

Notice of Meeting



THE CABINET

Tuesday, 23 August 2011 - 5:00 pm
Council Chamber, Civic Centre, Dagenham

Members: Councillor L A Smith (Chair); Councillor R Gill (Deputy Chair); Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor L A Reason, Councillor G M Vincent, Councillor P T Waker and Councillor J R White

Date of publication: 12 August 2011

Stella Manzie
Chief Executive

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AGENDA

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

In accordance with the Council's Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 12 July 2011 (Pages 1 - 7)**
4. **2011/12 Budget Monitoring Report: April to June 2011 (Pages 9 - 35)**
5. **Estate Renewal Programme - Delivery and Disposal Options for Goresbrook Village and The Leys (Pages 37 - 52)**
6. **Axe Street / Abbey Sports Centre Redevelopment (Pages 53 - 87)**
7. **Housing Repairs and Maintenance Procurement (Pages 89 - 130)**
8. **Highways Weed Control Collaborative Procurement Strategy (Pages 131 - 138)**
9. **Introduction of a Paid Parking Permit Scheme for Staff (Pages 139 - 143)**
10. **Human Resources Policies and Procedures - Grievance Resolution Procedure (Pages 145 - 163)**

- 11. Urgent Action - Demographic Growth Capital Fund Grant: Sixth Form Accommodation at Robert Clack Comprehensive School (Pages 165 - 176)**
- 12. Any other public items which the Chair decides are urgent**
- 13. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended).

- 14. Interim Organisational Review (Pages 177 - 189)**
(Relates to Council employees and consultations with Trade Unions)
- 15. Any other confidential or exempt items which the Chair decides are urgent**

THE CABINET

Tuesday, 12 July 2011
(5:00 - 5:28 pm)

Present: Councillor L A Smith (Chair), Councillor R Gill (Deputy Chair), Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor L A Reason, Councillor P T Waker and Councillor J R White

Also Present: Councillor N S S Gill and Councillor D Twomey

Apologies: Councillor G M Vincent

12. Declaration of Members' Interests

There were no declarations of interest.

13. Minutes (14 June 2011)

The minutes of the Cabinet meeting on 14 June were confirmed as correct.

14. Budget Monitoring 2011/12

This report was withdrawn and the Leader asked for an updated version to be presented to the next meeting of the Cabinet.

15. Treasury Management Annual Report

Cabinet received a report from the Cabinet Member for Finance, Revenues and Benefits presenting the Treasury Management Annual Report for 2010/11, which set out details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by the Assembly.

The Divisional Director of Finance advised on the key points within the Annual Report in relation to investment income and borrowing. He also clarified the position regarding the Public Works Loans Board (PWLB) interest rates shown in the report (4.057%) and those used in the modelling of the Housing Revenue Account business plan (6%).

Cabinet **recommended the Assembly** to:-

- (i) Note the Treasury Management Annual Report for 2010/11;
- (ii) Note that the Council complied with all 2010/11 treasury management indicators;
- (iii) Approve the actual 2010/11 prudential and treasury indicators as set out in the Annual Report;
- (iv) Note that the Council did not borrow in 2010/11 to finance its capital programme but utilised internal cash in line with its strategy; and

- (v) With regard to the Housing Revenue Account (HRA) reforms, agree in principle that:
 - (a) In the event of favourable market conditions and the issuing of the directive from the Department of Communities and Local Government (DCLG) before 1 April 2012, the Corporate Director of Finance and Resources be permitted, after consultation with the Council's treasury management advisers, to borrow the appropriate finance, currently estimated to be in the region of £281m;
 - (b) Finance may be raised for the HRA reform using any or a combination of the borrowing instruments referred to in paragraph 10.3 of the Cabinet Member's report.

16. The Council Plan

Cabinet received from the Cabinet Member for Finance, Revenues and Benefits a report on the Council Plan for 2011/12 which summarised the main activities to deliver the Council's key priorities for the coming year, with particular focus on the areas of raising household incomes, raising standards in school and post-16 education and housing and estate renewal.

Arising from the discussions, the Corporate Director of Customer Services confirmed that an exceptional weather grant of £399,000 and a further £470,000 as part of the Local Implementation Plan submission was available towards the road and footpaths investment programme for 2011/12.

Cabinet **recommended the Assembly** to approve the Council Plan for 2011/12 as set out in Appendix 1 to the report.

17. Semi Independent Housing for Young People

The Cabinet Member for Children and Education presented a report in respect of proposals for the procurement of a Framework Agreement for the provision of semi-independent accommodation services for young people leaving care and other vulnerable groups.

The Cabinet Member advised that it was proposed to participate in a multi-authority contract, led by London Borough of Haringey, which would assist the Council in meeting its legal obligations under the Children (Leaving Care) Act 2000 through an improved, more cost-effective service in comparison to the current spot-purchase arrangements. It was anticipated that the new arrangements would also result in significantly better quality assurance through the improved monitoring of providers and information-sharing between participating authorities.

Cabinet **agreed**:

- (i) That the Council be named as a participating authority in a tendering exercise led by the London Borough of Haringey and involving a number of other participating authorities, for the procurement of a four-year Framework Agreement for the provision of semi-independent accommodation services, as described within the report;

- (ii) The procurement of semi-independent accommodation for care-leavers as and when required by the Council, via the Framework Agreement; and
- (iii) To authorise the Corporate Director of Children's Services to award contracts for the provision of semi-independent accommodation as and when required by the Council, via the Framework Agreement.

18. Permission to Tender for Tier 2 Gateway Service

The Cabinet Member for Crime, Justice and Communities presented a report on proposals to bring together several drug treatment services under a redesigned, single integrated contract.

The Cabinet Member advised that the principal drug treatment access service contract, the Gateway Service, would expire on 31 March 2012 and the new proposals would combine this service with needle exchange and arrest referral services, providing improved outcomes for service users and greater value for money .

Cabinet agreed:-

- (i) To the procurement of an Integrated Tier 2 Gateway Drug Treatment Service to include static and pharmacy based Borough Needle Exchange Services, an Outreach Service, an Arrest Referral Service and Single Point of Contact (SPoC) Service for offenders in prison, in accordance with the procurement strategy set out in the report; and
- (ii) To authorise the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources and the Divisional Director of Legal and Democratic Services, to award the contract upon conclusion of the procurement process.

19. Barking Riverside - Community Management Company

Further to Minute 142 (20 February 2007), the Cabinet Member for Regeneration reported on the proposed establishment, in partnership with Barking Riverside Limited, of the Barking Riverside Community Management Company (BRCMC) which replaced the Barking Riverside Community Development Trust as the organisation responsible for the management of the assets on the Barking Riverside development and any open space and roads not adopted by the Council.

The Cabinet Member advised that the BRCMC was a Community Infrastructure Company and was required to be operational in a shadow form by September 2011, prior to the first resident moving in to the area and the opening of the Rivergate Centre which included the George Carey Primary School, a nursery, a church and a café, as well as some community offices.

Cabinet agreed:-

- (i) To the establishment and incorporation of the Barking Riverside Community Management Company (or such other name as the company may be registered as);

- (ii) To the establishment of a Shadow Board of Directors of the Barking Riverside Community Management Company in accordance with the structure outlined in the report, pending the establishment and incorporation of the Barking Riverside Community Management Company;
- (iii) That the Council adopt the roads shown accordingly on the map attached as Appendix 1 to the report; and
- (iv) To **recommend the Assembly** that the Council's representation on the shadow BRCMC Board, and the full BRCMC Board when it is incorporated and operative, be as follows:
 - (a) Voting Board Members - a Cabinet Member and a Thames Ward Councillor, with the two other Thames Ward Councillors to be appointed as the substitute representatives;
 - (b) Non-Voting Board Observer - the Corporate Director of Customer Services, with the Divisional Director for Environment and Enforcement as his/her substitute representative.

20. Barking Riverside - Thames View Footpath/Cycleway: Sale of Unit 1, The Cromwell Centre, 32 Thames Road, Barking

Further to Minute 52 (25 August 2009), the Cabinet Member for Regeneration presented a report on the proposed sale of Unit 1, The Cromwell Centre, on the open market and for the funds to be put back into improving pedestrian and cycle networks in the Thames Road/Barking Riverside and Thames View areas.

The Cabinet Member advised that the property had previously been purchased via funding from the Homes and Communities Agency (HCA) as part of the Barking Riverside development to establish a direct footpath cycle link between Barking Riverside and the centre of Thames View. However, further consultation with the unit owners and the Environment Agency, since the property was acquired, brought to light issues that made this proposal undeliverable and, as a consequence, the property had become surplus to the Council's requirements.

Cabinet **agreed**:-

- (i) The sale of the Unit 1, The Cromwell Centre, for the maximum price that can reasonably be negotiated and to authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to agree the details of the disposal;
- (ii) To authorise the Divisional Director of Legal and Democratic Services to enter into the necessary legal agreements to achieve the disposal of the site based on an agreed heads of terms; and
- (iii) To invest the receipt from the sale of the property in the improvement of pedestrian/cycle links along Thames Road/Crossness Road/ Marine Drive and in the Barking Riverside and Thames View developments.

21. Land Adjacent to 50 Shortcrofts Road, Dagenham

The Cabinet Member for Finance, Revenues and Benefits reported on a proposal to dispose of an area of Council-owned amenity green adjacent to 50 Shortcrofts Road following an approach by the owner of that property. It was noted that the land had a nominal alternative use value and there would be financial benefits for the Council in terms of both reduced annual maintenance costs and the achievement of a capital receipt.

Cabinet **agreed**:-

- (i) To authorise the Corporate Director of Finance and Resources to agree terms for disposal of the amenity land at the maximum price that can reasonably be negotiated;
- (ii) To authorise the Divisional Director of Legal and Democratic Services to enter into the necessary legal agreements to achieve the disposal of the site; and
- (iii) That officers present a further report to Cabinet in due course on the possible disposal of other similar amenity greens for housing use.

22. Barking & Dagenham Partnership Annual Report 2010/11

Cabinet received and noted the Leader's report presenting the Local Strategic Partnership (LSP) Annual Report for 2010/11, which set out the major issues it had dealt with during the last municipal year and its vision for the future. The Leader added that he was confident that the LSP would make considerable strides in the year ahead under the stewardship of the Council's Chief Executive.

23. Fairer Contributions Policy for Adult Social Care: Consultation Responses and Final proposals

Further to Minute 123 (15 March 2011), the Cabinet Member for Health and Adult Services presented a report on proposed changes to the current charging arrangements for adult social care services following the public consultation exercise and the review of the proposals by the Council's Health and Adult Services Select Committee.

The Cabinet Member explained that the key aims of the proposals were to:

- Make sure people on lower incomes have enough money to meet the rising costs of living
- Give additional protection to people aged 85 and over
- Increase charges gradually for current service users
- Raise enough income so that the Council can continue to provide quality services to its vulnerable residents

The Cabinet Member referred to the extensive consultation that had taken place with the public, service users and local agencies and advised that the feedback received had directly resulted in two of the draft proposals being revised, the final recommendations now being as follows:

1. The Council should provide free services to people who are assessed as needing to make a contribution of less than £5.
2. The Council should build in an extra £10 protection into the guaranteed maximum income for people aged 85 and over.
3. The Council will include 100% of Severe Disability Premium/Allowance in the financial assessment in line with national guidance.
4. The Council will reduce the disability disregard from 75% to 25% for people on lower levels of Disability Living Allowance (DLA) and Attendance Allowance (AA) and from 75% to 35% for people on the higher levels of DLA and AA.
5. The Council will ask for contributions towards the cost of the care package not individual services, as required by Government guidance.
6. The Council will take 75% of disposable income into consideration when setting the maximum level of contribution.
7. The Council implements transitional protection of a maximum of £10 in October 2011 until March 2012 and a maximum increase of an additional £20 from April 2012 and an additional £20 from April 2013.

The Lead Member of the Health and Adult Services Select Committee explained that the Select Committee had focused on the three main principles of fairness, sustainability and value for money during the course of its review, and he was pleased that the majority of its proposals had been taken on board. He added, however, that the Select Committee's proposals in respect of the level of disability related benefits disregard (recommendation 4) and the implementation dates for transitional protection (recommendation 7) had not been adopted and he asked Cabinet to reconsider these aspects. Having regard to the proposed implementation of the new arrangements with effect from 1 October 2011 and the need for appropriate publicity and notification to service users prior to this date, the Cabinet asked officers to reassess the impact of the Select Committee's proposals as a matter of urgency and for the Corporate Director, in consultation with relevant Members, to make the final determination.

Having noted the outcome of the public consultation, the recommendations of the Health and Adult Services Select Committee and the proposed changes to the original proposals, Cabinet **agreed**:-

- (i) To authorise the Corporate Director of Adult and Community Services, in consultation with the Cabinet Members for Health and Adult Services and Finance, Revenues and Benefits and the Lead Member of the Health and Adult Services Select Committee, to finalise the proposals in respect of the level of disability related benefits disregard (recommendation 4) and the implementation dates for transitional protection (recommendation 7); and
- (ii) Subject to any necessary changes required as a consequence of (i) above, to approve the 'Fairer Contributions Policy for Adult Social Care' as set out at Appendix 6 to the report, to be implemented with effect from 1 October 2011.

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CABINET

23 August 2011

REPORT OF THE CABINET MEMBER FOR FINANCE, REVENUES AND BENEFITS

Title: 2011/12 Budget Monitoring Report: April to June 2011	For Information
<p>Summary:</p> <p>This report provides Cabinet with an update of the Council's revenue and capital position for the three months to the end of June 2011.</p> <p>The Council began the current financial year in a better financial position than the previous year with a General Fund (GF) balance of £10.8m.</p> <p>At the end of June 2011, total Service expenditure for the full year is projected to be £187.9m against the approved budget of £183.4m; a projected overspend of £4.5m. The overspends arise in Children's Services (Complex Needs and Social Care), Customer Services (reduced income and cost pressures in Housing and Environmental divisions) and Resources and Finance (due to an over stated income budget in Revenues and Benefits). Further explanatory summaries are contained in section 3 of this report.</p> <p>The 2011/12 budget includes a planned contribution of £1.5m to further improve GF balances. The current projected service pressures of £4.5m, less the planned contribution to balances of £1.5m, could result in the General Fund balance reducing by £3.0m to £7.8m without action plans being developed to mitigate the forecast overspend.</p> <p>The report includes a request to transfer £330k of Think Family Funding from Children's Services to Adults to support Youth Offending Services.</p> <p>The Housing Revenue Account (HRA) is currently projected to contribute £1.3m to the HRA reserve, down from the budgeted £1.5m contribution. The HRA is a ring fenced account and cannot make contributions to the General Fund.</p> <p>The Capital Programme has been updated to reflect project roll-overs and changes approved at Cabinet on 14 June and stands at £145.9m; this represents the position on all the schemes in the capital programme. Capital budgets cannot contribute to the General Fund revenue position although officers ensure that all appropriate capitalisations occur.</p> <p>The report includes a request to make budget adjustments to the existing capital programme as detailed in appendix E.</p> <p>Wards Affected: None</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Note the projected outturn position for 2011/12 of the Council's revenue and capital budget as detailed in paragraphs 3 and 6 of the report; (ii) Note the progress against the 2011/12 savings targets in paragraph 4 of the report; (iii) Note the position for the HRA as detailed in paragraph 5 of the report; 	

(iv) Approve the revenue and capital budget adjustments as set out in the report.

Reason(s)

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

Comments of the Chief Financial Officer

This initial review of 2011/12 performance indicates that the council continues to face significant pressures in the cost of Children's placements and in its Environmental Services division. The Corporate Director of Customer Services has initiated a detailed review of the Environment and Enforcement budgets and progress will be reviewed and reported. The Corporate Director of Finance and Resources continues to monitor actions to control spend and ensure departmental savings targets, set within the budget, are delivered.

Comments of the Legal Practice

Previous reports have advised Members of the obligation upon a billing authority to set a balanced budget each year by virtue of section 32 Local Government Finance Act 1992 taking account of required expenditure, contingencies and reserves among other things. Section 43 makes corresponding provision for major precepting authorities. Those sections require the relevant authorities to set an 'appropriate' level of reserves for the year in question. The reserves may be drawn upon during the year even if as a result they fall below the minimum. Members will note the reported position and comments made in relation to reserves and the budget position for this year going forward.

Similarly Members are reminded of the Council's ongoing duty under section 28 Local Government Act 2003 to keep its financial position under review and if it appears that there has been a deterioration in its position it must take such action as it considers necessary to deal with the situation. It is to be noted that a robust financial position based on effective past measures is here reported. Members will wish to be satisfied that appropriate actions are being taken to deal with any projected overspends and deliver services in the tougher economic climate the council finds itself in.

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Cabinet Member: Councillor Geddes	Portfolio: Finance, Revenues and Benefits	Contact Details: Tel: 020 8227 2116 E-mail: cameron.geddes2@lbbd.gov.uk

1. Background

1.1 The Outturn report to Cabinet on 14 June 2011 reported that, as at 31 March 2011, general fund balances stood at £10.8m, an increase of £2.8m on the position twelve months earlier. This position will be confirmed following completion of the audit of the Council's Statement of Accounts in late summer.

- 1.2** This report provides a summary of the Council's General Fund (GF) revenue and capital positions and the HRA. It also provides an update on progress made to date in the delivery of the agreed savings targets built into the 2011/12 budget setting out risks to anticipated savings and action plans to mitigate the risk.
- 1.3** It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved within the Council by monitoring the financial results on a monthly basis through briefings to the Cabinet Member for Finance, Revenues and Benefits and reports to Cabinet. This ensures Members are regularly updated on the Council's overall financial position and enables the Cabinet to make relevant financial and operational decisions to meet its budgets.
- 1.4** The report is based upon the core information contained in the Oracle general ledger system supplemented by examination of budgets between the budget holders and the relevant Finance teams. In addition, for capital monitoring there is the work carried out by the Capital Programme Management Office (CPMO).

2 Current Overall Position

- 2.1** The current Directorate revenue projections (before the planned contribution to balances of £1.5m) indicate an overspend of £4.5m for the end of the financial year of which:
- £1.3m arises from budget pressures in Children's Service. An overspend of £3.3m within the Complex Needs and Social Care budget is forecast, offset by a projected £2.0m under spend in Management and other costs;
 - £1.1m arises from cost pressures in Environmental Services, and General Fund Housing;
 - £2.1m in Finance and Resources due to an error in setting the income budgets in Revenues and Benefits and debt recovery risk in Housing Benefit overpayments.

The initial net forecast of a £3.0m overspend (£4.5m less £1.5m) would result in the Council's General Fund balance falling below the budgeted target of £10.0m. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances. Actions have already been put in place to reduce the Council's cash out-goings.

- 2.2** In the report to Members regarding the setting of the 2011/12 annual budget and Council Tax, the Corporate Director of Finance and Resources, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003, set a target GF reserves level of £10.0m. The General Fund balance at 31 March 2011 (subject to audit) was £10.8m and the current projected balance for the end of the financial year (including the planned contribution to balances of £1.5m) is £7.8m.

The HRA budget for 2011/12 includes a contribution to the HRA reserve of £1.5m. At the end of June, the HRA is forecast to overspend by £0.2m which when adjusted for the contribution to balances (£1.5m) would result in a net increase in funds of £1.3m.

	Balance at 1 April 2011	Projected Balance at 31 March 2012	Target Balance at 31 March 2012
	£'000	£'000	£'000
General Fund	10,841	7,790	10,000
Housing Revenue Account (including Rent Reserve)	4,448	5,755	4,448

2.3 The current full year projection to 31 March 2012 across the Council for the General Fund is shown in the table below.

Council Summary	Net Budget £'000	Full year projection at June 2011 £'000	Over/(under) Budget Projection £'000
<u>Directorate Expenditure</u>			
Adult and Community Services	64,789	64,789	-
Children's Services	65,144	66,444	1,300
Customer Services	26,858	27,998	1,140
Finance & Resources	13,392	15,503	2,111
Chief Executive Office	591	591	-
General Finance	12,608	12,608	-
Total Service Expenditure	183,382	187,933	4,551
Planned Contribution to Balances			(1,500)
Total Projection at end of May			3,051

2.4 The projection set out in the table above excludes the potential impact of cost pressures identified within the service directorates, which are more fully explained in section 3 below. Directorate management teams are actively developing action plans to control these pressures which will be monitored closely during July and August.

3 Directorate Performance Summaries

The key areas of potential overspend and risks are outlined in the paragraphs below.

3.1 Adult and Community Services:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	69,951	64,789	64,789
Projected overspend			-

The Adult and Community Service budget position at month 3 of the 2011/12 financial year is projecting a break-even position for the year end.

The Directorate is experiencing severe pressures at the interface with local hospitals and the PCT at this time, which may have led to budget overspends if the Directorate had not been successful in securing through negotiation the funding 'to support social care where it benefits health' of £2.4 million. It should be noted that discussions continue with the ONEL PCT cluster about the impact of their budgetary policy on jointly commissioned services and on Council services.

The current budgets reflect savings decisions made last year as part of the Council Tax setting process, which amounted to reductions of £4.62m from the ACS Budget this will represent a challenge to deliver without service detriment.

The Directorate and its Management Team have a track record of dealing with issues and pressures throughout the year to deliver a balanced budget.

Savings targets are currently showing a potential shortfall of £180k due to pressures in the following areas:

- Community Halls – there has been a delay on the transfer of the buildings to community associations and this is a potential savings risk;
- Community Equipment – this budget has had significant pressures due to a high demand and is now showing an overspend of £80k which is being off-set by other savings within the directorate;
- Mental Health placement budget are struggling with a demand pressure which they are managing through the social care funding in establishments.

The Directorate will ensure that these savings are met through managing other budgets robustly.

3.2 Children's Services:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	61,913	65,144	66,444
Projected overspend			1,300

Children's Services are projecting a full year overspend of £1.3m this is due to Children's Complex Needs and the Children's placements budget which continue to experience pressures of approximately £3.3m. This is a reduction compared to the pressures experienced last year of over £4m.

Of the £4.5m savings put forward for 2011/12, there are risks to the delivery of certain savings however it is expected that each divisional director will manage the risks and achieve their savings targets.

Cabinet are requested to approve the transfer of £330k Think Family Funding from Children's Services to Adults. This is in respect of the Family Intervention Programme that has now been mainstreamed into the Early Intervention Grant to support youth offending services.

Dedicated School Grant (DSG)

The Council retains £17.9m of the DSG in 2011/12 (2010/11; £16.3m).

3.3 Customer Services:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	28,202	26,858	27,998
Projected overspend			1,140

The Projected spend for Customer Services as at period 3 is £27,998k, which is an over spend of £1,140k. The main pressures are:

- Refuse income related to trade waste;
- Staff costs in refuse;
- Vehicle Fleet – continued spot hire pending supply of new vehicles under Translinc contract;
- Rising fuel & energy prices above budgeted inflation;
- Reduction in school buy-backs – mainly impacting on refuse and grounds maintenance;
- Temporary accommodation costs due to changes in Housing Benefit Subsidy rules. The service is addressing this through a combination of converting more expensive PSL (Private Sector Landlords) on to a lower cost portfolio, as well as using the council's own properties where feasible;
- Share of joint venture shortfall in funding;
- Delivery of 2011/12 savings.

The overall savings target for Customer Services was £4,264k of which the latest forecast is that £3,150k will be delivered this year. The shortfall for 2011/12 is £1,114k. Management action plans have been drawn up to mitigate the above pressures and the projections above reflect the net position. There is a risk of non-delivery of the additional savings required, over and above those formally agreed for the year, to offset those pressures.

3.4 Finance and Resources:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	10,388	13,392	15,503
Projected overspend			2,111

At this early stage of the year the Finance & Resources department is projecting a £2.1m overspend which is mainly due to the Directorate inheriting the budget pressures already existing within the Revenues & Benefits service at the point of transfer. £1.5m of this pressure has been highlighted in the MTFs and a separate Cabinet report will be submitted to consider a release from the Council's contingency budget to cover the budget shortfall. The remaining overspend relates to an increase in the Housing Benefit overpayments bad debt provision (£0.3m) and court fees (£0.3m). The department is currently considering how to mitigate the

pressures to ensure that it does not overspend, but at this stage it is confident that it will be able to deliver its services within its overall approved working budget.

The Directorate is expecting to achieve its 2011/12 saving targets.

3.5 Chief Executive Office:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	1,023	591	591
Projected overspend			-

The Chief Executive Office will be able to deliver their services within the approved working budget. Some services have experienced early budget pressures, due to a delay in implementing their new structures, but as these are known work has already commenced to ensure that the overall spend is kept within the approved cash limited budgets.

The Directorate is expecting to achieve its 2011/12 saving targets.

3.6 General Finance:

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	(19,482)	12,608	12,608
Projected overspend			-

General Finance continues to project a breaking-even position for its budget at the end of June.

As part of the General Finance savings target for this year, £1.0m was planned to be generated through the implementation of revised Terms and Conditions of Employment across the Council. This major project has commenced but is now unlikely to generate the full year savings included in the 2011/12 budget in the current year. An impact assessment arising from the delay in implementing this project is currently being prepared by Human Resources. It is likely that Cabinet will be asked, in a future report, to release an element of the £2.7m budget contingency to offset any shortfall in the planned saving.

4 In Year Savings targets

The delivery of the 2011/12 budget is dependent on meeting a substantial savings target of £20.3m. Directorate management teams are monitoring their targets and providing a monthly update of progress which is summarised in the table below. The savings shortfalls have been included in the Directorate projections set out in section 3 above.

Directorate Summary of Savings Targets	Target £'000	Projection £'000	Shortfall £'000
Adult and Community Services	4,620	4,440	180
Children's Services	4,500	4,500	-
Customer Services	4,264	3,150	1,114
Finance & Resources and CEO	2,960	2,960	-
General Finance	4,000	4,000	-
Total	20,344	19,050	1,294

5 Housing Revenue Account

There is a budget pressure on the HRA as at period 3 of £160k. However, the HRA budget includes a contribution to the HRA reserve of £1,467K and this pressure would result in a net contribution to reserves of £1,307K. The budget pressure relates mostly to:

- Rising energy and insurance costs which may not all be recoverable in year from tenants/leaseholders;
- Severance costs of £161k have been offset by reduced staffing costs where there are some vacant posts;
- The projected outturn includes allowances to cover the part year costs of additional Metropolitan Police Officers as well as potential costs associated towards tendering of a new Repairs and Maintenance contract.

A detailed HRA is provided in appendix C.

6 Capital Programme

The Capital Programme budget has been updated to reflect the capital roll forwards approved by Cabinet on 14 June 2011 and the full Directorate analysis of capital projects will be provided with the June 2011 report.

Directorate Summary of Capital Expenditure	Original Budget £'000	Revised Budget £'000	Projected Outturn £'000	Projected Variance £'000
Adult and Community Services	10,963	12,611	12,610	(1)
Children's Services	56,993	65,271	64,147	(1,124)
Customer Services	38,017	48,600	38,105	(10,495)
Finance & Resources	15,682	19,457	18,999	(458)
Total	121,655	145,939	133,861	(12,078)

- At the end of the first quarter (30 June 2011) the overall status of LBBDD's Capital Programme is 'Amber'; with the exception of Customer Services which has a status of 'Amber', the remaining 3 departments have attained a status of green.
- Adult and Community Services – Projects are expected to be on budget.
- Children's Services – The under spend is mainly attributed to the Skills Centre, which is only expected to require £8.8m of its £10.2m budget.
- Customer Services – HRA projects have been allocated more budget than required. These surplus budgets will be reprofiled to new HRA projects where it is expected the budget will be spent in this financial year.

- Finance & Resources – The Corporate Accommodation Strategy is currently projecting a £0.4m underspend on an overall budget of £2.2m.
- All projects continue to be robustly monitored by CPMO and supporting Finance Teams, ensuring appropriate compliance is adhered to.

The detailed capital Programme is available at appendix D with budget adjustment requests contained within appendix E.

7 Financial Control

At the end of the first quarter all key reconciliations have been prepared and reviewed, no major unidentified items were left unreconciled.

Appendix F provides a summary of the reconciliations, their status and risk score.

8 Legal Issues

The legal issues are covered in the section “Comments of the Legal Practice” earlier in the report.

9 Other Implications

- **Risk Management**

The risk to the Council is that if the currently projected overspends are not managed effectively the level of balances will fall below the recommended value of £10m as set by the Corporate Director of Finance and Resources.

- **Customer Impact**

As far as possible all restraints have been placed on non-essential services spend. Some cuts may directly or indirectly affect customers but every effort will be made to mitigate any impact on front line services. All departments are required to consider the equalities impacts of their savings plans, and to put in place mitigating actions where necessary. A global equalities impact assessment was reported to Assembly as part of agreeing the 2011/12 annual budget and Council Tax.

- **Safeguarding Children**

All actions taken to mitigate the overspend of the placements budget in Safeguarding and Rights will need to be undertaken within a risk management framework to ensure that the safeguarding needs of individual children are not compromised.

