was established in preparing the baseline for the Sustainability Appraisal for the Site Specific Allocations DPD, together with the baseline for the Sustainability Appraisal for its parent document the Core Strategy.

Officers are confident that having undertaken comprehensive consultation and undertaken a through sustainability appraisal that the Site Specific Allocations

policies can help deliver the spatial requirements of the Core Strategy whilst also responding to the needs of the borough's current and future residents.

Heritage Services have been consulted on previous versions of the Site Specific Allocations Development Plan Document.

- Safeguarding Children** A key task in the preparation of the Site Specific Allocations DPD was to take into consideration land use requirements up to the year 2025 including the social infrastructure requirements to support the anticipated increase in housing and population growth. In terms of school provision the Site Specific Allocations DPD makes provision for the following additional primary and secondary schools.

New primary schools identified in the Site Specific Allocations DPD		
SSA SM1 Barking Riverside		
SSA SC10A Barking Riverside Stage 1 Neighbourhood Centre	1 new three form primary school	Outline and reserved matters planning permission approved
SSA SC10B Barking Riverside Stage 2 District Centre	1 new three form primary school	Outline planning permission approved
	1 new eight form secondary school	Outline planning permission approved
SSA SC10C Barking Riverside Stage 3 Neighbourhood Centre	1 new three form primary school	Outline planning permission approved
SSA SC10D Barking Riverside Stage 4 Neighbourhood Centre	1 new three form primary school (if necessary)	Outline planning permission approved
SSA SM2 South Dagenham West and Dagenham Leisure Park	1 new three form primary schools	Provision depends on number of new homes generated by the site.
SSA SM4 South Dagenham East	1 new three form primary school	Provision depends on number of new homes generated by the site.
SSA SM5 Sanofi Aventis 2	1 new three form primary school	Provision depends on number of new homes (if any) generated by the site.
SSA SM6 University of East London	1 new three form primary school	Detailed planning permission approved
SSA SM8 Lymington Fields	1 new three form primary school	Detailed planning permission approved
SSA SC3 Cannington Road	1 new three form primary school	Detailed planning permission approved
SSA SC4 St George's Centre	1 new three form primary school	Included in the Council's Capital Programme.

- Health Issues** The identification of land use requirements for health facilities up to the year 2025 has emerged through close working with NHS Barking and Dagenham and with regard to the Barking and Dagenham Joint Strategic Needs Assessment and the emerging Health for North East London strategy . NHS Barking and Dagenham has identified three polyclinic hubs at Barking Hospital, East Dagenham and Barking Riverside. These are dealt with in this Site Specific Allocations DPD through three site allocations. SSA SM11 Hedgecock Centre and

SSA SM12 Upney Lane Centre form part of the strategy for the improvements to health care on the Barking Hospital site. SSA SM5 identifies the Sanofi site as appropriate for a new community hospital to serve East Dagenham. The Site Specific Allocations DPD also covers the facilities necessary to meet the needs of the 10,800 new households planned on at Barking Riverside. In particular it identifies provision for a new polyclinic within the Barking Riverside District Centre.

- **Property / Asset Issues.** All development proposals will need to be in line with the Site Specific Allocations DPD and therefore it will have an impact on the future use of the Council's Property and Assets where the need for planning permission is involved.

## **6. Options appraisal**

- 6.1 The Council could choose not to adopt the Site Specific Allocations DPD. However, the Executive previously approved the Site Specific Allocations on 21 April 2009, and officers consider that the changes made during the examination as summarised in the report strengthen it.

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

- Planning and Compulsory Purchase Act 2004
- The Town and Country Planning (Local Development) (England) Regulations 2004.
- The Local Authorities (Functions and Responsibilities) (Amendment) (No 2) (England) Regulations 2004
- Executive report, 20 May 2008, Local Development Framework – Site Specific Allocations Development Plan Document, Issues and Options. (Minute 7 – 20/05/08)
- Executive report, 21 April 2009, Local Development Framework - Submission of the Site Specific Allocations Development Plan Document. (Minute 175 - 2009/10)
- Assembly report, 13 May 2009, Local Development Framework - Submission of the Site Specific Allocations Development Plan Document. (Minute 8 – 13/05/09)
- Pre-submission Site Specific Allocations , LBBD, June 2009
- Pre-submission Core Strategy Consultation Statement, LBBD, 2009
- Inspector's report on the Barking and Dagenham Site Specific Allocations Development Plan Document, Planning Inspectorate, 2010
- Sustainability appraisal of the core strategy policies, June 2008
- Sustainability appraisal of the Site Specific Allocations DPD, June 2009

## **8. List of appendices:**

Revised Site Specific Allocations Development Plan Document - circulated under separate cover to all Councillors

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## THE ASSEMBLY

8 DECEMBER 2010

## REPORT OF THE CABINET

<b>Title:</b> Proposed Provision of a Shared Civil Contingencies Service for Barking and Dagenham and Waltham Forest		<b>For Decision</b>
<b>Summary</b>		
<p>At its meeting on 2 November 2010, the Cabinet considered the attached report (Appendix A) on the success of a pilot project for the provision of a joint Civil Contingencies Service with the London Borough of Waltham Forest and endorsed proposals to formalise the arrangement and for the Cabinet to be authorised to approve any future proposals to extend the joint service arrangement to include other Local Authorities if it is considered to be in the Council's interests to do so</p>		
<b>Recommendation</b>		
<p>The Assembly is recommended to agree:</p>		
<p>(i) That the Council and the London Borough of Waltham Forest form a single Civil Contingencies Unit to meet the needs of their joint populations and the requirements of the Civil Contingencies Act;</p>		
<p>(ii) That the Council enter into a formal agreement with the London Borough of Waltham Forest in a form to be agreed by the Legal Partner, under which the Council accepts a delegation of function from the London Borough of Waltham Forest in respect of their duties and obligations under the Civil Contingencies Act 2004, in return for funding and other contributions to be made by the London Borough of Waltham Forest; and</p>		
<p>(iii) To delegate authority to the Cabinet to agree the extension of the joint service arrangement to include other Local Authorities in the event that it is considered to be in the Council's interests to do so.</p>		
<b>Cabinet Member:</b> Councillor Gerald Vincent	<b>Portfolio:</b> Cabinet Member for Environment	<b>Contact Details:</b> Tel: 0208 594 3892 E-mail: <a href="mailto:gerald.vincent@lbbd.gov.uk">gerald.vincent@lbbd.gov.uk</a>
<b>Head of Service:</b> Sue Lees	<b>Title:</b> Divisional Director of Asset Strategy and Capital Delivery	<b>Contact Details:</b> Tel: 020 8227 3300 E-mail: <a href="mailto:sue.lees@lbbd.gov.uk">sue.lees@lbbd.gov.uk</a>

**Background papers used in the preparation of this report:**

"Proposed Provision of a Shared Civil Contingencies Service for Barking and Dagenham and Waltham Forest" report and minutes, Cabinet 2 November 2010.

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## CABINET

2 NOVEMBER 2010

## REPORT OF THE CABINET MEMBER FOR ENVIRONMENT

<b>Title:</b> Proposed Provision of a Shared Civil Contingencies Service for Barking and Dagenham and Waltham Forest	<b>For Decision</b>
<p><b>Summary:</b></p> <p>This report proposes the formalisation of the joint Barking and Dagenham and Waltham Forest Civil Contingencies service which has been operating on a pilot basis since 1 April 2009. This will provide the framework for the delivery of further efficiencies whilst allowing the resilience and flexibility of the service to be maintained. It also proposes that the potential of the joint service model continue to be explored with other Boroughs, particularly those in North East London.</p> <p><b>Wards Affected:</b> All</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is asked to recommend the Assembly:</p> <ul style="list-style-type: none"> <li>(i) That the Council and the London Borough of Waltham Forest form a single Civil Contingencies Unit to meet the needs of their joint populations and the requirements of the Civil Contingencies Act;</li> <li>(ii) That the Council enter into a formal agreement with the London Borough of Waltham Forest in a form to be agreed by the Legal Partner, under which the Council accepts a delegation of function from the London Borough of Waltham Forest in respect of their duties and obligations under the Civil Contingencies Act 2004, in return for funding and other contributions to be made by the London Borough of Waltham Forest; and</li> <li>(iii) That the Cabinet be authorised to agree the extension of the joint service arrangement to include other Local Authorities in the event that it is considered to be in the Council's interests to do so.</li> </ul>	
<p><b>Reason(s)</b></p> <p>In order to meet the statutory requirements of the Civil Contingencies Act (2004) in a more resilient and cost effective way.</p>	
<p><b>Comments of the Chief Financial Officer</b></p> <p>The creation of the joint service between the Council and Waltham Forest is estimated to produce a combined initial saving of £34,000 as a result of staffing efficiencies, of which Barking &amp; Dagenham's share will be £14,000. Once sufficient operational experience has been gained, there will be a further review of the service to examine both its operation and its costs which may lead to additional benefits and savings arising. However should any subsequent review result in changes to the level of funding contributions from each Authority, the Council will need to ensure that any proposed changes in cost allocation do not adversely effect the Council unless it achieves significant additional benefits that it is prepared to fund.</p>	

## Comments of the Legal Partner

This report proposes that the Council enter into a formal arrangement with the London Borough of Waltham Forest under which the Council accepts a delegation of function of the Waltham Forest's duties and responsibilities under the Civil Contingencies Act 2004. The Council will in effect be operating a shared service on behalf of itself and Waltham Forest by accepting this delegation of function from Waltham Forest, and the arrangement will be governed by the formal agreement to be entered into by both Councils. Both Councils have the power to enter into such an arrangement, firstly under the general delegation of functions powers of the Local Government Act 1972, and more specifically in relation to civil contingencies under the Civil Contingencies Act 2004.

The Council's Constitution requires that the delegation of functions to or from another local authority are reserved to the Assembly (paragraph 3.7, section A (The Assembly, Part C (Scheme of Delegation) of the Council's Constitution).

<b>Head of Service:</b> Sue Lees	<b>Title:</b> Divisional Director of Asset Strategy and Capital Delivery	<b>Contact Details:</b> Tel: 020 8227 3300 E-mail: <a href="mailto:sue.lees@lbbd.gov.uk">sue.lees@lbbd.gov.uk</a>
<b>Cabinet Member:</b> Councillor Gerald Vincent	<b>Portfolio:</b> Cabinet Member for Environment	<b>Contact Details:</b> Tel: 0208 594 3892 E-mail: <a href="mailto:gerald.vincent@lbbd.gov.uk">gerald.vincent@lbbd.gov.uk</a>

## 1. Background

- 1.1 The Civil Contingencies Act 2004 has several major implications for Local Government. Chief among these is the essential element of cooperation in all stages of risk identification, planning, training, exercising and response.
- 1.2 Under the Act Local Authorities are designated as Category One responders, alongside services such as the Police, NHS, etc. However all other Category One Responders in London have a Pan-London command and control process. In essence this means that all of their duties under the Act are carried out on a much wider base than any single London Local Authority is able to provide.
- 1.3 On 1 April 2009 the London Boroughs of Barking and Dagenham and Waltham Forest commenced a pilot project to deliver a Civil Contingencies Joint Service. Staff from the London Borough of Waltham Forest were seconded to Barking and Dagenham to form a single team delivering a service to both Boroughs. The objectives included improving the resilience and flexibility of the service, reducing the duplication involved in the formulation of single Borough strategies and plans and making the best use of allocated resources to deliver a service that would follow the approach adopted by the other Category One Responders. It is considered that these objectives have been achieved and it is therefore proposed to formalise the joint arrangement and to seek to extend it.

## 2. Proposal

- 2.1 The proposal is that the London Boroughs of Waltham Forest and Barking and Dagenham form a single Civil Contingencies Unit to meet the needs of their joint populations and the requirements of the Civil Contingencies Act in a more resilient manner and more cost effectively. This will enable further financial savings to be made and shared across each authority. It is also proposed that the joint service continue to explore the potential to expand the model to other London Boroughs, particularly those in North East London.
- 2.2 Listed below are some of the main advantages of joint working identified since that date:
- (i) Reduction of duplicated work in key activities that each authority previously had to deliver:
    - A single Multi Agency Flood Plan was prepared and forwarded to the Environment Agency. It was one of only 8 across London to receive approval- by the due deadline.
    - The gaps in both Boroughs' plans identified under the requirements of the Minimum Standards for London Tranche 2 (MSL2) have been identified and all 26 Plans are now completed. Again the joint service is among only a few Boroughs to have done this work
    - Although not identified under MSL 2 the more corporate level Business Continuity Plans are now also a single document with minor adjustments in terminology. The longer term aim is for a single approach to Business Continuity.
    - Work has started on a single Community Risk Register following the requirements of the National Risk Register produced by the Cabinet Office. This will have both a professional version and a public facing document to increase awareness of emergencies among the population of both Boroughs
    - Joint presentations to pupils during the Local Democracy Days 2009 and 2010
  - (ii) Increased resilience of response to emergencies through common shared practices. As all plans, training and exercising are brought together the whole unit will be available for response to either Authority helping to meet the needs of the Minimum Standards for London Tranche 1.
  - (iii) A greater number of trained Civil Contingencies staff is already showing benefits in delivering advice and support across both Authorities even if the lead person is not at their desk
  - (iv) An established back up Borough Emergency Control Centre (BECC) from which to carry out the command and control elements of a Major Incident response thus allowing either BECC to support either Authority.
  - (v) A unified approach to training and developing shared skills across both authorities.
    - Development and delivery of a joint programme of Training for Rest Centre Managers and Staff.
    - Two joint Business Continuity Exercises have taken place for Sheltered Housing and Care Homes one in each Authority

- Exercises at Gold (Strategic) and Silver (Tactical) level have been conducted within each Borough and facilitated by the other.
  - A Business Continuity Exercise was provided to the Waltham Forest Senior Management Team.
  - A joint training and exercise programme for 2010/2011 is being developed.
  - The larger number of people in the team has given an increased knowledge base, allowed lead officers for specific areas but at the same time a reduced meeting burden.
- (vi) An improved and consistent level of delivery to all Service Heads across both authorities.
- Business Continuity Strategy meetings at Waltham Forest previously chaired by the Director People, Policy and Performance have been chaired by the Joint Service lead
  - Regular joint briefings have been provided to both Lead Councillors, both Chief Executives and both Corporate Directors in their role as Line Managers.
  - A joint service plan for 2010/11 has been written.
  - Joint support documents for both Chief Executives and their London Local Authority Gold Teams and as above with one single support officer leading.
  - A Pan London Multi-Agency Gold exercise in which the Chief Executive of Waltham Forest participated supported by officers from both authorities.
- (vii) A collective voice for views to be presented to partner agencies and other London Emergency Planning units.
- (viii) A chance to be a flagship authority in London for Civil Contingencies with a new and improved ways of working.
- We are now leading the work on Civil Contingencies being carried out by East London Solutions.
  - We achieved Customer Service Excellence in July 2010. We are the only Joint Service to do so and the only service delivering both Emergency Planning and Business Continuity.
  - The Warning and Informing approach developed by Waltham Forest has been adapted for use within Barking and Dagenham and has been taken up by a number of other Boroughs
  - We now have a greater pool of Civil Contingencies trained responders than any other single organisation in London.

### 3. Financial Issues

- 3.1 The current staffing level is that Barking and Dagenham has the Group Manager, Emergency Planning, and two members of staff, Waltham Forest had a Deputy Manager and three members of staff. The Deputy has recently moved on to a more strategic role for a pan-London response with the other staff remaining. In the light of this it is proposed to delete the post of Deputy and share the savings across both Councils, with Waltham Forest saving approximately £20,000 on its current staffing budget of circa £202,000 and Barking and Dagenham saving approximately £14,000 on its current staffing budget of circa £152,000.