10 Background Papers Used in the Preparation of the Report:

- Provisional Revenue and Capital Outturn 2010/11; Cabinet 14 June 2011
- Budget and Medium Term Plan 2011/14; Cabinet 26 February 2011

11 Appendices

A – General Fund expenditure by Directorate
 B – Savings Targets by Directorate
 C – Housing Revenue Account expenditure
 D – Capital Programme
 E – Requested Capital Budget Adjustments
 F – Key Reconciliations

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GENERAL FUND REVENUE MONITORING STATEMENT JUNE 2011/12

SERVICES	Outturn 2010/11	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>					
Adult Care & Commissioning	48,705	45,896	45,886	45,886	-
Mental Health	4,172	3,837	3,799	3,799	-
Community Safety & Neighbourhood Services	3,736	4,360	4,360	4,360	-
Culture & Sport	12,671	10,449	10,459	10,459	-
Management	667	247	285	285	-
	69,951	64,789	64,789	64,789	-
<u>Children's Services</u>					
Education	12,455	6,111	7,131	7,131	-
Targeted Support	1,359	14,406	13,408	13,408	-
Complex Needs and Social Care	34,773	31,646	31,624	34,824	3,200
Commissioning and Safeguarding	6,031	4,877	4,877	4,877	-
Other Management Costs	7,295	8,104	8,104	6,204	(1,900)
	61,913	65,144	65,144	66,444	1,300
<u>Children's Services - DSG</u>					
Schools	(15,175)	(21,148)	(21,148)	(21,148)	-
Quality & Schools Improvement	9,040	5,343	5,343	5,343	-
Integrated Family Services	2,544	3,510	3,510	3,510	-
Safeguarding & Rights Services	214	4,763	4,763	4,763	-
Children's Policy & Trust Commissioning	1,163	1,442	1,442	1,442	-
Skills and Learning	770	-	-	-	-
Other Services	1,444	6,090	6,090	6,090	-
	-	-	-	-	-
<u>Customer Services</u>					
Environment & Enforcement	20,601	16,948	16,948	17,588	640
Housing General Fund	3,360	3,378	3,378	3,728	350
Barking & Dagenham Direct	4,242	6,532	6,532	6,682	150
	28,203	26,858	26,858	27,998	1,140
<u>Finance & Resources</u>					
Directorate of F&R	(109)	414	414	414	-
Human Resources	(32)	250	340	340	-
Commercial Services (including JV contract)	4,482	2,598	2,598	4,709	2,111
Financial Services	(5)	-	130	130	-
Audit & Risk	(20)	-	-	-	-
Regeneration	4,571	5,229	5,229	5,229	-
Corporate Management	4,694	4,681	4,681	4,681	-
ICT (now within JV contract)	(3,193)	-	-	-	-
	10,388	13,172	13,392	15,503	2,111

Appendix A

SERVICES	Outturn 2010/11	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
<u>Chief Executive Services</u>					
Chief Executive Unit	1,185	-	(90)	(90)	
Legal & Democratic Services	795	441	381	381	
Corporate Policy & Public Affairs	(957)	300	300	300	
	1,023	741	591	591	-
<u>Other</u>					
General Finance	(27,608)	1,257	1,317	1,317	-
Contingency	-	2,834	2,704	2,704	-
Levies	8,126	8,587	8,587	8,587	-
	(19,482)	12,678	12,608	12,608	-
TOTAL	151,996	183,382	183,382	187,933	4,551

GENERAL FUND REVENUE MONITORING STATEMENT JUNE 2011/12

SERVICES	Detail	Target	Projected Outturn	Projected Shorfall
		£'000	£'000	£'000
<u>Adult & Community Services</u>				
ACS/SAV/8	Adult care restructure	250	250	-
ACS/SAV/9	Cross directorate staffing reductions	320	320	-
ACS/SAV/12	YOS/DAAT family focused skills	75	75	-
ACS/SAV/13	Crime prevention	250	250	-
ACS/SAV/14	Youth Offending & Substance Misuse	50	50	-
ACS/SAV/15	Parks police	100	100	-
ACS/SAV/16	Adult care commissioning	1,177	1,177	-
ACS/SAV/17	Charging policy review	125	125	-
ACS/SAV/18	Community Grants	250	250	-
ACS/SAV/19	Joint working/closer integration	300	300	-
ACS/SAV/20	Meals on wheels income	125	125	-
ACS/SAV/21	Broadway theatre	100	100	-
ACS/SAV/22	Parks & Events	150	150	-
ACS/SAV/25	Community halls	125	125	-
ACS/SAV/26	Community equipment	100	20	80
ACS/SAV/27	Mental health budget reduction	100	-	100
ACS/SAV/28	PPP review	300	300	-
ACS/SAV/29	Support services	300	300	-
ACS/SAV/30	Security costs	200	200	-
ACS/SAV/32	Reduce Family Learning	23	23	-
ACS/SAV/33	Reduce Security provision in Buildings	150	150	-
ACS/SAV/34	Increase Volunteers in Libraries	50	50	-
		4,620	4,440	180
<u>Children's Services</u>				
CHS/SAV/1	Directorate re-organisational efficiencies	1,599	1,599	-
CHS/SAV/2	Children's Policy and Trust Commissioning Management	(15)	(15)	-
CHS/SAV/3	Youth Provision Reconfiguration	300	300	-
CHS/SAV/4	Childminding	35	35	-
CHS/SAV/5	Management Children's Centres	114	114	-
CHS/SAV/6	Teenage Pregnancy	127	127	-
CHS/SAV/7	Supplies & Services Budget	12	12	-
CHS/SAV/8	Advisory Teachers/National Strategy	(70)	(70)	-
CHS/SAV/9	Attendance Service Reduction	150	150	-
CHS/SAV/10	City Learning Centre	150	150	-
CHS/SAV/11	Community Music Service	140	140	-
CHS/SAV/12	Director's representatives at Governors Meetings	5	5	-
CHS/SAV/13	Inspection Service	150	150	-
CHS/SAV/14	Language Support Service Grant	(38)	(38)	-
CHS/SAV/15	Modern Foreign Language Support	(10)	(10)	-
CHS/SAV/16	Transport Savings From Adjustments for Affordability	500	500	-
CHS/SAV/17	Transport to DSG	200	200	-
CHS/SAV/18	Trewern	66	66	-

Appendix B

SERVICES	Detail	Target	Projected Outturn	Projected Shorfall
		£'000	£'000	£'000
CHS/SAV/19	Westbury Centre	41	41	-
CHS/SAV/21	Court Assessment Team	35	35	-
CHS/SAV/24	Service Development Support Officer	50	50	-
CHS/SAV/25	14-19 ABG Funded Staff	53	53	-
CHS/SAV/26	Aim Higher	(35)	(35)	-
CHS/SAV/27	Apprenticeships Savings	502	502	-
CHS/SAV/28	Job Brokerage Services	125	125	-
CHS/SAV/30	School Gates	(25)	(25)	-
CHS/SAV/31	Children's IT service	60	60	-
CHS/SAV/32	Woodlands Premises Cost	39	39	-
CHS/SAV/34	Crisis Intervention	32	32	-
CHS/SAV/35	Family Group Conference	53	53	-
CHS/SAV/36	Safeguarding & Quality Assurance	55	55	-
CHS/SAV/37	Charging for CiC	100	100	-
		4,500	4,500	-
<u>Customer Services</u>				
CUS/SAV/1	Customer services management re-structure	424	424	-
CUS/SAV/2	Redesigning street cleansing operations	200	-	200
CUS/SAV/3	Passenger Transport - remodelling of services	1,119	969	150
CUS/SAV/4	Environmental & Trading Standards	150	150	-
CUS/SAV/5	Parks & open spaces	370	170	200
CUS/SAV/6	Street Scene - Parking CPZ	686	363	323
-	Street Scene - Parking Staff Permit	354	177	177
CUS/SAV/7	Street Scene - Call Outs	75	40	35
CUS/SAV/8	Street Scene - Depot	48	48	-
CUS/SAV/9	Street Scene - Road Safety	54	25	29
CUS/SAV/10	Housing Advice Proforma Restructure	75	75	-
CUS/SAV/11	Housing Advice Re-align Recharges to HRA	150	150	-
CUS/SAV/13	Environment reduction in staff post	30	30	-
CUS/SAV/14	Revenues and Benefits Head of Service post	85	85	-
CUS/SAV/15	Housing Advice Reduce subsidy gap	200	200	-
CUS/SAV/21	Supplies & services	(81)	(81)	-
CUS/SAV/22	B&D Direct - Service Efficiency in new One Stop Shop	(50)	(50)	-
CUS/SAV/23	B&D Direct - Staff Saving in new One Stop Shop	(25)	(25)	-
CUS/SAV/28	Temporary Accommodation Re-design	400	400	-
		4,264	3,150	1,114

Appendix B

SERVICES	Detail	Target	Projected Outturn	Projected Shortfall
		£'000	£'000	£'000
<u>Finance & Resources and Chief Executive Services</u>				
FIN&RES/SAV/1	Human Resources - Staffing Review	306	306	-
FIN&RES/SAV/2	Asset & Capital Delivery Staffing Reductions inc Capital	825	825	-
FIN&RES/SAV/3	Marketing and comms review	554	554	-
FIN&RES/SAV/4	Rationalisation of complaints & FOI's	71	71	-
FIN&RES/SAV/5	Rationalisation of Legal practice	470	470	-
FIN&RES/SAV/6	Rationalisation of Democratic Services	197	197	-
FIN&RES/SAV/7	PPP review	387	387	-
FIN&RES/SAV/8	Regeneration & Economic development re-structure	300	300	-
FIN&RES/SAV/9	Corporate Finance review	497	497	-
FIN&RES/SAV/10	Audit & Risk	23	23	-
FIN&RES/SAV/11	Corporate Director of Resources Post	80	80	-
FIN&RES/SAV/12	Reduction in corporate projects	150	150	-
FIN&RES/SAV/13	Deletion of total commissioning service	200	200	-
FIN&RES/SAV/14	Reduction in Building Schools for Future budgets	650	650	-
FIN&RES/SAV/15	Misc MWOW & One B&D Savings	186	186	-
FIN&RES/SAV/16	Misc Support Services non-recurring savings	(1,936)	(1,936)	-
		2,960	2,960	-
<u>Corporate Savings</u>				
JV/SAV/1	Initial Savings from the Joint Venture	3,000	3,000	-
CORP/SAV/01	Terms & Conditions Review	1,000	1,000	-
		4,000	4,000	-
TOTAL		20,344	19,050	1,294

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HOUSING REVENUE ACCOUNT MONITORING STATEMENT JUNE 2011/12

HOUSING REVENUE ACCOUNT	Outturn 2010/11	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
Rents	(73,118)	(76,625)	(76,625)	(77,018)	(393)
Non Dwelling Rent	(2,367)	(2,565)	(2,565)	(2,568)	(3)
Other Income	(12,128)	(11,603)	(12,029)	(12,055)	(26)
Capitalisation of Repairs	(2,518)	(2,500)	(1,000)	(1,000)	-
Repairs and Maintenance	22,874	23,154	21,579	21,630	51
Supervision and Management	31,533	28,926	29,426	29,918	492
Rent Rates and Other	990	920	920	920	-
Subsidy	18,048	18,931	18,931	18,931	-
Depreciation	13,481	14,697	14,697	14,697	-
Bad Debt Provision	658	953	953	953	-
Interest Charges	1,173	3,431	3,431	3,431	-
Corporate & Democratic Core	811	811	811	811	-
Pensions	-	80	80	119	39
Interest	(484)	(78)	(78)	(78)	-
Contribution to HRA Reserve	(1,048)	1,469	1,469	1,469	-
TOTAL	(2,095)	1	-	160	160

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CAPITAL PROGRAMME MONITORING STATEMENT JUNE 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>				
Community Services, Heritage & Libraries				
Ripple Hall (St Georges/Vol Group Relocation)	100	375	375	-
Valence Site Redevelopment	300	465	465	-
Disabled Adaptations (HRA)	500	502	502	-
	900	1,342	1,342	-
Leisure & Olympics				
Contingency	18	18	18	-
Barking Park Restoration & Improvement	4,303	4,698	4,698	-
Pondfield Park	-	22	22	-
Staff Costs	98	98	98	-
Abbey Green Park Development	33	48	48	-
Valence Park Improvements	24	31	31	-
Civic Centre Gardens (Formerly Kestrel)	-	152	152	-
BTC Public Art Project	-	11	11	-
Abbey Sports Centre (Wet Side Changing Areas)	-	9	9	-
Barking Park Artwork	84	84	84	-
Becontree Heath Leisure Centre	4,617	5,120	5,119	(1)
Goresbrook Leisure Centre - Olympic Training Venue	139	207	207	-
Mayesbrook Park Improvements (Phase 1)	747	771	771	-
	10,063	11,269	11,268	(1)
Total For Adult & Community Services	10,963	12,611	12,610	(1)
<u>Children's Services</u>				
Primary Schools				
Eastbury	150	176	226	50
Northbury Infants & Juniors	-	62	-	(62)
Cambell Infant & Juniors	25	267	267	-
Barking Riverside first Primary School	3,015	5,181	5,181	-
Roding Primary School - Cannington Road Annex	250	323	323	-
Beam Primary Expansion	100	304	304	-
St Joseph's Primary - expansion	1,850	1,962	1,962	-
St Peter's Primary - expansion	75	137	137	-
Thames View Infants - London TG Agreement	420	240	240	-
Cambell Junior - Expansion & Refurb	25	167	167	-
Thames View Juniors - Expansion & Refurb	2,230	2,250	2,250	-
Former UEL Site - New Primary School	177	8,510	8,510	-
Former UEL Site - New Primary School - 2	8,323	-	-	-
Ripple Primary - Expansion	-	(3)	-	3
Roding Primary School	-	(7)	-	7
Westbury - New Primary School	1,750	1,924	1,924	-
St Georges - New Primary School	2,260	2,745	2,745	-
	20,650	24,238	24,236	(2)

CAPITAL PROGRAMME MONITORING STATEMENT JUNE 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Other Schemes				
Renewal School Kitchens 2009/10	25	32	51	19
SMF - School Modernisation Fund (Inc 2009-10 SMF Element)	997	852	852	-
Youth Access Card	15	264	264	-
Extended Schools Phase 4	-	(21)	-	21
Extended Schools	-	1	1	-
School's Kitchen Extension/Refurbishment 10/11	490	554	554	-
Cross-Government Co-Location Fund	50	141	141	-
Basic Needs Projects (Formerly Additional School Places)	1,501	1,535	1,535	-
Schools Re-Boiler Works	-	2	2	-
Schools Legionella Works	-	88	88	-
Schools L8 Water Quality Remedial Works 2010/11	15	143	143	-
Schools Reboiler & Repipe Fund	250	327	327	-
Schools Asbestos Management & Removals 2010-11	-	8	8	-
William Bellamy Childrens Centre	-	3	3	-
John Perry Childrens	-	10	10	-
Youth Bus	-	(11)	-	11
512a Heathway - Conversion to a Family Resource	-	-	225	225
Devolved Capital Formula	-	805	805	-
Sydney Russell - Schools For The Future	24,000	12,078	12,078	-
Provision of New School Places	-	14,000	14,000	-
	27,343	30,811	31,087	276
Skills, Learning & Enterprise				
Dagenham Job Shop	-	11	-	(11)
Advanced Skills Centre	9,000	10,211	8,824	(1,387)
	9,000	10,222	8,824	(1,398)
Total For Children's Services	56,993	65,271	64,147	(1,124)
Customer Services				
HRA				
Housing Futures	3,363	3,363	3,363	-
Refurbishment of Bartlett & Oldmead	-	135	135	-
Millard Terrace	34	115	35	(80)
Extensions and loft conversions	-	15	15	-
Lifts replacement	1,810	2,291	1,020	(1,271)
SAMS formerly remote concierge	-	155	65	(90)
DH works Framework contracts	-	455	626	171
Major maintenance renewals	2,500	2,500	1,000	(1,500)
Heating works (Thaxted, Maxey & Humphries Houses)	-	157	283	126
Decent Places/CHP provision	-	(1)	-	1
In House Costs/Contract Preparation	1,000	907	800	(107)
CHP Programme	1,000	1,209	63	(1,146)
Electrical Switchgear Project	520	792	744	(48)
Extensions and deconve	-	(87)	20	107
Communal Lighting and Electrical Switchgear	1,500	1,500	1,500	-
External Enveloping Work	3,000	2,609	373	(2,236)
Sheltered Alarms Upgrade	-	88	38	(50)
Colne & Mersea Blocks	4,269	5,762	5,674	(88)
Capitalised Improvement Works	-	155	224	69
Housing Capitalised Works	-	2	-	(2)
Estate Improvement Project	-	309	800	491

CAPITAL PROGRAMME MONITORING STATEMENT JUNE 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Oldmead & Bartlett Remedial Works	-	100	100	-
King William St Qtr	1,816	1,816	429	(1,387)
Council Housing & Thames	-	-	-	-
Council Housing - New Builds	463	3,003	596	(2,407)
New Council Housing Phase 3	12,621	12,621	12,332	(289)
Land Disposal	-	(3)	-	3
	33,896	39,968	30,235	(9,733)
Non-HRA Housing				
Private Sector Households	800	1,118	1,118	-
Private Sector Households (105)	-	44	92	48
Housing Modernisation Programme	-	57	57	-
	800	1,219	1,267	48
Environment & Enforcement				
Highways Maintenance(TFL)	380	380	-	(380)
Land Quality Inspection Programme	80	80	-	(80)
Street Light Replacing	1,000	1,216	1,216	-
Flats recycling banks scheme	-	307	307	-
Principal Rd Resurfacing - Longbridge Rd (TFL)	-	446	341	(105)
Road Safety Improvement Schemes (TFL)	-	100	96	(4)
SNAPS	-	174	-	(174)
Becontree Neighbourhood Improvements	-	63	-	(63)
Minor Works - Various Locations (TFL)	-	70	67	(3)
Environmental Improvements - On Street Waste Receptacles	630	630	630	-
Christmas Lighting	45	45	45	-
	2,135	3,511	2,702	(809)
Customer Services B&D Direct				
Excellent Customer Services	-	10	10	-
Office Accomodation	-	80	80	-
	-	90	90	-
ICT				
Microsoft Enterprise Agreement	36	162	162	-
One B & D Ict Main Scheme	-	2,564	3,649	1,085
ICT Infrastructure	1,150	1,086	-	(1,086)
	1,186	3,812	3,811	(1)
Total For Customer Services	38,017	48,600	38,105	(10,495)
Resources				
Asset Strategy				
L8 Surveys and Risk Assessment Updates	35	35	35	-
L8 Control of Legionella Remedial Works	-	72	72	-
Asbestos (Public Buildings)	128	112	112	-
Automatic Meter Reading Equipment	119	111	111	-
Backlog Capital Improvements	375	667	667	-
CMRP DDA for Buildings	-	27	27	-
Implement Corporate Accommodation Strategy	619	731	1,749	1,018
Legionella (Public Buildings)	-	170	170	-
New Dagenham Library & One Stop Shop	-	200	200	-
Corporate Accommodation Strategy	1,454	1,454	-	(1,454)
	2,730	3,579	3,143	(436)

**CAPITAL PROGRAMME MONITORING STATEMENT
JUNE 2011/12**

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance
	£'000	£'000	£'000	£'000
Regeneration				
Creekmouth	-	(15)	-	15
Dagenham Heathway	-	83	83	-
Legi Business Centres	3,647	3,915	3,915	-
Industrial Area Improvement	-	84	84	-
Barking Town Square (Phase 2)	494	536	536	-
Retail Premise Improvement Grant	21	21	21	-
Barking Town Centre - Low Carbon Emission (TFL & GLA)	85	135	135	-
BTC Public Realm - Tsq & Abbey	103	134	134	-
Area Based Schemes (Shopping Parades)	-	183	183	-
Robin Hood Shopping Parade Enhancement (TFL & S106)	-	330	330	-
Barking Town Centre	-	92	92	-
Barking Station Forecourt Interim Public Realm Improvements	-	65	65	-
East End Thames View Demolition	57	64	64	-
Axe Street Housing	263	263	264	1
Demolition of Kingsbridge Site	-	25	25	-
Rainham Road Corridor (TFL)	-	96	96	-
Green Lane Corridor (TFL)	-	119	119	-
London Road/North Street Site Acquisitions	1,100	1,003	1,003	-
Buybacks(Gascoigne)	698	398	398	-
Buybacks(Leys)	-	366	366	-
Buybacks(Goresbrook Village)	-	483	483	-
Boroughwide Estate Renewal - Decants and Leaseholder Buyback	5,684	5,684	5,684	-
Barking Station Forecourt - Phase 1 Implementation (TFL & S106)	-	910	910	-
Barking Station Interchange (2831)	800	-	-	-
Mayesbrook Park Access Improvements (TFL)	-	381	366	(15)
Merry Fiddlers Junction Improvements (TFL)	-	150	144	(6)
Cycling on Greenways and Local Cycle Links (TFL)	-	150	143	(7)
Station Access Improvements (TFL)	-	50	48	(2)
Future Scheme Development - various locations (TFL)	-	30	28	(2)
Car Club Expansion (TFL)	-	15	14	(1)
Biking Borough Initiative (TFL)	-	128	123	(5)
	12,952	15,878	15,856	(22)
Total For Resources	15,682	19,457	18,999	(458)
GRAND TOTAL	121,655	145,939	133,861	(12,078)
Capital Obligations				
Dagenham Park School - Public Finance Initiative (PFI)	13,792	13,792	-	-

REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000	Total Budget £'000	External Funding £'000	MRA £'000	Section 106 £'000	Departmental Borrowing £'000	Corporate Borrowing £'000	Leaseholder Reserve £'000	Total Funding £'000
<u>Adult & Community Services - Current Programme</u>											
Ripple Hall (St Georges/Vol Group Relocation)	375	-	-	375	275	-	-	-	100	-	375
Staff Costs	98	-	-	98	-	-	-	-	98	-	98
Civic Centre Gardens (formerly Kestrel)	152	-	-	152	-	-	-	-	152	-	152
Playbuilder	-	-	-	-	-	-	-	-	-	-	-
Mayesbrook Park Improvements (Phase 1)	771	-	-	771	755	-	-	-	16	-	771
Sub Total	1,396	-	-	1,396	1,030	-	-	-	366	-	1,396
<u>Adult & Community Services- Proposed Programme</u>											
Ripple Hall (St Georges/Vol Group Relocation)	375	-	-	375	-	-	-	-	375	-	375
Staff Costs	98	81	81	260	-	-	-	-	260	-	260
Civic Centre Gardens (formerly Kestrel)	-	-	-	-	-	-	-	-	-	-	-
Playbuilder	10	-	-	10	-	-	10	-	-	-	10
Mayesbrook Park Improvements (Phase 1)	898	-	-	898	882	-	-	-	16	-	898
Sub Total	1,381	81	81	1,543	882	-	10	-	651	-	1,543
<u>Children's Services - Current Programme</u>											
Youth Access Card	264	-	-	264	249	-	-	-	15	-	264
Sub Total	264	-	-	264	249	-	-	-	15	-	264
<u>Children's Services - Proposed Programme</u>											
Youth Access Card	285	-	-	285	285	-	-	-	-	-	285
Sub Total	285	-	-	285	285	-	-	-	-	-	285
<u>Customer Services - Current Programme</u>											
Housing Futures	3,363	13,500	13,500	30,363	-	30,363	-	-	-	-	30,363
Refurbishment of Bartlett & Oldmead	135	-	-	135	-	-	-	135	-	-	135
Millard Terrace	115	-	-	115	-	34	-	81	-	-	115
Extensions and loft conversions	15	-	-	15	-	-	-	15	-	-	15
Lifts replacement	2,291	-	-	2,291	-	1,810	-	481	-	-	2,291
SAMS formerly remote concierge	155	-	-	155	-	-	-	155	-	-	155
DH works Framework contracts	455	-	-	455	-	-	-	455	-	-	455
Major maintenance renewals	2,500	-	-	2,500	-	1,135	-	-	1,365	-	2,500
Heating works (Thaxted, Maxey & Humphries Houses)	157	-	-	157	-	-	-	157	-	-	157
Decent Places/CHP provision	(1)	-	-	(1)	-	-	-	(1)	-	-	(1)
In House Costs/Contract Preparation	907	-	-	907	-	1,000	-	(93)	-	-	907
CHP Programme	1,209	-	-	1,209	-	1,000	-	209	-	-	1,209
Electrical Switchgear Project	792	-	-	792	-	520	-	272	-	-	792
Communal Lighting and Electrical Switchgear	1,500	-	-	1,500	-	1,500	-	-	-	-	1,500
Extensions and deconve	(87)	-	-	(87)	-	-	-	(87)	-	-	(87)
External Enveloping Work	2,609	-	-	2,609	-	3,000	-	(391)	-	-	2,609
Sheltered Alarms Upgrade	88	-	-	88	-	-	-	88	-	-	88
Colne & Mersea Blocks	5,762	-	-	5,762	1,800	4,735	-	(773)	-	-	5,762
Capitalised Improvement Works	155	-	-	155	-	-	-	155	-	-	155
Housing Capitalised Works	2	-	-	2	-	-	-	2	-	-	2

REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000	Total Budget £'000	External Funding £'000	MRA £'000	Section 106 £'000	Departmental Borrowing £'000	Corporate Borrowing £'000	Leaseholder Reserve £'000	Total Funding £'000
Estate Improvement Project	309	-	-	309	-	-	-	309	-	-	309
Oldmead & Bartlett Remedial Works	100	-	-	100	-	-	-	100	-	-	100
Land Disposal	(3)	-	-	(3)	-	-	-	(3)	-	-	(3)
Door Entry Project 11/12	-	-	-	-	-	-	-	-	-	-	-
External Enveloping & Fire proofing project	-	-	-	-	-	-	-	-	-	-	-
Defective Overflow Works	-	-	-	-	-	-	-	-	-	-	-
Central Heating Installation	-	-	-	-	-	-	-	-	-	-	-
Kitchen & Bathroom Replacement Project	-	-	-	-	-	-	-	-	-	-	-
High Rise Surveys	-	-	-	-	-	-	-	-	-	-	-
Capitalised Improvement works (Estates)	-	-	-	-	-	-	-	-	-	-	-
Estate Improvements	-	-	-	-	-	-	-	-	-	-	-
Adaptations - Housing	-	-	-	-	-	-	-	-	-	-	-
King William St Qtr	1,816	-	-	1,816	1,143	-	-	672	-	-	1,816
Council Housing & Thames	-	-	-	-	-	-	-	-	-	-	-
Council Housing - New Builds	3,003	-	-	3,003	1,223	-	-	1,780	-	-	3,003
New Council Housing Phase 3	12,621	-	-	12,621	6,807	-	-	5,814	-	-	12,621
Private Sector Households (105)	44	-	-	44	44	-	-	-	-	-	44
Highways Maintenance(TFL)	380	-	-	380	380	-	-	-	-	-	380
Microsoft Enterprise Agreement	162	-	-	162	36	-	-	126	-	-	162
Modernisation & Improvement Capital Fund	3,649	-	-	3,649	-	-	-	-	3,649	-	3,649
	-	-	-	-	-	-	-	-	-	-	-
Sub Total	44,203	13,500	13,500	71,203	11,433	45,097	-	9,659	5,014	-	71,203
<u>Customer Services - Proposed Programme</u>											
Housing Futures	-	-	-	-	-	-	-	-	-	-	-
Refurbishment of Bartlett & Oldmead	-	-	-	-	-	-	-	-	-	-	-
Millard Terrace	35	-	-	35	-	35	-	-	-	-	35
Extensions and loft conversions	-	-	-	-	-	-	-	-	-	-	-
Lifts replacement	1,020	-	-	1,020	-	1,020	-	-	-	-	1,020
SAMS formerly remote concierge	65	-	-	65	-	65	-	-	-	-	65
DH works Framework contracts	626	-	-	626	-	626	-	-	-	-	626
Major maintenance renewals	1,000	-	-	1,000	-	984	-	16	-	-	1,000
Heating works (Thaxted, Maxey & Humphries Houses)	283	-	-	283	-	283	-	-	-	-	283
Decent Places/CHP provision	-	-	-	-	-	-	-	-	-	-	-
In House Costs/Contract Preparation	800	-	-	800	-	800	-	-	-	-	800
CHP Programme	63	-	-	63	-	63	-	-	-	-	63
Electrical Switchgear Project	744	-	-	744	-	744	-	-	-	-	744
Communal Lighting and Electrical Switchgear	1,050	-	-	1,050	-	1,050	-	-	-	-	1,050
Extensions and deconve	20	-	-	20	-	20	-	-	-	-	20
External Enveloping Work	373	-	-	373	-	373	-	-	-	-	373
Sheltered Alarms Upgrade	38	-	-	38	-	38	-	-	-	-	38
Colne & Mersea Blocks	5,674	-	-	5,674	1,800	-	-	2,509	1,365	-	5,674
Capitalised Improvement Works	224	-	-	224	-	224	-	-	-	-	224
Housing Capitalised Works	-	-	-	-	-	-	-	-	-	-	-
Estate Improvement Project	800	-	-	800	-	800	-	-	-	-	800
Oldmead & Bartlett Remedial Works	100	-	-	100	-	100	-	-	-	-	100
Land Disposal	-	-	-	-	-	-	-	-	-	-	-
Door Entry Project 11/12	1,575	-	-	1,575	-	1,575	-	-	-	-	1,575
External Enveloping & Fire proofing project	2,528	-	-	2,528	-	2,528	-	-	-	-	2,528
Defective Overflow Works	45	-	-	45	-	45	-	-	-	-	45
Central Heating Installation	2,150	-	-	2,150	-	2,150	-	-	-	-	2,150
Kitchen & Bathroom Replacement Project	2,075	-	-	2,075	-	1,377	-	-	-	698	2,075
High Rise Surveys	1,000	-	-	1,000	-	1,000	-	-	-	-	1,000
Capitalised Improvement works (Estates)	500	-	-	500	-	500	-	-	-	-	500
Estate Improvements	350	-	-	350	-	350	-	-	-	-	350

REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000	Total Budget £'000	External Funding £'000	MRA £'000	Section 106 £'000	Departmental Borrowing £'000	Corporate Borrowing £'000	Leaseholder Reserve £'000	Total Funding £'000
Adaptations - Housing	200	-	-	200	-	200	-	-	-	-	200
King William St Qtr	429	-	-	429	257	-	-	171	-	-	429
Council Housing & Thames	12,332	-	-	12,332	7,399	-	-	4,933	-	-	12,332
Council Housing - New Builds	596	-	-	596	358	-	-	239	-	-	596
New Council Housing Phase 3	3,801	-	-	3,801	1,328	-	-	2,473	-	-	3,801
Private Sector Households (105)	687	-	-	687	44	-	-	-	643	-	687
Highways Maintenance(TFL)	-	-	-	-	-	-	-	-	-	-	-
Microsoft Enterprise Agreement	126	-	-	126	-	-	-	126	-	-	126
Modernisation & Improvement Capital Fund	4,304	-	-	4,304	-	-	-	-	4,304	-	4,304
Sub Total	45,613	-	-	45,613	11,187	16,950	-	10,467	6,312	698	45,613
Resources - Current Programme	-	-	-	-	-	-	-	-	-	-	-
Implement Corporate Accommodation Strategy	731	-	-	731	-	-	-	472	259	-	731
Legionella (Public Buildings)	170	-	-	170	-	-	-	-	170	-	170
L8 Surveys and Risk Assessment Updates	35	-	-	35	-	-	-	-	35	-	35
L8 Control of Legionella Remedial Works	72	-	-	72	-	-	-	-	72	-	72
Energy Efficiency Programme	-	-	-	-	-	-	-	-	-	-	-
Axe Street Housing	263	-	-	263	-	-	263	-	-	-	263
Barking Town Centre	92	-	-	92	92	-	-	-	-	-	92
Barking Station Forecourt Interim Public Realm Improvements	65	-	-	65	65	-	-	-	-	-	65
Barking Station Forecourt - Phase 2 Implementation (TFL & S106)	910	-	-	910	500	-	410	-	-	-	910
Mayesbrook Park Access Improvements (TFL)	381	-	-	381	381	-	-	-	-	-	381
Merry Fiddlers Junction Improvements (TFL)	150	-	-	150	150	-	-	-	-	-	150
Cycling on Greenways and Local Cycle Links (TFL)	150	-	-	150	150	-	-	-	-	-	150
Station Access Improvements (TFL)	50	-	-	50	50	-	-	-	-	-	50
Minor Works - Various Locations - Local Transport Fund (TFL)	70	-	-	70	70	-	-	-	-	-	70
Future Scheme Development - various locations - Local Transport Fund - (TFL)	30	-	-	30	30	-	-	-	-	-	30
Car Club Expansion (TFL)	15	-	-	15	15	-	-	-	-	-	15
Biking Borough Initiative (TFL)	128	-	-	128	128	-	-	-	-	-	128
Barking Town Centre - Low Carbon Emission (TFL & GLA)	135	-	-	135	135	-	-	-	-	-	135
Robin Hood Shopping Parade Enhancement (TFL & S106)	330	-	-	330	165	-	45	-	120	-	330
East End Thames View Demolition	64	-	-	64	57	-	7	-	-	-	64
Sub Total	3,842	-	-	3,842	1,988	-	725	472	656	-	3,842
Resources - Proposed Programme	-	-	-	-	-	-	-	-	-	-	-
Implement Corporate Accommodation Strategy	883	-	-	883	-	-	-	472	411	-	883
Legionella (Public Buildings)	-	-	-	-	-	-	-	-	-	-	-
L8 Surveys and Risk Assessment Updates	-	-	-	-	-	-	-	-	-	-	-
L8 Control of Legionella Remedial Works	277	-	-	277	-	-	-	-	277	-	277
Energy Efficiency Programme	57	-	-	57	57	-	-	-	-	-	57
Axe Street Housing	28	-	-	28	-	-	28	-	-	-	28
Barking Town Centre	-	-	-	-	-	-	-	-	-	-	-
Barking Station Forecourt Interim Public Realm Improvements	-	-	-	-	-	-	-	-	-	-	-
Barking Station Forecourt - Phase 2 Implementation (TFL & S106)	1,028	-	-	1,028	480	-	548	-	-	-	1,028
Mayesbrook Park Access Improvements (TFL)	366	-	-	366	366	-	-	-	-	-	366
Merry Fiddlers Junction Improvements (TFL)	144	-	-	144	144	-	-	-	-	-	144

REQUESTED CAPITAL BUDGET ADJUSTMENTS

DETAIL	Budget 2011/12 £'000	Budget 2012/13 £'000	Budget 2013/14 £'000	Total Budget £'000	External Funding £'000	MRA £'000	Section 106 £'000	Departmental Borrowing £'000	Corporate Borrowing £'000	Leaseholder Reserve £'000	Total Funding £'000
Cycling on Greenways and Local Cycle Links (TFL)	144	-	-	144	144	-	-	-	-	-	144
Station Access Improvements (TFL)	48	-	-	48	48	-	-	-	-	-	48
Minor Works - Various Locations - Local Transport Fund (TFL)	67	-	-	67	67	-	-	-	-	-	67
Future Scheme Development - various locations - Local Transport Fund - (TFL)	29	-	-	29	29	-	-	-	-	-	29
Car Club Expansion (TFL)	14	-	-	14	14	-	-	-	-	-	14
Biking Borough Initiative (TFL)	123	-	-	123	123	-	-	-	-	-	123
Barking Town Centre - Low Carbon Emission (TFL & GLA)	133	-	-	133	133	-	-	-	-	-	133
Robin Hood Shopping Parade Enhancement (TFL & S106)	324	-	-	324	159	-	45	-	120	-	324
East End Thames View Demolition	54	-	-	54	-	-	54	-	-	-	54
Sub Total	3,718	-	-	3,718	1,763	-	675	472	808	-	3,718
Current Total - Schemes with requested change	49,705	13,500	13,500	76,705	14,701	45,097	725	10,131	6,051	-	76,705
Proposed Total - Schemes with requested change	50,997	81	81	51,159	14,117	16,950	685	10,939	7,771	698	51,159
Total of proposed changes	1,292	(13,419)	(13,419)	(25,546)	(584)	(28,147)	(41)	807	1,720	698	(25,546)

KEY RECONCILIATIONS MONITORING JUNE 2011/12

Reconciliation	April	May	June
Accounts Receivable	✓	✓	✓
Accounts Payable	✓	✓	✓
Bank Reconciliation – (Main Account)	✓	✓	Awaiting Rec
Bank Reconciliation – (R & B Account)	✓	✓	Awaiting Rec
HB Overpayments	x	✓	Awaiting Rec
Custody Accounts	x	✓	Awaiting Rec
NNDR	✓	✓	✓
Council Tax	✓	✓	✓
Housing Rents (HRA)	x	✓	Awaiting Rec
Housing Rents (PSL)	x	✓	Awaiting Rec
Leasehold Service Charge	x	✓	Awaiting Rec
VAT	✓	✓	✓
Income Tax (PAYE)	x	x	Awaiting Rec
Pensions Payroll Control Account	x	x	Awaiting Rec
Payroll Control Account	x	x	Awaiting Rec
Income Suspense	x	x	✓
Energy Suspense	✓	✓	✓
Capital Projects Control	x	x	✓

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CABINET

23 AUGUST 2011

REPORT OF THE CABINET MEMBER FOR REGENERATION

Title: Estate Renewal Programme - Delivery and Disposal Options for Goresbrook Village and The Leys	For Decision
<p>Summary</p> <p>This report sets out the recommended options for the disposal and delivery of two of the three sites in the current Estate Renewal Programme: Goresbrook Village and the Leys estates. There is some urgency in taking this decision in order to progress the planning and procurement stages and to take advantage of the £18.3m Affordable Homes Funding offered by the Homes and Communities Agency.</p> <p>The Goresbrook Village and Leys (Wellington Drive and Birdbrook Close) estates are being completely decanted and demolished. In this part of the Estate Renewal programme a total of 495 units (280 in Goresbrook Village and 215 in the Leys) will be demolished by the end of the financial year 2013/2014. The decant and buyback programme will deliver cleared and unencumbered sites for development.</p> <p>The delivery recommendation for these two estates is to use two separate Development Partner Panels to select a developer/partner for each estate. As these two estates are to be decanted and cleared completely, a flexible approach can be taken to the delivery and development. The new developments for these areas will include a mix of private for sale and social rent homes with the socially rented units being delivered as Council Housing.</p> <p>Wards Affected: Thames and Village</p>	
<p>Recommendations</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> (i) That the preferred delivery option for the Goresbrook Village Estate will be to procure a development partner through the Homes and Communities Agency Development Partner Panel, with the final terms to be agreed under a delegated authority by the Corporate Director of Finance and Resources, advised by the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services, and in consultation with the Lead Members for Housing and Regeneration; (ii) That the preferred delivery option for the Leys Estate will be to procure a development partner through the City West 'Frameworkx' Development Partner Panel, with the final terms to be agreed under a delegated authority by the Corporate Director of Finance and Resources, advised by the Corporate Director of Customer Services and the Divisional Director of Legal and Democratic Services, and in consultation with the Lead Members for Housing and Regeneration; and (iii) The indicative benchmark tenure mix for each site to be used in the development and project briefs as shown in section 2 of the report. 	