- 3.2 Once staff have been consolidated into a single unit there will be an opportunity to examine the true service cost and agree any necessary changes in the level of funding contributions from each Authority.
- 3.3 A review of the current staffing levels will be carried out. Account will be taken of the needs of both Authorities to reduce expenditure as well as investigating any new work resulting from, for example, Government Legislation such as the Flood and Water Management Act 2010, the Civil Contingencies requirements of the Olympic Games and any developments from the East London Solutions project about partnership working with other North East London Boroughs.
- 3.4 The structure of the team will be investigated to ensure that supervision is available even in the absence of the Group Manager.
- 3.5 The expenditure on Contracts from these budgets such as the current use of two different Mass Messaging systems will be reviewed in order to address any duplication in expenditure which can then be removed and the savings shared by both Councils.
- 3.6 Having achieved a saving in year 1, it is proposed that the two Authorities will continue to fund their services to the existing levels (less the saving) for the current financial year, with any further savings on staffing and Contracts coming in subsequent years.
- 3.7 Officers of the two Authorities have met to discuss the practicalities of the merger and there is a general consensus that, as far as finance is concerned, there are no major obstacles. There will be a need for Barking & Dagenham to invoice Waltham Forest in respect of the costs of the employees that transfer over and agreement needs to be reached on the exact arrangement for this process. In addition, there needs to be an agreed process for invoicing supplies and services costs as and when necessary between the two Authorities.
- 3.8 In summary, there are no financial issues at this stage that would prevent the proposed partnership from proceeding in line with the scheduled timetable.

#### **4. Legal Issues**

- 4.1 As has been described earlier in this report, the Council has various duties and obligations to discharge under the Civil Contingencies Act 2004. Each local authority in England and Wales also shares these same duties and obligations, along with other types of authorities such as the police authorities and the fire and rescue authorities.
- 4.2 Although each local authority has these duties, local authorities do have powers from two sources under which one authority can perform the duties of another authority in relation to civil contingencies. The first such power comes from the general delegation of functions provisions contained in section 101 of the Local Government Act 1972, which allows a local authority to arrange for the discharge of any of their functions by another local authority.
- 4.3 Secondly, the Civil Contingencies Act 2004 (Contingency Planning) Regulations 2005, which are regulations made under the 2004 Act, also contain such powers in relation to civil contingencies duties. Under Regulation 8, local authorities may

- (i) perform duties jointly with another authority; or
- (ii) make arrangements with another authority for that authority to perform their duties

4.4 The arrangements that are proposed between Barking and Dagenham and Waltham Forest will come within the powers of both the 1972 Act as well as the 2005 Regulations described above. The proposed arrangements therefore have a clear legal basis.

4.5 Provided that the Cabinet agrees to the recommendations within this report, the approval of the Assembly will also be required, in order for the establishment of the Shared Service to proceed. This is due to the fact that delegating functions and accepting delegations of functions from other local authorities are matters reserved to the Assembly under paragraph 3.6 of the Assembly's Scheme of Delegation which forms part of the Constitution.

4.6 If the Assembly subsequently approve the proposed arrangements, Barking and Dagenham would then formalise the shared service arrangements by entering into a contract that would cover the duties and obligations of each council to the other.

## 5. Other Implications

5.1 **Risk Management:** The Joint Service has been operating as a pilot since 1 April 2009 and no risks associated with the Joint Service have been identified.

5.2 **Staffing Issues:** Staff currently employed by Waltham Forest will be transferred to Barking and Dagenham under TUPE arrangements. Both sets of staff will still work predominantly from their current locations but will increasingly be more mobile as the development of the IT structure allows this to happen.

The service will have a Management Board, with each Council represented by the relevant Corporate Director (or their nominee) and an officer from Finance.

A review of the current staffing levels will be carried out by the Management Board. Account will be taken of the needs of both Authorities to reduce expenditure as well as investigating any new work resulting from, for example, Government Legislation such as the Flood and Water Management Act 2010, the Civil Contingencies requirements of the Olympic Games and any developments from the East London Solutions project about partnership working with other North East London Boroughs.

The structure of the team will be investigated to ensure that supervision is available even in the absence of the Group Manager.

In the event of the Councils agreeing to terminate this Agreement or not renewing this Agreement;

- it will be the responsibility of the Management Board for the exit management of any employee including the allocation of funding of any redundancy costs.
- Each Council shall use their best endeavours to redeploy all the employees having regard so far as is practical to the following considerations:

- the continuing requirement for the performance of the Functions by the individual Councils;
- the special needs to the Councils in terms of service skills in the performance of the Functions; and
- the residence and travel to work arrangements of the Employees concerned.
- Each Council will have the responsibility to review the Job Descriptions to cover the reduced responsibilities

5.3 **Customer Impact:** The customer base for Civil Contingencies is wide ranging and covers 'Before', 'During' and 'After' a Major Incident. Customers therefore include internal Council Services, Multi-Agency Category 1 Responders under the Civil Contingencies Act, internal response staff and volunteers, Councillors and other politically elected representatives, Residents and Community groups, Businesses in the Boroughs of all sizes as well as London-wide bodies involved in Civil Contingencies and also Government departments. The stabilisation of the team into one cohesive whole will provide greater resilience to ensure that Customer needs can be met in a more cohesive and structured manner.

5.4 **Property / Asset Issues:** Under the Civil Contingencies Act there is a requirement for each Local Authority to develop a Control Centre from which an incident can be managed. The Act also requires that Boroughs can continue to supply their services despite any Major Incident. This includes the Command and Control functions for the incident. This proposal means that instead of each Borough providing and funding their own back-up control centre they will have available to them the Control Centre of the other Borough.

## 6. Options appraisal

6.1 The alternative to providing a joint service is to revert to being two separate teams. However there are risks with this approach and these are:

- Failure to deliver all of the required elements of the Civil Contingencies Act  
With the increasing responsibility for planning, exercising and training both internally in areas such as the new Reservoirs and Flood Planning requirement and the pan-London requirements of the London 2012 Olympics there is a risk that two single services will be unable to deliver the totality of the new agenda
- Insufficient available trained staff both within the two single Units and at a wider level within each authority. The joint team improves overall resilience and capacity.

6.2 There is also an option of continuing the pilot arrangement and not formalising the joint arrangement but it is considered important to provide certainty to staff in the joint team and to harmonise the terms and conditions under which they are employed. It is also considered that the prospect of extending the arrangement to other authorities, and thereby improving the resilience and value for money of the service, is strengthened by putting in place a more formal agreement.

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

The Civil Contingencies Act (2004)

8. **List of appendices:** None



## THE ASSEMBLY

8 DECEMBER 2010

## REPORT OF THE CABINET

<b>Title:</b> Governance Arrangements for New Joint Venture with Agilisys		<b>For Decision</b>
<p><b>Summary</b></p> <p>At its meeting on 23 November 2010, the Cabinet considered the attached report (Appendix A) on the governance arrangements for the new joint venture with Agilisys. There are a number of proposed appointments to the Board structures as well as necessary amendments to the Council Constitution, both of which are matters for the Assembly.</p> <p><b>Recommendation</b></p> <p>The Assembly is recommended to agree:</p> <ul style="list-style-type: none"> <li>(i) The appointment of the Portfolio Holder for Customer Services and Human Resources and the Corporate Director of Finance and Resources as the two Council representatives on the Elevate Board;</li> <li>(ii) The appointment of a Member as the nominated deputy for the Portfolio Holder for Customer Services and Human Resources and endorse the appointment of the Divisional Director of Assets and Commercial Services and the Divisional Director of Corporate Finance as the nominated deputies for the Corporate Director of Finance and Resources;</li> <li>(iii) The appointment of the Portfolio Holder for Finance, Revenues and Benefits, as Chair, the Portfolio Holder for Customer Services and Human Resources and one non-Cabinet Member as the Member representation on the Strategic Partner Board; and</li> <li>(iv) That the necessary amendments be made to the Council's Scheme of Delegation to reflect the responsibilities for managing the Elevate Limited Liability Partnership agreement, the Strategic Partner Agreement and the Service Contract with Elevate and other associated legal documents</li> </ul>		
<b>Cabinet Member:</b> Cllr John White	<b>Portfolio:</b> Cabinet Member, Customer Services and Human Resources	<b>Contact Details:</b> Tel: 020 8724 8013 E-mail: <a href="mailto:john.white@lbbd.gov.uk">john.white@lbbd.gov.uk</a>
<b>Head of Service:</b> Sue Lees	<b>Title:</b> Divisional Director of Asset Strategy and Capital Delivery	<b>Contact Details:</b> Tel: 020 8227 3300 E-mail: <a href="mailto:sue.lees@lbbd.gov.uk">sue.lees@lbbd.gov.uk</a>

**Background papers used in the preparation of this report:**

"Governance Arrangements for New Joint Venture with Agilisys" report and minutes, Cabinet 23 November 2010.

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## CABINET

23 NOVEMBER 2010

## REPORT OF THE CABINET MEMBER FOR CUSTOMER SERVICES AND HUMAN RESOURCES

<b>Title:</b> Governance Arrangements for New Joint Venture with Agilisys	<b>For Decision</b>
<p><b>Summary:</b> This paper is by way of a follow up to the report that was presented to Cabinet on the 28 September 2010 and outlines the governance arrangements that will be put in place to ensure the new Joint Venture performance arrangements are robust.</p> <p>A pictorial representation of the proposed governance arrangement is presented by way of a diagram at Appendix 1.</p> <p><b>Wards Affected:</b> None</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is asked to:</p> <ul style="list-style-type: none"> <li>(i) Approve the governance arrangements for the joint venture with Agilisys as detailed in this report; and</li> <li>(ii) Recommend the Assembly: <ul style="list-style-type: none"> <li>a. That the two Council representatives on the Elevate Board be the Portfolio Holder for Customer Services and Human Resources and the Corporate Director of Finance and Resources;</li> <li>b. That a Member be appointed as the nominated deputy for the Portfolio Holder for Customer Services and Human Resources and the Divisional Director of Assets and Commercial Services and the Divisional Director of Corporate Finance be appointed as the nominated deputies for the Corporate Director of Finance and Resources;</li> <li>c. That the Member representation on the Strategic Partner Board be the Portfolio Holder for Finance, Revenues and Benefits, who will Chair the Board, the Portfolio Holder for Customer Services and Human Resources, and a non-Cabinet Member; and</li> <li>d. That the necessary amendments to the Council's Scheme of Delegation be made to reflect the responsibilities for managing the Elevate Limited Liability Partnership agreement, the Strategic Partner Agreement and the Service Contract with Elevate and other associated legal documents.</li> </ul> </li> </ul>	

<b>Reason(s)</b>		
In order to ensure that the Elevate Joint Venture is governed and the Service Contract is managed and monitored in such a way as to deliver the expected outcomes on the part of the Council and its partner, Agilisys Limited.		
<b>Comments of the Chief Financial Officer</b>		
The development of Elevate enables the Council to deliver better services at less cost and to make savings as part of the overall Medium Term Financial Strategy. The governance arrangements presented in this report provides assurance that expected benefits are realised.		
Elevate is a critical strand of the Council's plan to significantly reduce its budgets.		
<b>Comments of the Legal Partner</b>		
The governance arrangements and the legal structure of the Elevate Limited Liability Partnership have been established on the advice of external legal and financial advisers. The Council Legal Partner is satisfied that the legal structure, the governance arrangements for the Elevate Limited Liability Partnership and the internal arrangements for the proper management and monitoring of the Elevate Limited Liability Partnership, the Service Contract and the associated legal documents are in compliance with all legal requirements and the Council's Constitution.		
<b>Head of Service:</b> Sue Lees	<b>Title:</b> Divisional Director Strategic Asset Management and Capital Delivery	<b>Contact Details:</b> Tel: 020 8227 3300 E-mail: sue.lees@lbbd.gov.uk
<b>Cabinet Member:</b> Cllr John White	<b>Portfolio:</b> Cabinet Member, Customer Services and Human Resources	<b>Contact Details:</b> Tel: 020 8724 8013 E-mail: john.white@lbbd.gov.uk

## 1. Background

- 1.1 At its meeting on 28 September 2010 the Cabinet agreed, amongst other things, that "The Corporate Director of Finance and Resources put in place appropriate internal arrangements for the proper monitoring and management of the Joint Venture and Partnering Agreement and the Services Contract through a new Commercial Services Unit".
- 1.2 In line with that decision officers have developed governance, monitoring and management arrangements for the Elevate Joint Venture and for other large Council contracts in the future.
- 1.3 The arrangements that have been developed cover:
  - Governance structures post-financial close

- The establishment of a Commercial Services Unit to manage a range of large Council contracts and a Transformation Unit to assist the rest of the organisation deliver its modernisation programme

## **2. Proposal**

### **2.1. Governance structures post-financial close of the Joint Venture.**

2.1.1 The proposed governance arrangements for Elevate will be made up of:

- The Strategic Partner Board;
- The Elevate Limited Liability Partnership (which is the Service Delivery organisation); and
- The Commercial Services Unit which will provide the appropriate clienting arrangements.

2.1.2 A diagram showing the proposed governance structure can be seen at **Appendix 1**. Agilisys has agreed to this proposal.

## **2.2 The Strategic Partner Board**

2.2.1 The Strategic Partner Board's role will be one of influencing the activities of Elevate.

2.2.2 The Strategic Partner Board will meet monthly to discuss the strategic direction of the partnership, and will receive quarterly performance and risk reports.

2.2.3 It is further proposed that the agenda of the Strategic Partner Board includes a monthly consideration of the Fostering Opportunities agenda (this part of the contract is about the creation of new jobs in Barking and Dagenham) as the arrangements proposed by Agilisys include elements to be provided by Agilisys direct rather than through Elevate. Those elements have been secured for the Council by Agilisys being party to the Service Contract.

2.2.4 Attached at **Appendix 2** are draft Terms of Reference for this board and provide additional explanation of the functions which the board will be performing.

2.2.5 Membership of the Strategic Partner Board is shown on Appendix 1. The seat for Union representation will be reserved for the Union representative of staff within Elevate. This position will be held for a two-year period, and to assure independence can only be held by a union representative with no personal connections to employees of Elevate.

## **2.3 Elevate Limited Liability Partnership Board**

2.3.1 The activities of Elevate will be controlled by the Limited Liability Partnership Board of Elevate. The Council will have two representatives on the Elevate Board and it is proposed that this be the Portfolio Holder for Customer Services and Human Resources and the Corporate Director of Finance and Resources. Similarly Agilisys will also have two representatives on the Elevate Board.

2.3.2 The Member representative on the Elevate Board, and his/her deputy, will be required to declare an interest every time either an Elevate matter, or a Council

matter which may impact upon future Elevate opportunities, comes before the Cabinet and might have a prejudicial interest depending on the business, in which case the Member should not participate in the discussion and the decision-making on that matter.

- 2.3.3 There will be an independent Chair appointed, but in the early stages this role may be taken by Elevate Board representatives in rotation. Officers within Elevate will service the Elevate Board and be held to account by it.
- 2.3.4 In the event of a dispute that results in deadlock at the Elevate Board, escalation will be to a senior officer within the partner organisations. In the case of the Council this will be the Chief Executive. If there is no resolution through this process, then the LLP agreement will provide a buyout mechanism in favour of the Council in the first instance. This does not impact upon the continuity of the service contract.
- 2.3.5 The Elevate Board will meet monthly, after the Strategic Partner Board, and will agree the annual Business Plan of Elevate and receive regular performance and business development reports.
- 2.3.6 Certain legal and contractual matters, known as 'reserved matters' will require unanimity at the Elevate Board, effectively meaning that certain decisions cannot be made by Agilisys, Elevate's managing partner, without the full approval of the Council through its two representatives on the Board. This would include, for example, matters such as changes of terms and conditions for employees, the addition of another partner into the Elevate Limited Liability Partnership, extension or amendment to services provided, etc.