Reason(s)

To assist the Council in achieving the Community Priority “Prosperous” through increasing the supply and range of family sized affordable and social rented housing by utilising existing Council land and development sites.

Comments of the Chief Financial Officer

This report is for the approval of delivery and procurement routes for options to develop on two Estate Renewal sites in the current capital programme. As such the amount of financial information is minimal.

The Council has a total budget of £45m in respect of demolitions, decants and buy backs to be spent over a period of seven years. This is a mixture of General Fund and HRA funded borrowing and use of surpluses generated under the new HRA business plan. In addition, the Council has been offered £18.3m grant funding by the HCA to build new affordable housing units. However, the grant funding will only assist in delivering approximately 610 new units which is far short of the 1,750+ homes that will be demolished under the Estate Renewal Programme. As there is insufficient funding, there is a need to look at other innovative methods of delivery in order to fill the remaining gap and replenish the original quota. This is the specific purpose of this report, and the options are outlined below.

Negotiations are currently taking place in respect of the redevelopment of the William Street Quarter and Eastern End of Thames View sites, using the BSF LEP model. However this model is still in the process of being finalised but is considered to have reached its delivery capacity until it financially closes and completes the first scheme, and therefore has not been considered as an option for these sites.

At the Goresbrook and Leys sites, it is recommended that we use a Development Partner model in which we dispose of the land on a nominal basis in return for the construction of some affordable housing (which will remain in the ownership and responsibility of the Council). This model does not deliver as great a proportion of affordable housing as the LEP model, but it does reduce the Authority’s exposure to financial risk in terms of guaranteeing levels of rent / occupancy. This model also foregoes any capital receipt from the sale of the land, and potentially any S106 / Community Infrastructure Levy.

These proposals will increase the supply of Council housing at social rent. However, it should be borne in mind that under the HCA Affordable Rent programme these dwellings would qualify for rents to be charged at up to 80% of market rent. This programme is designed to allow registered providers to generate the higher income streams in order to create surpluses which can then be invested in new supply.

There will also be revenue costs associated with procurement and other staff time, which will be met from existing budgets. There will also be revenue costs associated with serving the new development upon completion (street lighting, rubbish collection etc) but these costs will be met from the increased Council Tax base.

Both the reduction of stock numbers and replenishment under the new development schemes should be taken into account in the re-tendering of the Council’s housing repairs and maintenance contract – the subject of a separate Cabinet Report from Housing and Neighbourhood Services.

Comments of the Legal Practice

The proposals envisage that there will be a disposal of property owned by the Council. The Local Government Act 1972 Section 123 obliges local authorities to dispose of property at the best consideration unless there is ministerial consent. Similar provisions apply to land held for Housing Act purposes. There are General Disposal Consents which permit disposal at less than best consideration if specified conditions are met.

If property is to be disposed, there will be a requirement to ensure there is due diligence to the requirement of securing best value. As the Goresbrook Village and the Leys preferred option is to transfer property to a developer at a nominal value, there would need to be a valuation of the whole package in terms of deliverables to ensure that what was being achieved would secure overall value for money for the Council and the Housing Revenue Account. Safeguards would need to be sought ensuring that the Council was able to protect its interests and this may be in the terms of a development agreement supplemented by form of bonds, charges, covenants, options or a form of golden share or by a combination.

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Background

- 1.1. The two estates that are the subject of this report are part of the Estate Renewal Programme and are currently being decanted in preparation for demolition. The third estate in the Estate Renewal Programme – Gascoigne, will be the subject of a separate report due for Cabinet decision later in the year. The demolition of these two estates is programmed to be completed by the end of the end of 2013/14. There is, therefore, some urgency for the Council to agree the next stages for the Estate Renewal Programme. This is to ensure delivery of the new homes without delay once demolition has taken place and to ensure that we can access the £18.3m of HCA Affordable Homes Programme Funding made available to us (subject to the terms of a Funding Agreement), by the specified HCA Programme end date of March 2015.
- 1.2. The Council has established a clear set of objectives for the delivery of new housing on sites in its ownership. These are therefore key criteria for assessing the different delivery options contained in this report:-
 1. maximise as a priority social rent homes and affordable homes;
 2. ensure speed and certainty of delivery;
 3. maintain design, sustainability (code level 4) quality and space standards;
 4. ensure local accountability and developing capacity within the community;

5. aim to create long term returns to the Council and community;
- 1.3. Whilst the Council has recently been successful in securing £18.3m of HCA grant to assist with providing at least 610 new affordable units by the end of 2015, this is relatively modest given the level of housing need in the Borough and previous levels of HCA grant and intervention levels. Therefore the Council needs to consider additional ways of increasing the supply of new social rented and other forms of affordable homes in the short to medium term.
- 1.4. The Government /HCA intend that funding for new affordable housing will come via either much higher borrowing to replace grant and/or free land from public authorities and recycled grant. The borrowing is expected to be financed from higher “affordable” rents which are to be set at up to 80% of local market rents, with an expectation that housing associations and other providers will convert a proportion of their re-let (void) properties from social rent to higher ‘affordable’ rents.
- 1.5. At its meeting in May 2011, Cabinet agreed a development strategy for the William Street Quarter, Barking and Eastern End of Thames View sites involving the transfer of the sites on a leasehold basis to the Building Schools for the Future Local Education Partnership (BSF LEP) to provide a range of sub-market rented properties to be managed by the Council. It is suggested that this option is not pursued for these two sites because it is considered that the BSF LEP model needs to get to financial close and complete these two projects (WSQ and EETV). The Council then need to evaluate the finished homes before embarking on any further housing projects on Council owned land.
- 1.6. This report sets out alternative models for housing delivery which will maximise the level of grant that is available, provide for a suitable level of affordable housing, with sufficient levels of social rent and allows for concurrent development. The use of different models shares risk and addresses capacity issues, provides a range of designs and allows us to compare, monitor and evaluate quality, comparative costs and value for money. All models assume some form of partnership arrangement with the Council to ensure that the Council has a strong influence on the design, delivery, future management and levels of participation of local tenants and residents.

2. Estate Renewal Sites:

Below is an outline of the two estates:

2.1 Goresbrook Village:

Goresbrook Village, Dagenham consists of 280 units in three blocks on a 2.81ha site. It is located to the west of Castle Green and to the north of the A13. Built in the 1960s, 274 of these units are in Council ownership with the remainder leaseholders. The site that is available for development is 2.28ha as a strip of land along the eastern boundary is safeguarded in the Council’s Approved Local Development Framework for a future bridge over the A13 to be constructed by TfL. There is no timeline for this road at present, but by safeguarding the land, it will provide for this transport improvement at some point in the future.

In the Local Development Framework, Goresbrook Village has been identified as having a potential capacity for approximately 250 homes. This equates to 110 units per hectare. The indicative benchmark tenure split for new units on this site would be 50% affordable units and 50% for private sale with 75% houses and 25% flats.

The Planning Policy Team is undertaking a 'Planning For Real' public consultation exercise with residents of the estate and the wider area on the options for redevelopment including the extent of the site and its relationship with Castle Green. The results of the exercise will be available before the end of the calendar year to inform final development and design briefs which will be subject to a future report for Cabinet approval.

All Phase 1 decants and buybacks are programmed to be completed by summer 2013.

2.2 Leys Estate:

The flatted areas of the Leys Estate located in Birdbrook Close and Wellington Drive consist of 215 units over a 1.91ha site. The units are made up of 150 Council owned units and 65 leaseholders. The Estate is located in Dagenham, to the south of Rainham Road. The area for decanting and renewal is part of the larger Leys Estate, which is made up of houses that will not be part of this Estate Renewal Programme.

The current density on this estate is 144 units/ha, this is equivalent to many high density Barking Town Centre sites without the benefit of the transport links and other local facilities. To provide a wider range of house types, and to ensure that the mix provides a scheme that is financially viable and is of high quality, this density is recommended to reduce to 78 – 100 units/ha, providing 150 – 200 units in the new development. The proposed indicative tenure split for new development would be 60% affordable units and 40% private for sale. The proposed house type mix would be 70% houses and 30% flats.

3. Delivery Options

Officers have considered seven delivery options for the sites. **Appendix 1** sets out the advantages and disadvantages of the options:

Delivery Option (DO)

DO1 – Market the sites on the open market with a guarantee of 20% social housing (housing association) to be delivered, otherwise an unrestricted disposal;

DO2 – Market the sites on the open market but developer 'gives' a small number of social rent houses to the Council in return for no land receipt;

DO3 – Market the sites on a deferred purchase basis in return for a number of "free" homes for social rent;

DO4 - Transfer sites to a housing association with housing association owning the affordable homes on basis there is a guaranteed number of social rented homes, guaranteed in perpetuity with the Council given the option to manage;

DO5 - Enter into an agreement with a housing association encompassing new build Council, refurbished Council and housing association built properties (affordable rented, intermediate and private sale);

DO6 - Set aside land value to enter into a development agreement with a developer on the basis of a proportion of new homes being delivered to the Council in lieu of land value together with the option of the Council to long lease sub-market (i.e. affordable) rented properties subject to suitable terms;

DO7 - Long lease of sites to BSF LEP development vehicle with a funder. Potentially all tenures would be sub- market rent.

3.1. Recommended Delivery Options for Each Site: Option DO6

The preferred option for the Goresbrook Village and Leys Estates is DO6 whereby the schemes are progressed under a development agreement with a developer procured via an OJEU compliant Developer Framework and setting aside a receipt for the land value in favour of a proportion of new homes in the schemes being transferred at no charge to the Council as social rented units. The precise number of these will be determined by the basic economic development model for each site. The potential for additional Council house rented units and additional affordable units will be determined by the amount of funding through borrowing under the HRA and the amount of HCA grant available together with any option to long lease other sub-market rented properties. The key reasons for selecting this option for these two particular sites are:

- (i) Both redevelopment areas will be entirely decanted and demolished which provides a clean slate for developers to work with.
- (ii) There are no completed masterplans for the estates and working with a developer throughout the design and development stages will provide the Council with a much more proactive and determining role in the process. Although a Planning for Real exercise is planned later in the year for tenants and residents in the Goresbrook Village, the results of the exercise will still require to be translated into a design and development brief that will underpin the future masterplan for the area.

3.2 Recommended Partner Panels for Goresbrook Village and the Leys

There are two existing Developer Frameworks that are considered appropriate for selecting a development partner to take forward the Goresbrook Village and Leys projects. These are the:

- (i) **HCA Development Partner Panel**, and
- (ii) **City West Homes Framework**

The key characteristics of each panel are summarised in **Appendix 2** with a list of panel members provided in **Appendix 3**.

To maximise the number of strong responses and to spread risk, it is not considered to be appropriate in the circumstances to use one panel for both of the sites. The decision to allocate each site to one panel is a marginal one. The members of both Panels are considered to be competent to undertake either of the Goresbrook Village and the Leys development schemes.

The HCA Panel has a larger number of members and LBBB is already a registered user. The Framework Panel would require the payment of a user fee by the Council of up to £25,000. However, given that the development values of each site run into the tens of millions of pounds, this fee element could be regarded as relatively insignificant. The HCA is regionally based (South East) and members of the Panel have been involved in a previous informal soft market testing exercise for various development sites in the Borough including Goresbrook Village which generated a considerable level of interest in the exercise. The Council could therefore be reasonably confident that members of the HCA DPP will be sufficiently interested in this development to submit a range of strong bids.

The Framework Panel members tend to be more (though not exclusively) London based. It could be argued that the size and location of the Leys Estate would benefit from a partner who is able to work with the embedded community to develop a tailored approach to the incremental development of two flatted areas within an existing estate.

As noted, the decision between the two Panels is a marginal one. On balance, it is recommended that the;

(i) Goresbrook Village Scheme should be progressed using the **HCA Development Partner Panel**;

and

(ii) Leys Estate Scheme should be progressed using the **City West Homes Framework Panel**.

4. Conclusion

Securing the regeneration of two of the Borough's estates most in need of investment through the Estates Renewal Programme is a Council priority. Decanting and buying back properties on all these estates is now underway with the objective of having cleared, unencumbered sites available for development to be largely completed by the end of 2013/2014. Ward councillors have been consulted on their views.

For this to be achieved, the Council must agree procurement and development strategies for the two sites. Procurement in this way is expected to enhance rather than diminish the Council's ability to obtain best consideration. The report identifies and recommends a similar approach for the Goresbrook Village and Leys sites. This approach will provide for a mix of social and private units along with a high quality built environment and improved housing for our residents.

5. Other Implications

5.1 Risk Management

A separate risk assessment has been undertaken for the main risks associated with the proposed strategy and this has been used to inform the report and its recommendations.

The mixed approach to the procurement of partners recommended in this report is intended to spread the risk otherwise associated with reliance on a single partner, procurement route and delivery mechanism.

There are still risks, however, associated with the capacity, financial standing and project management resources of each potential partner. To mitigate these risks, all of the procurement processes will be undertaken in a way that ensures tenderers are fully assessed and evaluated against clear, set criteria to ensure that they can fully satisfy the Council's requirements in terms of relevant expertise, financial standing and internal staff resources to deliver the scale of project they would be committing to in Barking & Dagenham.

5.2 Contractual Issues

The carrying out works would need to be compliant with European Tendering Regime and in addition in accordance with the Public Contract Regulations. Because the recommendation is to use established frameworks, these regulations have already been met.

5.3 Staffing Issues

An inter-departmental Project Team is currently operating to manage the delivery of the Estates Renewal programme of decants and buybacks, this involves officers from;

- Housing allocations/lettings
- Housing management
- Community and neighbourhood services
- Legal Practice
- Property services
- Finance
- Regeneration and economic development.
- Corporate Programme and Strategic Asset Management

Two separate procurement projects will be undertaken to appoint the Development and JV partners via the proposals set out in options above, these procurement projects will be led by the Sustainable Communities Team with support from Property and Legal Practice. No increase in staffing levels is assumed to deliver these projects however the complexity and time required to deliver two projects of this scale and nature simultaneously should not be underestimated and clear prioritisation of activity will be required.

5.4 Customer Impact

An Equalities Impact Assessment was completed for the original £7.1m Estate Renewal Programme, this has been subsequently updated to reflect the current position for delivery of the £22.1m programme and is fully signed-off by the Equalities and Diversities Team.

The key actions from this Assessment are set out below;

Category	Actions
Improving Involvement and Consultation	Addressing barriers to participation Inter departmental working through Integrated Project Team Liaising with community and other groups that could facilitate participation of difficult to reach groups Developing consultation and engagement strategy programme
Improving data collection and evidence	Use equalities monitoring form as part of the consultation process Updating of the Neighbourhood Knowledge Management (<i>nkm</i>) database Training of staff / project officers with front line contact with communities
Improving assessment and analysis of information	Using the existing Neighbourhood Knowledge Management (<i>nkm</i>) database
Developing procurement and partnership arrangements to include equality objectives and targets within all aspects of the process (including monitoring of the contract / commission)	During any procurement and partnership arrangements we will adhere to Guidelines for Building Equalities into Contracts
Monitor, evaluate and review this EIA (including publishing the results)	The EIA will be monitored and reviewed on an ongoing basis every six months throughout the programme lifetime (Jan 2011 – March 2014). Reports will be produced and published on the LBBB website

5.5 Safeguarding Children

Design undertaken as part of any development will take into consideration the needs of local communities with a focus on creating accessible and safe spaces that allow for freedom of movement and will benefit the local community at large including children. In particular, the design and development process will explore opportunities to introduce new or improve existing play facilities in the two areas.

5.6 Health Issues

The development of these two sites will have a positive impact on residents by providing high quality residential accommodation at both social and sub-market rents. In particular, it would have a positive impact on ill health attributed to poor housing conditions and overcrowding due to a lack of housing in the Borough. The redevelopment of the sites will provide a safer and more secure environment where opportunities for crime are reduced and a host of public realm improvements make the area safer and more legible. General health and well being will be improved as a result of improved visual appearance of the site thereby increasing civic pride. Overall, the proposal would be expected to result in a benefit upon local well being and an improvement of quality of life.

5.7 Crime and Disorder Issues

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals.

Levels of crime and disorder vary between the sites and will be taken into consideration. This can be partly addressed in the design of the built environment and a change in the fabric will be a catalyst to a better, more sustainable community. Improved facilities for young people will also provide new opportunities for education, recreation and employment directing them away from crime. Specific types of violence such as domestic violence can be helped by social aspects of the development such as better access to services based in local community centres, as well as better quality housing.

5.8 Education

Children's Services have made the following comments about each Estate:

Goresbrook Village – the increase in homes is likely to have a negligible effect on the overall position regarding the provision of school places, but there will be an impact during the course of demolition and construction.

Leys estate – Leys is much more volatile and the plan is to reduce the housing density so there will be a long term effect in reduced demand for school places which might affect the viability of the school, this will need to be kept under review. The Leys is an area which is at the far reaches of the Borough and the school and children's centre serve a very distinct locality. Children's Services will continue to be involved in the consultation and delivery of these two estates to ensure that the requirements of school age children is met.

6. Options appraisal

- 6.1** The options are discussed in Section 2 of this report and set out in detail in Appendix 1

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

Cabinet Report – Boroughwide Estate Renewal Programme 2010 – 14 (6 July 2010, Minute 21)

Boroughwide Estate Renewal Programme Phasing and Decant Options (2 November 2010)

Risk Assessment August 2011 - Deliver new affordable and private sale homes on two Estate Renewal Sites - Goresbrook Village and the Leys

Estate Renewal Programme Equalities Impact Assessment – December 2010

8. List of appendices:

Appendix 1: Delivery Options

Appendix 2: Available Developer Framework Panels

Appendix 3: Lists of Members of the Developer Framework Panels

Delivery Options

Option	Proposal	Advantages	Disadvantages
DO1:	Sell the sites on the open market with a guarantee of 20% social housing to be delivered, otherwise an unencumbered disposal	<ul style="list-style-type: none"> • Council may get a receipt immediately that could contribute to the Estate Renewal programme or further Council housing. 	<ul style="list-style-type: none"> • Housing market and land values currently low so receipt may be minimal with requirement for 20% socially rented property. • No control over the development of the land other than through the planning process. • Less control over amount of social housing that is delivered. Although, minimum level set at time of sale. • Little control over when developer will bring the sites forward meaning that they may sit empty and undeveloped for unknown amount of time or may develop very slowly because of the condition of the market • Registered Providers (RP) would take the affordable housing; they lack local accountability and standards of estate and tenancy management may vary. • No long term return to the Council.
DO2:	Sell sites on open market with the developer giving a small number of homes to the Council in lieu of a land receipt	<ul style="list-style-type: none"> • Completed social homes transferred to the Council at nil cost to LBBB – some level of accountability • Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved • Some long term return 	<ul style="list-style-type: none"> • No capital receipt • No guarantee of 20% of units being social rent, in reality the level could be much lower. • Less control over design and development process. • Less control over development timescales
DO3:	Sell sites on a deferred purchase basis in return for a number of “free” homes for social rent	<ul style="list-style-type: none"> • More control over development and standard of delivery • Number of social rent units likely to be higher than previous option as market values could rise during the deferred period. • Completed social homes transferred to 	<ul style="list-style-type: none"> • No capital receipt • No guarantee of 20% of units being social rent, although • Less control over design and development process • Less control over development timescales

		<p>the Council at nil cost to LBBB- some level of accountability</p> <ul style="list-style-type: none"> • Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved • Some long term return 	
DO4:	<p>Transfer sites to a Registered Provider with them owning the affordable homes on the basis that there are a guaranteed number of social rented homes, guaranteed in perpetuity with the Council given the option to manage</p>	<ul style="list-style-type: none"> • Council are given right to manage the properties - ensuring local accountability • Social rented properties are held in perpetuity • Some local control over the design and deliverability of these units 	<ul style="list-style-type: none"> • No long term return on the asset • Less control over design than if the Council was a partner in the development. • Unlikely that a housing association would agree to these terms in respect of management arrangements.
DO5:	<p>Enter into a Joint Venture with a Registered Provider (RP). Encompassing new build Council, refurbished Council and RP properties.</p>	<ul style="list-style-type: none"> • Council given the right to be involved in managing the properties – ensuring local accountability. • Gives the ability to provide a range of sub-market housing units. • Social rented properties are held in perpetuity • Some local control over the design and deliverability of these units • The Council could be involved in an umbrella organisation to oversee the management of the units jointly with the RP this would ensure a consistent level of management across the development. • This option could if preferred deliver a scheme of up to 100% sub-market units with the ability as market picks up for 	<ul style="list-style-type: none"> • Control over delivery timetables and design would be shared with the RP. • RP delivery finance model would drive the process. • Fees associated with setting up the JV • Time taken to establish the JV and agreed heads of terms

		tenants to staircase up into home ownership.	
DO6:	Set aside land value to enter into a development agreement with a developer procured via a Developer Framework on the basis of a proportion of new homes being delivered given to the Council in lieu of land value . Also the Council offered the ability to long lease other sub market rented properties at suitable terms	<ul style="list-style-type: none"> • More control over development and standard of delivery • More control over number of sub-market tenure housing units provided • Completed social homes transferred to the Council at nil cost to LBBB • Homes transferred to LBBB would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved- some long term return • Ability to lease further sub – market rented homes would increase ability to re-house local people and give a limited return through managing. Also over time provision might become available to acquire stock through HRA • Could create a model similar to the BSF LEP with a lease back arrangement for a proportion of the affordable homes. 	<ul style="list-style-type: none"> • No immediate receipt • Relies on long term private equity or bank funding being available to the developer to fund other sub market rented properties. • If private sale units are proposed to cross subsidise the market values will affect the level achievable. • Risk around guaranteeing the rental stream on the sub market rent properties
DO7:	Long lease sites to BSF LEP development vehicle Potentially all tenures would be sub market rent.	<ul style="list-style-type: none"> • Faster procurement as LEP is already procured and in existence • Return properties to the HRA at end of lease and finance period (60 years) • Greater control over design and development parameters subject to scheme commercial viability • Lower upfront costs as LEP is already fully funded and able to take on new project feasibility work subject to LEP board approval • Potential for share in development returns through LEP structure through 	<ul style="list-style-type: none"> • With the BSF LEP being used for the WSQ and EETV sites, there is no capacity for the development of the Estate Renewal sites in this phase. • No receipt • No testing of VFM through tender process; would need to rely on LEP new business protocol and management of existing arrangements • Will need new SPV to be established which could result in some time delays and additional costs and governance arrangements • Would need LEP board approval • Specialist expertise around Estate Renewal projects may be needed to complement the LEP's competencies and capabilities • Rental guarantee on non social rent sub market tenures will pose

		<p>land being invested into a LEP SPV</p> <ul style="list-style-type: none"> • Council returns could be recycled • The LEP SPV could hold and be responsible for managing the affordable tenures. • Set up costs met by the LEP • Would contract the Council to carry out tenancy management. • Wholly rented scheme will result in quick delivery 	<p>a significant risk to the Council which cannot be offset by a limited amount of private sale</p> <ul style="list-style-type: none"> • No additional funding to the HRA • Council share in the LEP only 10% so return limited • All rent guarantee risk rests with the Council
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Available Developer Framework Panels

Option:	Development Frameworks	Advantages	Disadvantages
DF1	HCA Development Partner Panel	<ul style="list-style-type: none"> • Developer framework valid until January 2013 • There is no joining fee or administration fee for this process. • Does not require the Council to go through OJEU, significantly cutting down on the time for the procurement process. • The process could be as short as 12 weeks. • One-stop shop, enables procurement of development and construction works • Have previously completed a soft marketing testing exercise with the members of this panel for housing sites across the Borough. 	<ul style="list-style-type: none"> • Limited to the members on the Development Partner Panel • Members divided into three groups, London included in 'southern' group. May be some disadvantages to the framework not being London specific.
DF2	City West Framework List of members -	<ul style="list-style-type: none"> • Refurbishment, developer and consultant framework. • Developer framework is valid until June 2013. • No requirement for OJEU process • London based. 	<ul style="list-style-type: none"> • Minimum £25,000 fee for use of the Framework. • Can only deal with projects up to £25m in value.
DF3	Watford Community Housing Trust	<ul style="list-style-type: none"> • Capital Improvements Works, Term Repairs and Maintenance and New Build Projects • Developer framework is valid until July 2013 • No requirement for OJEU process 	<ul style="list-style-type: none"> • Was established primarily to provide services to social landlords. • Only has five (5) framework contractors on the list • Based in Hertfordshire, not London based. • Only used by one Registered Provider, with an informal fee agreed of £10,000. Not clear what fees are. • Not used by a Local Authority yet.

Lists of Members of the Developer Framework Panels

HCA Developer Partner Panel	Frameworkx (Developer Panel)	Watford Community Housing Trust
Ardmore First Base Partnership BDW Trading Ltd (Barratt) Bouygues UK Ltd Carillion Igloo Consortium Countryside Properties (UK) Ltd Crest Nicholson Operations Ltd Family Mosaic Home Ownership Galliford Try plc Hadley Mace Ltd J B Leadbitter & Co Ltd Kier Ltd Laing O'Rourke Plc Lovell Partnerships Ltd Mi-Space Skanska Construction UK Ltd Taylor Wimpey UK Ltd Wates Construction Ltd	Contract value £0 - £5m <ul style="list-style-type: none"> • Lovell Partnership Limited • Wates • United House • Mulalley and Co • Durkan Contract value £5m - £10m <ul style="list-style-type: none"> • Lovell Partnership Limited • Wates • United House • Mulalley and Co • Durkan Contract value £10m - £25m <ul style="list-style-type: none"> • Lovell Partnership Limited • Wates • United House • Mulalley and Co • Durkan Contract value £25m+ <ul style="list-style-type: none"> • Lovell Partnership Limited • Wates • Wilmott Dixon Homes Limited • Mulalley and Co • Durkan 	Apollo Connaught Mears Mulalley United House Wates

CABINET

23 AUGUST 2011

REPORT OF THE CABINET MEMBERS FOR REGENERATION AND CULTURE AND SPORT

Title: Axe Street / Abbey Sports Centre Redevelopment	For Decision
<p>Summary:</p> <p>This report sets out a business case for the provision of a new leisure centre in Barking Town Centre as a part of a rationalisation of indoor leisure provision in the Borough. This will be achieved by streamlining services into two first-class leisure centres, the first being the Becontree Heath Leisure Centre in Dagenham which has recently been completed, and the second being a new Centre to be constructed in Axe Street in Barking Town Centre. These facilities will be complemented by the existing school leisure centres that have community access and the soon to be completed Olympic handball sports centre at Mayesbrook Park.</p> <p>The construction of a new leisure centre on Axe Street would mean that the closure of both the Goresbrook Leisure Centre and the existing Abbey Sports Centre would be achievable. Both centres are in need of significant refurbishments. The Abbey Sports Centre requires imminent capital improvements of £1.6m currently not included in the Capital Programme. Goresbrook Leisure Centre is particularly inefficient when compared to industry benchmarks as a result of its design which makes the centre very expensive to operate. This centre also needs capital investment of £1m in the near future. Neither of these facilities currently has the range and quality of facilities needed to meet the current and emerging needs of residents and the health improvement priorities of the Council and its partners.</p> <p>A feasibility study has been undertaken to assess whether a refurbishment of the existing Abbey Sports Centre or a new build scheme would best meet the Council's leisure needs for the site, meet best value for money objectives, and adequately address the changing needs and aspirations of its service users. The study concluded that a new build leisure centre on the site opposite the existing Abbey Sports Centre would address these requirements at a cost of around £12.98m (Option A). A new build scheme would allow for the optimum facility mix to meet service user needs and health improvement priorities:</p> <ul style="list-style-type: none"> • It will provide a range of positive activities for young people and help to ensure that every child in the Borough can swim, which is a priority for Members. • It will provide high quality and accessible health fitness facilities that will encourage more people to become and stay physically active. • Help to improve the viability and vitality of the Town Centre; • Minimise whole life cycle costs and maximise opportunities for income generation; • Enable the delivery of a more environmentally sustainable building; • Enable a visually attractive and highly functional building to be built befitting the new high quality standards of development for the Town Centre; and • Ensure continuity of leisure service provision in the Town Centre during construction. <p>The new building would be expected to be fully constructed by Spring 2014 assuming Members agree to progress the scheme at this meeting.</p>	

In the short term the total £12.98m construction cost will need to be met mostly from prudential borrowing and capital receipts as they become available. The potential future sources of funding to minimise the level of borrowing include:

- Capital receipts from the closure and sale of the Goresbrook Leisure Centre site and from the closure and sale of the existing Abbey Sports Centre site;
- Revenue savings associated with the closure of the two existing leisure centres and their replacement by a new facility in Axe Street which would be used to support the costs of borrowing; and
- Town Centre external funding of £400,000

There are clear risks in factoring the sale of these sites since there have been no comparable sales since the collapse of the housing market in 2007. The lack of comparable evidence also makes it difficult to predict the level of receipts which will be forthcoming. However, it is estimated that, contributions from the sale of the Abbey and Goresbrook sites could be in the range of £5-6m.

The net revenue savings released from the closure of the two facilities will not be sufficient to cover the full borrowing costs associated with delivering a new £12.98m building. The balance will therefore need to be found from within existing resources. Based on financial modelling, prudential borrowing payments of up to £1.132m per annum will be required in the short term. However, this should be reduced to around £289k per annum subject to the closure and disposal of the Goresbrook and Abbey Sports Centre sites.

It is recommended that the Council's normal practice for the disposal of operational buildings be waived in this case given that this proposal represents a major development opportunity within the Council's regeneration proposals for Barking Town Centre. Furthermore, the disposal of existing sites is needed to off-set development costs with any income from the sales (particularly from the Goresbrook site) and delivering the preferred sports centre on a smaller site would be impractical.

The policy and strategic case to close both of the existing centres is made only if a suitable replacement can be constructed that would provide the sports, leisure and community facilities which could be on one site. If the replacement facility is not progressed, it is anticipated that both existing facilities will need to continue to operate but will require capital investment of around £2.6m in the short term for maintenance, cyclical repairs and refurbishments.