## **2.4 The Commercial Services Clienting Function**

- 2.4.1 Located within the Finance and Resources Department, a new Commercial Services Unit has been created to negotiate and to project manage the letting of major contracts. This Unit will also manage and monitor high value contracts ensuring that benefits are realised and house the commissioning functions for Procurement and Revenues and Benefits. It is anticipated that, over time, other large contracts will be managed by this unit.
- 2.4.2 Alongside the Unit will sit an Information Communication Technology and Transformation Unit which will monitor the Information Communication Technology and One B&D elements of the contract and support the Council's transformation programme.
- 2.4.3 Attached at **Appendix 3** is the structure of the Commercial Services unit, and the Transformation Unit.
- 2.4.4 The Commercial Services unit will provide the clienting function and will be responsible for managing the performance of the contract for each of the services being delivered by Elevate to the Council. The Commercial Services unit will receive monthly performance reports from Elevate, and will manage the contract using the mechanisms within the contract (the Payment Mechanism) to ensure that the Council receives its expected level of performance, and only makes contractual payments after deductions if there is a performance failure.

- 2.4.5 The Commercial Services Unit will provide regular performance reports to the Corporate Management Team (CMT) through the Performance Board element of the CMT agenda, and the CMT will then provide regular reports to Cabinet. Performance reports will also be presented to the Strategic Partner Board.
- 2.4.6 Decisions on further service transformation, new services to transfer into Elevate, or other amendments to the contract, will be driven through the Strategic Partner Board from the Transformation Board (an officer Board set up to manage Council transformation in a planned and efficient way), and into CMT (with their remit of Council Programme Board). Decisions will then be actioned through the Commercial Services unit.

## **2.5 The Service Delivery Organisation ( Elevate East London LLP)**

- 2.5.1 Elevate is the Service Delivery Organisation, and is responsible for the delivery of services under contract to the Council. At this stage the services that this will cover are:
- Revenues and Benefits
  - Procurement and Accounts Payable
  - B&D Direct and One Stop Shops, including Careline and Mobility Services.
  - Information and Communication Technology

There is scope to transfer further services into Elevate upon the instruction of Cabinet.

- 2.5.2 Staff will transfer (by way of Transfer of Undertakings (Protection of Employment) Regulations) from the Council into Elevate. On a day to day basis Elevate's activities will be managed by Agilisys as the managing partner of Elevate and it will deliver those services to and on behalf of the Council.

## **3. Membership and Selection of the Council Representation on the Strategic Partner Board and the Elevate Limited Liability Partnership Board.**

- 3.1 It is proposed that membership of the Strategic Partner Board will comprise of:
- Three (3) elected Members of the Council, namely the Portfolio Holder for Finance, Revenues and Benefits, who will Chair the Board, the Portfolio Holder for Customer Services and Human Resources, and a non-Cabinet Member)
  - One (1) trade union representative from the workforce of Elevate
  - The Council's Corporate Management Team (5)
  - One (1) Fostering Opportunities Officer (Divisional Director of Regeneration and Economic Development to lead)
  - The Divisional Director of Assets and Commercial Services
  - Three (3) Agilisys representatives
  - Two (2) Elevate representatives.
- 3.2 There are no voting activities on this Board as it is not a decision making Board.
- 3.3 The Council appointments to the LLP Elevate Board and the Strategic Partner Board will be approved by Assembly on 8 December 2010.

3.4 As referred to in paragraph 2.3.1 the proposal is that there are two Council representatives (Members of the Board) on the Elevate Board. It is proposed that these roles are filled by the Portfolio Holder for Customer Services and Human Resources and the Corporate Director of Finance and Resources. It is further proposed that the Divisional Director of Assets and Commercial Services and the Divisional Director of Corporate Finance be appointed to deputise for the Corporate Director of Finance and Resources when and if required, and that a Member be appointed to deputise for the Portfolio Holder for Customer Services and Human Resources when and if required.

3.5 The appointment of the independent Chair of Elevate will be by way of interview by the Board of Elevate and will require commensurate remuneration. The level of remuneration will be set by the Board of Elevate by reference to market remuneration for equivalent posts.

#### **4. Council Scheme of Delegation**

4.1 The Council's Scheme of Delegation (Part C) will be expanded to reflect the commercial services function and in particular the clienting arrangement.

#### **5. Financial Issues**

5.1 The cost of the establishment of the Commercial Services Client Unit will be funded from existing resources. There are a small number of new posts (no more than 2 or 3 depending on internal applications) which may require filling externally as we may not have the skills internally, however most posts will be filled by people displaced through other Council restructures.

#### **6. Legal Issues**

6.1 The governance and legal structure of Elevate has been established on the advice of external legal and financial advisers. The Council's Legal Partner is satisfied that the structure is in compliance with all legal requirements and the Council's instructions.

#### **7. Other Implications**

7.1. **Risk Management** - There are no intrinsic risks associated with the proposals of this report. Introducing adequate governance arrangements will allow for the Council to ensure contract compliance.

7.2 **Staffing Issues** - The Commercial Services Unit is a new team that has been created to negotiate and to project manage large contract letting. The team will be recruited to from internal (by way of redeployees and internal appointments) and external applicants.

7.3 **Customer Impact** - No specific implications at this stage.



**8. Options appraisal**

- 8.1 The proposal put forward within this paper is a requirement for the good governance of such a large contract. Without accepting this option, the contract is at risk of not being managed adequately and therefore the benefits not being realised.

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

Cabinet Report 28 September 2010– Business Case and Appointment of Preferred Bidder for Joint Venture Strategic Partnership

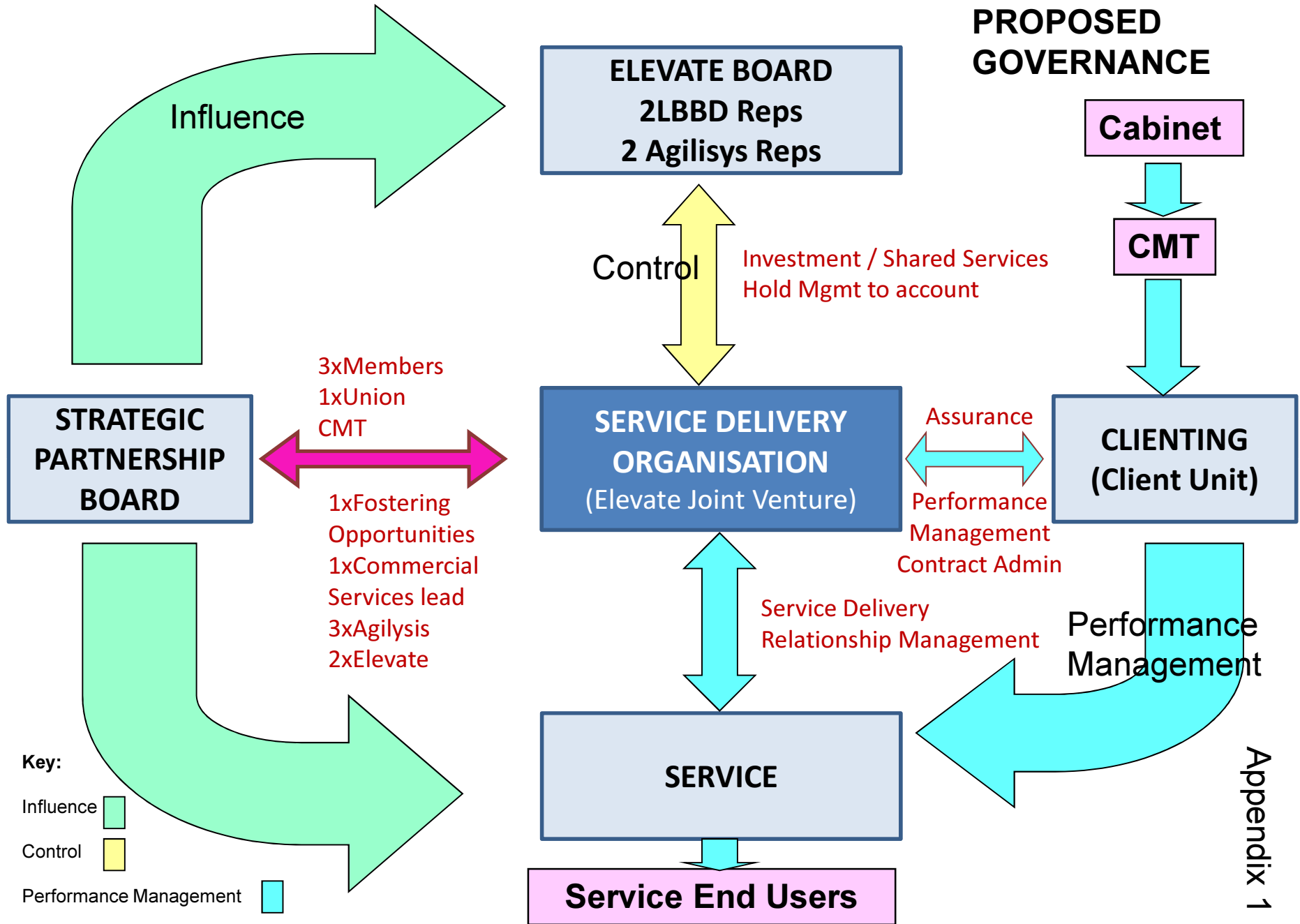
**10. List of appendices:**

Appendix 1 – Joint Venture Governance Structure

Appendix 2 – Terms of Reference for the Strategic Partnership Board.

Appendix 3 – The structure of the Commercials Services and Transformation Unit

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# Strategic Partner Board

## Draft Terms of Reference

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The Strategic Partner Board has been established by Agilisys and the London Borough of Barking and Dagenham to advise on the overall strategy and direction of the Elevate joint venture (the Limited Liability Partnership) and to ensure a wide perspective is taken into account in managing Elevate.

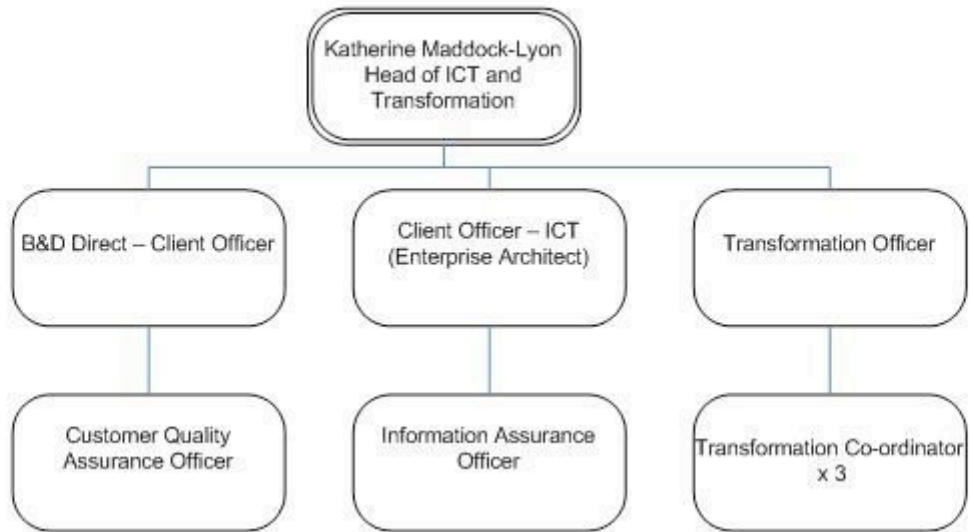
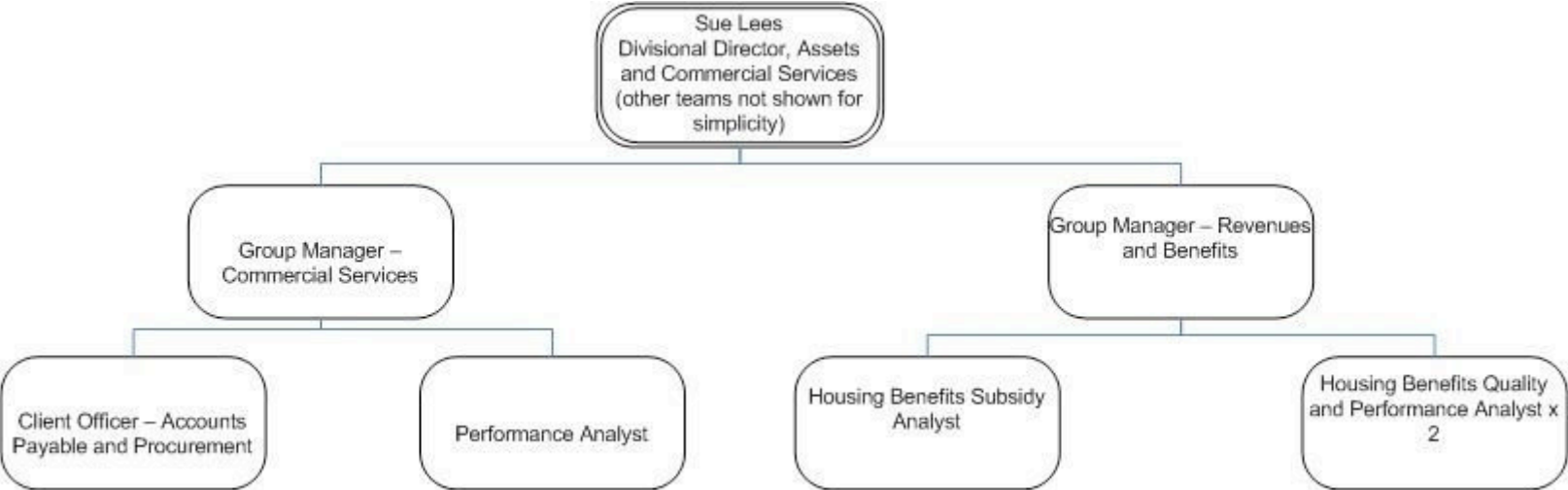
The Board sits formally once a month and then on an as needed basis by teleconference. The Board consists of a broad cross section of LBBB Members, Trade Union representatives, LBBB CMT, LBBB Commercial Services officers, LBBB Fostering Opportunities Officers, Agilisys and Elevate.

Members of the Board will be appointed by the organisations who are members of Elevate in accordance with the governance rules of those organisations. The Chair of the Board will be the LBBB Portfolio holder for Modern Ways of Working and Human Resources.

The functions of the Strategic Partner Board are to:

- advise on the overall strategy and direction of Elevate;
- advise on the development of Elevate’s strategic operational plan and progress and make recommendations as appropriate;
- advise on the development of Agilisys’s Fostering Opportunities plans and progress and make recommendations as appropriate
- to performance manage Agilisys’s delivery of its Fostering Opportunities offer
- advise and support the Elevate Board;
- consider reports on Elevate’s current activity, annual reports and monitoring information and advise the Elevate Board accordingly;
- to receive quarterly performance reports and advise accordingly;
- act as ambassadors on behalf of Elevate within networks of practice in London and bringing feedback and business development opportunities from these;
- act as a sounding board for new ideas and developments;
- assist CMT to build and deliver cases for change where these are required;
- provide constructive challenge to the assumptions and operating practices of Elevate.
- to receive quarterly risk management reports and advise accordingly.

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## THE ASSEMBLY

8 DECEMBER 2010

## REPORT OF THE CORPORATE DIRECTOR OF FINANCE &amp; RESOURCES

<b>Title:</b> Local Government Pension Scheme Annual Report 2009/10		<b>For Information</b>
<p><b>Summary:</b></p> <p>The purpose of this report is for the Assembly to note the Annual Report of the London Borough of Barking and Dagenham Local Government Pension Scheme for 2009/10.</p> <p><b>Wards Affected:</b> All</p>		
<p><b>Implications:</b></p> <p><b>Financial:</b> The report considers the performance of the Pension Fund, which has financial implications on the Council as an employer in the fund and as administering body for the fund. However, there are no direct financial implications in approving this report.</p> <p><b>Legal:</b> There are no legal issues arising from this report.</p> <p><b>Risk Management:</b> The risk management considerations are built into the Pension Panel's terms of reference. There are no specific risks arising from this report.</p> <p><b>Social Inclusion and Diversity:</b> There are no specific adverse impacts insofar as this report is concerned.</p> <p><b>Crime and Disorder:</b> There are no specific implications insofar as this report is concerned.</p> <p><b>Options Appraisal:</b> There are no specific implications insofar as this report is concerned.</p>		
<p><b>Contact Officer:</b> Jonathan Bunt</p> <p>Miriam Adams</p>	<p><b>Title:</b> Corporate Financial Controller</p> <p>Treasury &amp; Pensions Manager</p>	<p><b>Contact Details:</b> Tel: 020 8724 8427 Email: jonathan.bunt@lbbd.gov.uk</p> <p>Tel: 020 8227 2722 E-mail: miriam.adams@lbbd.gov.uk</p>

**LONDON BOROUGH**

**OF**

**BARKING AND DAGENHAM**

**2009/10**

**PENSION FUND**

**ANNUAL REPORT**

## 1.0 INTRODUCTION

1.1 This report provides information for employers, members of Pension Fund and other interested parties on how the London Borough of Barking and Dagenham Pension Fund ("Pension Fund") has performed and been managed during the year 1 April 2009 to 31 March 2010.

As at 31 March 2010, 8 employers in the Fund currently have active members; this amounts to the current number of contributing members in the Fund of 5,495. Two new employers are soon to join the Fund.

During the year the market value of the Pension Fund assets increased by £136m to £549m. However the overall investment return for the year was 32.4%, compared to the Pension Fund's combined benchmark return of 35.0%

## 1.2 Statutory Background and Legal Framework

The London Borough of Barking and Dagenham Pension Fund is part of the Local Government Pension Scheme (LGPS). It is a statutory scheme. A new set of regulations governing the Scheme was introduced from 1 April 2008 and further updates to the Scheme became effect from December 2009.

The Scheme is run by the London Borough of Barking and Dagenham the Administering Authority in accordance with these regulations.

## 2.0 MANAGEMENT AND FINANCIAL PERFORMANCE REPORT

2.1 Scheme Management and Advisers as at 31 March 2010 is as below:

**Administering Authority** London Borough of Barking & Dagenham

**Administrator** Tracie Evans, Director of Finance & Resources

**Pension Panel as at 31 March 2010**  
Cllr Graham Bramley (Chairman)  
Cllr Evelyn Carpenter  
Cllr Shaun Carroll  
Cllr Alok Agrawal

Following the general election in May 2010, the composition of the pension panel as at 19 May became:

Cllr Cameron Geddes (Chairman)  
Cllr James Ogungbose  
Cllr Jeff Wade  
Cllr Tariq Saeed

**Union Representative** Miles Dowdell (GMB)

**Investment Managers**  
Alliance Bernstein Institutional Investments  
Goldmans Sachs Asset Management  
Aberdeen Asset Management  
RREEF

The Fund has since purchased investments in Schrodgers Property Indirect Real Estate Fund and M&G UK Companies Financing Fund LP

<b>Additional Voluntary Contribution provider (AVC)</b>	Prudential PLC
<b>Custodian</b>	State Street Bank & Trust Company
<b>Investment Advisor</b>	Hymans Robertson LLP
<b>Actuary</b>	Hymans Robertson LLP
<b>Auditor</b>	Audit Commission
<b>Performance Measurement</b>	State Street Global Services
<b>Legal Advisors</b>	LBBB Legal Partners (The Pension Fund uses the council's legal team and in some cases may use an external legal team for specific projects)

## **2.2 Administering Authority Report**

**2.2.1** London Borough of Barking and Dagenham (the "Council") is the Administering Authority of the Pension Fund and administers the Scheme on behalf of the participating employers of the Fund, past and present contributing members and their dependants as well as members who have currently frozen or deferred their pension benefits.

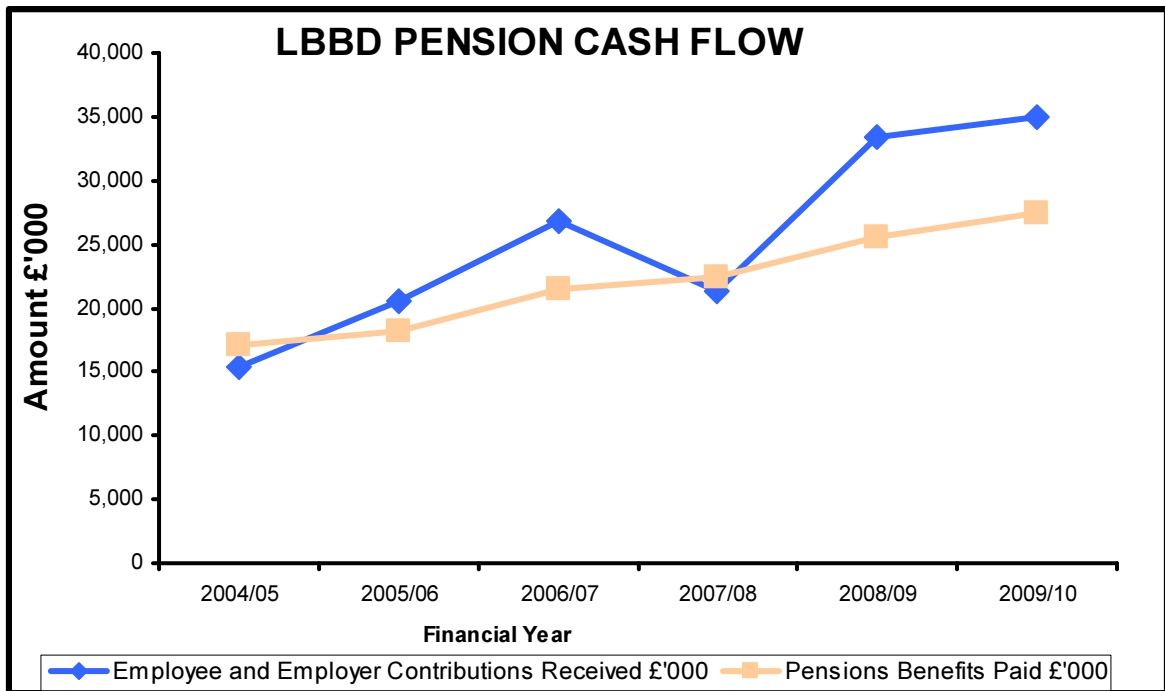
### **2.2.2 Funding**

The Scheme is a funded scheme, financed by contributions from the Council, other employers, and employees and by investment income and capital growth of the Fund's assets.

Staff and employers both contribute to the assets within the pension fund, in the form of employees and employers contributions. The Fund balance is invested in stocks and shares, fixed interest investments, and property, both in the United Kingdom and overseas. In 2009/10, these funds were managed by four external fund managers, Aberdeen Asset Management, Goldman Sachs Asset Management, Alliance Bernstein Institutional Investments and RREEF limited. The Pension Fund has since purchased two other investments – Schrodgers Property Indirect Real Estate Fund and Prudential/M&G UK Companies Financing Fund LP.

### **2.2.3 Scheme Cash Flow**

The chart below shows how despite the changes in both income and expenditure the Fund continues to maintain sufficient cash balances to meet its day-to-day liabilities.



### 2.3 Changes affecting the LGPS during 2009/10 and current developments

A number of changes came into effect in 2009/10 and there are a number of changes which are expected to take place as a result of economic pressures. Some of these are:

The Independent Public Service Pensions Commission (IPSPC) led by John Hutton published an interim report on 7 October. The report highlights the importance of providing good quality pensions to public servants, and concludes that there is a clear rationale for public servants to make a greater contribution if their pensions are to remain fair to taxpayers and employees, and affordable for the country.

Pensions increase index linking from 2011 – in his budget of 22 June, the Chancellor described a range of possible cost saving measures linked to public service pensions from April 2011. This included the possibility of indexing pensions in payment with the Consumer Price Index (CPI) rather than the current index used, the Retail Price Index (RPI). The link to RPI has always been outside of LGPS legislation. Increases are contained within the Pensions Increase Act 1971 and 1974 and the LGPS is subject to annual increase orders.

New tax rules for 2011 – the major changes are a reduction in the Annual Allowance (AA) to £50,000 from 1 April 2011 and reduction in the Lifetime Allowance (LTA) to £ 1.5m from 1 April 2012

LGPS (Miscellaneous) Regulations 2009 – this came into force on 31 December 2009 and made a number of significant changes to the 2008 Scheme regulations.

The rates and salary bandings applicable during 2009/10 are shown in the table below.

Band	Range	Contribution Rate
1	£0 to £12,600	5.5%
2	£12,601 to £14,700	5.8%
3	£14,701 to £18,900	5.9%
4	£18,901 to £31,500	6.5%
5	£31,501 to £42,000	6.8%
6	£42,001 to £78,700	7.2%
7	More than £78,700	7.5%

Employers contributions are payable at rates specified by the Pension Fund's Actuary following each triennial valuation. Rates are adjusted to reflect any surplus or short fall in the Pension Fund.

## **2.4 Summary of Benefits**

The Scheme is a defined benefit salary scheme which guarantees to provide benefits which are a specified fraction of a Scheme member's "final-pay". Benefits are not affected by variations in investment performance.

## **2.5 Additional Voluntary Contributions AVC**

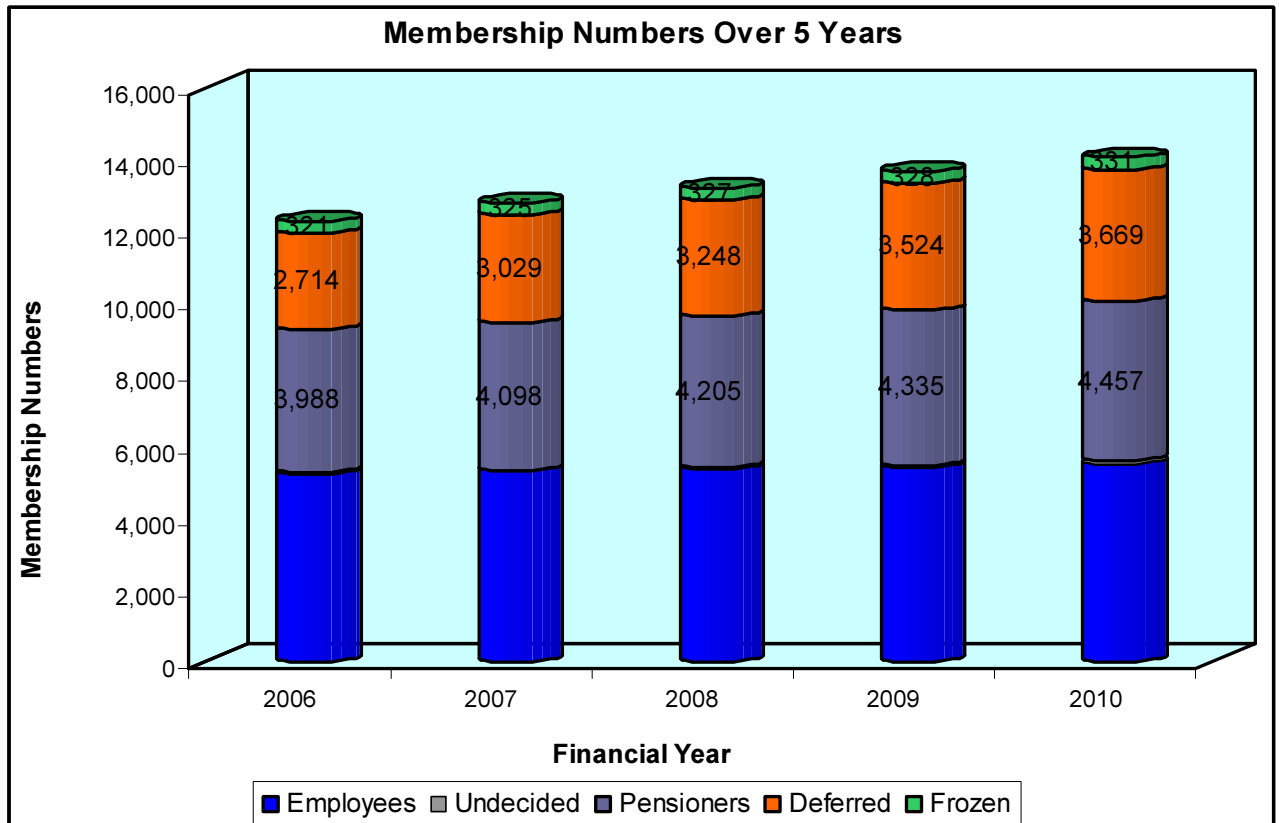
Scheme members may also elect to pay additional contributions to be invested in an Additional Voluntary Contribution Scheme. The London Borough of Barking and Dagenham have chosen Prudential as its AVC provider.

## **2.6 Dispute Resolution**

The LGPS is required by statute to make arrangements for the formal resolution if disagreements between, on the one hand, the managers of the Scheme and on the other, active deferred and pensioner members or their representatives. There is therefore a two stage dispute resolution procedure.

## **2.7 Scheme Membership**

The chart below shows the membership of the fund over 5 years.



All Council's employees, except those covered by the Teachers Pension Scheme Regulations can join the Authority's Pension Scheme. The LGPS regulations also provide for specified bodies (employers) to be admitted in to the Fund.

## 2.8 Employers

The Scheme had 12 employers as at 31 March 2010, of which the Council is the administering body. 3 employers currently had no active members in the Fund and 4 employers had no pensioners in the Fund.

Details of employer organisations are as follows:

**Administering Body** London Borough of Barking & Dagenham

**Scheduled Bodies** University of East London  
Barking College  
Magistrate Court

**Admitted Bodies** Barking College for Voluntary Services;  
Age Concern Barking and Dagenham;  
Abbeyfield Barking Society;  
Disablement Association for Barking and Dagenham;  
Barking and Dagenham Citizen's Advice Bureau;  
London Riverside;  
Thames Accord; and  
East London E-Learning.

The Council's contract with Age Concern Barking & Dagenham has since ceased as at 1 April 2010.

## **2.9 Risk Management**

The council has key pension fund risk incorporated in its corporate risk register. In addition the Pension Fund has an active risk management programme in place and adopts the recommendations of the 2008 Myners principles. The measures that the administering authority has in place to control key risks are summarised below under the following headings:

- Financial;
- Demographic;
- Longevity;
- regulatory; and
- governance

A copy of the Council's risk register is available on request.

## **2.10 Management of third Party Risks**

The Pension Panel reviews annually all SAS70 and AAF 01/06 reports for its investment managers and custodian. Where there are concerns the Panel contacts the fund manager for steps it has taken to mitigate risks or issues raised by third party auditors.

All employers are regularly informed of the statutory duty to ensure that contributions are received by the Administering Authority on time. In 2009/10 one employer in the Fund went into administration.