Wards Affected: Abbey, Gascoigne, Goresbrook

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve prudential borrowing payments of an estimated £1.132m per annum in order to build a new Leisure Centre on Axe Street costing £12.98m whilst noting that payments will reduce to around £289k per annum following the closure and disposal of the existing Abbey and Goresbrook Leisure Centres;
- (ii) Authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to undertake the procurement

for the design and construction stages of the proposed leisure centre;

- (iii) Approve the site to the north of Axe Street as being the preferred location of a new leisure centre ;
- (iv) Authorise the Corporate Director of Finance and Resources to place the Goresbrook Leisure Centre on the market with a view to completing the disposal in December 2012, the sale terms to be agreed in consultation with the Divisional Director of Legal and Democratic Services;
- (v) Authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to conclude all legal agreements and to agree a Memorandum of Understanding with the London Thames Gateway Development Corporation regarding the transfer of the Captain Cook Public House Site to the Council in order to construct the new Leisure Centre;
- (vi) Authorise the Corporate Director of Finance and Resources in consultation with the Corporate Director of Adult and Community Services to seek to include a cinema in the Leisure Centre complex as an alternative to a Sports Hall space, in the event that it is considered to be in the best interests of the development and that a third party can be identified to operate the facility at no worse than financially neutral cost to the Council; and
- (vii) Note that two further reports will be presented to Cabinet, setting out the potential uses and disposal of the existing Abbey Sports Centre and Goresbrook Leisure Centre sites at the appropriate time; and a second report for Members to agree the successful tenderer for the new sports centre, including the final specification, the actual dates of construction, the findings and resulting actions from the Equality Impact Assessment relating to this scheme and the outcome of the cinema feasibility study.

Reason(s)

In order to assist the Council to achieve its Community Priorities in particular around the themes of 'Better Health and Wellbeing' and 'Regenerating the Economy'.

Comments of the Chief Financial Officer

In order to fund the construction of a new Leisure Centre costing £12.98m, prudential borrowing payments of up to £1.132m per annum will be required in the short term. To mitigate this borrowing requirement, a number of potential funding sources are available. These principally relate to the disposal of the Goresbrook Leisure Centre and existing Abbey Sports Centre sites, and from possible financial savings arising from the closure of the Goresbrook Leisure Centre and Abbey Sports Centre. Together, this could reduce prudential borrowing requirements to around £289k per annum.

However the cost estimates are based on figures from the feasibility study undertaken by the architects and their cost consultants. It is prudent to allow for a greater contingency to cover any unforeseen costs.

The financial modelling undertaken makes assumptions based on a number of variables which, if changed, alter the borrowing requirements required by the Council. The most

significant of these is the timing and level of the receipt from the sale of the Goresbrook site (and to a lesser extent the Abbey site).

It is estimated that the new centre will cost less to operate than either of the two facilities it will replace. However, the full life costs of building a new Axe St leisure centre should be taken into account and this include the build costs, costs of borrowing and the revenue costs of running the new centre once built.

Once the full life cost is taken into account there will not be sufficient surplus to meet the whole cost of the borrowing required for the scheme. This means that savings will need to be identified elsewhere to meet the borrowing cost.

As the Council has to borrow and begin repayment of that borrowing ahead of the opening of the centre, the generation of the additional income and the realisation of the capital receipts, there is a revenue cost through 2012/13, 2013/14 and 2014/15.

This would be an additional pressure on the Council's overall budget. In order to reduce borrowing requirements, authority has been sought to dispose of the Goresbrook Leisure Centre on a deferred purchase basis (deferred to December 2012), thereby reducing prudential borrowing requirements. However, the timing of the closure of Goresbrook Leisure Centre is to be further assessed.

Six possible scenarios are set out in Appendix 4 of this report which shows the impact of more or fewer members using the new centre and impact of different capital receipts from the sale of Goresbrook and Abbey Leisure Centres.

Comments of the Legal Practice

The report proposes that the design and construction of the proposed new leisure centre be procured using the Council's Professional Services Framework. As this framework has already been procured via the EU procurement process, the design services will not need to be re-procured by way of full tender. The procurement of these services will however, still need to be conducted within the terms of the framework agreement.

It is further proposed that a contractor for the construction of the new centre be procured via the Council's proposed new Construction framework. This framework agreement has not yet been finalised. If it is completed and operational at the appropriate time as mentioned in the report, then the procurement can, as with the design stage, be procured under the framework, subject to the terms of the framework agreement. If however, the new framework agreement is not in place by then, officers will need to come back to Cabinet for approval of a revised procurement strategy for this work.

The proposals set out in this report also involve significant property law and contractual issues. Officers will need to consult and work closely with the Legal Practice throughout the project to ensure that the proposals are legally feasible, compliant and effective. The approval of recommendations is therefore subject to appropriate consultation with and on the advice of the Divisional Director for Legal & Democratic Services.

The development proposed is consistent with the Council's Local Development Framework (LDF) Area Action Plan and the regeneration benefits that this proposal seeks to achieve.

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1. Background

- 1.1 The Borough Health profile for 2011 indicates that the percentage of physically active children is below the national average and that the borough has one of the lowest levels of physically active adults in the country: 14.8% of adults in the Borough take part in sport and physical activity compared to the national average of 22%; also, 58% of adult residents do no sport or physical activity at all; however, on a more positive note, research shows that 60% of adult residents want to start playing sport or do a bit more than what they currently do.
- 1.2 According to Sport England's Active People survey, the most popular sporting related activities for adults in the borough are swimming, going to the gym, football, athletics (primarily jogging), and aerobics. All of these activities will be available at the new leisure centre and through outreach programmes.
- 1.3 The value of sport and physical activity as a key contributing factor to good health and well being is now widely understood:
- For the under fives, floor based and water based play encourages infants to use their muscles and develop motor skills. It also provides valuable opportunities to build social and emotional bonds;
 - For children and young people, being active improves cardio vascular health, maintains a healthy weight, improves bone health, improves self confidence and helps develop new social skills;
 - For adults, physical activity reduces risk of a range of diseases e.g. coronary heart disease, stroke, and type two diabetes, helps maintain a health weight, helps maintain ability to perform everyday tasks with ease, improves self esteem, and reduces symptoms of stress and anxiety;.
 - And for older people, it can help to maintain cognitive function, reduce cardiovascular risk, helps maintain ability to carry out daily living activities, improves mood and self esteem, and perhaps most importantly it can reduce the risk of falls;
- 1.4 The Department of Health has estimated that the cost of physical inactivity in Barking and Dagenham is at least £2.9 million per year, which is why it is a priority in the Borough's Health and Well Being Strategy to improve levels of exercise.
- 1.5 It is considered that the new leisure centre will make an important contribution to the achievement of the following priority outcomes:

- A borough where people's health and fitness are improving, with fewer smokers, with more people taking exercise and where people take better care of their diet;
- A borough with excellent leisure and health facilities, in which people can exercise, relax and play;
- A borough which meets the need of disabled children, young people and adults;
- A borough with a range of positive activities for young people; and
- A borough with a thriving voluntary sector (primarily through support for the development of local sports clubs).

Planning and Regeneration Context

- 1.6 Cabinet agreed the Axe Street Master plan on 22 November 2005 (Minute 185). This proposed a mixed-use scheme incorporating leisure uses, a multi-storey car park and residential uses for the Axe Street area. A portion of the site was redeveloped in 2005/06 for the Family and Child Health Centre with residential uses above and a temporary, at grade, replacement for the Town Hall car park with the intention, in the longer term, to replace this with a larger, multi-storey facility. The master plan assumed the continued existence and operation of the Abbey Sports Centre on its current site. This is supported by the Local Development Framework policy which sets out that the preferred mix of uses for the site include a mixed use development comprising improvements to the Abbey Sports Centre together with commercial and leisure uses such as a cinema, new homes and a multi-storey town centre car park.
- 1.7 A feasibility study has been completed which assessed the implications of redeveloping the Axe Street / Abbey Sports Centre Site to provide a new Leisure Centre, alongside a new 250 multi-story car park already planned for Axe Street. This would be consistent with the approved planning policy described above and address the identified demand for increased off-street parking, leisure and pool provision in the Town Centre and to reflect the aspirations set out in the LDF Barking Town Centre Area Action Plan. The study was also commissioned to test the assumption that a new facility in Axe Street could help deliver significant capital and revenue savings by streamlining leisure provision in the Borough and rationalising assets (i.e. closure of Goresbrook and existing Abbey Sports Centre).
- 1.8 Officers have established that, in relation to leisure provision being delivered across the borough, significant potential capital and revenue savings could be realised if a new leisure centre, with a similar facility mix to that being provided at the Becontree Heath Leisure Centre, is built to replace the existing Abbey and Goresbrook Leisure Centres. This report reflects the Culture and Sport Division's view that there is a clear strategic case particularly for replacing the swimming pool and health and fitness offer in a new leisure facility but there could be a reduction in sports hall provision.
- 1.9 There are three key elements to indoor sports facility provision: fitness suite; swimming pools; and sports hall, the current level of provision in the Borough and how this would be influenced by the proposed building of the leisure new centre is outlined below.
- 1.10 There is currently inadequate access to swimming pool provision for local people and this will be made worse if the Goresbrook Leisure Centre pool is closed and the new leisure centre isn't progressed.
- 1.11 A sports facility planning study produced by Sport England indicates that, in terms of swimming pool provision, the closure of Goresbrook Leisure Centre would increase unmet demand in the borough to the equivalent of 413 sq m, where a standard 6 lane

x25 metre swimming pool equates to 325 sq m of water space. This takes into account the increase in water space that is provided by the new Becontree Heath Leisure Centre and assumes that the existing water space at Abbey Sports Centre (250sq m) is maintained or re-provided in a new facility.

- 1.12 However, on a more positive note the Sport England facility planning study indicates that the Borough is reasonably well provided for in terms of indoor sports hall provision, which has a lot to do with the good quality school based leisure centres that have some community access.
- 1.13 As a result there is less of a strategic need to replace the sports hall at Goresbrook Leisure Centre with a like-for-like size facility. The facility at Goresbrook is twice the size of a standard four badminton court sports hall. When the new Olympics' funded sports centre in Mayesbrook Park is built, then a standard size sports hall is all that would be needed for the Borough to be adequately provided for in terms of indoor sports hall provision.
- 1.14 There is a marked under provision of fitness facilities in the Borough. The new Olympic sports centre in Mayesbrook Park will have a very large fitness facility, some 175 stations. When this is taken into account alongside the new 95 station gym at Becontree Heath Leisure Centre and existing school based leisure provision with community access, the perceived shortfall in this type of provision in the Borough is about 200 stations, the equivalent of five standard size gyms.
- 1.15 There is then a strong financial and strategic case for the current fitness facilities at Goresbrook Leisure Centre and Abbey Sports Centre (about 80 stations in total) to be re-provided, or ideally increased, in any new facility on Axe Street.
- 1.16 It is also worth noting that the Sport England study also indicates that, in terms of location, the existing Abbey Sports Centre site is well placed for the current customers of the Goresbrook Leisure Centre in relation to travel times and distance.
- 1.17 Following the closure of the Odeon cinema several years ago, it has been a long held aspiration for the return of a town centre cinema as a key component of Barking's ongoing regeneration and the development of a vibrant night time economy.
- 1.18 The Barking Town Centre Working Group, consisting of key stakeholders from the public and private sector who want to see the town centre flourish have recognised the importance of increasing Barking Town Centre's evening offer in order to support existing restaurants, pubs and the theatre. It is recognised that many restaurant chains tend to cluster as they benefit from competition which draws more people to an area. An improved leisure offer and especially a cinema on the Axe Street site would unlock the potential for new catering facilities. The likely increased evening footfall would be a strong inward investment message to promote. The attractive Magistrates Court and Police station are likely to become available for commercial use and together with the existing vacant ground floor of the Bath House there is scope to for a strong cluster of restaurants so Barking Town Centre achieves its potential.

2. Axe Street / Abbey Sports Centre Site and Land Ownership

- 2.1 The site (as shown on the plan attached as Appendix 1) incorporates the site of the former Captain Cook Public House, the existing surface level car park, 39, 41 and 43 Axe Street, which currently house the Axe Street Drugs Project, and the Abbey Sports

Centre. The site is bounded to the north by the access road for the Broadway Theatre, to the south by St Paul's Road, to the west by the Broadway and to the east by the Child and Family Health Centre.

- 2.2 The overall site is 0.94 hectares and the Council owns approximately 85% of the site.
- 2.3 The properties currently occupied by the Drugs Project (no. 39, 41 and 43 Axe Street) are owned by the Council. CRI (the occupier) has confirmed that they will have vacated the premises by the end of October 2011.
- 2.4 The 0.12 ha former Captain Cook site owned is owned by the London Thames Gateway Development Corporation (LTGDC). An agreement in principle has been reached with the Corporation to transfer this land to the Council to enable the development of a new Leisure Centre. A Memorandum of Understanding is being drafted by the LTGDC requiring that, in exchange for the Captain Cook site, the Council will reimburse the Corporation or any successor body, the value of that site from the proceeds of any future sale of the existing Abbey Sports Centre Site. This is a very complex model and until details are confirmed we are unable to estimate these costs.
- 2.5 If the development of a new Leisure Centre is not pursued by the Council, the LTGDC is expected to re-submit their planning application for housing development on the Captain Cook Site, leaving the Council with a less than optimal development site on the adjacent Drugs Project site (no 39, 41 and 43 Axe Street).

3. Condition Survey and Stage C Architectural Study

- 3.1 Following further officer discussions, it was decided that the proposal for a new Leisure Centre on Axe Street warranted the commissioning of a detailed feasibility study in order to more precisely establish any cost and design implications. S&P Architects were appointed to produce costed development options for a range of refurbishment and new build scenarios, based on a preferred facility mix specified in a Brief. This was supplemented by costed designs for a range of potential neighbouring uses such as a new 250 space multi-storey car park, small cinema, commercial and housing units.
- 3.2 The feasibility study included an assessment of the physical condition of the existing Abbey Sports Centre building and an architectural report to Stage C of the Leisure Centre along with development options for the remainder of the site. It assessed the feasibility of either refurbishing the existing Leisure Centre or building a new facility on the adjacent site. The study also examined how ancillary uses such as 250 space multi-storey car park, cinema, housing and/or commercial/cultural premises could be accommodated alongside a new Leisure Centre. An assessment of car parking will be covered by a separate report to Cabinet in due course.
- 3.3 The Condition Survey established that approximately £1.6m worth of capital improvements will be required to Abbey Sports Centre over the next five years as the mechanical, electrical and filtration plant is nearing the end of its useful life and is in need of replacement and refurbishment to bring the services up to current standards. It should be noted that this investment would not bring any betterment in terms of the quality or range of facilities provided to service users.

- 3.4 The Culture and Sport Division produced a preferred facilities mix (the Brief) to be provided in any new or refurbished Leisure Centre based on current supply and demand for leisure services in the Borough. The Brief highlighted that a new Learners' Pool, in addition to the doubling in the amount of fitness stations, and a number of studio spaces for classes, amongst other requirements needed to be included in any proposal.
- 3.5 The architectural study concluded that the cost of refurbishing the existing Abbey Sports Centre to any where near the requirements of the brief would cost around £7.75m (inclusive of the £1.6m of capital improvements noted above). This would result in a centre of around 3,500 m². Alternatively, if the construction of a new leisure centre is pursued, either on the existing site or the site to the north of Axe Street, the project would cost between £12m and £12.98m, which would deliver a facility with around 20-25% greater floor space than the refurbishment option.
- 3.6 Officers consider that the new build option, north of Axe Street at around £12.98m, is the preferred option for the following reasons:
- It would provide the best facility mix to both meet service user needs and maximise income generation;
 - It will programme a range of positive activities for young people and help to ensure that every child in the Borough can swim, which is an important priority for Members, and particularly important because of the very high proportion of the population that is of pre-school and primary school age;
 - It will provide high quality and accessible health fitness facilities that will encourage more people to become and stay physically active;
 - It could be purpose-built with the objective of minimising whole life-cycle costs and meeting high levels of environmental sustainability which would have the benefit of reducing ongoing maintenance and management costs. The refurbishment option would not fundamentally improve the existing structure or building fabric;
 - It would avoid any long term disruption to leisure provision in the Town Centre. On the other hand, the refurbishment option would require a 15 – 18 month closure of Abbey Sports Centre involving a loss of continuity of service provision to customers and would also incur staffing cuts and associated costs;
 - It would allow for the optimum facility mix to meet the Council's health improvement priorities for infants, children and young people, adults and older people;
 - It would help to improve the viability and vitality of the Town Centre. A new facility with an optimum leisure and sport facilities mix would improve the attraction of Barking Town Centre as a destination to live and visit thereby improving opportunities for inward investment and retail offer;
 - Sequencing of construction could enable car park provision to be continuously provided during construction of the new leisure centre;
 - It would provide greater opportunities for income generation with the provision of a six lane competition sized swimming pool, with ample spectator seating and an interior environment that meets Sport England Standards. The £7.75m refurbishment option would provide no improvements to the existing 5 lane pool hall that currently fails to meet Sport England Standards;
 - Assuming that the multi-storey car park would be built adjacent to the new leisure centre on the site to the north of Axe Street, this would free-up the Axe Street South site for comprehensive redevelopment, enabling the Council to

potentially realise a much higher land value than would be achievable under any refurbishment option. The refurbishment option would only provide opportunities for redevelopment on the Drugs Project site (no.39, 41, and 43 Axe Street) which represents a much smaller and more development constrained site; and

- In terms of urban design, a new build scheme on the site could provide a much more attractive and striking building that would better complement the adjacent Town Square cultural assets (e.g. Broadway Theatre and Barking Learning Centre) and the heritage assets across the Broadway on Abbey Green. Further, it would provide more opportunities for establishing an active frontage and maximising the siting of publicly accessible uses, entrances and windows in the new build leisure centre and on the eventual redevelopment of the existing leisure centre site. Conversely, all refurbishment options would only provide minor alterations to the external structure of the existing Centre and opportunities to better integrate the site with the surrounding context (public and civic facilities) would be lost.

4 Location of Car Park and Size and Range of Leisure Centre Facilities

- 4.1 The size and location of the new multi-storey car park also has an impact in determining the size and range of facilities that could be offered in a new leisure centre. Two separate locations were explored in the Stage C Architectural Study for the car park: the first being located on part of the site of the existing Abbey Sports Centre site (Option A) and the second being located directly adjacent to the new leisure centre on the site to the north of Axe Street (Option B). This is illustrated in Appendix 3 (Option A is labelled as Option 5 and Option B is labelled as Option 7).
- 4.2 Ideally the new car parking would not be included as part of the northern site allowing for a larger footprint new leisure centre with an improved facilities mix. This would also provide an opportunity to deliver complementary cultural use (e.g. a cinema) between the new Leisure Centre and the Child and Family Health Centre.
- 4.3 However, building a larger leisure centre would obviously result in a higher cost and with it the need for further prudential borrowing to pay for it. Development of the Leisure Centre on the Axe Street North site alongside a car park would free-up the entire Axe Street South site for a mixed-use scheme. Whilst a high density scheme on this site is not considered to be currently viable, if values were to rise, there would be an opportunity to maximise land value for the site to the south of Axe Street, whose development value will need to be shared with the London Thames Gateway Development Corporation.
- 4.4 The table below provides a comparison of the size and range of facilities that could be delivered by each of the new build options together with their indicative build costs.

Table 1 - New Build Leisure Centre Facilities Mix

Functional Area	Option A (Optimal facilities mix with car park on existing Sports Centre site)	Option B (11% less floor space, with car park adjacent to Leisure Centre)
Wet Facilities		
25m x 12 6 lane pool	✓	✓
Spectator Seating	✓	✓
Learner Pool	✓	✓
Dry Facilities		
Gym (min 80 stations)	✓	✓
Sports Hall (4 Court)	✓	✓
Dance and workout studios	3 studios	2 studios
Soft play facility	✓	X
Ladies and children's gym	✓	X
Café, kitchen, servery	✓	X
Breakout Area	✓	✓
Administration/Offices	✓	✓
Reception	✓	✓
Circulation	✓	✓
Staff Welfare	✓	✓
Plant room	✓	✓
Size of Leisure Centre	4,635 m²	4,177 m²
Leisure Centre Building Costs	£ 12,981,454	£ 12,001,880

Notes:

The above schedule does not list all facilities. Dry and wet change areas, WC's, and storage areas have been omitted as both options provide roughly an equivalent amount.

4.5 Members should be aware that there are some important differences between the facility mix proposed for the new leisure centre compared to those provided at the recently opened Becontree Heath Leisure Centre:

- The main pool at the new leisure centre will be 6 lanes x 25 metres compared to the 10 lane x 25 metre pool with a moveable floor at Becontree Heath Leisure Centre;
- The proposed gym at the new centre will be about 80 stations compared to the 95 provide at Becontree Heath Leisure Centre; and
- Also due to there being two existing cafes in close proximity to the new leisure centre only a vending service is being proposed.

4.6 Officers have worked to develop a scheme that is both modern, high quality and fit for purpose in terms of the facility mix to be provided. However, Members will understand that in these financially constrained times the significant level of investment that was secured to build the Becontree Heath Leisure Centre is not available for this scheme.

- 4.7 Members have asked for officers to investigate the potential to provide a cinema as part of the leisure centre development. For Option A, a small, four screen cinema was included in the conceptual study. This is not included in the net £12.98m construction cost of the new leisure centre itself. In addition, neither of the two options includes the cost of the provision of the new multi-storey car park.
- 4.8 It should be noted that the estimated cost of fitting out a cinema would be between £1.8 and £2 million. If a business case can be made for a cinema and a third party identified to manage it, then they would have to meet the fitting out and other related expenditure required to make the facility operational.
- 4.9 A feasibility study on the options for the cinema will be undertaken as part of the design phase for the scheme and the findings will be reported to Members.
- 4.10 A further assessment and report will examine delivery options for the car park including private development financing. However it is not clear at this point in time as to whether a commercial operator would take the space. Such a facility would improve the evening economy in Barking Town Centre
- 4.11 The leisure centre in Option A is 458 m² larger and almost £1m more costly to build. However, the potential income generation from Option A is expected to be greater because of the additional studio, kids play area, and ladies and children's gym facilities. In addition, further income may be generated if the café was replaced with an alternative/additional leisure and sport use.
- 4.12 Putting any further building above the leisure centre presents problems in dealing with the extensive plant and equipment. Also the leisure centre would be the equivalent to a 3 ½ storey building and planning policies restrict the heights of buildings in this area.

5. Proposal

- 5.1 The Condition Survey and Architectural Study for Abbey Sports Centre indicates that a refurbishment of the existing centre is not a option that can be recommended to Members because it is costly and have a poorer facilities mix and significantly higher whole life cycle costs. In essence, the refurbishment option does not represent value for money.
- 5.2 Of the two new build options, officers consider that the optimal size of a new facility would be around 4,600m². This would meet increasing service demands for sport and recreation in the Borough, help meet health improvement objectives for the Council, improve the vitality and viability of the town centre and help achieve the goal of streamlining services into two first-class leisure centres in the Borough. In order to construct such a Leisure Centre on Axe Street, there is an indicative cost of around £12.98m and this would be almost totally funded from prudential borrowing in the short term but offset over the longer term by:
- the closure of the Goresbrook Leisure Centre and the existing Abbey Sports Centre, in addition to the land disposal of each of the respective sites (circa £6m);
 - Town Centre external funding (£400k).
 - A balance borrowing figure of £6.58m - £12.58m based on the timing and site disposal price achieved for the Goresbrook Leisure Centre (£259k per annum). Additional

income of between £44k - £148k will also be expected with the opening of the new Leisure Centre.

6 Financial Issues

6.1 An options appraisal for the Council's leisure centres was undertaken in 2010. This concluded that there could be operational and financial benefits for the Council if an alternative service delivery regime was adopted, in particular to a new or existing leisure trust. However, it was recommended that any market testing of the service should be deferred until 2012. There were three key reasons for this:

- By that time, the Culture and Sport Management Team's plans to realise further efficiency savings will have been achieved. In this way the Council will receive the full benefit of these savings;
- Decisions on the future operation of Abbey Sports Centre and Goresbrook Leisure Centre would be made, which would allow the contract specification for the service, if it were tendered, to be finalised; and
- Perhaps most importantly, the new Becontree Heath Leisure Centre will have been operational for one year and so its likely future financial performance will be known. Whilst it certainly would have been possible to outsource the leisure centres, if the council was so minded, any operator would only have taken on the operation of the service on the basis that the financial terms of the agreement would be re-negotiated after Becontree Heath Leisure Centre had been operational for twelve months. With the contractor in situ, it was considered that this would inhibit the council's ability to negotiate robust financial term and conditions.

6.2 It should be noted that at the time of the options appraisal, the Government's proposed changes to the way in which NNDR (business rates) is distributed to councils was not known. If implemented, this will have a significant adverse impact on the financial benefits that would be realised if the management of the Council's leisure centres was transferred to a new or existing leisure trust.

6.3 The timing of the proposed options appraisal for the leisure centres will be reviewed in the light of the decision taken on whether to proceed with this scheme for a new Leisure Centre on Axe Street.

6.4 At this time, it is assumed that the Council will directly procure and fund the construction of the new centre. However, it may be that a business case could be made for seeking a commercial partner to design, build and operate the new facility. An alternative option would be to seek a private developer partner. While this would potentially be a cheaper option in capital terms in order to guarantee the level and cost of that service it would be better for the Council to operate the service for 12 months to fully understand the revenue implications. This is the approach adopted for Becontree Heath Leisure Centre. In addition the development would be unlikely to be completed until some point in 2015.

6.5 A new leisure centre with an optimal mix of facilities would be estimated to cost around £12.98m, with the following exclusions/inclusions:-

Exclusions

- VAT is not included and the ramifications of this needs to be further assessed;

- No sum has been included for public realm capital works (e.g. CCTV, bins, paving, street furniture, and signage) or maintenance costs surrounding the site. The cost would vary based on the amount of public realm provided in the ultimate scheme. External funding will be sought for this element.

Inclusions

- A contingency sum of 7.5% of the total cost of works is included, which amounts to around £770k;
 - The demolition of the existing Abbey Sports Centre and Axe Street Drugs Project is included in the above cost estimate but excludes any costs associated with the demolition of Goresbrook. The demolition of the Goresbrook Leisure Centre will need to be factored into the disposal terms and final receipt for the Goresbrook site;
 - Allowances of £350k towards fit-out of the leisure centre; and
 - 12% for professional fees is included, which is considered to be adequate.
- 6.6 If the new Leisure Centre on Axe Street isn't progressed then it is anticipated that both existing facilities will continue to operate but will require capital investment of around £2.6m in future years for maintenance, cyclical repairs and refurbishments. This is a risk as this sum is not currently earmarked in the capital budget and would need to be added to Capital Programme.

7 Legal Issues

- 7.1 The legal issues associated with this report are identified and commented upon by the Solicitor to the Council above

8 Other Implications

Continuity of Leisure Services and Car Parking Provision

- 8.1 The existing Abbey Sports Centre will remain open while the new facility is being built. Only once the new facility is operational would the old leisure centres be surplus to the Council's requirements. Due to a binding commitment for Goresbrook Leisure Centre to be used as a 2012 Games Time Training Venue, the centre could only be closed after September 2012.
- 8.2 The existing car park, adjacent to the Child and Family Health Centre, could be maintained, albeit at a reduced size, during the construction of the new leisure centre. It is essential that the proposal for a multi-storey car park comes forward immediately following the closure of the Abbey Sports Centre. A further report regarding this will be prepared in due course.

Risk Management

- 8.3 The greatest risk relates to the realisation of the full capital receipt from the disposal of the existing Goresbrook and Abbey Sports Centre sites. There are clear risks and unknowns in factoring the sale of these sites since there have been no comparable sales since the collapse of the housing market in 2007. The ultimate sales values will not be fully known until the market is tested. Nevertheless, a valuation for the sites has been considered by Property Services with estimates being that the site could be

disposed of for around £5-6m. Consultation with Property Services will be taken forward in order to dispose of the Goresbrook Leisure Centre on a deferred purchase basis (deferred to December 2012) so that the Council will have an early indication of market value and make a judgement on whether to sell or retain the land until property values recover sufficiently to justify a sale.

- 8.4 In order to meet, if not surpass projected income targets for a new Sports Centre, an aggressive marketing campaign to the local community, businesses, Council Officers, existing members of Abbey and Goresbrook Leisure Centres and the wider public will be required. The Culture and Sport Division will develop a marketing programme at an early stage in order to inform the wider community during the design and planning, construction and completion phases.
- 8.5 Also, one of the crucial issues to realising this revenue is to ensure that the proposals for the new multi-storey car park are taken forward as quickly possible as this will improve the attraction of the new leisure centre. A separate report will come forward on this issue to a future Cabinet meeting.

Contractual Issues

- 8.6 One of the key drivers of the development programme relates to the way in which both the design and construction phases of the new leisure centre are procured. In order to consider the procurement options, discussions have taken place with Asset and Commercial Services. It has been recommended that for this scheme, the Council's Professional Services Framework should be used under a two stage tender approach. This would negate the need for OJEU tender notice and the pre-qualification process, thus saving time and money.

Table 2 – Development Programme

Milestone	Period/Date
Cabinet approval	23 August 2011
Pre-planning submission phase	September 2011 – November 2011
Outline design development phase and site investigations	November 2011 – October 2012
Main contractor selection and planning phase	November 2011 – March 2012
Stage 1 – Design development phase	March 2012 – August 2012
Stage 2 Design development and GMP phase	August 2012 – January 2013
Mobilisation and construction phase	January 2013 – March 2014
Opening	Spring 2014

- 8.7 This procurement route would involve appointing the architectural team responsible for producing the design brief and engaging them to work up detailed design, secure all the necessary planning and building consents and prepare tender documentation for the selection of a constructor. The architectural firm would be selected from the Council's current Professional Services Framework and therefore their appointment would have already been subjected to European procurement rules, avoiding any subsequent time delay this would entail. In parallel to the appointment of the

architectural design team, officers would tender for a construction company either via the Council's new Construction Framework Agreement, which it is anticipated will be operational by December 2011, or if this were not possible, via a conventional OJEU tender process. Elements of the design team would also be retained throughout the construction phase in order to act as professional advisors to the Council.

Staffing Issues

- 8.8 If members approve the recommendations contained in this report then there will clearly be implications for staff at both Goresbrook Leisure Centre and Abbey Sports Centre. The Culture and Sport management is committed to sustaining a good dialogue with staff at both sites as the plans for the new centre are developed in the same way as the previous arrangements over the closure of Wood Lane Sports Centre and Dagenham Swimming Pool. The timing of the overall project and in particular the disposal of Goresbrook Leisure Centre will impact on options open to staff at both sites.
- 8.9 There will be a smaller number of staff at the new centre compared to those at the two existing leisure centres. This change will be managed in accordance with the Council's policies and all options for redeployment will be explored for staff employed on a permanent basis.
- 8.10 A further report will be provided to Cabinet that will confirm the timing and implementation of the Goresbrook Leisure Centre and Abbey Sports Centre closures and how this will be managed to minimise the impact on staff.

Customer Impact

- 8.11 It is expected that there will be a marked increase in the number and range of people who will be able to access sport and physical activity programmes at the new centre compared to the current position with Abbey Sports Centre and Goresbrook Leisure Centre. The provision of a modern, fit for purpose facility should also realise improvements in customer satisfaction and positively contribute to the health and wellbeing of residents.
- 8.12 It is also clear from research by Sport England that the location of the new facility is ideally situated to minimise negative impact for current service users at Goresbrook Leisure Centre in terms of the distance that they will have to travel to the new centre.
- 8.13 In the design and construction phase for the new leisure centre, the focus will be on ensuring that it is physically accessible to people with disabilities. Consultation with the local disability equality forum and other disability groups will be undertaken to inform the design and layout of the centre.
- 8.14 Further, steps will be taken to ensure that the future programme will take into account the needs of groups such as children, older people, faith and minority ethnic groups. Consultation will also be undertaken with local sports clubs, customers and non-customers, and staff, to inform the final facility specification and programme to be provided.
- 8.15 The next stage will be to assess the impact of the proposed activity programme and marketing plan for the centre in terms of race, equality, gender, disability, sexuality, faith, and age and community cohesion.

- 8.16 An equality impact assessment for the Council's sport and leisure services was undertaken in 2010 and is currently being updated in the light of this scheme. Once finalised this will be reported as part of the CPMO submission process and an update will be provided to members in a future Cabinet report.

Safeguarding Adults and Children

- 8.17 The existing Goresbrook and Abbey Sports Centres are old and inefficient buildings with limited access and inadequate facilities. The new centre will provide a better quality and more accessible service, in particular, through the health and fitness offer, the 'learn to swim' programme, and teaching pool. Additionally the changing facilities to be provided will better meet the needs of families and adults with learning difficulties.
- 8.18 Current safeguarding standards for children and adults at risk that are adopted across the Council's leisure centres will be implemented at the new centre.

Health Issues

- 8.19 The provision of the new Centre on Axe Street will greatly improve the quality, range and accessibility of the sport and fitness facilities available to residents. It is considered that the provision of the new centre will be a key factor in the plans of the Health and Wellbeing Board to address the high levels physical inactivity and obesity in the borough.

Crime and Disorder Issues

- 8.20 Appropriate advice will be sought and implemented to minimise the likelihood and impact of vandalism, other types of crime and anti social behaviour at the new Centre. This will be dealt with as part of the design development and planning stage.

Property / Asset Issues

- 8.21 The current Abbey Sports Centre and Goresbrook Leisure Centre pool are no longer fit for purpose as well as being expensive to maintain and operate. The strategic case to close both of the existing centres is made only if they are to be replaced. If the replacement facility is not progressed, it is anticipated that both existing facilities will continue to operate but will require capital investment of around £2.6m in future years for maintenance, cyclical repairs and refurbishments. The Culture and Sport Division currently have no plans or budget to meet these capital cost requirements
- 8.22 As the facilities will become surplus to the requirements of the Culture and Sport Division, the opportunity for the buildings to be re-allocated to another Council service would normally be investigated. However, it is recommended that the Council's normal practice for disposing of operational buildings be waived in this case given that this proposal represents a major development opportunity within the Council's regeneration strategy for Barking Town Centre and income from the sale of the existing sites (particularly Goresbrook) is needed to help off-set the development costs of the new facility.
- 8.23 The land ownership issues are set out in section two of the report.

9 Options Appraisal

- 9.1 The options appraisal justifying constructing a new Leisure Centre rather than refurbishing the existing Abbey Sports Centre is set assessed in paragraph 3.5. The do nothing approach has been discounted because of the need to meet increasing health needs and demands for wet and dry sport provision in the Borough. In addition, the do nothing approach would result in the Council needing to spend an additional £2.6m for capital improvements to the existing Centres for which there currently are no plans or budgets.
- 9.2 Further, the ongoing costs of running the existing Abbey and Goresbrook Leisure Centres are considerably greater than if it were to be replaced by a more efficient and cost effective new build structure on Axe Street, as set out in Appendix 4.

10 Background Papers Used in the Preparation of the Report:

- Axe Street Master plan on 22 November 2005 (Minute 185)
- Local Development Framework Barking Town Centre Area Action Plan

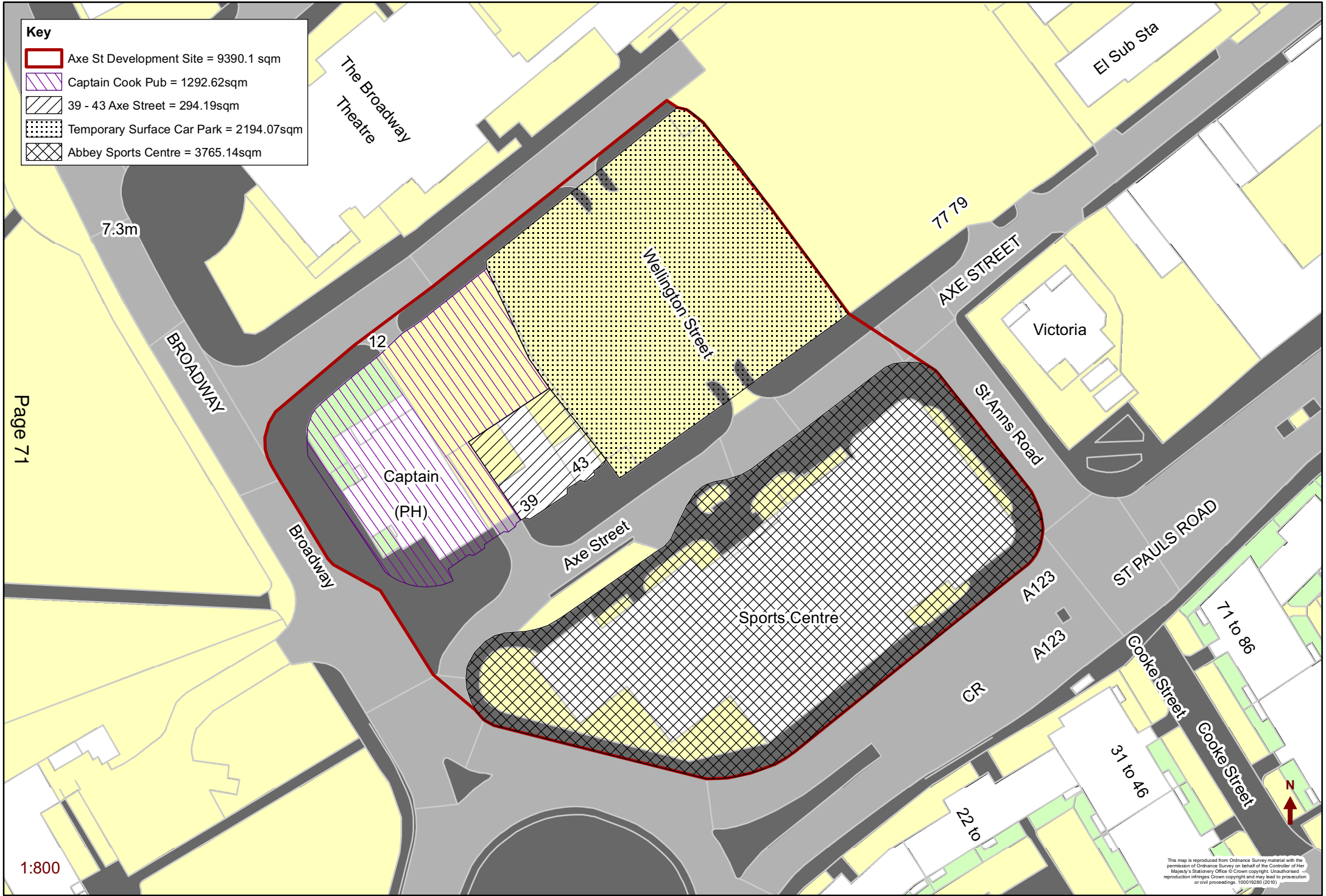
11 List of Appendices:

- Appendix 1 Axe Street / Abbey Sports Centre Site
- Appendix 2 Goresbrook Site (Plot 1 on plan drawing)
- Appendix 3 New Build Axe Street Leisure Centre Options
- Appendix 4 Capital Cashflow Considerations

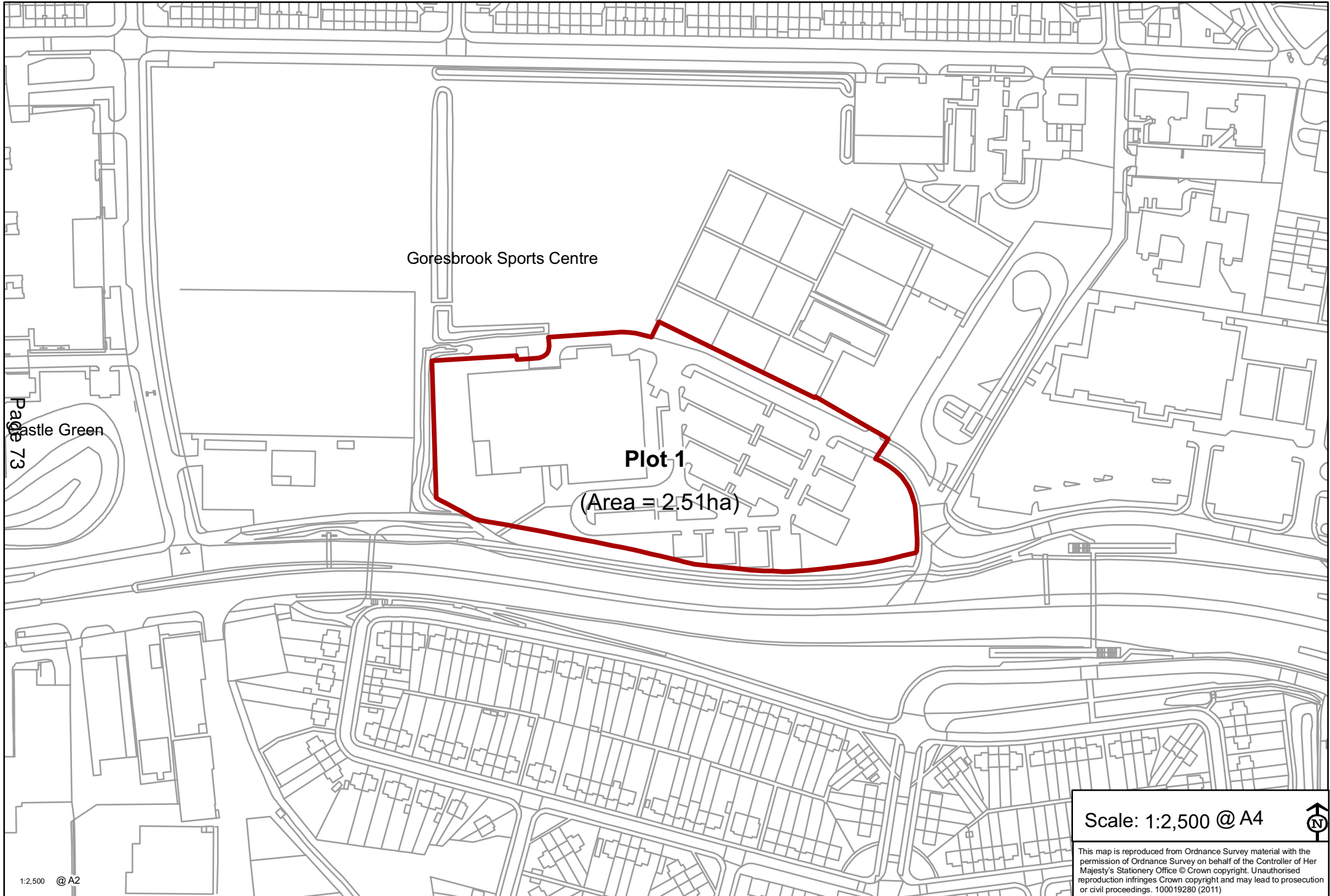
Axe Street / Abbey Sports Centre Site

Key

-  Axe St Development Site = 9390.1 sqm
-  Captain Cook Pub = 1292.62sqm
-  39 - 43 Axe Street = 294.19sqm
-  Temporary Surface Car Park = 2194.07sqm
-  Abbey Sports Centre = 3765.14sqm



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Page 73
Castle Green

Goresbrook Sports Centre

Plot 1
(Area = 2.51ha)

Scale: 1:2,500 @ A4



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7.5 OPTION 5

Option 5 delivers a new leisure facility on the Axe Street car park site adjacent to the existing Abbey Sports Centre site. This option would allow for the existing centre to remain operational whilst the development takes place, but would require car parking provision to be addressed in the short term.

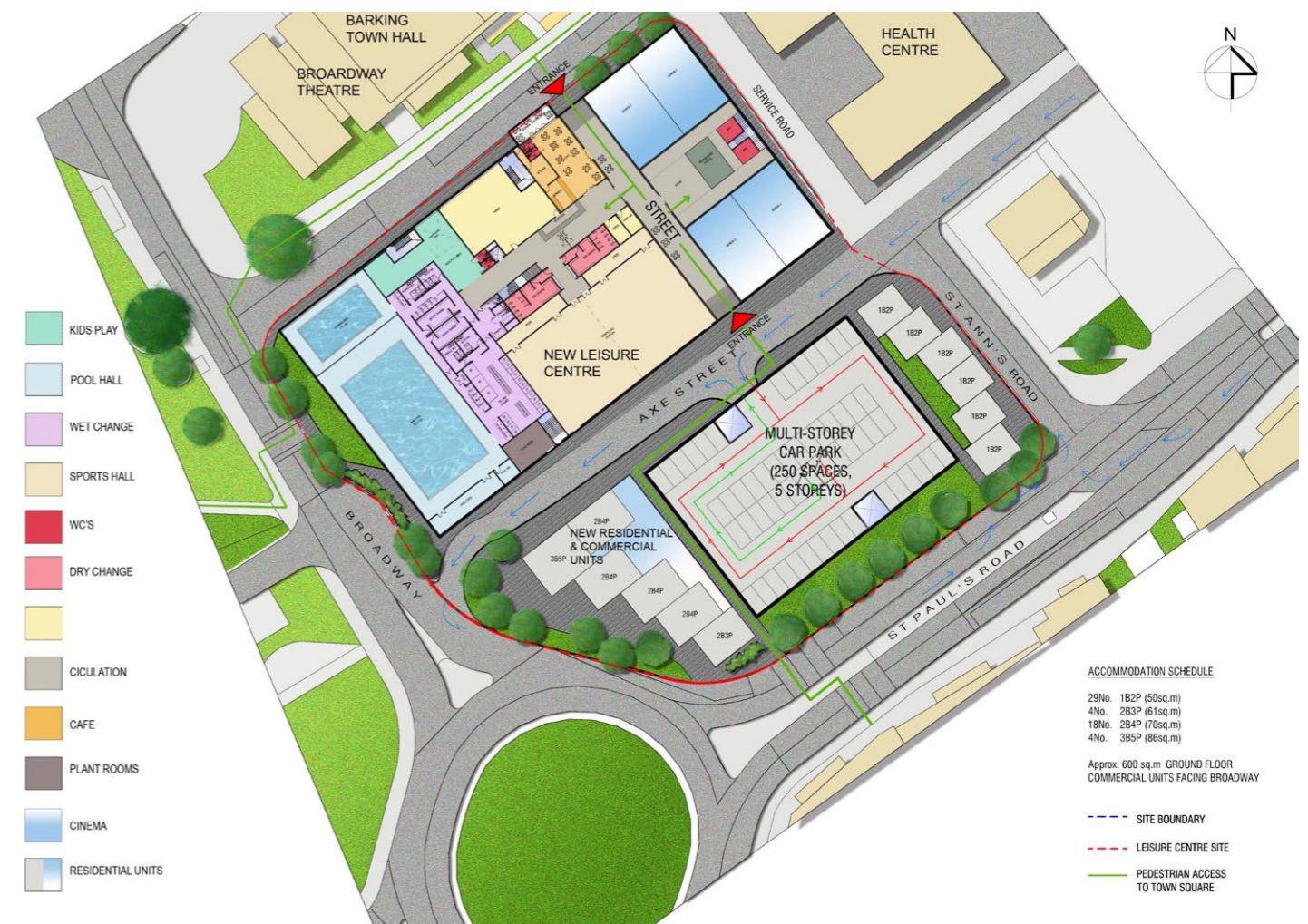
This option addresses a wider development issue in that it not only provides a new leisure building on the Axe Street car park site, but it provides for a new development on the site of the existing Abbey Sports Centre of residential apartments, retail units and a multi storey car park.

The residential development provides 55No. 1, 2 and 3 bed private and affordable apartments and 600 sq m of retail space. The multi storey car park provides 250 spaces including disabled on 5 levels.

The leisure facility is split into a sports centre comprising:- a 4 court sports hall, 25 x 13m 6 lane competition swimming pool, 13 x 7m learner pool, café (with external seating space), administration and kids play area with ancillary spaces on the ground floor and 80 station fitness suite, aerobics studios, spin studio, ladies/kids gym, staff welfare and spectator viewing gallery on the first floor and a 900 sq m 4 screen cinema complex.

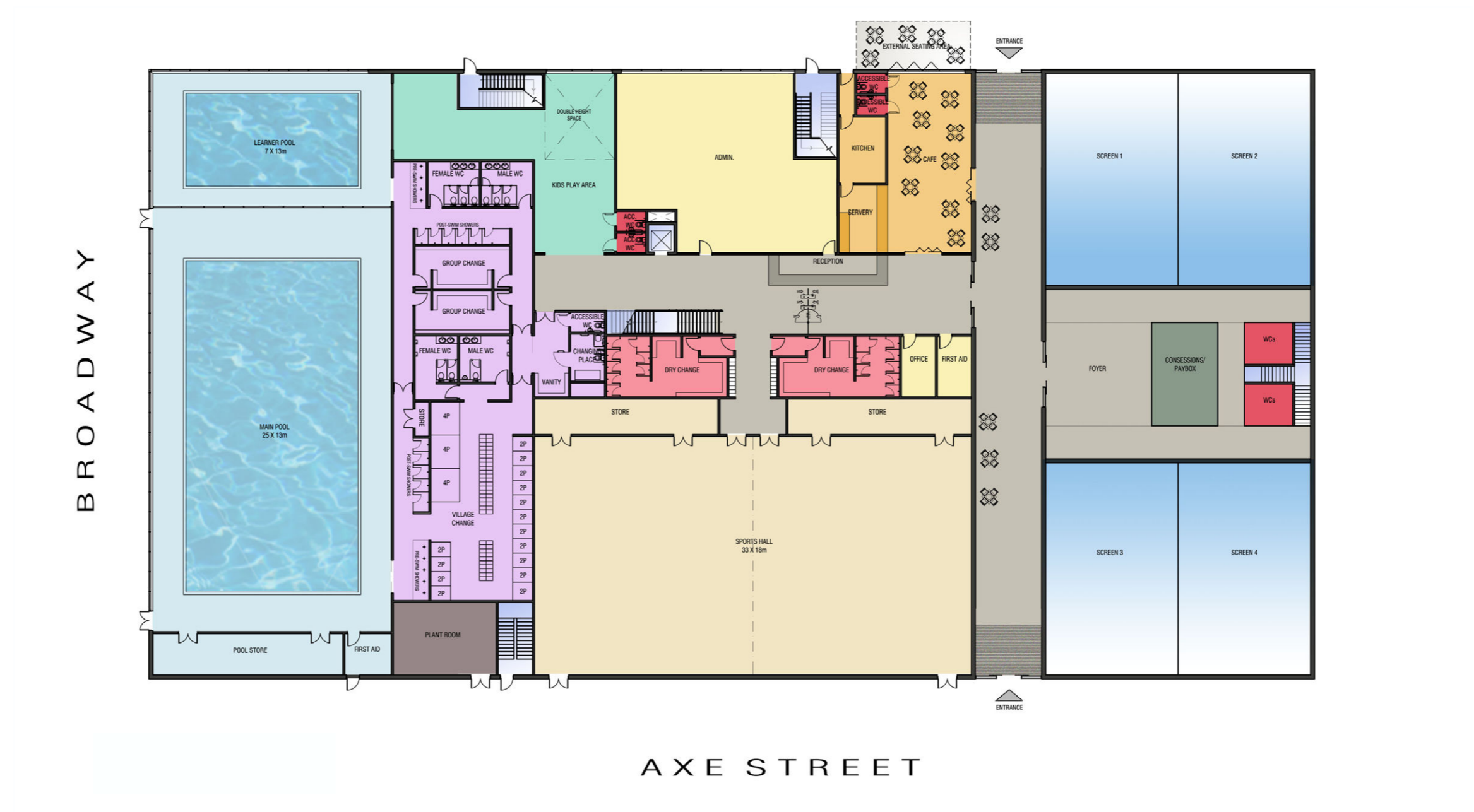
The building benefits from a shared concourse (street) which can be accessed from either the town square to the north of the Axe Street temporary car park or Axe Street itself to the south.

The scheme has the potential (cost permitting) for the sports hall to be adapted to form a business continuity facility if required.



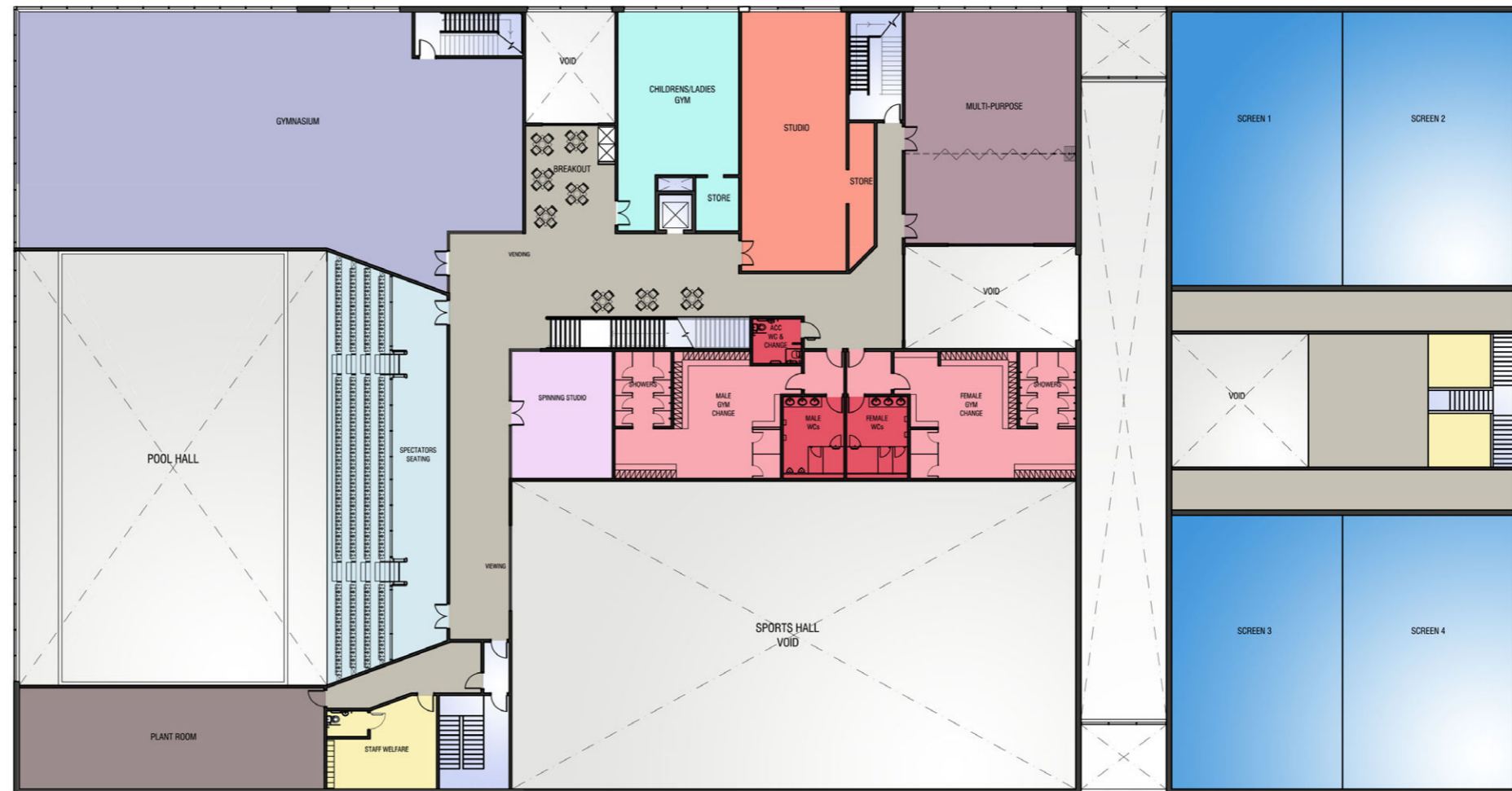
7.5 OPTION 5 - GROUND FLOOR

- WC
- Plant Room
- Cafe
- Stair
- Pool Area
- Wet Change
- Sports Hall
- Dry Change
- Admin
- Circulation
- Kids Play
- Cinema Screens



7.5 OPTION 5 - FIRST FLOOR

- WC
- Plant Room
- Studio
- Stair
- Ladies / Kids Gym
- Spinning Studio
- Staff Welfare
- Spectator Seating
- Gymnasium
- Circulation
- Dry Change
- Multi-purpose



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7.7 OPTION 7

Option 7 Delivers a new leisure facility, 250 space multi storey car park and approx 200sq m of retail space on the Axe Street car park site adjacent to the existing abbey sports centre site. This option would allow for existing centre to remain operational whilst the new development takes place but would require the loss of car parking provision to be addressed.

The facility is entered from the town square and southern side of the town hall building via a covered colonnade which provides shelter for an area of retail units. Once inside the facility circulation is via a street glazed entirely to one side. The wet and dry change areas are both located in the same vicinity - the wet services, the 25 x 13 m 6 lane pool and 13 x 7 m learner pool and the dry services the 4 court sports hall.

There is a ground floor break out area with vending over looking the learner pool and main street.

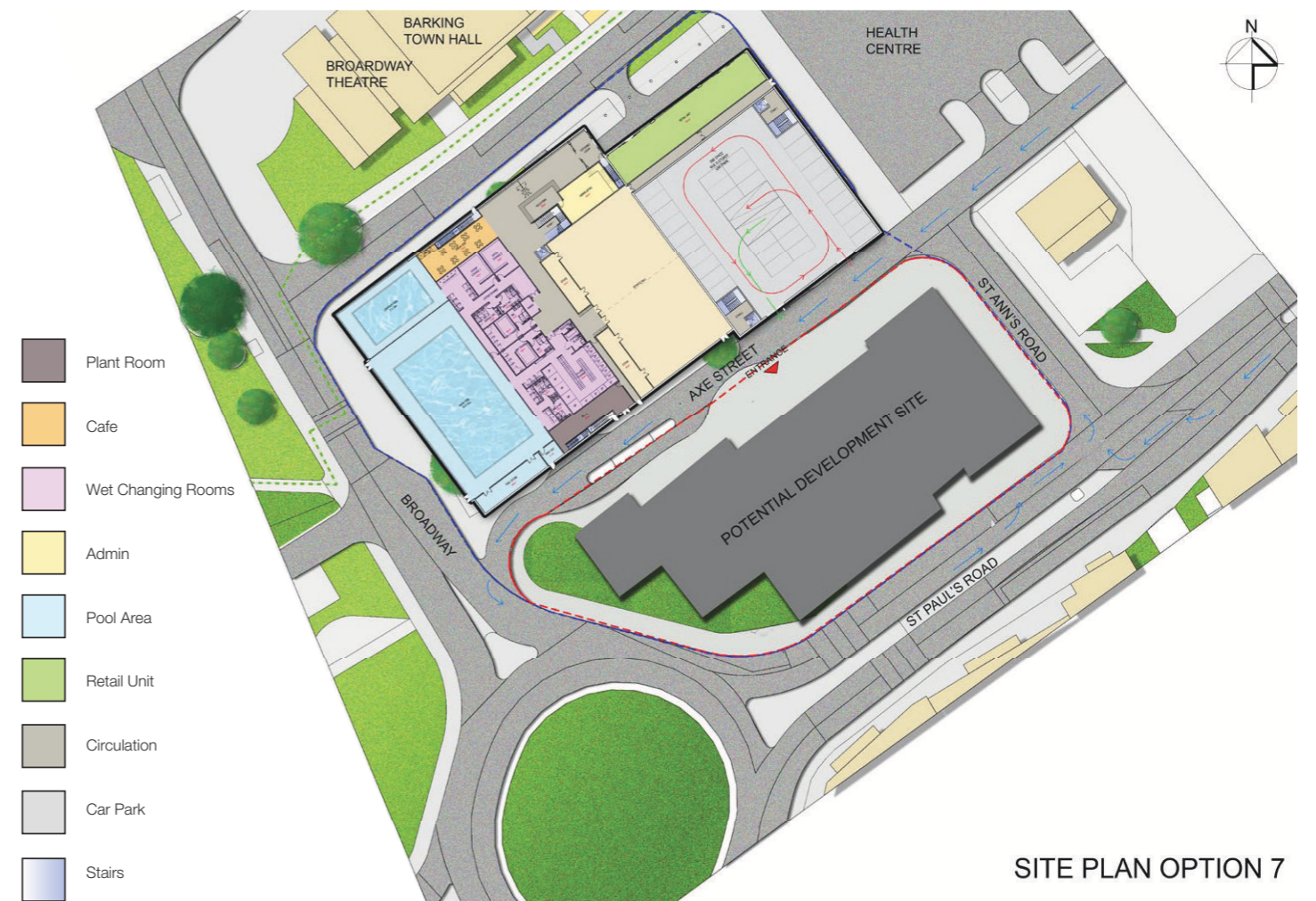
The first floor is accessed by a feature stair located behind the reception area and accessible 8 person lift.

The first floor also has a small break out are and vending.

There is a 80 station gym, 2 dance studios all with changing facilities. There is also a spectator seating area overlooking the main pool.

The gym and studio / have views over the sports hall and pool hall respectively.


The 250 space multi storey car park is accessed from Axe street and will be designed so as to blend with the rest of the facility with all vehicles screened from public view.

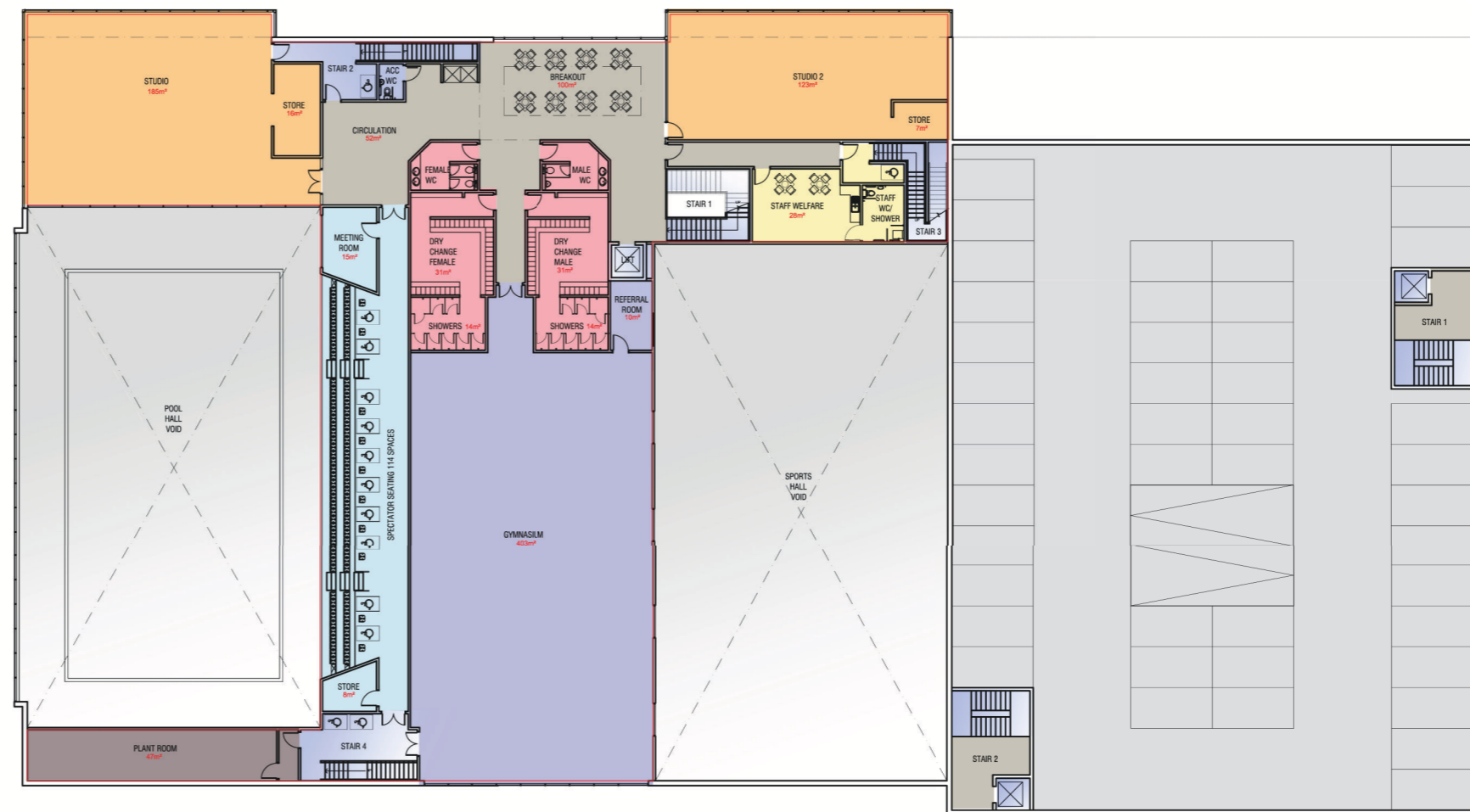


7.7 OPTION 7 - GROUND FLOOR



7.7 OPTION 7 - FIRST FLOOR

-  Studio
-  Plant Room
-  Dry Change
-  Stair
-  Car park
-  Staff Welfare
-  Spectator Seating
-  Gymnasium
-  Circulation



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Capital Cashflow Considerations

1.1 The following model was assessed by the Council's Finances Department and sought to answer two fundamental questions:

1. Does the cashflow of the build project create an unacceptable revenue pressure until the sales are completed and the centre is viable?
2. Is a new centre viable on an ongoing basis once up and running with the borrowing reduced following the sales of Goresbrook and the current Abbey sites?