## **2.11 Financial Performance**

The Pension Fund prepares a three year plan of its funding. This report is known as the funding strategy statement. The purpose of the Funding Strategy Statement is as follows:

- To establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward;
- To support the regulatory requirement to maintain as nearly consistent employer contributions as possible; and
- To take a prudent longer-term view of funding those liabilities.

Admitted bodies are usually circulated with valuation results for comments and agreement on contribution rates. Their responses are considered in preparing the Funding Strategy Statement for the Fund.

A detailed copy of this report can be obtained on request. This document is also available on the council's website.

## **2.12 Monitoring of Fund's Funding Position**

The Administering Authority monitors the funding position, between valuation dates, allowing for actual investment returns and changes in financial assumptions (such as liability discount rate) caused by changes in market conditions. This navigation report is prepared by the Fund's actuary Hymans Robertson. In addition specific inter-valuation monitoring for individual employers may be undertaken if requested by the employer. The Council as the largest employer in the Fund undertakes this inter-valuation monitoring annually. The Council will results of the 2010 actuarial valuation will not be known until the end of 2010.



### **3 INVESTMENT POLICY AND PERFORMANCE REPORT**

#### **3.1 Powers of Investment**

The principle powers to invest are contained in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 (as amended) and require an Administering Authority to invest any pension fund money that is not needed immediately to make payments from the Pension Fund.

#### **3.2 Investment Strategy**

The London Borough of Barking and Dagenham as Administering Authority is responsible for setting the overall investment strategy of the Pension Fund and monitoring of investment performance. This task is carried out by the Pension Panel on behalf of the Fund. The investment strategy is usually set for the long-term, but reviewed periodically by the Panel to ensure that it remains appropriate to the Fund's liability profile. The investment strategy of the Fund is usually known as the Statement of Investment Principles (SIP). A copy of this document can be found on the Council's website.

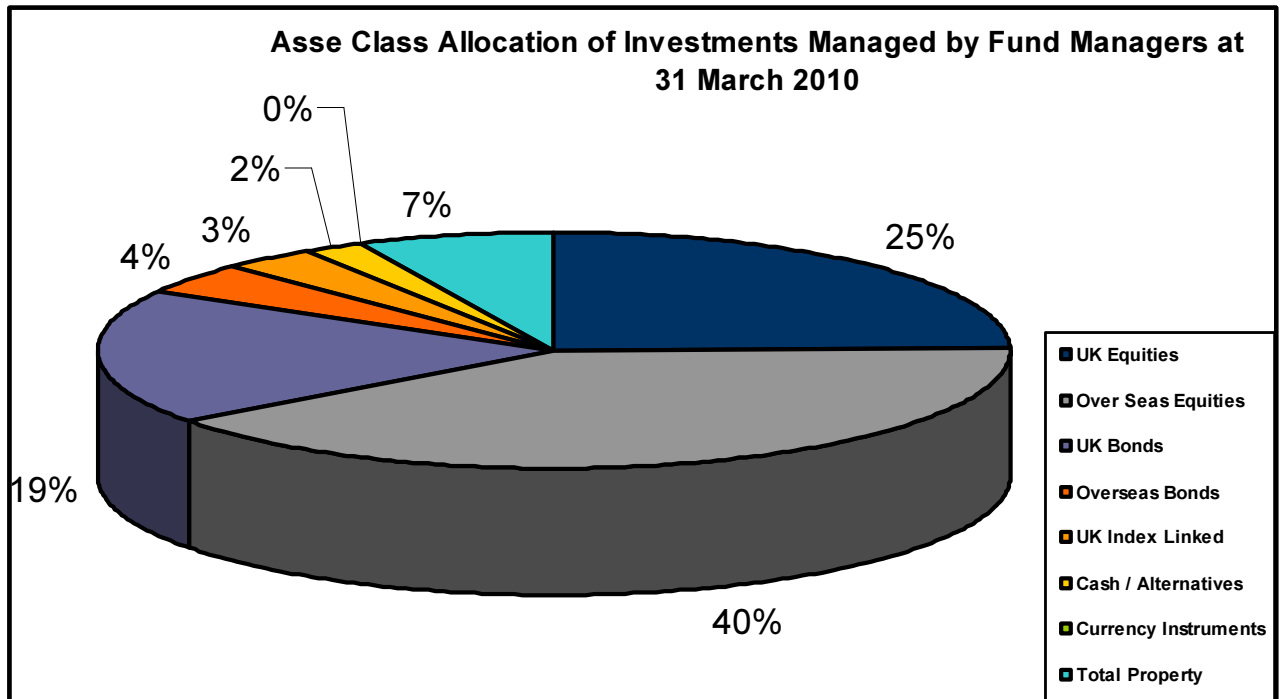
##### **3.2.1 Asset Allocation**

Although the benchmark is heavily weighted towards equities (as the asset class expected to provide the highest return over the medium term to long term), there is a significant exposure to property and bonds and from April 2010 the Fund now has exposure to alternative investments.

Within equities, diversification is achieved by investing in different markets across the world, which provides exposure to many different sectors and stocks.

The Pension Fund investments are allocated over various Fund managers and over different investment types. This helps to diversify risk.

The table below shows percentage of the fund managed by asset type as at 31 March 2010.



### 3.2.2 Manager Structure

The Pension Fund employs a number of managers. Strategic asset allocation dispositions in the Fund and between managers was addressed during the financial year by deciding to invest in the M&G Financing Fund which takes advantage of opportunities in UK credit opportunities and investments in Schroder Indirect Property Fund (SIRE) which is a pooled fund of fund property portfolio. Both of these diversifications will provide the Fund with a degree of manager diversification, these investments have now been purchased.

3.2.3 The table below shows the total manager weighting and benchmark

Manager	% of Fund	Benchmark
Alliance Bernstein Global	24	89% MSCI World/11% MSCI EM Free
Alliance Bernstein UK	8	100% FTSE All Share
Goldmans Sachs	33	54% FTSE All Share, 15% MSCI North America, 15% MSCI Europe ex UK NDR, 8% MSCI Japan NDR, 8% MSCI Pacific ex Japan NDR
Aberdeen Asset	25	68% Merrill Lynch £ Broad Index, 16% FTSE Govt UK Index-Linked All Stocks, 16% Lehman Agg ex UK
RREEF	10	IPD Monthly Index
% of Total Fund Benchmark	100%	

### 3.3 Investment Activity and Performance

**3.3.1** The Pension Fund like other investors around the world faced a challenging year, although significant improvements to more asset classed were produced by 31 March 2010.

### 3.3.2 Investment Activity

The table below shows the top 10 stocks in the Fund as at 31 March 2010.

<b>Fund Manager</b>	<b>Asset Description</b>	<b>Shares/Par</b>	<b>Base Market Value</b>	<b>Percentage of Total Fund</b>
Aberdeen	Aberdeen Fixed Income Fund	27,111,622	38,227,387	7.33%
RREEF	RREEF Ltd UK Core Property Fund A	247,447	33,435,047	6.41%
Aberdeen	Aberdeen Global II AGG Bond Z2	2,383,570	21,904,509	4.20%
Alliance Bernstein	ACM Bernstein Value Investment ACM Emerging Market Value Fund	372,568	12,365,553	2.37%
Alliance Bernstein	Alliance Bernstein Emerging Market Growth Fund S1	320,182	8,651,396	1.66%
Aberdeen	UK Treasury 09/19 Fixed 3.75	6,620,000	6,522,090	1.25%
Aberdeen	UK(Govt of) 4PCT STK GBP100 07SEP16	5,680,000	5,948,788	1.14%
Aberdeen	Treasury 03/14 Fixed 2.25	5,800,000	5,792,384	1.11%
Aberdeen	UK Govt of 09/34 Fixed 4.5	5,180,000	5,163,337	0.99%
Goldmans Sachs	HSBC Holdings Plc Common Stock USD.5	757,310	5,058,831	0.97%
Aberdeen	UK(Govt of) 11/17 Fixed 1.25	4,724,202	5,018,473	0.96%

### 3.3.3 Investment performance

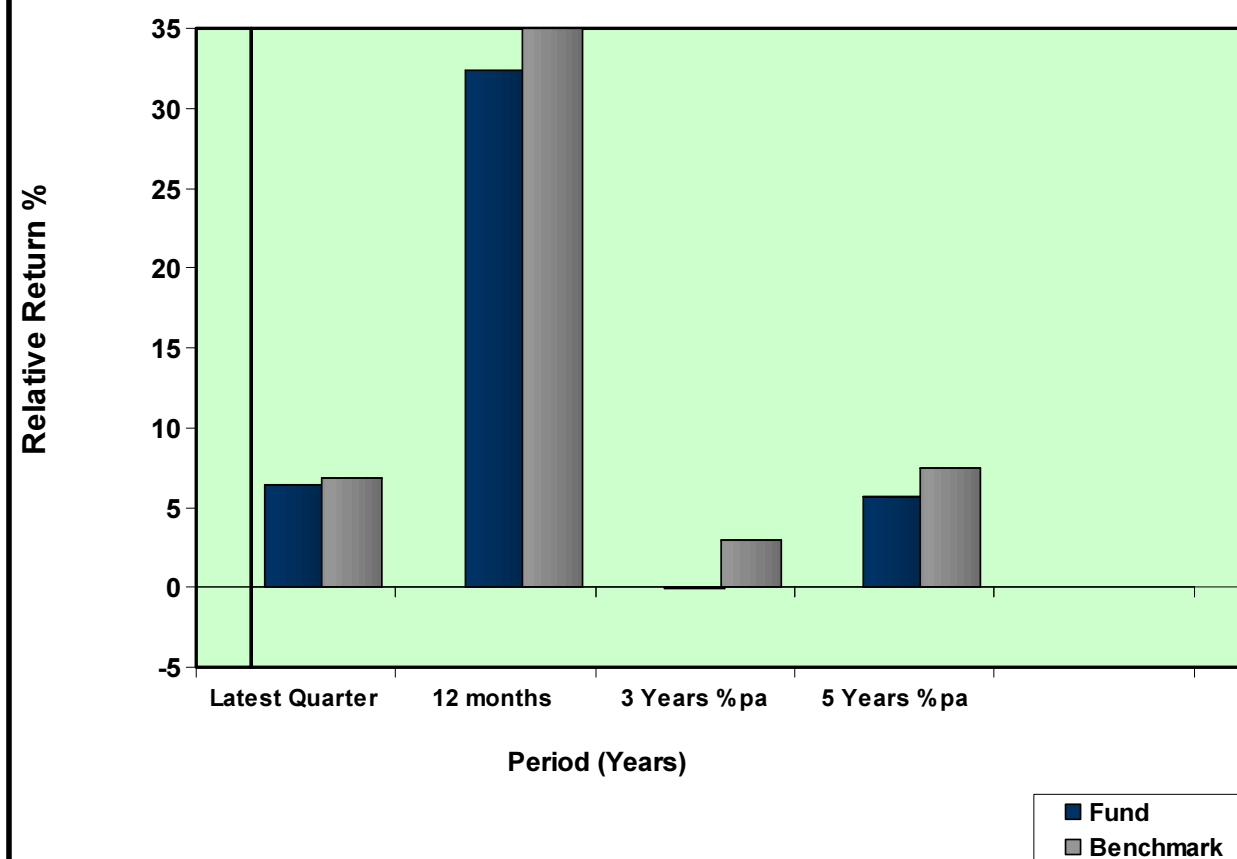
The Total Fund return of 6.4% for the quarter ending March 2010 was 0.4% below the combined Fund Benchmark return of 6.8% for the period.

The below benchmark performance during the quarter was mainly due to the relative underperformance of the Alliance Bernstein Global Equity mandate and was further added to by the underperformance of the RREEF property portfolio. Some offset to this underperformance was provided by the Alliance Bernstein UK Equity mandate and the Aberdeen Bond mandate, which both outperformed their benchmarks.

For the 1 year period to end March 2010 the Total Fund returned 32.4% however, this is 1.9% behind the benchmark return of 35.0%.

Over the three year period to end March 2010, the fund returned -0.1% p.a. which is 3.0% p.a. behind the benchmark return of 3.0% p.a.

### Long Term Investment Performance at 31 March 2010



#### 3.3.4 Investment Manager Performance

The table below shows the investment manager performance in 2009/10 relative to their Benchmark:

	Fund Strategic Weighting %	Portfolio Return %	Benchmark Return %	Relative Return %
<b>Equities</b>				
Alliance Bernstein Global	24	49	47.6	0.9
Alliance Bernstein UK	8	46.2	52.3	-4
Goldman Sachs	33	48.2	49.7	-1
<b>Bonds</b>				
Aberdeen Asset Mgmt	25	11	8.4	2.3
<b>Property</b>				
RREEF	10	7.6	16.3	-7.5

#### 4 ACTUARIAL REPORT ON FUND

#### **4.1 Actuarial Valuation and Solvency of the Fund**

Legislation requires the Pension Fund to have an actuarial valuation undertaken every three years. The purpose of the valuation is for an independent assessment to be made of the health of the Fund – its funding level. The Fund actuary assesses the future growth in the value of the fund and the future liability to pay pensions to current and former employees.

#### **4.2 Actuarial Statement**

Actuarial Statement for the Pension Fund has been produced by the Fund Actuary Hymans Robertson LLP. This is included as an appendix to this report.

#### **4.3 Scheme Liabilities at 31 March 2010**

The Fund actuary reported the triennial valuation as at the 31<sup>st</sup> March 2007. The funding level was 88%. The aim of the report is to recommend employer contribution levels to ensure that assets in the fund cover liabilities over the long term. The 2010 valuation is almost completed, results are expected at the end of the year.

### **5 SCHEME GOVERNANCE AND ADMINISTRATION**

#### **5.1 Scheme Governance Policy Statement**

It is important that appropriate governance arrangements are put in place representing the needs of all stakeholders in the Scheme

**5.1.2** In accordance with the Local Government Pension Scheme Regulations 2007, Local Government Pension Scheme administering authorities are now required to prepare a Governance Compliance Statement. This statement should set out how administering authorities comply with the best practice guidance as issued by the Secretary of State for Communities and Local Government and Myners Principles 2001 as Amended 2008.

This statement sets out the best practice guidance, and how the London Borough of Barking and Dagenham comply with this guidance.

A copy can be found on the Council's website.

#### **5.2.2 Publicity**

The Governance Compliance Statement is available on request. The document is also published on the council's website as required by statute.

#### **5.3 Communication**

The Pension Fund has published a Communication Policy Statement which sets out how it communicates with employers and representatives of employers, Scheme members and prospective Scheme members. A copy of this document is available on the council's website

#### **5.4 Pension Panel**

The Pension Panel has responsibility for all pension fund matters. Some of these tasks include:

- Review of Whole Fund Mandate
- Review of Fund Manager Mandate, Strategy and Structure
- Review of Alternative Asset Classes for Investment of accumulated internal cash
- Review of Fund Manager and Custodian Auditor Reports (SAS 70)
- Annual Review of AVC providers Performance
- Review of the Statement of Investment Principles SIP
- Review of the Governance Policy Statement
- Review of Governance Compliance Statement
- Review of Pension Fund Membership
- Review of the Asset and Liabilities of the Pension Fund
- Admission of admitted bodies to the Fund

In addition as recommended by the Myners Principles 2008, the Council has adopted the recommendations of the knowledge and skills framework. The Pension Panel undertake various training through out the year to equip them in their responsibility as Trustees of the Fund.