2 Capital Cashflow

2.1 The capital cashflow considers the timings of monies in and out and the revenue impact of those capital flows. The significant variable is receipt from the sale of the Goresbrook site as that dictates the level and timing of the borrowing to finance the build project.

2.2 To enable the cashflow to be modelled, certain assumptions have been made:

- The capital cost is based on the build project at Becontree Heath Leisure Centre
- The build project and payments commence in December 2012 to open in November 2014
- The capital receipt for Goresbrook is £5m (linked to scenarios 1 and 2 in section 3)
- The capital receipt for the existing Abbey site is £1m and received six months after the opening of Axe Street
- Borrowing taken at the optimal point in the cash flow to reduce borrowing costs which varies according to the assumed timing of the sale of Goresbrook
- There is an assumption that seventy per cent of memberships transfer from Goresbrook to Abbey (and then Axe Street) which generates a positive cashflow for the project as additional income along with savings from the closure of the centre
- Due to lifespan of the centre being 25 years there is a 9% interest charge (5% interest and 4% principal repayment).
- Only estimations of sales have been made up to the end of May 16 to reflect final payment to the contractor

2.3 The table below illustrates the additional revenue cost resulting from changes in the timing of the receipt from Goresbrook meaning borrowing costs and repayments commence earlier or later dependent on when the receipt comes in.

Goresbrook sold	Cashflow 12/13 £k	Cashflow 13/14 £k	Cashflow 14/15 £k	Cashflow 15/16 £k	Total £k
March 2013	(75)	(90)	360	8	203
September 2013	272	690	360	8	1,330
No sale	272	952	810	458	2,492
April 2015	377	1,132	915	45	2,469

- 2.4** The first three models above assume the centre is closed in September 2012 and the latter in November 2014.
- 2.5** All models have a negative cashflow over the period due to borrowing having to be incurred before the centre opens to generate the additional income to cover the repayment of the debt.
- 2.6** The most favourable position, which is based on the most optimistic assumptions, has a revenue cost across the period of £203k. The early years positive cashflows, from the net saving from closing Goresbrook in September 2012, would have to be taken into a reserve to offset the costs in 2014/15.
- 2.7** This additional revenue cost has not been built into the revenue model below as it would make the modelling too complicated and is for information only.

3 Ongoing Revenue Position

- 3.1** The revenue financial model incorporates both the ongoing costs and income of the proposed leisure centre and the repayment of the borrowing used to fund the capital build. The cost of the build has been based on a detailed feasibility study using the same quality standard as the Becontree Heath Leisure Centre and is estimated at £12.98m.
- 3.2** Different scenarios have been modelled to reflect the potential scale of the capital receipts from the Goresbrook and Abbey sites as well as more optimistic and pessimistic assumptions about the income levels at the new centre.
- 3.3** The table overleaf illustrates the impact of changing these elements of the financial model giving some quantification to the risks attached to the project.

Capital Cost	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6
Goresbrook capital receipt	5,000,000	5,000,000	2,500,000	2,500,000		
Abbey Street capital receipt	1,000,000	1,000,000	500,000	500,000		
S106 funds (already in the reserve, not attached this development)	400,000	400,000	400,000	400,000	400,000	400,000
Borrowing (balancing figure)	6,580,000	6,580,000	9,580,000	9,580,000	12,580,000	12,580,000
Total Capital Cost	12,980,000	12,980,000	12,980,000	12,980,000	12,980,000	12,980,000

Revenue Cost

	1290 New Members, 70% Transfer (589) from Goresbrook	1161 New Members, 50% Transfer (421) from Goresbrook, 10% income reduction	1290 New Members, 70% Transfer (589) from Goresbrook	1161 New Members, 50% Transfer (421) from Goresbrook, 10% income reduction	1290 New Members, 70% Transfer (589) from Goresbrook	1161 New Members, 50% Transfer (421) from Goresbrook, 10% income reduction
<u>'Fixed' Elements</u>						
Cost of running Axe street	888,389	888,389	888,389	888,389	888,389	888,389
Income from Abbey members transferring (100%/1085)	(279,277)	(279,277)	(279,277)	(279,277)	(279,277)	(279,277)
Savings from Goresbrook closure	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)	(259,000)
<u>'Variable' Elements</u>						
Income from new memberships	(285,424)	(256,881)	(285,424)	(256,881)	(285,424)	(256,881)
Income from transfer Goresbrook members	(151,608)	(108,364)	(151,608)	(108,364)	(151,608)	(108,364)
Other Axe Street income, e.g. hall hire, swimming lessons	(320,006)	(288,005)	(320,006)	(288,005)	(320,006)	(288,005)
Axe Street Leisure Centre Net Surplus	(406,926)	(303,138)	(406,926)	(303,138)	(406,926)	(303,138)
Cost of repaying borrowing (per year for 25 years)	592,200	592,200	862,200	862,200	1,132,200	1,132,200
Net revenue cost to Council after borrowing	185,274	289,062	455,274	559,062	725,274	829,062

- 3.4** Under each scenario the activities at the new centre, once open, generates a surplus which can contribute to the repayment of the borrowing.
- 3.5** A decision to approve this project would therefore incur a cost of between £185k and £829k which would need to be found from savings elsewhere in Council budgets.
- 3.6** Further work could be done to reduce the size of the build project for the new centre which would reduce the capital cost however this would require further modelling of the impact on income, running expenses and the cost of borrowing.
- 3.7** There may be potential income from other elements of the development, a retail shop and cinema, but these are currently considered to be either cost neutral or deficit producing rather than a generator of additional revenues.

4 Risks and Variables

- 4.1** The majority of the variables impact, though not necessarily equally, on both the ongoing revenue budget and the initial capital cashflow.
 - 4.1.1** The most significant variable, as illustrated above, for the cashflow relates to the timing of receipt from Goresbrook. The later the receipt, the bigger short term impact revenue impact for the Council. With the property market remaining relatively flat, this is a significant risk.
 - 4.1.2** Similarly, due to market conditions, it is hard to estimate with certainty the level of receipt from Goresbrook. This could be higher or lower than the £5m assumed for this modelling exercise which will impact on the viability of the Axe Street centre as a stand alone proposition. There may be a trade off with the timing risk, e.g. quicker sale for a lower receipt or hold the asset longer for a higher receipt.
 - 4.1.3** Both of the above issues apply to the timing and level of receipt from the current Abbey centre site though, as the estimated receipt is lower and later, the impact is much less significant.
 - 4.1.4** The model assumes that 70% of Goresbrook members and all of the Abbey members will transfer to the new centre. Whilst the latter appears a reasonable assumption, there could be variation on the former, either up or down.
 - 4.1.5** The ongoing model relies on significant growth in and the retention of memberships at that level beyond the initial opening period. Whilst the experience at Becontree Heath is very positive on growth in the early

months, it would be preferable to have evidence of retention over twelve and twenty four month periods.

5 Links to the Capital Strategy

- 5.1** The Council is currently considering its overall capital strategy and how it prioritises its limited resources in line with its stated capital priorities of:
- Schools places
 - Council housing/estate renewal
- 5.2** The scheme at Axe Street, unless it is self financing, should not be reviewed in isolation of the wider capital strategy and capital priorities.

6. Conclusions

- 1 Members should note that the new Axe St centre would be financially viable in terms of running costs assuming membership levels of approximately 2700 and monthly fees of £28.
- 2 Members should note that under all scenarios, there is a short term revenue cost of building Axe Street due to the cost of borrowing ahead of the centre opening and that this would need to be factored into the budget.

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CABINET**23 August 2011****REPORT OF THE CABINET MEMBER FOR HOUSING**

Title: Housing Repairs and Maintenance Procurement	For Decision
<p>Summary:</p> <p>The existing planned and reactive housing repairs contract is due to expire in April 2013. Due to the long lead in times needed for any new contract arrangement in order to comply with EU and other statutory requirements, work now needs to be progressed to enable new contracts to be let in advance of April 2013. As part of this process it is essential that the Council look in detail at its service requirements for the future, how the service should be provided to ensure it meets its statutory obligations, whilst also delivering best value. This report sets out the issues to be considered and proposals for the provision of this service for the future. The proposals have been informed by an Option Appraisal undertaken by Elevate and key council officers across repairs, housing, finance and assets and commercial services, as well as through the initial feedback from surveys and focus groups with residents. Further work will be required during this procurement process to develop repairs policies and standards, ongoing resident engagement, and detailed proposals in respect of contract structures/pricing mechanisms and ongoing governance arrangements.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> (i) The commencement of the procurement of housing repair and maintenance contracts in accordance with the proposals detailed within this report. (ii) To delegate authority to the Corporate Director of Customer Services, in consultation with the Corporate Director of Finance and Resources, the Divisional Director for Legal and Democratic Services and the Cabinet Members for Housing and Finance, Revenues and Benefits, to agree the procurement strategy (including the procurement procedure, contract structure, contractor selection and evaluation criteria and detailed proposals for client management of the contracts) and commence and undertake the procurement; and (iii) Note that on completion of the procurement exercise a further report will be brought to Cabinet for final decisions on the award of contracts. 	
<p>Reason(s)</p> <p>To achieve the Council's priority of "Housing and Estate Renewal", by improving housing conditions and quality of life for residents. Also supporting the corporate themes of 'Better Together' and 'Better Home'.</p>	

Comments of the Chief Financial Officer

There are significant financial implications arising from the re-tendering of this contract and it is proposed that there will be financial representation by the project team for this procurement exercise so that all financial issues will be addressed as part of the procurement strategy for this project.

The existing contract arrangements have been benchmarked as representing a fairly high unit cost and therefore it should be possible to secure procurement savings in the re-tendering of this contract.

In the re-tendering of this contract it will be important to ensure that the impact of the phasing of the Estate Renewals project and loss of stock is taken into account as well as factoring in the proposed use of the decanted properties as temporary accommodation, as well as any increase in stock numbers through the New Build programme.”

Housing have made provision for £250K as a one off project cost in the HRA budget to support this procurement. This is intended to address additional legal and HR support that may be needed as well as resident involvement and IT support. For 2011/12 the amount of £100k is contained within the forecast outturn position for period 2. Any further costs must be incorporated in the HRA Business Plan for the 2012/13 financial year

All future Repairs & Maintenance arrangements will need to be contained within the provision set within the HRA budgets which will be determined by the overall HRA business plan currently being developed in readiness for self-financing from April 2012.

There may also be termination costs in ending the existing contract and capital expenditure requirements in establishing new infrastructure for the option chosen but it may be possible to absorb these into the new contract.

The impact on the Council's liability for any pension indemnification will also need to be assessed.

Legal Implications (Divisional Director for Legal & Democratic Services)

This report sets out the outline proposals for the procurement of the Housing responsive and maintenance (and associated) services that are currently being provided by a single contractor. The proposal is to restructure the services and the manner in which they will be delivered. Details of the structure and procurement strategy are being worked upon by officers but a final strategy is not as yet agreed. an Officer Working Group has been established to work on this project consisting of senior officers from Housing, Finance (inc Asset Management) and the legal Practice.

This report therefore seeks Cabinet's in-principle agreement to the outline strategy set out in the report and seeks Cabinet delegation to the Corporate Directors for Customer Services and Finance to finally agree the procurement strategy and process, subject to consultation with the Lead Members. In addition the Corporate Directors of Customer Services and Finance will commence and progress the procurement, and subsequently report back to Cabinet for final award of the contracts,

Under the Council's constitution, the procurement strategy for contracts with a value in

excess of £400,000 must be approved by Cabinet but Cabinet can delegate this function to Officers if it deems this appropriate.

The legal implications are substantial. The scale of the works brings it within the European Procurement Regime. This will require publishing of a Notice seeking interest in the Official Journal of the European Union and compliance with proscribed processes and timescales as well as European Case Law challenge periods.

In addition there are likely to be significant legal implications in terms of the Acquired Rights Directive and the Transfer of Undertaking Regulations (TUPE). The changes are likely to have implications for the Superannuation Fund as a proportion of the Enterprise workforce were previously employees of the Council prior to the commencement of the original Thames Accord contract and were transferred over. Enterprise maintains the pension arrangements via an admitted body status.

There will also be a need to consider the future of the current council facilities such as Pondfield House and the disposal and acquisition of plant services and novation of existing agreements.

Finally, a proportion of the services and works carried out are part of the landlord's obligation under both statute and the tenancy agreements. This must be carried out to a high standard and not subject to interruption or performance downgrade during the transition periods.

Further legal issues are set out in section 9 of this report.

The involvement of Legal and Finance in the Working Group and the requirement for Member and Legal consultations will ensure that appropriate professional and expert advice is received throughout the process and thus ensure financial probity and legal and governance compliance.

Cabinet Member: Councillor Phil Waker	Portfolio: Housing	Contact Details: Tel: 020 8227 2892 E-mail: philip.waker@lbbd.gov.uk
Head of Service: Maureen McEleney	Title: Interim Divisional Director of Housing and Neighbourhoods	Contact Details: Tel: 020 8227 3738 E-mail: Maureen.McEleney@lbbd.gov.uk

1. Background

- 1.1 The council's current planned and reactive housing repairs contract with Enterprise is due to expire on 30th April 2013.
- 1.2 The Housing and Neighbourhoods service is responsible for the provision of day to day repairs to the Council's housing stock of over 22,000 homes including more than 3,000 leaseholders. On 30th April 2003 the London Borough of Barking and Dagenham entered into a contract with Thames Accord Limited for the provision of void repairs and planned and reactive maintenance works to the Council's housing

stock. Enterprise took over the parent company of Accord on 12th September 2007 and became responsible for delivery of the main contract and all sub contracts.

- 1.3 The term of the contract is for a period of 10 years from 1st May 2003. The contract was procured on the basis of partnering principles. In broad terms, Enterprise has an obligation to control the work flow through the contract to remain within the Council's allocated budget, called the Target Price within the contract. If Enterprise exceeds the Target Price without express authority from the Council, the risk falls on Enterprise. To help Enterprise manage the risk, the contract gives Enterprise the right to scale down or even suspend large areas of the service if economic and financial circumstances so warrant. There are also risk sharing arrangements in the contract for particular circumstances, and should they occur then the Council is required to bear the full liability of the cost incurred in dealing with the risk.
- 1.4 The contract included a number of key performance indicators from the outset and practice has been to set annual performance targets in order to achieve top quartile performance when compared with similar organisations
- 1.5 In recent years concerted efforts have been made in partnership with Enterprise to deliver better value for money by both improving performance and reducing costs. This has included stronger clienting of the contract. This has resulted in significant year on year reductions in the Target Price since 2008/09. For 2011/12 the Target Price has been set at £17million.

The achievement of a continuing lower cost is a result of efficiencies being implemented by Enterprise through their improvement plans that have been jointly developed and implemented with Housing and Neighbourhood Services, as well as by changes in stock levels.

However, current benchmarking information suggests that the Council's expenditure on repairs and maintenance is higher than other boroughs, and future arrangements will seek to enable these costs to be further reduced.

- 1.6 The current contractual arrangements are not aligned with modern standards for maintenance services nor deliver the optimum balance between value and performance. The current contract is due to expire in April 2013 and planning for a new procurement is now necessary. This presents an opportunity to consider the council's strategic aims for the repairs service and how these aims can best be achieved. The aims for the repairs service are:
 - High quality repairs and service delivery
 - Value for money
 - High levels of resident engagement and satisfaction with the repairs service
 - Using modern technology to improve efficiency and satisfaction
 - Support the local economy, including Small and Medium size Enterprises
 - Secure opportunities to ensure the repairs contract arrangements contribute to meeting the council's wider ambitions in respect of training and employment opportunities for residents.
 - Minimize and wherever possible prevent the need for future investment by protecting the Councils assets.
 - Ensuring that the Council complies with its statutory obligations to maintain properties safely through gas checks etc

- Ensuring compliance with landlord obligations in terms of mandatory services such as maintenance of building exteriors; roofs; gutters, keep in repair and proper working order the installations for the supply of water, gas and electricity and including basins, sinks, baths and sanitary conveniences and the supply of water, gas and electricity etc
- Minimising the risk of disrepair claims
- Ensuring and maintaining compliance with decent home standards

The Council has been securing procurement support through our new joint venture company Elevate East London LLP for this Repairs and Maintenance procurement. It is proposed that Members and residents will be involved in the development of the detailed proposals for the repairs service and in the procurement process.

1.7 The Housing and Neighbourhoods Service is currently developing an asset management strategy for its housing stock following completion of a stock condition survey. The Housing Revenue Account reforms which come into effect in April 2012 offers an opportunity for better long term planning of investment in the Council's stock, and this is being reflected in the Council's developing Asset Management Strategy. The procurement of revised repairs and maintenance services will be considered, together with the procurement of capital improvement frameworks to ensure that overall better value for money is delivered, synergies identified and timing of contract letting and expiry is coordinated. The potential to link with future borough wide contracts for non housing buildings will also be explored. The Asset Management Strategy will set out how the council will make best use of its housing stock and related land and assets, its investment plans and the interrelationship of capital and revenue investment. The council's arrangements for repairs and maintenance will form an important element of this strategy including the extent to which repairs information will be used to inform investment decisions through high quality data analysis, and how investment can be targeted to reduce ongoing revenue costs.

1.8 The current service delivers circa 80,000 responsive repairs each year including 11,800 repairs to communal areas. Additionally around 1,300 voids are worked on each year and returned to general housing. The statutory obligation to check and service gas installations is completed each year to 17,800 homes. There are also a range of inspections carried out to items such as communal lifts, dry risers, water pumps, communal boilers and emergency lighting systems. Set out below is the breakdown between responsive, void and planned works in 2010/11.

Number of Jobs	
Responsive	79,119
Voids	1,268
Planned incl gas servicing	34,719

1.9 The current contract arrangement provided through Enterprise is a comprehensive borough wide service including:

- Clienting and management of the repairs service including diagnostics, inspections, quality assurance and service development
- Call centre provision (which has recently been relocated to Liverpool)
- Complaints handling
- Void management
- Provision of a responsive repair service
- Delivery of cyclical inspections and repairs
- Any improvement or additional work requested by the client

1.10 The current contract arrangements provide for a monthly fee to be paid to Enterprise based on the Target Price which covers all aspects of Enterprise's management and delivery of the contract, including clienting responsibilities. In order to oversee delivery by Enterprise and to ensure accurate billing and charging the Housing and Neighbourhoods Service also has a small client team. It will be important that any future arrangement eliminates any duplication of client arrangements in order to effectively manage the contracts.

1.11 In respect of key areas of performance, the end of year report details the following performance:

- Average time to return all voids – 29 days
- Percentage of Jobs completed on time – 98.1%
- Properties with a gas safety certificate – 99.9%
- Percentage of jobs completed by appointment – 95.7%

This shows that performance is variable on the targeted performance indicators, however these indicators are limited in range.

1.12 The procurement of the repairs and maintenance service provides an opportunity to ensure any new arrangements support the Customer Access Strategy, providing an emphasis on channel shift through greater use of internet repairs reporting and monitoring, as well as through a reduction in avoidable contact through improved appointment systems, 'text – ahead' appointments and an emphasis on right first time.

1.13 The application of the Customer Access Strategy will provide an opportunity to create a more customer focused and efficient service. Particular areas to be considered with residents and members include:

- Repair standards
- Appointments
- Women only repairs service for women who request this
- Collection and utilisation of vulnerability information
- GPS tracking
- Text ahead appointments
- Internet repairs reporting and monitoring
- Void standards
- Performance standards and measures
- Accountability
- Ease of contact
- Right first time

2. Proposal

- 2.1** It is proposed to commence the procurement process in order to have in place new arrangements for delivery of repairs and maintenance services from 1st May 2013.
- 2.2** The procurement process will be managed to address all of the issues set out below to ensure a robust outcome is presented for decision by Cabinet at a later date.

3. Programme

- 3.1** The timescales for procuring new contracts, specifying the service and service standards, carrying out required consultation, obtaining all necessary approvals and having sufficient time to mobilize new arrangements are short, and significant focus and resource will be needed to deliver on time.
- 3.2** Work has been carried out to map existing contracts and procurements including the scope, timing and contract length of all existing frameworks. The proposed length and scope of the future repairs and maintenance arrangements have taken into account future capital procurement and investment options that may be available as a result of HRA self financing and the potential to front load investment. This could result in linked capital and repairs and maintenance contracting arrangements in the future. It is currently proposed that contract lengths will be between 3-5 years (depending on the type of work involved) with options to extend, to ensure staggered re letting arrangements are put in place and that flexibility is maximized.

4. Contract Options

- 4.1** In assessing potential future arrangements consideration has been given to:

- Delivering the council's strategic aims for the repairs service
- Achieving the appropriate balance between clienting responsibility and control, and contractor delivery
- Customer satisfaction and local delivery options
- Scale and scope of contracts to achieve efficiency and make best use of modern technology
- Minimising overheads and duplication
- Maximizing opportunities for local employment including local businesses
- Minimising risk

- 4.2** There is a wide range of commissioning approaches available to the council in determining the procurement options for repairs and maintenance services. These include:

- Reprocure the management and delivery of this service as a single package of work with all aspects of the service managed by the provider. As this potentially requires significant investment by the provider the contract term would need to be a minimum of seven years. This is a high risk approach as the council has limited control, and few options in the event of contract failure.

- Deliver the whole service in house. This would mean creating a Direct Labour Organisation to deliver the repairs and maintenance service. This approach would still need market testing to establish value for money. However as there is an extremely well developed market for the provision of repairs and maintenance services this option would not be recommended.
- Seek tenders for two or more management contracts delivering all aspects of the repairs and maintenance service within discrete geographical areas. This approach is unlikely to offer best value as there would be a degree of duplication arising from the contractor's management of any subcontractors and the council's client management of the contracts. There would also be a need to consider call centre arrangements.
- Seek combined capital and ongoing revenue repairs contracts. This option is only viable where there is a long term capital investment plan in place. This may therefore be an option for the future when investment plans are further developed but is not yet considered a viable option.
- Separately let contracts for identified specialisms and for general breakdown repairs (a 'multi lot' approach). This option would require the Council to directly client manage the contracts, as well as manage complaints and access to the repairs service through a call centre. This option best matches the Council's aims for this procurement as established through the Option Appraisal carried out by Elevate, Assets & Commercial Services, Finance and Housing. The Option Appraisal is attached as Appendix 2. A summary of the Option Appraisal and further details on the proposals are set out below.

4.2.2 Option Appraisal

The Option Appraisal considered a wide range of contracting options which were then subject to an initial assessment to enable a short list of options to be developed for more detailed analysis. Housemark data, as well as a detailed scoring and assessment against the Council's objectives for the repairs and maintenance service formed part of the option appraisal. Housemark is an independent benchmarking organisation for Councils, ALMO's and RSL's which collects, collates and analyses benchmarking data. The results of this appraisal established that whilst a number of the options are relatively balanced in respect of cost, value for money and quality, a 'multi lot' approach is seen as the best match to the Council's overall objectives for this service. Further details are set out in Appendix 2

4.3 Future Contracting Proposals

The proposals address the key considerations highlighted above and propose a mixed provision for future repair and maintenance contracts which includes:

- In house clienting
- Separate call centre provision
- Direct provision of handy person service linked to local areas
- Separate contracts for specialisms (see para 4.3.4 for further information)
- Separate contracts for general repairs.

Further information of these proposals is set out below

4.3.1 Clienting arrangements

In any new arrangement it will be important to address the need for clear clienting and management of R&M budgets and contracts as well as to control the work ordered and delivered. This will need to include diagnostics, pre and post inspections, resident satisfaction as well as performance management and reporting. Where clienting is carried out by the contractor there remains a requirement to in turn client and check the arrangements. It is therefore important that any new arrangements provide for in house clienting to reduce double handling and reduce overheads. This then enables an 'intelligent client' function to provide proactive clienting, identifying areas to reduce demand, improve quality and ensure that capital and revenue links are made in order to target investment most effectively. This will also involve working closely with residents to manage the causes of demand as well as more accurate diagnosis and response. The clientside arrangements will also need to take into account invoicing and payment arrangements to a wider range of contractors. The current cost of the clientside provided by Enterprise is approx £2.0m per year and it is estimated that a single client structure could be delivered in the future for a cost of £1.5m.

4.3.2 Handyperson arrangements

It is proposed that a handyperson service be provided in house, linked to the wider locality management arrangements, providing a direct local service, addressing minor repairs. Depending on the volume of repairs to be carried out through a handy person service it is estimated that this service would cost approximately £3m per year (including staff, materials, vehicles and management).

4.3.3 Repair contracts

A general repairs contract for breakdown repairs of sufficient scale to enable the contractor to make best use of technology in respect of GPS tracking/texting ahead/IT interfaces etc. in order that service improvement and efficiency are secured. Further detailed analysis of the likely repair volumes is being carried out in respect of the balance to be carried out either through a contract or through the handy person service.

Estimated yearly value £6m

It does however need to be recognised that there is an interrelationship between the handyperson service and the repairs contract and these therefore need to be considered as a total package in respect of cost.

Proposed contract length 5 years (with option to extend by 2 years)

4.3.4 It is also proposed that void works are let as a separate strand of work potentially in a number of packages to encourage competition and quality. It is anticipated that this work will be particularly attractive to local firms.

Estimated yearly value £3.0m

Proposed contract length 5 years (with option to extend by 2 years)

4.3.5 Planned/cyclical contracts

To be let for planned servicing work with contracts for all specialist services including:

- Gas servicing and breakdowns
Estimated yearly value £1.0m
Proposed contract length 3 years (with option to extend by 2 years)

- Dry riser testing
Estimated yearly value £15k
Proposed contract length 3 years (with option to extend by 2 years)

- Water management sampling and surveys
Estimated yearly value £90k
Proposed contract length 3 years (with option to extend by 2 years)

- Door entry systems
Estimated yearly value £15k
Proposed contract length 3 years (with option to extend by 2 years)

- Lift servicing and breakdowns
Estimated yearly value £115k
Proposed contract length 3 years (with option to extend by 2 years)

- Asbestos
Estimated yearly value £200k
Proposed contract length 3 years (with option to extend by 2 years)

- General Mechanical and Electrical
Water pumps, communal boilers, lightning conductors, emergency lighting, fire alarms
Estimated yearly value £100k
Proposed contract length 3 years (with option to extend by 2 years)

- Domestic Stairlifts
Estimated yearly value £75k
Proposed contract length 3 years (with option to extend by 2 years)

The potential to link these contracts with new or existing non housing contracts will be explored as part of this process and the need for any other specialisms will also be examined. It is anticipated that due to value and scale, these contracts would each be awarded to one contractor to provide a borough- wide service in respect of each specialism with no second contractor appointed. These contracts will also include associated repairs.

It is proposed that contract bidders will be able to bid for one or more packages of work.

4.3.6 Renewal/capital contracts

These link to the capital strategy and include

- Kitchens
- Bathrooms
- Roofs
- Windows
- Boilers/heating

These framework arrangements are currently being reprocured and the proposals for repairs and maintenance will be developed in synergy with these arrangements.

4.4 Contract Issues

The proposals in this Report form one overall procurement exercise, however it is envisaged that there will be separate contracts for each of the defined elements. This exercise is therefore likely to result in a range of different contractors being appointed for contracts of varying length. Contractors may however bid for more than one contract within the overall procurement. It is proposed that any contracts will be awarded on the basis of the most economically advantageous tender. Decisions on the contract type to be applied to each contract will be developed as part of the evaluation process, and could range from a traditional contract to a more partnering form of contract. However repairs and maintenance contracts will often lend themselves to more traditional forms of contract. The proposed length of each contract is between 3 and 5 years with an option to extend for a further 2 years in each case. Further work will be carried out to determine the final pricing / payment mechanism. Options include schedule of rates, open book, profit share, price per property or transfer of budget etc. In addition, decisions will also be needed on any break clause provisions, as well as incentives and penalties etc. These decisions will then help inform the design of the client side for robust management of the contract arrangements, as well as driving continuous improvement, quality control and monitoring. These issues will be determined and developed as part of this procurement process and appropriate legal, financial and technical advice will be sought.

Detailed evaluation criteria will be developed tailored to each contract and it is proposed that any contract award will be based on a 60:40 ratio of price and quality.

The overall evaluation criteria will include:

Assessment of the individual method statements requested for each contract
Customer care
Quality initiatives
Health and safety
Support for wider council objectives including employment and training
Financial standing
Contract management arrangements
Experience and expertise in the particular contract area

Experience of managing similar scale and value contracts in the particular contract area
Sustainability
Added value and innovation
Workforce planning and management (including direct employment)
Response to specification and quality of proposals
Efficiency proposals
Resident involvement and engagement

Some evaluation criteria will also be applied at the pre qualification stage to ensure a short list is established that meets a minimum financial and quality threshold for those to be invited to submit tenders.

There are four overall ways in which the Council will seek best value and continuous improvement from the proposed repair arrangements and these include:

- The pre qualification criteria and evaluation criteria set for the procurement process
- The quality of the specification issued for each contract.
- The terms of the contract and the controls set out within this.
- Clear client side arrangements to manage the contracts

All of the above contribute to ensuring that the right contractors are selected and the right quality and ongoing management of the contract is achieved.

4.5 Call centre – options for future provision

In any arrangement where repairs and maintenance work is split between a number of providers (either by specialism or by geographic area) there will be a need to consider future call centre arrangements, including emergency call out. The options for the procurement of this service need to be explored including consideration of the existing call centre arrangements with Elevate, as well as market testing to establish best value, service expertise and quality. In respect of emergency call out it is proposed that the Council explore adding out of hours repairs calls to the existing consortium arrangements for non housing calls.

The current cost of the call centre is approx £478,000 per year.

4.6 People Matters

- 4.6.1** There is a wide range of staffing and structural issues arising from these proposals, all of which will require detailed development during this procurement process.
- 4.6.2** There will possibly be a transfer of undertakings involving employees of the existing Contractor, in the event of new contractors being awarded future contracts, and therefore transfer of undertakings protection of employment regulations will apply. It will be important that the Council continue to work closely with Enterprise on existing priorities in respect of staffing to ensure that issues are addressed in advance of any potential future TUPE.

There are currently around 172 operatives engaged by Enterprise and approx 111 back office staff (including 30 call centre staff and 30 providing a client side function).

- 4.6.3** In some instances there will be a TUPE transfer from the existing contractor to any new contractor and the extent to which TUPE will apply will depend on the work being undertaken by each employee. This will be a matter for the respective contractors to address. In other instances there will be a potential TUPE transfer to the council, for those aspects of service which it is proposed be directly provided. The extent of any TUPE will again depend on the work currently being undertaken by employees at the point of transfer. Detailed structures and job descriptions for any proposed in house services will be developed and consulted on with staff and Trade Unions. In the event that there are posts that remain vacant following any TUPE then normal recruitment processes will be needed.
- 4.6.4** The potential creation of new teams and new functions will require detailed training programmes to be developed alongside the development of procedures and processes to aid service delivery.
- 4.6.5** Location, accommodation, and management arrangements will all also be addressed as part of the preparations.
- 4.6.6** In addition to TUPE options for current Enterprise staff, the Council would also encourage and support the development of any proposal from Enterprise staff for a social enterprise company to bid for some or all aspects of the proposed contracts. This could be formed as a mutual company by the current staff.
- 4.6.7** Whilst any formal TUPE process would not apply until a relatively late stage of the process, it is proposed that the Trade Unions be kept informed of the procurement process and any potential workforce implications. Individuals identified as having a TUPE right will be formally consulted as part of the process. However, it will be the responsibility of their Employer to ensure full compliance.
- 4.6.8** There could be cost implications to the Council's Superannuation fund as many Enterprise employees remain within the Council's Scheme as Enterprise has "admitted Body Status," that is to say the pension arrangements are as if they remained employees of the Council. Changes in the staffing levels post this contract are likely to present costs where staff elect to take retirement and this is agreed as part of the arrangements.

4.7 Local Economy and Local Employment

- 4.7.1** The proposed arrangements are designed to encourage a wide range of contractors to submit proposals including local Small and Medium size Businesses (SME's), and there is also the potential for this to be supplemented by estate based packages at a local level in the future. In addition to the proposals for specialist contracts, it is also proposed that void work will be let as separate contracts, and the procurement team are exploring the scope for this to be broken down into a number of packages to encourage competition and quality, This again offers opportunities for local companies as this general building work forms a key part of the local economy, and smaller contract packages will enable smaller firms to bid for this work. It is intended that officers involved in the procurement will work closely

with the Economic Development Team to ensure local companies are made aware of the contract opportunities arising from these procurement proposals, which could involve holding meetings with potential bidders, supporting consortia arrangements as well as encouraging local community enterprises/co-operatives.