## **6 FUND ACCOUNT AND NET ASSETS STATEMENT**

### **6.1 Pension Fund 2009/10 Account Summary**

The 2009/10 compared to 2008/09

- The number of contributors to the Scheme increased by 1.5% to 5,495
- The number of pensioners paid increased by 2.7% to 4,457.
- Contributions income rose by £1.4m (5.84%)
- Investment income decreased by £2.258m (14.7%)
- Payments made out of the Fund increased by 12.5% to £33.4m

### **6.2 Investments**

The Fund market value at 31<sup>st</sup> March 2010 was £549.3m against a market value of £413m as at 31<sup>st</sup> March 2009, representing an increase of £136.3m.

The Pension Fund Accounts is included below it can also be located on the council's website.

# **PENSION FUND ACCOUNTS 2009-10**

**Explanatory Foreword**

**Statement of Responsibilities for the Statement of Accounts**

**Pension Fund Account**

**Statement of Accounting Policies**

**Extract from Actuarial Report**

**Notes to the Statement of Accounts**

**Audit Report to the Pension Fund**

## **Explanatory Foreword**

### **1. Format of the Pension Fund Statement of Accounts**

The primary function of the London Borough of Barking and Dagenham in respect of these accounts is as an Administering Body to the London Borough of Barking and Dagenham Pension Fund.

The 2009/10 pension fund accounts report two separate accounts:

- Fund Account; and
- Net Assets Statement

The accounts were authorised for issue by the Corporate Director of Finance and Commercial Services on 30 June 2010

### **2. Review of the Statements**

Pension Fund Account

The net assets of the pension fund have increased by £136m to £549m (£413m in 2008-09) largely as a result of the change in market value of the assets.

The other main factors affecting the Pension Fund Accounts are set out below:

- Net Return on Investments was £136m;
- Investment income decreased by £2.2m;
- Employer contribution rate remained the same as last year;
- Employee contributions continues to be paid on a tiered basis; and
- Net income on the fund increased by £1.8m

### **3. Accounting for retirement benefits (FRS 17)**

The financial statements disclose the cost of providing retirement benefits and related gains and losses, assets and liabilities under FRS 17 for the whole fund.



## **Statement of Responsibilities for the Pension Fund Statement of Accounts**

The Administering authority's responsibilities:

The London Borough of Barking and Dagenham Pension Fund is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the London Borough of Barking and Dagenham Pension Fund this is the Corporate Director of Finance and Commercial Services who is responsible for presenting fairly the financial position of the pension fund as at 31 March 2010.

In preparing these accounts the Corporate Director of Finance and Commercial Services has:

- Selected suitable accounting policies and applied them consistently in addition to the policies which apply to the council's statement of accounts;
- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the statement of accounts presents a true and fair view of the financial position of the London Borough of Barking and Dagenham Pension Fund at 31 March 2010 and its income and expenditure for the period.

Tracie Evans  
Corporate Director of Finance & Commercial Services

30 June 2010

## PENSION FUND ACCOUNT

2008-09			Note	2009-10	
£'000	£'000			£'000	£'000
		<b>Contributions &amp; Benefits</b>			
		Contributions receivable:	3		
19,483		- from employers (administering body)		20,124	
3,361		(scheduled bodies)		5,102	
1,842		(admitted bodies)		902	
	24,686				26,128
6,700		- from employees (administering body)		6,831	
1,357		(scheduled bodies)		1,701	
658		(admitted bodies)		300	
	8,715				8,832
	3,797	Transfers In - Individuals	5		7,773
	37,198	Total Contributions (A)			42,733
		Benefits payable:	4		
16,098		- Pensions (administering body)		17,660	
2,038		(scheduled bodies)		2,686	
690		(admitted bodies)		498	
	18,826				20,844
6,173		- Lump sums (administering body)		5,908	
242		(scheduled bodies)		608	
406		(admitted bodies)		77	
	6,821				6,593
		Payments to & on account of leavers			
4		- Refunds of contributions		6	
3,327		- Transfers out	5	5,353	
	3,331				5,359
678		- Administrative & other expenses	11	573	
	678				573
	29,656	Total Benefits & Expenses (B)			33,369
	<b>7,542</b>	<b>Net Income (withdrawals) (A less B)</b>			<b>9,364</b>
		<b>Returns on Investments</b>			
15,303		- Investment income	13	13,045	
(116,064)		- Change in market value of investments (realised & unrealised)		116,006	
(2,298)		- Investment management expenses	12	(2,215)	
	<b>(103,059)</b>	<b>Net Returns on Investments</b>			<b>126,836</b>
	<b>(95,517)</b>				<b>136,200</b>
20,547		Net new money invested		20,194	
(69,939)		<b>Change in market value of investments:</b>			
(46,125)		Net realised profits/(losses)		22,463	
		Net unrealised profits/(losses)		93,543	
	<b>(95,517)</b>	<b>Net increase/(decrease) in the fund during the year</b>			<b>136,200</b>
	<b>508,603</b>	<b>Opening net assets at 1 April 2009</b>			<b>413,086</b>
	<b>413,086</b>	<b>Closing Net Assets at 31 March 2010</b>			<b>549,286</b>

## PENSION FUND NET ASSETS STATEMENT

31 March 2009			Notes	31 March 2010	
£'000	£'000			£'000	£'000
		<b>INVESTMENTS ASSETS</b>	<b>10</b>		
70,900		Fixed Interest Securities - Public Sector		76,101	
83,232		U.K. Equities - quoted		115,358	
125,177		Foreign Equities		218,864	
1,255		Foreign Fixed Interest Securities		200	
34,211		Pooled Investments - Property		36,624	
69,725		Pooled Investments - Other		65,034	
1,280		Short Term Investments		0	
7,668		Cash held by Investment Managers		9,064	
20,416		Internal Investments		28,376	
	413,864				549,621
1,969		Other Investment Balances (note)		1,836	
9,479	11,448	Outstanding trades		6,617	8,453
	(11,507)	<b>INVESTMENT LIABILITIES</b>			
		Outstanding Trades			(8,369)
		<b>CURRENT ASSETS</b>	<b>14</b>		
281		Debtors - Contributions due from Employers		137	
	281				137
		<b>CURRENT LIABILITIES</b>	<b>14</b>		
(503)		Unpaid Benefits		(21)	
(497)	(1,000)	Creditors		(537)	(558)
	<b>413,086</b>	<b>TOTAL NET ASSETS</b>			<b>549,284</b>

The account summarises the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year.

Included in Aberdeen Asset Management is an option with a market value £239k

# NOTES TO THE PENSION FUND

## 1. ACCOUNTING POLICIES

### (i) **Investment Valuation**

- Quoted investments are valued at bid price at 31 March 2010 where there is an active market rather than mid-market value 31 March 2010.
- Unquoted investments are based on market value by the fund managers at year end in accordance with accepted guidelines.
- Unit trusts and managed funds are valued at the closing bid price where both bid and mid prices are quoted.
- Property is valued at market value or other basis determined in accordance with the RICS Appraisal and Valuation Manual and practice statements
- Insurance policies matching the amount and timing of benefits payable under the scheme have been valued at the amount of the related obligations
- Other insurance policies have been valued using a method giving the best estimate of fair value given under the circumstance of the scheme
- Unquoted investments are valued by the fund managers at the year-end in accordance with generally accepted guidelines.
- Investments held in foreign currencies have been valued on the same basis and translated into sterling at the closing rate ruling on 31 March 2010. All foreign currency transactions are translated into sterling at exchange rates ruling at closing rate of exchange.
- Options and Futures where used are valued on a fair value, mark to market basis.
- Industrial and commercial properties are valued at open market prices as at 31 December 2009 and then indexed in line with the Investment Property Databank Monthly Index movement to 31 March 2010.

(ii) **Accruals Basis** - The accounts are prepared on an accruals basis. Any material transactions that were found to be for this financial year which arose or were received after the end of the year are enclosed in these pension financial statements. Additional Voluntary Contributions have been excluded from consolidation into the final accounts.

(iii) **Transfer Values** - are included in the accounts on a cash basis.

(iv) **Foreign Currency Translation** – Prices in foreign currency is translated at closing exchange rate at 31 March 2010 for the appropriate currency to express the value as a sterling equivalent.

(v) **Costs of Acquiring Investments** – these costs are included in the value of the assets.

(vi) **The Pension Fund Accounts** – the pension fund financial statements have been prepared in accordance with the provisions of Chapter 2 Recommended Accounting Practice of the Pensions SORP.

(vii) **Contributions** - Normal contributions from members and employers are accounted for in the payroll month to which they relate at rates as specified in the rates and adjustment certificate. Payment of pensions and pensions increases are accounted for on an accruals basis. The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end

### (viii) **Taxation**

- a) UK Income Tax – The Fund is an exempt approved fund and therefore not liable to UK income tax on interest, dividends and property income, or to capital gains tax;
- b) Value Added Tax – VAT input tax is recoverable on all fund activities by LBBD as the administering authority;

c) Overseas Tax – Income from the USA is exempt from US taxes. Taxation agreements exist between Britain and certain EC and other countries whereby a proportion of the tax deducted locally from investment income may be reclaimed. The proportion reclaimable and the timescales involved vary from country to country. Non-recoverable deductions are classified as withholding tax.

(ix) **Going Concern** – The Pension Fund Accounts have been prepared on a going concern basis

## 2. OPERATIONS AND MEMBERSHIP

The Fund is established under the provisions of the Superannuation Act of 1972 to provide pensions and other retirement benefits for the Council's employees other than teachers, and the Scheduled and Admitted Bodies detailed below. The Employers make a contribution as determined by the Actuary, who makes a valuation of the Fund every three years. The latest valuation took place as at 31 March 2007. A revised Rate and Adjustment Certificate was issued on 2<sup>nd</sup> March 2009.

The table below shows the employer contribution rates:

EMPLOYER	Minimum Contribution for the Year					
	31/03/09	Additional Monetary Deficit Payment £'000	31/03/10	Additional Monetary Deficit Payment £'000	31/03/11	Additional Monetary Deficit Payment £'000
<b>Administering Body:</b>						
London Borough of Barking & Dagenham	17.00%	0	18.00%	0	19.00%	0
<b>Scheduled Body:</b>						
University of East London	17.00%	0	19.20%	0	19.20%	0
Barking College	14.50%	0	15.80%	0	17.10%	0
<b>Admitted Bodies:</b>						
Age Concern	19.50%	106	19.50%	111	19.50%	116
Abbeyfield Barking Society	21.50%	0	21.50%	0	21.50%	0
Barking & Dagenham						
Citizens Advice Bureau	12.50%	0	12.50%	0	12.50%	0
Enterprise (Thames Accord)	16.40%	0	16.40%	0	16.40%	0
East London E-Learning	11.50%	0	11.50%	0	11.50%	0
Disablement Association	24.30%	0	24.30%	0	24.30%	0

The table below shows the membership of the fund at 31 March 2010:

<b>Membership Numbers</b>	<b>Active</b>	<b>Pensioners</b>	<b>Deferred</b>	<b>Undecided</b>	<b>Frozen</b>
<b>Administering Body:</b>					
London Borough of Barking & Dagenham	4,452	3,709	2,872	77	246
<b>Scheduled Bodies:</b>					
University of East London	668	541	575	12	67
Magistrates Court	0	11	11	0	2
Barking College	229	94	140	2	12
<b>Admitted Bodies:</b>					
Barking Council for Voluntary Services	0	0	2	1	0
Age Concern	22	42	14	0	2
Abbeyfield Barking Society	0	4	1	0	1
Barking & Dagenham Citizens Advice Bureau	2	0	3	0	0
London Riverside	0	2	5	0	0
Enterprise (Thames Accord)	117	54	41	4	1
East London E-Learning	4	0	5	0	0
Disablement Association of Barking & Dagenham	1	0	0	0	0
<b>TOTAL</b>	<b>5,495</b>	<b>4,457</b>	<b>3,669</b>	<b>96</b>	<b>331</b>

### 3. CONTRIBUTIONS RECEIVABLE

3a) The table below shows the employers contribution receivable at 31 March 2010:

EMPLOYER	2008-09				2009-10			
	Normal	Addn Retirement costs	Deficit Funding	Total	Normal	Addn Retirement costs	Deficit Funding	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Administering Body</b> London Borough of Barking & Dagenham	16,637	2846	0	19,483	17,918	2,206	0	20,124
<b>Scheduled Body</b> University of East London	3,336	25	0	3,361	4,207	28	0	4,235
Barking College	639	73	0	712	809	57	0	866
<b>Admitted Bodies:</b>								0
Age Concern	105	0	106	211	77	0	0	77
Abbeyfield Barking Society	8	0	0	8	14	0	0	14
Barking & Dagenham Citizens Advice Bureau	8	0	0	8	8	0	0	8
London Riverside	0	0	0	0	0	0	0	0
Enterprise (Thames Accord)	733	146	0	879	707	73	0	780
East London E-Learning	21	0	0	21	14	0	0	14
Disablement Association of Barking & Dagenham	3	0	0	3	9	0	0	9
	<b>21,490</b>	<b>3,090</b>	<b>106</b>	<b>24,686</b>	<b>23,763</b>	<b>2,364</b>	<b>0</b>	<b>26,127</b>

3b) The table below shows the employees contributions receivable at 31 March 2010:

	Normal	Addn Retirement costs	Total	Normal	Addn Retirement costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Administering Body</b> London Borough of Barking & Dagenham	6,492	208	6,700	6,727	104	6,831
<b>Scheduled Body</b> University of East London	1,354	3	1,357	1,353	0	1,353
Barking College	290	0	290	334	13	347
<b>Admitted Bodies:</b>						
Age Concern	32	0	32	23	0	23
Abbeyfield Barking Society	2	0	2	1	0	1
Barking & Dagenham Citizens Advice Bureau	4	0	4	4	0	4
London Riverside	0	0	0	0	0	0
Enterprise (Thames Accord)	305	11	316	261	0	261
East London E-Learning	12	0	12	9	0	9
Disablement Association of Barking & Dagenham	2	0	2	2	0	2
	<b>8,493</b>	<b>222</b>	<b>8,715</b>	<b>8,714</b>	<b>117</b>	<b>8,831</b>

**BENEFITS PAYABLE**

The table below shows the benefits payable at 31 March 2010:

<b>EMPLOYER</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>
	<b>Pensions</b>	<b>Pensions</b>	<b>Lump Sum</b>	<b>Lump Sum</b>	<b>Death Grant</b>	<b>Death Grant</b>
<b>Administering Body:</b> London Borough of Barking & Dagenham	16,098	17,661	5,286	5487	887	421
<b>Scheduled Bodies:</b> University of East London	1,999	2,179	229	537	8	63
Barking College	225	465	136	0	121	8
Magistrates Court	39	41	5	0	0	
<b>Admitted Bodies:</b> Age Concern	45	60	10	21	0	0
Abbeyfield Barking Society	2	4	0	10	0	0
London Riverside	11	11	0	0	0	0
Enterprise (Thames Accord)	393	409	139	40	0	5
East London E-Learning	14	14	0	0	0	0
Disablement Association of Barking and Dagenham	0	0	0	0	0	0
	<b>18,826</b>	<b>20,844</b>	<b>5,805</b>	<b>6,095</b>	<b>1,016</b>	<b>497</b>



## 5. TRANSFER VALUES

EMPLOYER	2008-09 £'000	2009-10 £'000	2008-09	2009-10
	Transfer In	Transfer In	Transfer Out	Transfer Out
<b>Administering Body:</b> London Borough of Barking & Dagenham	2,432	6,995	2,130	3703
<b>Scheduled Bodies:</b> University of East London	1,066	676	657	1183
Barking College	262	102	114	346
Magistrates Court	0	0	0	0
<b>Admitted Bodies:</b> Age Concern	0	0	0	0
Abbeyfield Barking Society	0	0	0	0
London Riverside	0	0	0	29
Enterprise (Thames Accord)	0	0	368	92
East London E-Learning	37	0	0	0
Disablement Association of Barking and Dagenham	0	0	58	0
	<b>3,797</b>	<b>7,773</b>	<b>3,327</b>	<b>5,353</b>

## 6. ADDITIONAL VOLUNTARY CONTRIBUTIONS

Addition Voluntary Contributions administered by the Prudential, made by London Borough of Barking & Dagenham employees during the year amounted to £351k (2008-09 £338k). AVC is not included in the pension fund accounts in accordance with regulation 5(2) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831).