- 4.7.2** It is proposed that the main repairs and maintenance contract will be a single contract and that within tendering constraints, the Council will be seeking to ensure that there is as much local spend as possible through this contract. There are also proposals for an in-house handy person service which will form part of the locality management structure and in the future it is proposed that this will be integrated with other housing and environmental locality based services. This also provides the potential to look at alternative models for local service delivery in the future through local firms and local community enterprises, providing a supplement to the repairs and maintenance contract as well as the handy person service.
- 4.7.3** Potential contractors will also be required to set out their proposals in respect of local labour schemes as well as apprenticeships and training initiatives.
- 4.7.4** The proposed arrangements will also take into account the Governments proposed tenant cashback scheme which is currently the subject of consultation. This proposes a model that gives tenants opportunities to undertake or commission routine repair tasks themselves, as well as an opportunity to share in any resulting efficiencies. No details have yet been provided about these proposals although the consultation indicates that the government does not intend to prescribe how any scheme should operate in a particular area. However the consultation does state that landlords should offer opportunities for tenants to be involved in managing repairs and maintenance services and to share in any savings made. Tenant cashback schemes are currently being piloted by a number of social landlords and the findings from the pilots will be used to help inform any proposed arrangements for Barking and Dagenham.

4.7.5 Estimated future costs

It is predicted that the proposed arrangements will secure savings against the current costs of the R&M service. This will secure two key benefits:

- Repair standards and services can be enhanced enabling, for example, higher void standards, extended range of repairs carried out, including to those identified as vulnerable; extended appointment service in the evenings and weekends.
- Savings in R&M can be applied to support capital investment enabling more planned and targeted investment in the stock which in turn will contribute to a reduction in responsive expenditure.

5. Consultation and Involvement

- 5.1** Strong Member and resident involvement arrangements will be put in place. This will be required at an early stage as it will need to influence the final specification and detailed proposals. This will need to be developed in accordance with the Council's agreed resident engagement strategy and model. Member and resident input will be vital to issues such as:
- Proposals for a handyperson service
 - Proposed contract arrangements

- What should be marketed / offered to leaseholders
- What the Councils repairs policy should be eg. outside of statutory responsibilities / what repairs should the Council carry out and with what priority.
- What should the Council offer for the elderly or vulnerable
- What should be the Councils void standard / what are the Councils requirements on contractors working in people's homes.
- What standards of behaviour should be set for contractors
- What should be the Councils appointment requirements (evenings / weekends) / texting / phone ahead service / should the Council offer a women only service / what should be the Councils apprenticeship requirements / wider community involvement requirements.
- Consultation with Leaseholders to comply with Landlord and Tenant Act 1985 to ensure recovery of service charges

The potential cost implications of any changes will also need to be taken into account

- 5.2** Members and residents will also be involved in agreeing the Performance Indicators against which contractors will be monitored as well as the penalties / incentives for poor / good performance. Consideration will also be given to how this will involve Members and residents, and how the contractors will be held accountable for their performance. This will also involve looking at the ongoing governance arrangements for the contracts and to ensure these address the requirements of the resident engagement strategy. There will also be involvement in the selection process including interviews / assessment of relevant method statements / site visits / mystery shopping.
- 5.3** Detailed arrangements will be developed to incorporate ongoing consultation and involvement into the overall procurement process. A specific Member working party is also proposed to oversee the procurement process.
- 5.4** An initial survey of residents has been carried out to seek resident's views on their priorities for the delivery of repairs and maintenance services. This included an internet survey, face to face surveys at key events as well as seeking the views of TRAs and other involved groups. The results of this initial consultation are attached as Appendix 3. This shows that consultation to date supports the approach of using a range of firms as well as some direct provision by the Council. The proposals for a handyperson service have been particularly supported.

6. Process

- 6.1** There are a number of areas where further development is required including exact scope of contract packages / detailed evaluation criteria including sub criteria (which will be based on both quality and cost) / pricing arrangements / governance arrangements / contract terms and conditions etc. These requirements will be developed in accordance with the delegation arrangements and timescales set out in this report.

7. Housing Strategy

7.1 This procurement process will be carried out within the context of the Council's developing Housing Strategy. The Housing Strategy recognizes the importance of the repairs and maintenance of the Council's stock and the relationship of this to wider investment planning, as well as the critical role this service plays in resident satisfaction. The repairs and maintenance service is fundamental to the Council's relationship with residents as it is a significant service with significant impact and significant coverage. The Housing Strategy sets the context for the overall management and influence of the housing market, setting out need and demand and how this can be addressed, as well as how housing will contribute to wider council goals and ambitions. The Housing and Neighbourhood Service forms an important strand of this strategy including the procurement of repairs and maintenance which contributes to:

- The housing asset strategy
- The resident engagement strategy
- Support for vulnerable residents
- Affordability and value for money
- A focus on prevention

8. Financial Issues

8.1 The procurement process requires significant time and resources and will need effective project management, legal advice, financial input and HR guidance. There is also likely to be a requirement for external assistance. Therefore, although it is proposed that the procurement process will be carried out by Elevate, additional dedicated resources are likely to be needed. Therefore a project fund of £250,000 has been identified for this exercise over the two year period of this procurement and will be managed within the HRA in the current year, and form part of the budget setting process for 2012/13.

8.2 It is intended that this provision will fund any necessary external legal, HR and pension advice as well as any IT, and expenditure on consultation and contractor appraisal.

8.3 Expenditure on repairs and maintenance represents an area of significant annual revenue spend. The retendering of these arrangements is therefore of high importance to the Council.

8.4 Securing savings in these arrangements will generate income that can then be applied to improving housing services and increasing decent homes investment which will in turn assist in suppressing recurring revenue costs.

8.5 The proposals to introduce an enhanced in-house clienting function is aimed at controlling demand for repairs. This is to be achieved in part by improved diagnostics and also through introducing systems and technology to ensure resident's repairs are addressed without the need for residents to chase a repair. At present approx 50% of calls to the Enterprise call centre are chase ups because of either service failure or residents not having enough information on when a workman is due. Reducing this will not only increase satisfaction but also increase efficiency in the call centre.

- 8.6** A client function that analyses demand and identifies the issues fuelling demand will also enable issues to be tackled effectively, which should also reduce the volume of repairs.
- 8.7** The clienting proposals will mean the Council directly providing this function rather than this being carried out by the contractor, with the Council then clienting the overall arrangement. This function will therefore become a direct cost to the Council in terms of staffing rather than forming a contract cost. It is anticipated that, whilst under the proposed arrangements there will need to be increased management of a range of contractors, there will be savings from this arrangement, as duplication and profit will be removed.
- 8.8** Information from other housing organisations also suggests that a handyperson service achieves savings against the equivalent schedule of rates items as there is no profit involved, but rather simply the cost of labour and materials. This will however require effective management and supervision.
- 8.9** The proposal to provide separate specialist contracts directly cliented by the Council will also reduce the payment of additional management fees. This also increases the market offer by enabling a wide range of contractors to express an interest and tender for this work. There is a well established competitive market for these potential contracts which will enable the Council to secure a robust range of interest and deliver best value from the arrangements. This will therefore maximise the potential to secure additional savings from the proposed arrangements. Strong quality criteria as well as price will form part of the procurement assessment process.

9 Legal Issues

- 9.1** Legal guidance will be sought in areas of housing law, property, contract law, procurement legislation and on specialist TUPE advice. Legal advice will also be sought on the form of contract to be used.
- 9.2** There will be property decisions to be taken in respect of the future of Pondfield House and other sites that may be required for services.
- 9.3** As there are statutory obligations on the Council as a landlord, for example Gas Safety and Landlord and Tenant law, arrangements will be made to ensure that there is a seamless transition of service providers with no interruptions.
- 9.4** There will be a requirement to consult with leaseholders during the procurement process to ensure that monies spent can be recovered as service charges
- 9.5** The Legal Practice will be consulted and be involved at all stages of the procurement.

10. Other Implications

10.1 Risk Management

10.1.1 The ending of the current arrangements with Enterprise in 2013 requires that the council takes action now to ensure the ongoing provision of repair and maintenance services.

10.1.2 If no action is taken then the council will be in breach of its statutory obligations to keep homes in good repair as well as breaching European legislation regarding procuring public services contracts competitively.

10.1.3 There is a range of risks associated with commissioning and procuring repairs and maintenance contracts. These risks will be identified, managed and minimised as part of the project management arrangements for this procurement process.

10.2 Contractual Issues

10.2.1 The current contract was for a period of 10 years only and formal notice of termination has been issued to Enterprise as part of the existing contract requirements.

10.3 Customer Impact

10.3.1 Approval of the recommendations in this report will contribute to delivering the Council's Housing Strategy by improving housing conditions and quality of life through ensuring compliance with the obligations of being a landlord. Tenants and leaseholders will be consulted on the formulation of new standards and methods for the way repair services are delivered

10.3.2 Details of the proposals to engage with tenants and leaseholders are set out in section 5 of this Report. The use of surveys; face to face interviews as well as focus groups are aimed at reaching a wide cross section of residents as it is important that we ensure the views and needs of all equalities groups are taken into account. Feedback will be monitored throughout the consultation process to ensure that the views of all groups are represented. This will be particularly significant in ensuring that issues such as repairs policies in respect of the elderly and disabled are fully addressed, as well as appointment times to deal with the 'school run'.

10.4 Safeguarding Children

10.4.1 Maintenance of homes to required standards will improve housing conditions which can contribute to better educational outcomes for children.

10.5 Health Issues

10.5.1 Maintenance of homes to required standards will improve housing conditions which can contribute to better health outcomes for residents

10.6 Crime and Disorder Issues

10.6.1 Maintenance of homes and common areas to required standards will ensure homes and places are kept safe and help reduce the fear of crime by residents.

10.7 Property / Asset Issues

10.7.1 Providing an effective repairs and maintenance service contributes to maintaining the economic viability of the council's housing stock with more emphasis on a planned approach rather than a reactive basis.

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

11.1 None

12. List of appendices:

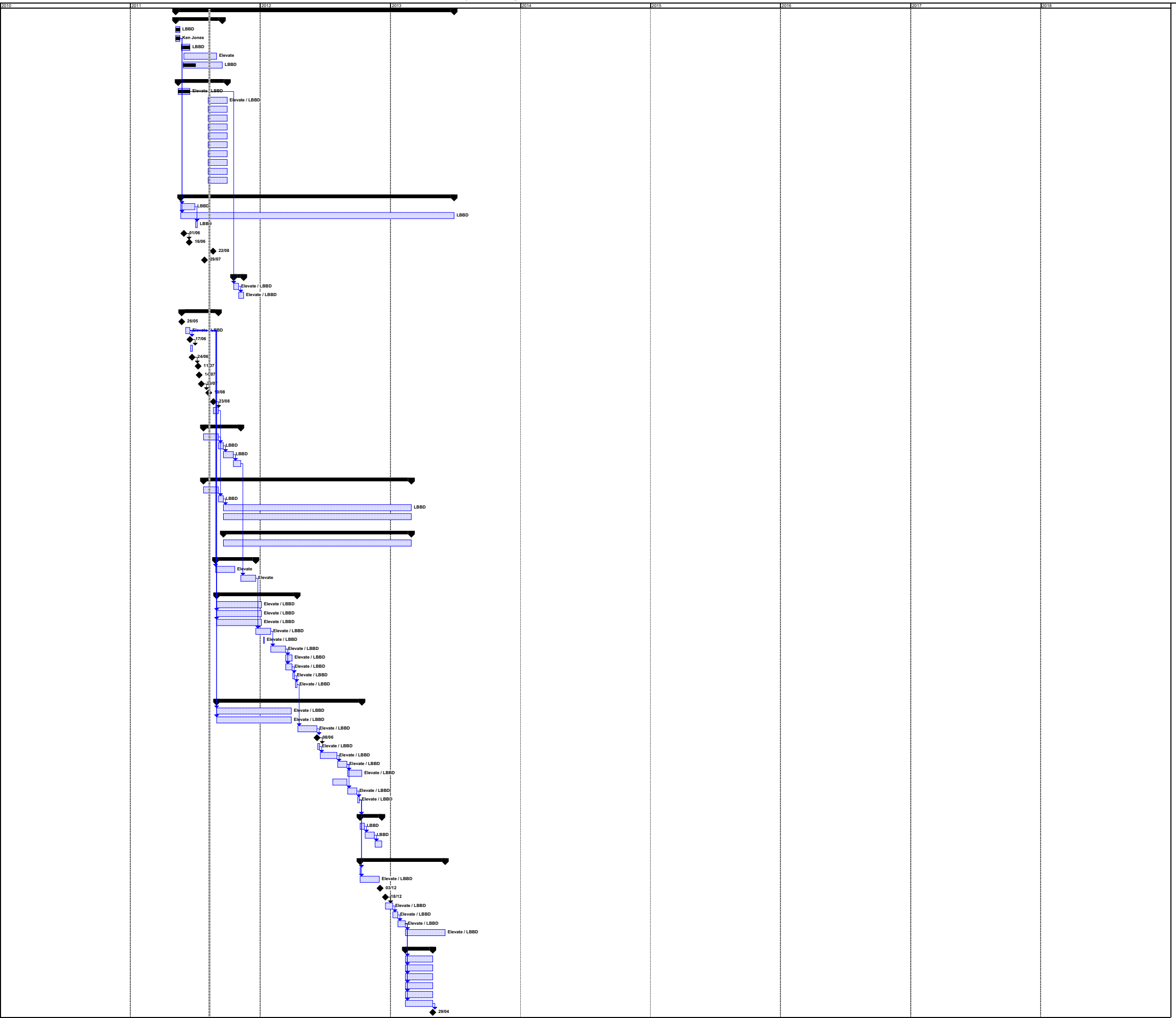
12.1 Appendix 1 - Procurement Programme.
Appendix 2 – Option Appraisal
Appendix 3 – Outcome from initial resident consultation

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Procurement of R&M Service - Project Programme

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ID	Task Name	Duration	Start	Finish
1	Enterprise Re Procurement Project	568 days	Mon 09/05/11	Fri 28/06/13
2	Governance Arrangements	95 days	Mon 09/05/11	Fri 16/09/11
3	Set up project board	10 days	Mon 09/05/11	Fri 20/05/11
4	Develop stakeholder engagement mechanisms	10 days	Mon 09/05/11	Fri 20/05/11
5	Schedule various project groups	18 days	Wed 25/05/11	Fri 17/06/11
6	Recruit Elevate project manager / technical expert	66 days	Wed 01/06/11	Wed 31/08/11
7	Engage appropriate HR and Legal support	80 days	Mon 30/05/11	Fri 16/09/11
8	Procurement Strategy	160 days	Mon 16/05/11	Fri 30/09/11
9	Analysis of current project costs performance and scope	25 days	Mon 16/05/11	Fri 17/06/11
10	Agreement of gain share mechanism	40 days	Mon 08/06/11	Fri 30/09/11
11	Market research	40 days	Mon 08/06/11	Fri 30/09/11
12	Lotting Strategy	40 days	Mon 08/06/11	Fri 30/09/11
13	Pay Mechanism	40 days	Mon 08/06/11	Fri 30/09/11
14	Contract Types	40 days	Mon 08/06/11	Fri 30/09/11
15	Contractor Profiling	40 days	Mon 08/06/11	Fri 30/09/11
16	Handy Person Strategy	40 days	Mon 08/06/11	Fri 30/09/11
17	Governance & Performance Measures	40 days	Mon 08/06/11	Fri 30/09/11
18	Evaluation Criteria	40 days	Mon 08/06/11	Fri 30/09/11
19	Legal Input	40 days	Mon 08/06/11	Fri 30/09/11
20	Comms & Consultation	550 days	Mon 23/05/11	Fri 28/06/13
21	Undertake an initial assessment of employment and TUPE issues	30 days	Mon 23/05/11	Fri 01/07/11
22	TU Consultation	550 days	Mon 23/05/11	Fri 28/06/13
23	HR issues to be incorporated into Cabinet report	5 days	Mon 04/07/11	Fri 08/07/11
24	Initial discussion with Enterprise requesting Tupe / T&C's information	0 days	Wed 01/06/11	Wed 01/06/11
25	Receive Information back from Enterprise	0 days	Thu 16/06/11	Thu 16/06/11
26	Meeting with Enterprise to discuss chosen option prior to Cabinet meeting	0 days	Mon 22/08/11	Mon 22/08/11
27	Formal notice to Enterprise re. Contract Expiration	0 days	Fri 29/07/11	Fri 29/07/11
28	Licensing/Hire Arrangements	20 days	Wed 18/10/11	Tue 15/11/11
29	Identification of current arrangements and implications	10 days	Wed 18/10/11	Tue 01/11/11
30	Production of report	10 days	Wed 02/11/11	Tue 15/11/11
31	LBD Approval Process	73 days	Thu 26/05/11	Mon 05/09/11
32	Publication on Forward Plan	0 days	Thu 26/05/11	Thu 26/05/11
33	Production of Options Appraisal / CMT / Cabinet Paper	10 days	Mon 06/06/11	Fri 17/06/11
34	Review with Project Group	0 days	Fri 17/06/11	Fri 17/06/11
35	Feedback & amendments	5 days	Mon 20/06/11	Fri 24/06/11
36	Project Group & Stakeholder Engagement Agreement	0 days	Fri 24/06/11	Fri 24/06/11
37	LAW Scrutiny Panel	0 days	Mon 11/07/11	Mon 11/07/11
38	CMT Approval	0 days	Thu 14/07/11	Thu 14/07/11
39	Informal Cabinet	0 days	Wed 20/07/11	Wed 20/07/11
40	Distribute Cabinet Paper	0 days	Wed 10/08/11	Wed 10/08/11
41	Cabinet Approval	0 days	Tue 23/08/11	Tue 23/08/11
42	Cabinet standstill period	10 days	Tue 23/08/11	Mon 05/09/11
43	Leaseholder Consultation Stage One	75 days	Tue 26/07/11	Mon 07/11/11
44	Survey	30 days	Tue 26/07/11	Mon 05/09/11
45	Preparation of leaseholder consultation documents	10 days	Tue 06/09/11	Mon 19/09/11
46	Leaseholder consultation period	20 days	Tue 20/09/11	Mon 17/10/11
47	Observations/clarifications	15 days	Tue 18/10/11	Mon 07/11/11
48	Tenant Consultation	418 days	Tue 26/07/11	Thu 28/02/13
49	Survey	30 days	Tue 26/07/11	Mon 05/09/11
50	Preparation of consultation documents	10 days	Tue 06/09/11	Mon 19/09/11
51	Tenant meetings - Policy & Standards	378 days	Tue 20/09/11	Thu 28/02/13
52	Tenant meetings - Procurement Team	378 days	Tue 20/09/11	Thu 28/02/13
53	Member Panel	378 days	Tue 20/09/11	Thu 28/02/13
54	Member Meetings	378 days	Tue 20/09/11	Thu 28/02/13
55	OJEU Process	81 days	Mon 28/08/11	Mon 18/12/11
56	Drafting of OJEU notice	40 days	Mon 28/08/11	Fri 21/10/11
57	Publish OJEU notice	30 days	Tue 06/11/11	Mon 19/12/11
58	PQQ Stage	162 days	Thu 01/09/11	Fri 13/04/12
59	Production of PQQ documents and guidance notes	90 days	Thu 01/09/11	Wed 04/01/12
60	Development of PQQ scoring model	90 days	Thu 01/09/11	Wed 04/01/12
61	Establish evaluation teams	90 days	Thu 01/09/11	Wed 04/01/12
62	Issue period of pre-qualification questionnaires (PQQ's)	30 days	Tue 20/12/11	Mon 30/01/12
63	Mid PQQ Q&A Session	2 days	Wed 11/01/12	Thu 12/01/12
64	Assessment of PQQ's (General, finance and Technical)	30 days	Tue 31/01/12	Mon 12/03/12
65	Obtain references	14 days	Tue 13/03/12	Fri 30/03/12
66	Undertake reference site visits	14 days	Tue 13/03/12	Fri 30/03/12
67	PQQ supplementary enquiries	5 days	Mon 02/04/12	Fri 06/04/12
68	Production of tender shortlist	5 days	Mon 09/04/12	Fri 13/04/12
69	Production of ITT stage evaluation/scoring documentation	283 days	Thu 01/08/11	Fri 12/10/12
70	Production of Bid Documentation (Specifications / Method Statements ETC)	180 days	Thu 01/08/11	Wed 28/03/12
71	Production of T&C's	180 days	Thu 01/08/11	Wed 28/03/12
72	Bid document tender period	40 days	Mon 16/04/12	Fri 08/06/12
73	Bid return date	0 days	Fri 08/06/12	Fri 08/06/12
74	Registration and distribution of bid documents to evaluation team	5 days	Mon 11/06/12	Fri 15/06/12
75	Assessment of ITT submissions	35 days	Mon 18/06/12	Fri 03/08/12
76	Contractor notice of interview times and dates	20 days	Mon 06/08/12	Fri 31/08/12
77	Contractor Interviews / Interviews with tenants & leaseholders	30 days	Mon 03/09/12	Fri 12/10/12
78	Site reference visits	30 days	Mon 23/07/12	Fri 31/08/12
79	Dealing with clarifications	20 days	Mon 03/09/12	Fri 28/09/12
80	Panel Evaluation meeting	5 days	Mon 01/10/12	Fri 05/10/12
81	Leaseholder Consultation Stage Two	45 days	Mon 08/10/12	Fri 07/12/12
82	Preparation of leaseholder consultation documents	10 days	Mon 08/10/12	Fri 19/10/12
83	Leaseholder consultation period	20 days	Mon 22/10/12	Fri 16/11/12
84	Observations/clarifications	15 days	Mon 19/11/12	Fri 07/12/12
85	Contract Award	171 days	Mon 08/10/12	Mon 03/06/13
86	Forward Plan	1 day	Mon 08/10/12	Mon 08/10/12
87	Production of tender report for Cabinet	40 days	Mon 08/10/12	Fri 30/11/12
88	Distribute Cabinet papers	0 days	Mon 03/12/12	Mon 03/12/12
89	Cabinet Meeting (Formal Sign Off)	0 days	Tue 18/12/12	Tue 18/12/12
90	Contract Award Notification (Extended over xmas)	15 days	Tue 18/12/12	Mon 07/01/13
91	Alcatel Period	10 days	Tue 08/01/13	Mon 21/01/13
92	Contract Award & Debriefs	15 days	Tue 22/01/13	Mon 11/02/13
93	Assignment of leases/licenses (Minimum)	80 days	Tue 12/02/13	Mon 03/06/13
94	Mobilisation (Minimum Required)	55 days	Tue 12/02/13	Mon 28/04/13
95	Governance	55 days	Tue 12/02/13	Mon 28/04/13
96	Tupe	55 days	Tue 12/02/13	Mon 28/04/13
97	IT	55 days	Tue 12/02/13	Mon 28/04/13
98	Payment	55 days	Tue 12/02/13	Mon 28/04/13
99	Premises	55 days	Tue 12/02/13	Mon 28/04/13
100	Vehicles & Plant	55 days	Tue 12/02/13	Mon 28/04/13
101	Commencement of contract	0 days	Mon 28/04/13	Mon 28/04/13



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Housing Repair & Maintenance

Options Appraisal

August 2011

Authors: Martin Storrs, Ian Saxby & Rob Wood
Date: 09th Aug 2011
Version: 0.4



Document Control

Version	Date	Changes	Owners
0.1	01.07.2011	1 st edition	Maureen McEleney, Martin Storrs, Ian Saxby, Rob Wood
0.2	06.07.2011	Updated benchmark, risk and scoring data	Maureen McEleney, Martin Storrs, Ian Saxby, Rob Wood
0.3	12.07.2011	Updated benchmark, risk and scoring data	Maureen McEleney, Martin Storrs, Ian Saxby, Rob Wood
0.4	09.08.2011	Updated benchmark, risk and scoring data	Maureen McEleney, Martin Storrs, Ian Saxby, Rob Wood

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1 Executive Summary & Methodology

This options paper has been prepared to support LBBD’s “Repairs Service and Major Works Procurement” cabinet paper. The paper has explored in total nine separate options. These options have been studied in detail and then refined to a shortlist. This shortlist of four options has then been scored based on benchmark data from HouseMark and also by LBBD stakeholders against the Councils strategic criteria. See section 3 for full details of the scoring.

The overall scoring demonstrates that options 2: 2 or more management contracts and option 5: Multi Lot procurement are the most beneficial for the Council from a risk, quality, and satisfaction perspective. Although from a scoring perspective option 2 and 5 have tied it is recognised that option 5 meets most closely the strategic objectives of the Council. It is therefore recommended that a **Multi Lot Procurement strategy** be selected as the procurement route.

It should be noted at this stage that a financial summary to support this Multi Lot option will be developed through the re-Procurement process although it is envisaged to deliver benefits of between approximately 20%-40%.

2 Options – Full List

The following options have been considered with the pros and cons detailed for each:

- Option 1 - Single Package (Re-procurement current arrangements)
- Option 2 - 2 or more management contracts
- Option 3 - Combined Housing/Non-Housing Arrangement
- Option 4 - Collaborate with other councils
- Option 5 - Multi Lot procurement
- Option 6 - Combine Capital and Revenue
- Option 7 - In House Provision
- Option 8 - Community Cooperative
- Option 9 - Multi outsourcing

The project team has made a recommendation for each option whether to consider in more detail as part of a short list analysis process.

2.1 Single Package (Re-procurement current arrangements)

Option 1 - Single Package (Re-procurement current arrangements)		
All reactive and planned maintenance on the housing stock to be carried out by one firm; this includes management of repairs ordering		
Pros	Cons	Recommendation
Enables a slim client side. Re-procurement could be straightforward if similar scope, pricing and delivery approach taken. TUPE issues simpler – all staff taken on by new contractor. Overhead costs limited. One single point of contact and	Limited client control, performance and financial management depend upon contractor co-operation. Limits those firms who can participate to a restricted number of large operators who may sub-contract (particularly planned maintenance elements) and incur additional on-costs.	Option to be taken forward to detailed options appraisal stage.

<p>responsibility. More likely to encourage investment and technological innovation from contractor, especially if a longer term contract. Could encourage greater community engagement if managed appropriately.</p>	<p>“One size fits all” solution that assumes a firm can do all planned and response services equally well and for the right price. Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor. Potentially a longer term contract needed in order to realize potential efficiencies.</p>	
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2.1.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
1	Option 1 - Single Package (Re-procurement current arrangements)									
1.1	Limited client control, performance and financial management depend upon contractor co-operation.	Maureen McElaney	3	3	9	Ensure that robust contract management arrangements are put in place. Ensure that the project is expertly cliented and that an experienced and proficient team are put in place.	Maureen McElaney	3	2	6
1.2	Limits those firms who can participate to a restricted number of large operators who may sub-contract (particularly planned maintenance elements) and incur additional on-costs.	Maureen McElaney	3	4	12	Ensure that costs are expertly managed. Ensure that contractor supply chains are adequately managed.	Maureen McElaney	3	3	9
1.3	“One size fits all” solution that assumes a firm can do all planned and response services equally well and for the right price.	Maureen McElaney	3	4	12	Ensure that contractor tender and selection process is robust in order to ensure that the most appropriate contractor with a mix of skills is engaged.	Maureen McElaney	3	2	6
1.4	Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.	Maureen McElaney	3	4	12	Ensure that robust KPI's and incentives are present in the contract and that the contractors performance is closely monitored in order to ensure good contractor performance	Maureen McElaney	3	3	9
1.5	Potentially a longer term contract needed in order to realize potential efficiencies, which will tie the council into a potentially less flexible approach.	Maureen McElaney	3	4	12	To ensure that adequate break clauses are contained within the contract.	Maureen McElaney	3	3	9

2.2 2 or more management contracts

Option 2 - 2 or more management contracts		
All reactive and planned maintenance on the housing stock to be carried out by 2 or more firms; this includes management of repairs ordering		
Pros	Cons	Recommendation
<p>Enables a slim client side. Re-procurement could be straightforward if similar scope, pricing and delivery approach taken. TUPE issues simpler – all staff taken on by new contractor. Overhead costs limited. Fewer points of contact and responsibility. More likely to encourage investment and technological innovation from contractor, especially if a longer term contract. Could encourage greater community engagement if managed appropriately.</p>	<p>Limited client control, performance and financial management depend upon contractor co-operation. Limits those firms who can participate to a restricted number of large operators who may sub-contract (particularly planned maintenance elements) and incur additional on-costs. “One size fits all” solution that assumes a firm can do all planned and response services equally well and for the right price. Limits competition once the contract is in place which could lead to complacency from the incumbent contractor. Potentially a longer term contract needed in order to realize potential efficiencies.</p>	<p>Option to be taken forward to detailed options appraisal stage.</p>

2.2.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
2	Option 2 - 2 or more management contracts									
2.1	Limited client control, performance and financial management depend upon contractor co-operation.	Maureen McElenev	3	3	9	Ensure that robust contract management arrangements are put in place. Ensure that the project is expertly cliented and that an experienced and proficient team are put in place.	Maureen McElenev	3	2	6
2.2	Limits those firms who can participate to a restricted number of large operators who may sub-contract (particularly planned maintenance elements) and incur additional on-costs.	Maureen McElenev	3	4	12	Ensure that costs are expertly managed. Ensure that contractor supply chains are adequately managed.	Maureen McElenev	3	3	9
2.3	"One size fits all" solution that assumes a firm can do all planned and response services equally well and for the right price.	Maureen McElenev	3	4	12	Ensure that contractor tender and selection process is robust in order to ensure that the most appropriate contractor with a mix of skills is engaged.	Maureen McElenev	3	2	6
2.4	Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.	Maureen McElenev	3	4	12	Ensure that robust KPI's and incentives are present in the contract and that the contractors performance is closely monitored in order to ensure good contractor performance	Maureen McElenev	3	3	9
2.5	Potentially a longer term contract needed in order to realize potential efficiencies, which will tie the council into a potentially less flexible approach.	Maureen McElenev	3	4	12	To ensure that adequate break clauses are contained within the contract.	Maureen McElenev	3	3	9

2.3 Combined Housing/Non-Housing Arrangement

Option 3 - Combined Housing/Non-Housing Arrangement		
Expand current arrangements. Let to one provider, and include repairs and planned maintenance for schools and corporate buildings. Note, any chosen option should be assessed in order to establish if it is suitable to combine the housing and non-housing areas.		
Pros	Cons	Recommendation
<p>Reduced duplication and overhead on contractor side.</p> <p>Share client side resources across departments.</p> <p>May be purchasing economies of scale and hence reduced costs.</p> <p>TUPE issues simpler – all staff taken on by new contractor (possibly more complicated on non-housing side).</p> <p>More likely to encourage investment and technological innovation from contractor, especially if a longer term contract.</p> <p>One single point of contact and responsibility.</p> <p>Could encourage greater community engagement if managed appropriately.</p>	<p>Limited client control – performance and financial management depend upon contractor co-operation so purchasing economies may not be passed on.</p> <p>“All eggs in one basket” – reliant on one contractor.</p> <p>TUPE issues for displaced contractors on corporate buildings?</p> <p>Current housing and non-housing contractual arrangements are out of sync, although some elements of non-housing contracts do need to be re-procured.</p> <p>Limits those firms who can participate to a restricted number of large operators who may sub-contract (particularly planned maintenance elements) and incur additional on-costs.</p> <p>Will rule out a number of smaller, local contractors that currently undertake non-housing contracts.</p> <p>“One size fits all” solution that assumes a firm can do all planned and response services equally well and for the right price.</p> <p>Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.</p> <p>Potentially a longer term contract needed in order to realize potential efficiencies.</p> <p>Potential penalties from ending some non-housing contracts earlier than planned.</p>	<p>Option to be taken forward to detailed options appraisal stage.</p>

2.3.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
3	Option 3 - Combined Housing & Non Housing									
3.1	Limited client control, performance and financial management depend upon contractor co-operation.	Maureen McElaney	3	3	9	Ensure that robust contract management arrangements are put in place. Ensure that the project is expertly cliented and that an experienced and proficient team are put in place.	Maureen McElaney	3	2	6
3.3	One size fits all" solution that assumes a firm can do all planned and response services equally well and for the right price.	Maureen McElaney	3	4	12	Ensure that contractor tender and selection process is robust in order to ensure that the most appropriate contractor with a mix of skills is engaged.	Maureen McElaney	3	2	6
3.4	Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.	Maureen McElaney	3	4	12	Ensure that robust KPI's and incentives are present in the contract and that the contractors performance is closely monitored in order to ensure good contractor performance	Maureen McElaney	3	3	9

2.4 Collaborate with other councils

Option 4 - Collaborate with other councils

Expand current arrangements by collaboration and carrying out a joint procurement exercise with other Councils.