AVC was valued by Prudential at a market value of £4.63m (2008/09 £4.63m). The above figure includes employees of London Borough of Barking and Dagenham, Scheduled and Admitted Bodies.

## 7. ACTUARIAL POSITION

### (a) Actuarial assumptions

The triennial review of the fund took place as at 31 March 2007 and the salient features of that review were as follows:

- The funding policy of the scheme is to meet 100% of the liabilities
- The key financial assumptions adopted at this valuation are:
  - Retail Price Inflation (RPI) Future levels of price inflation.
  - Future levels of real pay increases - assumed to be 1.5% p.a. in excess of price inflation;
  - Funding basis discount rate is assumed to be 1.6% p.a. above the yield on fixed interest government bonds;
  - Funding basis discount rate assumed to be 1.6% p.a. above the yield on fixed interest Government bonds; and
  - The market values of the pension scheme's assets at the date of the valuation were: £530million. There has not been a review of the market values since this valuation. The next actuarial valuation which began on 31 March 2010 is in progress.

The discount rate is derived from the expected future rate of investment return from the broad categories of assets held by the fund. This takes into account what additional returns might reasonably be expected from the fund's investments over and above the minimum risk rate of return on Government bonds.

Other assumptions adopted in this valuation are:

- Future longevity is assumed to give the following average future life expectancies for pensioners aged 65 at the valuation date:

The table below shows the longevity assumptions at the 2007 valuation:

	Assumptions to assess funding position and 'gilt based' position at 31 March 2007		Assumptions to assess funding position at 31 March 2007	
	M	F	M	F
Males (M) or Females (F)				
Average future life expectancy (in years) for a pensioner aged 65 at the valuation date	20.7	23.6	18.4	21.3
Average future life expectancy (in years) at age 65 for a non-pensioner aged 45 at the valuation date	20.7	23.6	18.4	21.3
Average future life expectancy (in years) at age 45 for a non pensioner aged 45 at the valuation date	40.1	43	37.2	40.2

The key financial assumptions adopted by the actuary for the valuation of members' benefits at the 2007 valuation are set out below:

Assumptions	Derivation	Rate at 31 March 2007	
		Nominal	Real
Price Inflation (RPI)	Market expectation of long term future inflation as measured by the geometric difference between yields on fixed and index-linked Government bonds as at the valuation date	3.2%	-
Pay Increases *	Assumed to be 1.5% p.a. in excess of price inflation	4.7%	1.5%
Gilt-based' discount rate	The yield on fixed -interest Government bonds	4.5%	1.3%
Funding basis discount rate	Assumed to be 1.6% p.a. above the yield on fixed interest Government bonds	6.1%	2.9%

### (b) Funding Level

The table below shows the detail funding level for the 2007 valuation:

Employer Contribution Rates	% of payroll
Net Employer Future Service Cost	14.20%
Past Service Adjustment – 20 year spread	4.50%
<b>Total Contribution Rate</b>	<b>18.70%</b>

### (c) Funding Position

The table below shows the detail funding positions for the 2007 valuation:

<b>Funding Position</b>	<b>31/03/2007 £'000 p.a.</b>
<b>A. Value of assets</b>	530,011
Assessed cost of past service benefits in respect of:	
Employee members	284,971
Pensioner members	239,403
Deferred pensioner members	80,797
<b>B. Total assessed cost of past service benefits</b>	605,171
<b>Funding surplus/ (shortfall) (A minus B)</b>	<b>(75,160)</b>
<b>Funding level (A as a percentage of B)</b>	<b>88%</b>

The table below shows the assumptions used by the actuary to arrive at the 2007 actuarial funding position:

	<b>Assumptions to assess funding position at 31 March 2004</b>	<b>Assumptions to assess funding position at 31 March 2004</b>	<b>Assumptions to assess 'gilt based' position at 31 March 2007</b>
Annual rate of price inflation	2.9%	3.2%	3.2%
Annual rate of pension increases			
- on pensions in excess of GMPs	2.9%	3.2%	3.2%
- on pensions accrued after April 1997	2.9%	3.2%	3.2%
- on post-88 GMPs in payment	2.0%	2.8%	2.8%
- on pre-88 GMPs in payment	0.0%	0.0%	0.0%
Annual rate of increase of deferred pensions	2.9%	3.2%	3.2%
Annual rate of pay increases	4.4%	4.7%	4.7%
Discount rate	6.3%	6.1%	4.5%
Expenses	0.4%	0.5%	0.5%

**d) Total Contribution Rate**

The table below shows the total contribution rates which apply to the 2009-10 accounts:

<b>Employer Contribution Rates</b>	<b>% of payroll</b>
Net Employer Future Service Cost	14.20%
Past Service Adjustment – 20 year spread	4.50%
<b>Total Contribution Rate</b>	<b>18.70%</b>

The financial statements do not take account of liabilities to pay pensions and other benefits after the period end.

**e) FRS 17 disclosures for the whole fund**

The financial statements do not take account of liabilities to pay pensions and other benefits after the period end. FRS 17 disclosures which apply to Administering Authority can be found in the council's accounts.

**8. EARLY RETIREMENT CAPITAL CONTRIBUTIONS**

The table below shows the split of early retirement capital contributions made by employer at 31 March 2010;

<b>EMPLOYER</b>	<b>31/03/2009 £'000</b>	<b>31/03/2010 £'000</b>
London Borough of Barking & Dagenham	2,846	2,206
University of East London	24	28
Barking College	73	57
Age Concern	0	0
Enterprise (Thames Accord)	146	73
<b>Total</b>	<b>3,089</b>	<b>2,364</b>

## 9. PURCHASE AND SALE OF INVESTMENTS

(a) The table below shows the purchases and sales on investments in 2009-10:

<b>Investment Type</b>	<b>Sales £'000</b>	<b>Purchases £'000</b>
Fixed Interest Securities - Public sector	42,364	48,413
UK Equities - quoted	121,743	112,272
Foreign Equities	241,799	263,075
Foreign fixed interest securities	512	278
Pooled Investments - Property	346	950
Pooled investments - other	7,818	1,209
Short term investments	267,145	265,865
<b>Total</b>	<b>681,727</b>	<b>692,062</b>

## 10. DETAILED ANALYSIS OF INVESTMENTS

The Council is required to disclose further details relating to investments

(a) The table below shows the split of investments by Fund Managers:

<b>Manager</b>	<b>Value of Fund £'000</b>	<b>%</b>
Aberdeen Asset Management	140,767	25.61%
Alliance Bernstein	162,816	29.62%
Goldman Sachs	177,508	32.30%
RREEF	40,154	7.31%
Internal	28,376	5.16%
<b>Total</b>	<b>549,621</b>	<b>100.00%</b>

Prior to the year-end, the Pension Fund approved indirect investments in M&G Investment Management Limited and Schroders. However, as at 31 March 2010, no transfer of cash had taken place.

### (b) Summary of Investment Categories

The majority of the fund is represented by investments. The statement below shows the market value of main categories of investments held by the Fund Managers in £000's as at 31<sup>st</sup> March 2010.

<b>Asset Class</b>	<b>Aberdeen £'000</b>	<b>Alliance Bernstein £'000</b>	<b>Goldmans Sachs £'000</b>	<b>RREEF £'000</b>	<b>Total £'000</b>
Fixed Interest Securities					
Public Sector	58,402	0	0	0	58,402
Index Linked	17,699	0	0	0	17,699
UK Equities - Quoted	3,600	49,998	61,760	0	115,358
Foreign Equities					0
Equities	0	109,275	109,186	0	218,461
Futures	0		402	0	402
Foreign Fixed Interest Securities	0	200	0	0	200
Pooled Investment –					
Property	0	0	0	36,624	36,624
Others	60,132	0	4,902	0	65,034
Cash					0
Cash	1,172	3,037	1,087	3,531	8,828
Options	-239	305	170	0	236
<b>Total</b>	<b>140,766</b>	<b>162,815</b>	<b>177,507</b>	<b>40,155</b>	<b>521,244</b>

#### 11. ADMINISTRATIVE AND OTHER EXPENSES

The table below shows the administrative and other expenses in 2009-10:

<b>Expense</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>
Administrative and Processing	501	387
Audit Fee	38	35
Actuarial Fees	34	56
Legal and other Professional Fees	108	95
<b>Total</b>	<b>681</b>	<b>573</b>

Pension Fund legislative changes in 2009-10 now require the Pension Fund audit fees of £35,000 to be shown separately from the Council's total audit fee. This sum is included in the figure for Legal and other Professional Fees shown above

#### 12. FUND MANAGER AND CUSTODIAN EXPENSES

The table below shows the split of fund manager and custodian expenses at 31 March 2010:

<b>Fund Manager</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>
Aberdeen Asset Management	338	234
Alliance Bernstein Asset Management	737	796
Goldmans Sachs Asset Management	638	678
RREEF	334	262
State Street (Custodian)	251	245
<b>Total</b>	<b>2,298</b>	<b>2,215</b>

### 13. INVESTMENT INCOME

The table below shows the split of investment income in 2009-10 by type:

<b>Income</b>	<b>£'000</b>
Fixed Interest income	3,132
Dividends	8,131
Property income	1,259
Interest – Managers cash balances	17
Interest LBBB internal cash	589
Currency gain / Losses	(105)
Stock Lending	19
Commission recapture	3
<b>Total</b>	<b>13,045</b>

### 14. DEBTORS AND CREDITORS

(a) The table below shows the split of debtors and creditors

<b>Debtors</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>
<b>Investments</b>		
Outstanding Divdends	1,967	1,834
Stocklending	2	2
Outstanding trades	9,479	6,617
	<b>11,448</b>	<b>8,453</b>
<b>Others</b>		
Pension contributions due	281	137
Tax reclaims	0	0
	<b>281</b>	<b>137</b>
<b>Total</b>	<b>11,729</b>	<b>8,590</b>

<b>Creditors</b>	<b>2008-09 £'000</b>	<b>2009-10 £'000</b>
<b>Investments</b>		
Outstanding trades	11,507	8,369
	<b>11,507</b>	<b>8,369</b>
<b>Others</b>		
Unpaid Benefits	503	21
Investment managers fees	360	477
Custodian fees	83	32
Advisors fees	16	20
Audit fee	38	8
	<b>1000</b>	<b>558</b>
<b>Total</b>	<b>12,507</b>	<b>8,927</b>

**(b) STOCK RELEASED TO THIRD PARTIES**

The fund is involved with a stock lending agreement via its custodians State Street bank as at 31 March 2010. £31.1m of stock was lent to counterparties with 104.69% collateral exposure.

**15. RELATED PARTY TRANSACTIONS**

The Pension Fund is a related party of the Council. All of the above transactions which includes £28.376m (2008/09 £20.416m) cash investments managed by the Council on behalf of the Fund, and pension administration costs of £370,676 (2008/09 £430,707) are related party transactions between the Council and Pension Fund

**16. EMPLOYERS**

AbbeyField Barking Society as at 31 March 2010 had no contributing member.

**17. POST BALANCE SHEET EVENTS AND CONTRACTUAL COMMITMENTS**

(a) LBBDD contract with Age Concern Barking & Dagenham ceased as at 31 March 2010. The charity went into administration on 1<sup>st</sup> April 2010. The claim for cessation liability has been submitted by the Council to the administrators of the charity. However the cessation claim may be subject to an adjustment for interest or fund returns between the date of cessation and the date of payment.

(b) The contract for the Supply of Fleet Vehicles, Plant and Associated Services has been awarded to Translinc Limited. The Cabinet on 8 June 2010 approved Translinc's application seeking admission to the Council's Pension Fund as an admitted body thereby allowing Council staff transferred to its employ to remain as members of the Local Government Pension Scheme.

**18 STATEMENT OF INVESTMENT PRINCIPLES**

A Statement of Investment Principles has been agreed by the Council's Investment panel and is updated periodically to reflect changes made in Investment Management arrangements. The nature and extent of risk arising from financial instruments and how the

pension fund manages those risks is included in the Statement of Investment Principles. Copies can be obtained from the Authority's website: [www.lbbd.gov.uk](http://www.lbbd.gov.uk)

## **19 NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

The pension fund activities expose it to a variety of financial risks in respect of financial instruments:

- Credit risk - the risk that other parties may fail to pay amounts due;
- Liquidity risk – the risk that the pension fund may not have funds available to meet its commitments to make payment;
- Refinancing risk – the risk that the pension fund might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms; and
- Market risk – the possibility that financial loss might arise from the fund's as a result of changes in such measures as interest rates or stock market movements.

The procedures for risk management in relation to key financial instruments is set out through the legal framework detailed within the Local Government Act 2003 and other associated regulations. These require compliance to all CIPFA treasury Management practices, CIPFA Prudential Code and Investment Guidance as applicable to the Council. The Pension Fund holds some pension fund assets in cash which are held with the Council's investments in line with treasury management strategy and guidelines.



## **Background Papers**

Pension Panel Meeting Papers

CLG Guidance on Publication of Pension Fund Annual Reports July 2009

2008/09 Statement of Recommended Practice (SORP)

CIPFA – Narrative Reporting in Public Sector Pension Schemes

CIPFA – Investment Decision making and disclosure in the Local Government Pension Scheme. A Guide to the Application of the Myners Principles

## **Consultation**

The headline contents of this report is defined by CLG guidance

## **Publication**

This report will be made available through the Council's website and to all employers and members participating in the Pension Fund as well as Council Members on request as appropriate. A copy of this document and all other documents referred to in this report can be obtained upon receipt of a written request to the Treasury and Pensions Manager.

## Glossary of Terms

<b><u>Term</u></b>	<b><u>Definition</u></b>
Accounting Policies	The rules and practices adopted by the Council that dictate how transactions and events are shown or costed.
Accruals	Amounts included in the accounts to cover income and expenditure attributable to the financial year, but for which payment had not been received or made as at 31 March.
Active Members	Members of the Pension Fund who are in employment with the council or one of its admitted or scheduled bodies making contributions to the Pension Fund
Actuary	An independent qualified consultant who advises on the financial position of the Pension Fund. Every three years the Actuary reviews the assets and produce the actuarial valuation which recommends the employer contribution rates.
Actuarial Valuation	A review required by law carried out every three years, by the actuary, on the assets and liabilities of the Pension Fund. The actuary reports to the Fund's trustees on the financial position and recommended employer's contribution rates.
Administering Authority	A local authority required to maintain a pension fund under the Local Government Pension Scheme regulations. For the London Borough of Barking and Dagenham pension fund, the administering authority is the council.
Admission agreement	A contract between and administering authority, admitted body and if applicable, the outsourcing Scheme employer.
Augmentation	Additional membership awarded to a member by their employer, to a maximum of ten years.
Benchmark	A notional fund which is developed to provide a standard against which an Investment Manager's performance is measured.
Bonds	A certificate of debt issued by a company, government or other institution. A bondholder is a creditor of the issuer and usually receives interest at a fixed rate. Also referred to as fixed interest securities.
Communication Policy	A statement of policy on communications with

Statement	members and employers including the provision of information about the scheme, the format, frequency and method if distributing such information and the promotion of the Scheme to prospective members.
Contingent Liability	<p>A contingent liability is either:</p> <ul style="list-style-type: none"> <li>• A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control (e.g. the outcome of a court case)</li> <li>• A present obligation arising from past events where it is not probable that there will be an associated cost or the amount of the obligation cannot be accurately measured.</li> </ul>
Creditors	Amounts owed by the Council for goods received or services provided before the end of the accounting period but for which payments have not been made by the end of that accounting period.
Custody/Custodian	The safe-keeping of securities by a financial institution. The Custodian is responsible for maintaining investment records, the settlement of transactions, income collection, tax reclamation and other administrative actions in relation to the Pension Fund's investments
Debtors	Amounts due to the Council before the end of the accounting period but for which payments have not yet received by the end of that accounting period.
Deferred Liabilities	These are creditor balances repayable after one year.
Deferred members	Members who leave their employment or opt out of the Scheme and have their benefits deferred until retirement or until they request a transfer to another pension scheme.
Defined benefit final salary scheme	A scheme where the scheme rules define the benefits independently of the contributions paid by the members and employer. Members' benefits are a specified fraction of a scheme member's final pay
Defined Benefit Scheme	A pension or retirement benefit scheme into which an employee pays regular contributions fixed as an amount or as a percentage of pay. There are no legal obligations to pay further contributions if the scheme does not have sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Equities	Shares in UK or overseas companies
Final pensionable pay	The figure used to calculate a member's pension benefits and is normally a members pay in the last year before they retire.
Fixed interest securities	Investments which guarantee a fixed rate of interest.
Funded scheme	A pension scheme that has available assets to cover all liabilities, including the obligation of future payments to retirees
Funding Strategy Statement	A statement of the Pension Fund's strategy for meeting employers' pension liabilities.
Governance Compliance Statement	A statement of the governance arrangements of the Pension Fund including the delegation of responsibility, terms of reference, representation and compliance with statutory guidelines.
Index linked	Bonds on which the interest and ultimate capital repayment are recalculated on the basis of changes in inflation
Interest	The amount received or paid for the use of a sum of money when it is invested or borrowed
Investment Consultant	A professionally qualified individual or company who provides objective, impartial investment advice to the Pension Fund.
Investment Manager	An organisation that specialise in the investment of a portfolio of securities on behalf of an organisation subject to guidelines and directions of the investor
Mandate	A set of instructions given to an investment manager as to how a fund is to be managed.
Net Book Value	The amount of which fixed assets are included in the balance sheet, i.e. historical cost or current value less the cumulative amounts provided for depreciation and impairment.
Net Expenditure	Total expenditure less any income due to the council.
Net Realisable Value	The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Past Service Cost	For a defined benefit scheme, the increase in the value of benefits payable that was earned in prior years arising because of improvements to retirement benefits.
Pensioners	Members of the Pension Fund who receive a pension scheme from the Scheme (including spouses' and dependants' pension)
Pooled Investment vehicles	An investment which allows investors' money to be pooled and used by investment managers to buy a variety of securities, thereby giving investors a stake in a diversified portfolio of securities
Post Balance Sheet Events	These events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the statement of accounts is signed.
Prior Year Adjustment	A material adjustment applicable to prior years arising from changes in accounting policies or from changes the correction of fundamental errors.
Provision	An amount set aside for liabilities and losses which are likely to be incurred but where the exact amount and date on which it will arise is uncertain.
Quoted securities	Shares with prices quoted on a recognised stock exchange.
Rates and Adjustment Certificate	A certificate issued by the Pension Fund's Actuary setting out the contribution rates payable by participating employers.
Related Party Transaction	A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Members and senior Officers of the Council are required to declare if they have entered into any such transactions and any relationships of significant influence with any organisations associated with the Council.
Revenue Expenditure	Day-to-day payments on the running of council services such as salaries and wages, heating and lighting transport and charges for the use of assets.
Revenue Expenditure	Day-to-day payments on the running of council services such as salaries and wages, heating and lighting transport and charges for the use of assets.
Statement of Movement on the General Fund Balance	A statement which shows how the surplus or deficit on the Income and Expenditure accounts matches up with the movement on the General Fund Balance.

Scheme Administrator	An organisation responsible for the administration of benefits of the Pension Fund
Statement of Investment Principles	A formal policy on how a pension fund will invest its assets including the types in investment to be held, the balance between different types of investments and risk.
Transfer values	A capital value transferred to or from a pension scheme in respect of a contributor's previous periods of pensionable employment.
Unit Trust	A pooled fund in which investors can buy or sell units on an ongoing basis
Unquoted securities	Shares which are dealt in the investment market but which are not listed on a recognised stock exchange

HYMANS ROBERTSON LLP

## **Actuarial statement**

As required by Regulation 77 of the Local Government Pension Scheme Regulations 1997, an actuarial valuation of the assets and liabilities of London Borough of Barking and Dagenham Pension Fund ("the Fund") was carried out as at 31 March 2007.

### **Security of prospective rights**

In my opinion, the resources of the Fund are likely in the normal course of events to meet the liabilities of the Fund as required by the Regulations. In giving this opinion, I have assumed that the following amounts will be paid to the Fund:

- Contributions by the members in accordance with the Local Government Pension Scheme Regulations 1997, then in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007; and
- Contributions by employers in accordance with the Rates and Adjustments Certificate dated 31 March 2005 for the year ending 31 March 2008. Thereafter, for the three years commencing 1 April 2008, as specified in our Rates and Adjustments certificate dated 14 March 2008.

The Local Government Pension Scheme is a statutory scheme i.e. members' benefits are as set out in the Local Government Pension Scheme Regulations 1997 and Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.

This statement should be read in that context.

### **Summary of methods and assumptions used**

Full details of the method and assumptions are described in our valuation report dated 14 March 2008. The valuation was carried out in accordance with the Funding Strategy Statement.

Copies of these documents are available on request from London Borough of Barking and Dagenham, administering authority to the Fund.

My opinion on the security of the prospective rights is based on:

- the projected unit valuation method where there is an expectation that new employees will be allowed to join an employer; or
- the attained age valuation method for employers who were closed to new entrants.

These methods assess the cost of benefits accruing to existing members during:

- the year following the valuation; or
- the remaining working lifetime, respectively

allowing for future salary increases and for members to leave or retire in line with our assumptions. The resulting contribution rate is adjusted to allow for any difference in the value of accrued liabilities and the market value of assets.

Since assets have been taken into account at their market value, it is appropriate to take the lead from the market when setting the financial assumptions used to value the ongoing liabilities. This ensures the compatibility of the asset and liability valuation bases.

The key financial assumptions adopted for this valuation are as follows:

Financial Assumptions	March 2007	
	% p.a. Nominal	% p.a. Real
Discount Rate	6.1%	2.9%
Pay Increases	4.7%	1.5%
Price Inflation / Pension Increases	3.2%	-

The 2007 valuation revealed that the Fund's assets had a market value at 31 March 2007 of £530 million. These assets were sufficient to meet approximately 88% of the liabilities accrued up to that date.

Individual employers' contributions have been set in accordance with the Fund's Funding Strategy Statement. The deficits for each individual employer are being spread over a period of 16 years.

### **Experience since April 2007**

Market conditions since the previous formal valuation have been unfavourable. In particular, assets have significantly underperformed relative to the assumptions set at the valuation and the outlook for price inflation has worsened causing the funding level to deteriorate.

This is likely to cause upward pressure on the level of employer contributions following the next formal valuation of the Fund as at 31 March 2010. The employer contribution rates and Funding Strategy Statement will be reviewed as part of the valuation which will be reported in March 2011.

Barry McKay FFA

For and on behalf of Hymans Robertson LLP

22 November 2010



**THE ASSEMBLY**

**8 DECEMBER 2010**

**REPORT OF THE ACTING CHIEF EXECUTIVE**

<b>Title: Motions</b>	<b>For Decision</b>
<p>The following motions have been received in accordance with paragraph 14 of Article 2, Part B of the Council's Constitution:</p> <p><b>1. Increased tuition fees in adult and further education</b></p> <p>To be moved by Councillor Carpenter:</p> <p>“This Council condemns the Tory/Lib Dem Government’s proposals to increase tuition fees in adult and further education. For example, the Tory/Lib Dem Government is removing the entitlement to free training for over 25s wanting to get a basic Level 2 qualification (equivalent to 5 GCSEs). Adults studying for a level 3 qualification (equivalent to A level) will be asked to pay fees. In addition, there are proposals to increase tuition fees to recoup 80% of the cost of education and training for adults. These fee increases will be massive. Many of our hard-working residents on low incomes will not be able to afford to improve their qualifications, and their prospects for employment. These measures are harsh: many of our residents will be locked into unemployment or imprisoned in low paid unskilled jobs.</p> <p>We, therefore, call upon the Council and our MPs to lobby the Tory/Lib Dem Government vigorously about the impact on the residents of Barking and Dagenham of their proposals to increase significantly tuition fees in adult and further education.”</p> <p><b>2. Congratulations to Adult and Community Services</b></p> <p>To be moved by Councillor Burgon:</p> <p>“This Council would like to congratulate our Adult and Community Services team for the fantastic news that the Care Quality Commission have announced that we are performing well in safeguarding vulnerable adults and also improving the health and wellbeing of people with learning disabilities. Moreover, they have stated in this year’s review that our future improvement in these areas is looking promising.</p> <p>We would also like to congratulate them as our Adult Social Care Area Performance Assessment for 2010 has been deemed as excellent. Out of the 152 Councils who work within this area, 37 were judged as ‘excellent’, which means that as a Council we are in the top 24%. In London, only 10 of the 33 councils were given this rating and our score places us approximately 8<sup>th</sup> in London.</p> <p>This is testament to the hard work and dedication shown throughout the directorate from top to bottom, in what is one of the most challenging service areas, and will be increasingly vital over the next few years.”</p> <p><b>3. Delivery of Good Quality Social Housing</b></p> <p>To be moved by Councillor Twomey:</p>	

“This Council recognises the huge impact that the lack of affordable social housing has had on its residents over the last decade. To this end the Lead Members for housing and regeneration and the council officers involved have worked tirelessly, particularly over the last two years, to position us at the forefront of council house building projects. However, for all this hard work, the net result is plans to build only 141 council properties across the borough.

Further cuts to national housing investment by the current government, mean that there will be thousands of fewer affordable homes built this year, and the end of the council house building programme.

There are also many more barriers to building council housing than ever before. The national economic conditions are hampering our ability to attract development partners in an already challenging local housing market and with increasing uncertainty around infrastructure investment in the borough, regeneration of new housing has slowed considerably.

It is unrealistic that we can serve the housing needs of our residents/tenants by funding house building projects ourselves, as current estimates show the need to raise over £38 million to bridge the gap between our current level of estate renewal and the completion of the project.

As noted by the Living and Working Select Committee, we are currently drafting our new housing strategy document due for 2011/2012, which gives the Council an excellent opportunity to develop a substantial and robust vision for the future.

Although it is right to continue to lobby central government in pursuit of Council house building finance, I would move to the Assembly that we as a Council need to have as broad approach as possible, enabling us to explore the whole range of housing delivery options, such as with Registered Social Landlords, so that we can deliver good quality social housing that will facilitate our residents to have better homes, better health, better togetherness and a better future.”

The deadline for amendments to these motions is noon on Friday 3 December 2010.

For information, attached at Appendix A is the relevant extract from the Council’s Constitution relating to the procedure for dealing with Motions.

**Recommendation**

The Assembly is asked to debate and vote on the above motions and any amendments.

<p><b>Head of Service:</b> Nina Clark</p>	<p><b>Title:</b> Divisional Director of Legal and Democratic Services</p>	<p><b>Contact Details:</b> Tel: 020 8227 2114 Fax: 020 8227 2171 Email: <a href="mailto:nina.clark@lbbd.gov.uk">nina.clark@lbbd.gov.uk</a></p>
<p><b>Contact Officer:</b> Margaret Freeman</p>	<p><b>Title:</b> Senior Democratic Services Officer</p>	<p><b>Contact Details:</b> Tel: 020 8227 2638 Fax: 020 8227 3698 Email: <a href="mailto:Margaret.freeman@lbbd.gov.uk">Margaret.freeman@lbbd.gov.uk</a></p>

**Extract from the Council Constitution  
Part B, Article 2 - The Assembly**

**14. Motions on issues directly affecting the Borough**

- 14.1 Written notice of any motions must be received by the Chief Executive by no later than 4.00 pm on the Wednesday two weeks before the meeting. *The following provisions exclude a motion moving a vote of no confidence in the Leader of the Council (see paragraph 10 for details)*
- 14.2 The Chief Executive in consultation with the Chair, or in their absence the Deputy Chair, of the Assembly may decide not to place on the agenda any motions that he/she considers are of a vexatious or derogatory nature, or contrary to any provision of any code, protocol, legal requirement or rule of the Council; or that do not relate to the business of the Council or are otherwise considered improper or inappropriate.
- 14.3 The Chief Executive in consultation with the Chair, or in their absence the Deputy Chair, of the Assembly may decide not to place on the agenda any motions the content of which he/she feels forms the basis of a motion already considered at the Assembly within the previous twelve months.
- 14.4 In the event that the Member who submitted the motion is not present at the Assembly meeting, the motion will be withdrawn.
- 14.5 Any motions withdrawn as indicated above, or withdrawn at the request of the Member who submitted the motion, either before or during the meeting, may not be resubmitted to the Assembly within a period of six months. This condition will be waived where the Member, or a colleague on their behalf, has notified the Chief Executive by 5 pm on the day of the meeting of their inability to attend due to their ill health or family bereavement.
- 14.6 Motions will be listed on the agenda in the order in which they are received.
- 14.7 Motions must be about matters for which the Council has a responsibility or which directly affect the borough.
- 14.8 Written notice of any amendments to motions must be received by the Chief Executive by no later than 12 noon on the Friday before the meeting. The same criteria and actions as described in paragraphs 14.3, 14.4, 14.5 and 14.6 will apply in relation to any amendments received.
- 14.9 Any amendments proposed after the time specified in paragraph 14.8 will only be considered for exceptional reasons such as a change in circumstances appertaining to the original motion, in which case the consent of the Chair will be required.
- 14.10 Order/rules of debate:
1. Except with the Chair's consent, the debate on each motion shall last no longer than 10 minutes and no individual speech shall exceed two minutes.

2. The mover will move the motion and explain its purpose.
3. The Chair will invite another Member to second the motion
4. If any amendment(s) has been accepted in accordance with paragraphs 12.8 or 12.9, the Chair will invite the relevant Member to move the amendment(s) and explain its (their) purpose.
5. The Chair will invite another Member(s) to second the amendment(s).
6. The Chair will then invite Members to speak on the motion and any amendments.
7. Once all Members who wish to speak have done so, or the time limit has elapsed, the Chair will allow the mover(s) of the amendment(s) a right of reply followed by the mover of the original motion.
8. At the end of the debate, any amendments will be voted on in the order in which they were proposed.
9. If an amendment is carried, the motion as amended becomes the substantive motion to which any further amendments are moved and voted upon.
10. After an amendment has been carried, the Chair will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.
11. If all amendments are lost, a vote will be taken on the original motion.

## **15. Closure Motions**

- 15.1 A member may move, without comment, the following motions at the end of a speech of another Member:
  - (i) to proceed to the next business;
  - (ii) that the question/motion be now put;
  - (iii) to adjourn a debate; or
  - (iv) to adjourn a meeting.
- 15.2 If a motion to proceed to next business is seconded the Chair will put this to a vote without further discussion on the original motion or item
- 15.3 If a motion that the question/motion be now put is seconded the Chair will call the vote on the original motion or question.
- 15.4 If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chair thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, they will put the procedural motion to the vote without giving the mover of the original motion the right of reply.