Pros	Cons	Recommendation
<p>Share client side costs and resources which could improve performance management.</p> <p>Reduced duplication and overhead on contractor side.</p> <p>May be purchasing economies of scale and hence reduced costs.</p> <p>More likely to encourage investment and technological innovation from contractor, especially if a longer term contract.</p>	<p>The current timescales are not sufficient to progress a collaborative procurement exercise.</p> <p>Longer procurement process.</p> <p>Consortium partner's timescales are not in line with our current needs.</p> <p>Possible loss of local control and influence.</p> <p>Co-ordination between clients not straightforward.</p> <p>Limited competition.</p> <p>Only the very largest of companies could take provide.</p> <p>Increased sub-contracting with increased on-costs.</p> <p>Depends upon a possibly complex co-ordinated procurement.</p> <p>"One size fits all" solution that assumes a firm can do all planned and response services equally well and for the right price.</p> <p>Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.</p> <p>Potentially a longer term contract needed in order to realize potential efficiencies.</p>	<p>Option not recommended to be taken forward to detailed options appraisal stage.</p>

2.4.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
4	Option 4 - Collaborate with other Councils									
4.1	Client team could lose an element of strategic direction from collaboration	Maureen McElaney	2	2	4	Ensure that robust contract management arrangements are put in place. Ensure that the project	Maureen McElaney	2	2	4
4.2	Could exclude smaller companies as collaboration approach would increase the size and scale of the	Maureen McElaney	2	2	4	Ensure a sensible lotting strategy is deployed so as not to penalise the smaller providers	Maureen McElaney	2	2	4

2.5 Multi Lot procurement

Option 5 - Multi Lot Procurement

Reduce current scope by separating housing planned and cyclical maintenance from response repairs

Pros	Cons	Recommendation
<p>Allows greater flexibility and control</p> <p>Allows more competition once the contracts are in place.</p>	<p>Will require greater client co-ordination and staff resources.</p> <p>Possible loss of any response and</p>	<p>Option to be taken forward to detailed options appraisal</p>

<p>More flexible in terms of timescales and work volumes. Lends itself to more of a handyman approach. Facilitates the option to use cooperatives. Could allow some smaller firms to enter the marketplace. Reduce main contractor on-costs. Reduces risk by not putting all eggs in one basket Potentially a larger, but simpler procurement process.</p>	<p>planned synergies. Increased initial procurement costs. Lower level of investment and innovation from contractors. Greater level of investment required from council in terms of ICT and management infrastructure.</p>	<p>stage.</p>
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2.5.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
5	Option 5 - Multi lot procurement				0					
5.1	Risk that LBBD fails to manage probably the larger number of providers	Maureen McElenny	3	3	9	Ensure appropriate client team is in place to effectively manage multiple contracts	Maureen McElenny	3	2	6
5.2	Risk that client teams and internal costs increase significantly in order to manage the increased number of providers	Maureen McElenny	3	4	12	Ensure appropriate systems, processes are implemented in order for a lean client team to manage appropriately	Maureen McElenny	3	3	9
5.3	Strategic IT goals are not achieved as multiple contractors are utilised	Maureen McElenny	3	4	12	LBBD to make IT investment to meet requirements	Maureen McElenny	3	2	6

2.6 Combine Capital and Revenue

Option 6 - Combine Capital and Revenue		
Increase scope to include both capital and revenue works		
Pros	Cons	Recommendation
<p>Combined management of maintenance and capital investment could provide an integrated asset management approach with efficiencies. Reduced duplication and overhead on contractor side. May be purchasing economies of scale and hence reduced costs. Enables a slim client side. Could deliver greater cost certainty in the longer term. May with the right level of investment be able to achieve decent homes standard more efficiently.</p>	<p>The borough currently does not have a robust asset management plan and therefore we do not fully understand the financial implications of this option and the level of risk. Reduced competition affecting cost (Most capital works can be specified and tendered). "All eggs in one basket" – reliant on one contractor. Response repairs contractors not set up to plan and execute works. Limits number of firms capable of tendering (many response and planned maintenance contractors do not do major refurbishment or new build) Excludes firms that specialise in Housing capital works but which do not have a maintenance capability. Requires a significant investment, especially in the short to medium term.</p>	<p>Option not recommended to be taken forward to detailed options appraisal stage.</p>

2.6.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
6	Option 6 - Combine capital & revenue									
6.1	Risk of pricing inaccuracies as stock condition is unknown	Maureen McElenny	4	4	16	Ensure stock conditions are surveyed prior to consideration	Maureen McElenny	3	3	9

2.7 In House Provision

Option 7 - In House Provision		
To procure the current arrangements via an in house delivery option		
Pros	Cons	Recommendation
<p>Greater control and flexibility of workforce.</p> <p>Higher level of customer service if contract managed appropriately.</p> <p>No OJEU procurement process to go through.</p> <p>Current local knowledge and expertise would be maintained.</p>	<p>Higher risk profile for the council.</p> <p>Value for money will depend on appropriate management and a motivated workforce.</p> <p>Fixed level of on-costs regardless of work volumes going forward.</p> <p>Increased investment in terms of innovation, training and management</p> <p>Does not allow competition.</p> <p>Increased pension and redundancy burden to the council if staff are no longer required.</p> <p>Requires long term training and investment.</p>	<p>Option to be taken forward to detailed options appraisal stage.</p>

2.7.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
7	Option 7 - In House Provision									
7.1	Poor performance and limited flexibility	Maureen McElenny	4	4	16	Manage very closely with strong MI, KPI's & SLA's	Maureen McElenny	3	3	9
7.2	Due to poor performance cost increase	Maureen McElenny	4	4	16	Manage very closely with strong MI, KPI's & SLA's	Maureen McElenny	3	3	9
7.3	High level of repair failure and or missed statutory obligations	Maureen McElenny	4	4	16	Manage very closely with strong MI, KPI's & SLA's	Maureen McElenny	3	3	9
7.4	Lack of competition once the service is in place which could lead to complacency from the service.	Maureen McElenny	4	4	16	Manage very closely with strong MI, KPI's & SLA's	Maureen McElenny	3	3	9

2.8 Community Cooperative

Option 8 - Community Cooperative		
Pros	Cons	Recommendation
<p>Would create local employment opportunities.</p> <p>Meets governments aspiration Big Society Agenda'</p>	<p>At present there appears to be limited interest from the current workforce and a general lack of entrepreneurial spirit.</p> <p>Higher risk of failure.</p> <p>Would require a high level of council involvement and support to establish.</p>	<p>Option not recommended to be taken forward to detailed options appraisal stage.</p>

2.8.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
8	Option 8 - Community Cooperative									
8.1	Limited evidence of entrepreneurial skills required to support option	Maureen McElenny	3	4	12	Work with candidates and support the process with relevant training, tools etc	Maureen McElenny	3	2	6

2.9 Multi outsourcing

Option 9 - Multi outsourcing		
To combine a number of services such as refuse, ground maintenance and street lighting into one larger contract		
Pros	Cons	Recommendation
<p>May be potential cost savings due to</p>	<p>"All eggs in one basket" – reliant on one</p>	<p>Option not</p>

<p>increased efficiencies. Savings due to reduced management costs. Potentially better value for money.</p>	<p>contractor. Longer term contract required in order to achieve potential efficiencies (15 years+). Potential lower customer satisfaction. Market possibly not yet mature enough for this option. Limited in-house expertise to manage integrated service contractors. Increased sub-contracting with increased on-costs. Limited client control, performance and financial management depend upon contractor co-operation. Limits those firms who can participate to a restricted number of large operators who may sub-contract and incur additional on-costs. “One size fits all” solution that assumes a firm can do all planned and response services equally well and for the right price. Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.</p>	<p>recommended to be taken forward to detailed options appraisal stage.</p>
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2.9.1 Risk Assessment

Number	Details of Risk/Opportunity, Including Impacts/Consequences	Owner	Assessment of Risk/Opportunity			Details of Amelioration/Mitigation Plans and Activities	Owner	Assessment of Risk/Opportunity		
			(Assume NOTHING in place)					(After Amelioration)		
			Impact	Likelihood	Rating			Impact	Likelihood	Rating
9	Option 9 - Multi outsourcing				0					
9.1	Risk that broadening the services to be outsourced would not be politically acceptable	Maureen McElenny	3	3	9	Consult with relevant stakeholders	Maureen McElenny	3	2	6
9.2	Limits those firms who can participate to a restricted number of large operators due to the broadening scope	Maureen McElenny	3	4	12	Explore lotting strategies and include relevant KPIs and Terms so as not to penalise smaller more specialist companies	Maureen McElenny	3	3	9

3 Options – Short List

The following options have been selected to be considered as part of the detailed analysis:

- Option 1 - Single Package (Re-procurement current arrangements)
- Option 2 - 2 or more management contracts
- Option 4 - Multi Lot procurement
- Option 6 - In House Provision

Detailed analysis has been completed combining House Mark benchmark data (2009/10) for each option utilising 3 peer group members. Points have been awarded dependent on the rank within the particular report across 12 peer group members including LBBD:

Nominated Peer Group Member	Suggested Delivery Model
1. LBBD	Single Package
2. Hackney Homes	
3. LB of Redbridge	
4. LB of Islington	2 or more management contracts
5. LB of Havering	

Housing R&M Options Appraisal

6. City West Homes	In House
7. LB of Newham	
8. LB of Camden	
9. LB of Haringey	
10. LB of Greenwich	Multi Lot
11. Hounslow Homes	
12. LB of Southwark	

The total scores from House Mark have been averaged for each option and weighted by 30%. This score has then been combined with a further round of scoring based on the options and LBBD's strategic requirements. These scores have been weighted at 70% and is made up of qualitative scoring by LBBD stakeholders:

- Maureen McEleney (DIV DIR HSG & NEIGHBOUHDS)
- Ian Saxby (GRP MGR CRP CLIENT CONSTRUCTION)
- Rob Wood (GRP MGR REPS & MAINT)

3.1 HouseMark Scoring

Options	LBBB or Nominated Peer Group Comparator	No' of Properties	Costs - VFM (Scores based on ranking from House Mark 2009/10 data)		Quality (Scores based on ranking from House Mark 2009/10 data)		House Mark Satisfaction Scores	% of homes meeting DHS	% of tenants satisfied with home	Total House Mark Score
			Rank 1 - 8 = 10 points Rank 9 - 16 = 5 points Rank 17+ = 1 point	House Mark Cost / Value Scores	Rank 1 - 8 = 10 points Rank 9 - 16 = 5 points Rank 17+ = 1 point	House Mark Satisfaction Scores				
Single package	LBBB	22485	Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↑ 10	68	↑ 76	68	
			Total CPP of Void Works (Management)	→ 5	Average time in days to re-let empty properties	↓ 1				
			Total CPP of Void Works (Service Provision)	↑ 10	Average time in days to re-let empty properties	↓ 1				
			Direct CPP of Responsive Repairs (Management)	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↑ 10				
			Total CPP of Responsive Repairs (Service Provision)	↑ 10	% of respondents satisfied with the way their HA/landlord deals with R&M	↑ 10				
			Total CPP of Responsive Repairs & Void Works	→ 5	Satisfaction - % satisfied with repairs and maintenance	→ 5				
	Hackney Homes	30173	Total CPP of Void Works (Management)	↓ 1	Average time in days to re-let empty properties	↓ 1	65	↓ 67	34	
			Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	↓ 1				
			Direct CPP of Responsive Repairs (Management)	→ 5	Satisfaction - % satisfied with repairs and maintenance	→ 5				
			Total CPP of Responsive Repairs (Service Provision)	→ 5	% of respondents satisfied with the way their HA/landlord deals with R&M	→ 5				
			Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↑ 10				
			Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	↑ 10				
LB of Redbridge	7033	Total CPP of Void Works (Service Provision)	→ 5	Average time in days to re-let empty properties	↑ 10	60	↓ 67	72		
		Direct CPP of Responsive Repairs (Management)	→ 5	Satisfaction - % satisfied with repairs and maintenance	↑ 10					
		Total CPP of Responsive Repairs (Service Provision)	↓ 1	% of respondents satisfied with the way their HA/landlord deals with R&M	↑ 10					
		Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	→ 5					
		Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	↑ 10					
		Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	↑ 10					
2 or more Management contracts	LB of Islington	25017	Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	→ 5	95	No data	58	
			Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	↑ 10				
			Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	↑ 10				
			Direct CPP of Responsive Repairs (Management)	→ 5	Satisfaction - % satisfied with repairs and maintenance	↑ 10				
			Total CPP of Responsive Repairs (Service Provision)	↓ 1	% of respondents satisfied with the way their HA/landlord deals with R&M	→ 5				
			Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↓ 1				
	LB of Havering	12385	Total CPP of Void Works (Management)	→ 5	Average time in days to re-let empty properties	↑ 10	42	→ 71	77	
			Total CPP of Void Works (Service Provision)	↑ 10	Average time in days to re-let empty properties	↑ 10				
			Direct CPP of Responsive Repairs (Management)	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↑ 10				
			Total CPP of Responsive Repairs (Service Provision)	↑ 10	% of respondents satisfied with the way their HA/landlord deals with R&M	↓ 1				
			Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↑ 10				
			Total CPP of Void Works (Management)	↓ 1	Average time in days to re-let empty properties	↑ 10				
City West Homes	21265	Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	→ 5	100	↑ 75	50		
		Direct CPP of Responsive Repairs (Management)	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↑ 10					
		Total CPP of Responsive Repairs (Service Provision)	↓ 1	% of respondents satisfied with the way their HA/landlord deals with R&M	↑ 10					
		Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↑ 10					
		Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	→ 5					
		Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	→ 5					
In House	LB of Newham	20752	Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↑ 10	72	→ 74	80	
			Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	→ 5				
			Total CPP of Void Works (Service Provision)	↑ 10	Average time in days to re-let empty properties	→ 5				
			Direct CPP of Responsive Repairs (Management)	↑ 10	Satisfaction - % satisfied with repairs and maintenance	→ 5				
			Total CPP of Responsive Repairs (Service Provision)	↑ 10	% of respondents satisfied with the way their HA/landlord deals with R&M	→ 5				
			Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↓ 1				
	LB of Camden	33000	Total CPP of Void Works (Management)	↓ 1	Average time in days to re-let empty properties	↑ 10	No data	No data	54	
			Total CPP of Void Works (Service Provision)	→ 5	Average time in days to re-let empty properties	↑ 10				
			Direct CPP of Responsive Repairs (Management)	→ 5	Satisfaction - % satisfied with repairs and maintenance	↓ 1				
			Total CPP of Responsive Repairs (Service Provision)	↑ 10	% of respondents satisfied with the way their HA/landlord deals with R&M	↓ 1				
			Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↓ 1				
			Total CPP of Void Works (Management)	↓ 1	Average time in days to re-let empty properties	↓ 1				
LB of Haringey	20597	Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	↓ 1	72	No data	14		
		Direct CPP of Responsive Repairs (Management)	→ 5	Satisfaction - % satisfied with repairs and maintenance	↓ 1					
		Total CPP of Responsive Repairs (Service Provision)	↓ 1	% of respondents satisfied with the way their HA/landlord deals with R&M	↓ 1					
		Total CPP of Responsive Repairs & Void Works	→ 5	Satisfaction - % satisfied with repairs and maintenance	↑ 10					
		Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	→ 5					
		Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	→ 5					
Multi Lot	LB of Greenwich	No data	Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↑ 10	No data	No data	71	
			Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	→ 5				
			Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	→ 5				
			Direct CPP of Responsive Repairs (Management)	↑ 10	Satisfaction - % satisfied with repairs and maintenance	↑ 10				
			Total CPP of Responsive Repairs (Service Provision)	→ 5	% of respondents satisfied with the way their HA/landlord deals with R&M	↑ 10				
			Total CPP of Responsive Repairs & Void Works	↑ 10	Satisfaction - % satisfied with repairs and maintenance	→ 5				
	Hounslow Homes	14924	Total CPP of Void Works (Management)	↓ 1	Average time in days to re-let empty properties	↓ 1	100	↑ 80	48	
			Total CPP of Void Works (Service Provision)	→ 5	Average time in days to re-let empty properties	↓ 1				
			Direct CPP of Responsive Repairs (Management)	→ 5	Satisfaction - % satisfied with repairs and maintenance	→ 5				
			Total CPP of Responsive Repairs (Service Provision)	↑ 10	% of respondents satisfied with the way their HA/landlord deals with R&M	→ 5				
			Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↓ 1				
			Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	↓ 1				
Southwark	53523	Total CPP of Void Works (Service Provision)	→ 5	Average time in days to re-let empty properties	↓ 1	65	↓ 62	23		
		Direct CPP of Responsive Repairs (Management)	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↓ 1					
		Total CPP of Responsive Repairs (Service Provision)	↓ 1	% of respondents satisfied with the way their HA/landlord deals with R&M	↓ 1					
		Total CPP of Responsive Repairs & Void Works	↓ 1	Satisfaction - % satisfied with repairs and maintenance	↓ 1					
		Total CPP of Void Works (Management)	↑ 10	Average time in days to re-let empty properties	↓ 1					
		Total CPP of Void Works (Service Provision)	↓ 1	Average time in days to re-let empty properties	↓ 1					

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CPP = Cost per Property

3.2 LBB Option Scoring

Rob Wood

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	7	8	8	6	6	7	1	8	6	7	7	7	8	7	47.5
2 or more Management contracts	5	5	6	7	4	6	3	7	7	6	7	5	8	5	41.25
In House	9	10	5	1	8	9	1	9	8	9	6	9	9	8	51
Multi Lot	9	9	5	8	8	5	8	6	7	7	5	4	8	5	50
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Ian Saxby

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	7	7	6	7	3	6	1	7	6	7	8	6	8	7	45.5
2 or more Management contracts	7	7	5	6	5	6	4	7	6	7	6	5	8	7	44.25
In House	8	8	5	1	2	6	1	7	7	8	5	6	8	7	42.25
Multi Lot	7	7	7	5	6	6	7	7	7	8	5	5	8	7	46.75
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Maureen McLenny

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	3	5	4	2	4	5	1	7	6	5	7	6	8	5	32.25
2 or more Management contracts	5	5	4	4	6	7	3	7	6	6	7	6	8	5	37.75
In House	1	8	3	2	6	9	1	7	5	5	5	7	8	5	32
Multi Lot	8	8	6	8	8	7	8	7	7	8	7	5	8	5	51.75
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Tony Wiggins

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	5	7	6	5	4	6	1	7	6	6	7	8	8	7	41.25
2 or more Management contracts	7	7	8	6	6	6	3	7	7	6	7	7	8	8	46.75
In House	8	8	6	2	6	8	1	8	7	8	7	8	8	7	46.75
Multi Lot	8	8	6	7	6	6	7	7	7	7	7	8	8	7	49.25
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Ken Jones

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	5	5	5	4	4	5	1	7	6	6	7	6	8	6	37.5
2 or more Management contracts	6	6	4	5	6	7	3	7	6	6	7	6	8	6	41
In House	2	7	6	1	6	9	4	7	6	8	5	8	8	6	38
Multi Lot	7	9	6	7	9	6	7	7	7	8	7	5	8	6	50.75
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

3.2.1 LBBB Option Scoring continued

Jo Moore

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	4	5	8	6	4	5	1	7	7	7	8	6	8	5	41.5
2 or more Management contracts	4	5	7	7	5	5	3	7	7	6	7	5	8	5	40.75
In House	7	8	5	1	4	8	1	7	6	7	4	6	8	5	39.5
Multi Lot	6	6	7	8	6	7	7	7	8	6	7	5	8	5	46.75
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Sue Lees

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	3	7	8	10	7	5	1	8	8	7	8	10	10	8	49
2 or more Management contracts	5	7	8	9	7	5	3	8	8	7	8	10	10	8	50.75
In House	1	10	6	1	10	10	8	6	6	7	6	10	10	7	42
Multi Lot	8	9	6	5	7	7	9	6	7	7	6	8	10	8	50.5
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Hakeem Osainike

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	6	5	7	7	2	9	1	4	7	7	9	8	8	8	45.25
2 or more Management contracts	7	6	9	8	6	7	5	2	9	8	8	8	8	9	52
In House	9	9	7	1	8	1	1	1	3	7	6	9	9	6	40.75
Multi Lot	9	9	6	9	7	4	4	2	5	6	6	7	8	7	48
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Andrew Sivess

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	5	6	3	3	3	3	10	5	3	5	4	8	7	7	33.25
2 or more Management contracts	6	7	5	5	4	3	10	6	4	6	5	8	8	8	40.75
In House	7	8	6	1	5	2	10	6	5	5	7	10	7	7	40.75
Multi Lot	8	8	8	7	7	5	4	7	7	8	6	8	8	8	50.75
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

Christopher Bayo

Options	Maximise opportunities for local economy (H=10, M=5, L=1)	Maximise opportunities for local labour (H=10, M=5, L=1)	Likelihood of Service Improvements (H=10, M=5, L=1)	Transfer of risk away from LBBB (H=10, M=5, L=1)	Contractual flexibility (H=10, M=5, L=1)	Likelihood of contract failure (H=1, M=5, L=10)	Impact of contract failure (H=1, M=5, L=10)	Risk of disrepair claims (H=1, M=5, L=10)	High quality repairs and service delivery (H=10, M=5, L=1)	High levels of resident engagement and satisfaction (H=10, M=5, L=1)	Using modern technology to improve efficiency and satisfaction (H=10, M=5, L=1)	Apprenticeships and or training (H=10, M=5, L=1)	Meets statutory obligations (H=10, M=5, L=1)	Ensuring and maintaining compliance with decent home standards (H=10, M=5, L=1)	Total Weighted Score
Single Package	2	3	2	7	3	2	10	2	5	6	7	6	5	6	32.25
2 or more Management contracts	6	6	7	8	5	7	5	6	8	7	7	6	5	8	47
In House	8	7	6	0	6	8	8	8	8	9	6	9	8	7	47.75
Multi Lot	10	8	7	7	6	7	5	7	7	6	5	6	6	6	49.25
Criteria Weighting	1	0.75	0.5	0.75	0.25	0.25	0.25	0.25	0.75	1	0.5	0.25	0.25	0.25	

3.3 Scoring Summary & Conclusions

Based on the data extracted from HouseMark and the Officer scoring; the 2 or more management contracts and Multi Lot option are tied. The Multi Lot option scored most highly against LBBD's strategic criteria but was the joint lowest from the HouseMark data. The main reason for the low score was the inclusion of LB of Southwark data. LB of Southwark is a unique housing Borough with comparable decency most exceptionally low tenant satisfaction. This low satisfaction has contributed to the low HouseMark scoring against the Multi Lot option. Even with the inclusion of these unique Boroughs e.g. City West, LB of Haringey, and LB of Southwark etc the HouseMark scoring is still very even against the four options.

Options	Benchmark Scoring via HouseMark (30%)	Weighted LBBD qualitative Scoring (70%)	Total Weighted Scoring
Single Package	↑ 23	↓ 41	64
2 or more Management contracts	↑ 25	→ 44	69
In House	↓ 20	↓ 42	62
Multi Lot procurement	↓ 20	↑ 49	69

4 Geographical Scope and Contract Type

Of the four options that have been taken forward, there are a number of further decisions that need to be made. These further decisions can be broadly categorised in terms of geography and contract type.

4.1 Geographical Options

In term of geographical split, the following may be possible:

Option 1 - Single Borough Wide Contract		
Pros	Cons	Recommendation
<p>Reduces the amount of client co-ordination and management. Enables a slim client side. One single point of contact and responsibility. More likely to encourage investment and technological innovation from contractor, especially if a longer term contract. Could encourage greater community engagement if managed appropriately.</p>	<p>Geared mainly towards the larger firms. Limits those firms who can participate to a restricted number of large operators who may sub-contract. Lack of competition once the contract is in place which could lead to complacency from the incumbent contractor.</p>	
Option 2 - Divide contract into two geographic areas		
Pros	Cons	Recommendation
<p>Increased competition between contractors. Could allow some smaller firms to enter the market. Could allow for alternative provision on some functions (e.g. voids, planned maintenance) Spreads risk of a complete contract failure</p>	<p>Requires increased client co-ordination and management. Requires OJEU advertisement so no guarantee that two separate firms appointed. Increased duplication, and contractor profit and overhead costs. Increased procurement costs. Could develop two levels of service within the borough.</p>	
Option 3 - Divide Contract into multiple areas		
Pros	Cons	Recommendation
<p>Increased competition. Could allow more smaller companies to participate. Could allow for alternative provision on some functions (e.g. voids, planned maintenance)</p>	<p>Requires much increased client resources to ensure that levels of quality, safety etc. maintained. Would include increased client co-ordination (call centre). Requires OJEU advertisement so no guarantee that smaller companies engaged. Increased duplication and contractor profit and overhead costs. Problem to ensure consistency of standards delivered to tenant. Increased Procurement costs.</p>	

4.2 Contract Options

In term of contract type, the following may be possible:

Option 1 - Measure Term Contract		
Pros	Cons	Recommendation
<p>Conventional, easily understood. Can be based on agreed standards (e.g. NFHA).</p>	<p>Prices set at outset and contain profit/overhead. Often opaque and little scope to investigate real cost of work. Difficult to ascertain actual works required since there is an incentive to “job build” on site. Difficult to predict outturn costs unless demand is actively managed. Set in stone and little option to get cost improvements over term of contract.</p>	

Option 2 - MTC using basket rates		
Pros	Cons	Recommendation
<p>Conventional, easily understood. Basket rates can be adjusted for local conditions. Easier to manage.</p>	<p>Prices set at outset and contain profit/overhead. Often opaque and little scope to investigate real cost of work. Possible overpayment if not all elements in basket require to be done. Difficult to predict outturn costs unless demand is actively managed. Set in stone and little option to get cost improvements over term of contract.</p>	

Option 3 - Target Cost (e.g. cost per property)		
Pros	Cons	Recommendation
<p>Overall contract cost likely to be more predictable. Easier to manage.</p>	<p>Depends upon a good understanding of current costs to ensure value for money. Target cost no guarantee of maximum cost if scope changes (which it will do if information not robust).</p>	

Option 4 - Guaranteed Maximum Cost/ Agreed maximum Price(e.g. output cost per property)		
Pros	Cons	Recommendation
<p>Often based on a guaranteed cost to keep each property in its current condition. Can predict cost of service. Easy to manage</p>	<p>Requires completely reliable information on current stock condition before contractor will commit. Will require planned maintenance to be included to allow contractor to commit. Likely to favour larger contractors who can bear risks.</p>	

Option 5 - Partnering Arrangement based on Target Cost/AMP		
Pros	Cons	Recommendation
<p>Can use any of above but Target Cost or AMP/GMP give more predictable costs. Can use open book accounting and guaranteed profit/overhead to look at real cost of service.</p>	<p>Requires active client management and transparent/comprehensive cost data from contractor to get cost efficiencies. Will require planned maintenance to be included to allow contractor to commit.</p>	

Can get greater cost efficiencies over term of contract	Likely to favour larger contractors who can analyse cost and bear risks.	
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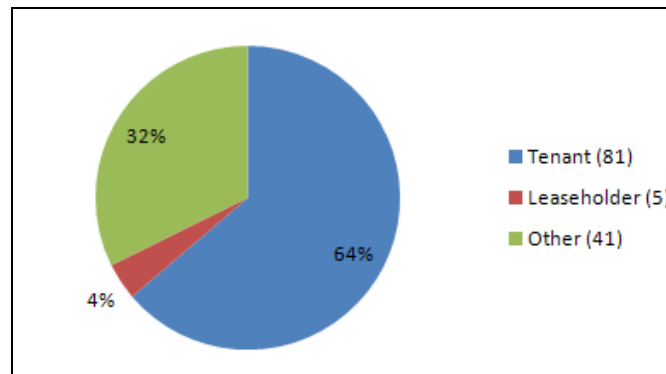
Option 6 - Partnering Arrangement based on MTC		
Pros	Cons	Recommendation
<p>Could engage Contractor on MTC which can be migrated to an AMP arrangement after a period of analysis by Contractor and Client.</p> <p>Can use open book accounting and guaranteed profit/overhead to look at real cost of service.</p> <p>Can get greater cost efficiencies over term of contract</p>	<p>Requires active client management and transparent/comprehensive cost data from contractor to get cost efficiencies.</p> <p>The two stage nature could place chosen contractor in an advantageous position.</p> <p>Will require planned maintenance to be included to allow contractor to commit.</p> <p>Likely to favour larger contractors who can analyse cost and bear risks.</p>	

Of the above geographical and contractual options, not all are suitable to take forward in all cases. The table below summarises the contractual and geographical options in relation to each of the short listed functional options:

Options	Payment / Contractual Options	Payment / Contractual Option Available (Yes / NO)	Likely Contract duration (years)	Could this contract be split amongst 2 areas	Could this contract be split amongst multiple areas	Preferred Contract Option
Single Package	Measure Term Contract (MTC)	Yes	3-5 yrs	No	No	Contract option will depend on level of management expertise. More management expertise needed the further down the list you go.
	MTC using basket of rates	Yes	3-5 yrs			
	Target Cost	Yes	3-5 yrs			
	Guaranteed Maximum Cost	Yes	3-5 yrs			
	Partnering Agreement	Yes	7-10 yrs			
2 or more Management contracts	Measure Term Contract (MTC)	Yes	3-5 yrs	Yes	Yes	Contract option will depend on level of management expertise. More management expertise needed the further down the list you go.
	MTC using basket of rates	Yes	3-5 yrs			
	Target Cost	Yes	3-5 yrs			
	Guaranteed Maximum Cost	Yes	3-5 yrs			
	Partnering Agreement	Yes	7-10 yrs			
In House	Measure Term Contract (MTC)	No	NA	No	No	In-house partnering arrangement. Payment method to be agreed with in-house contractor. Could allow future migration
	MTC using basket of rates	No	NA			
	Target Cost	No	NA			
	Guaranteed Maximum Cost	No	NA			
	Partnering Agreement	No	NA			
Multi Lot procurement	Measure Term Contract (MTC)	Yes	3-5 yrs	Yes	Yes	Either Option depending on preference
	MTC using basket of rates	Yes	3-5 yrs			
	Target Cost	Yes	3-5 yrs			N/A
	Guaranteed Maximum Cost	No	3-5 yrs			N/A
	Partnering Agreement	No	7-10 yrs			N/A

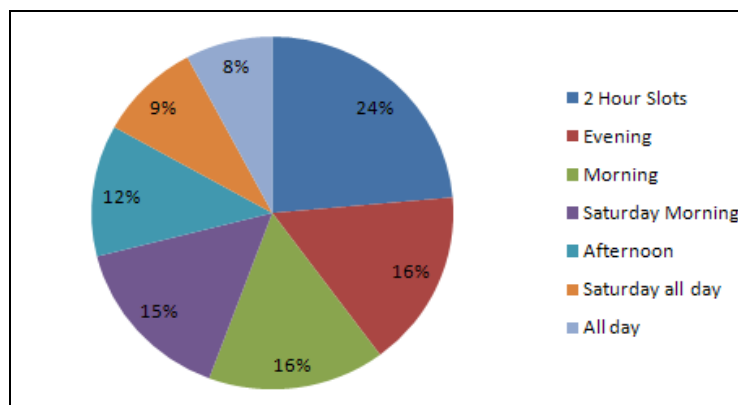
Repairs Engagement (initial stage)

Breakdown of responses: To date 127 responses have been received



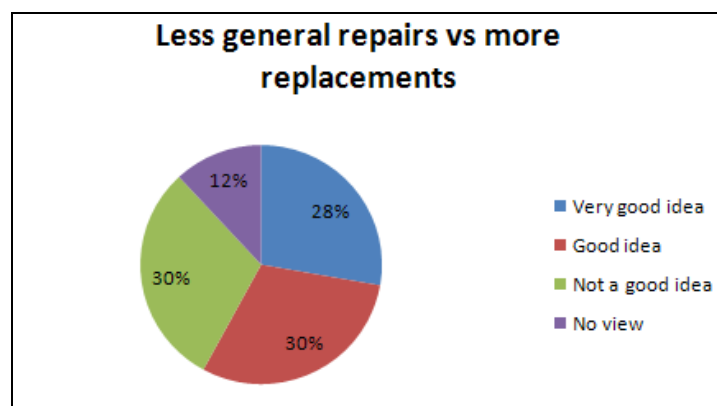
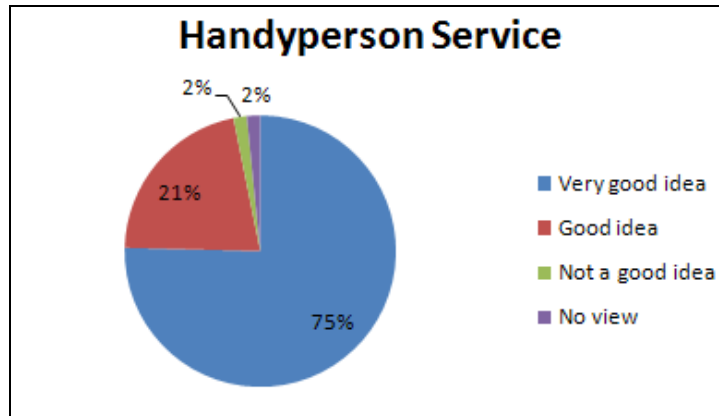
- 62 of the participants are members of staff

Appointments: Preference for appointment time



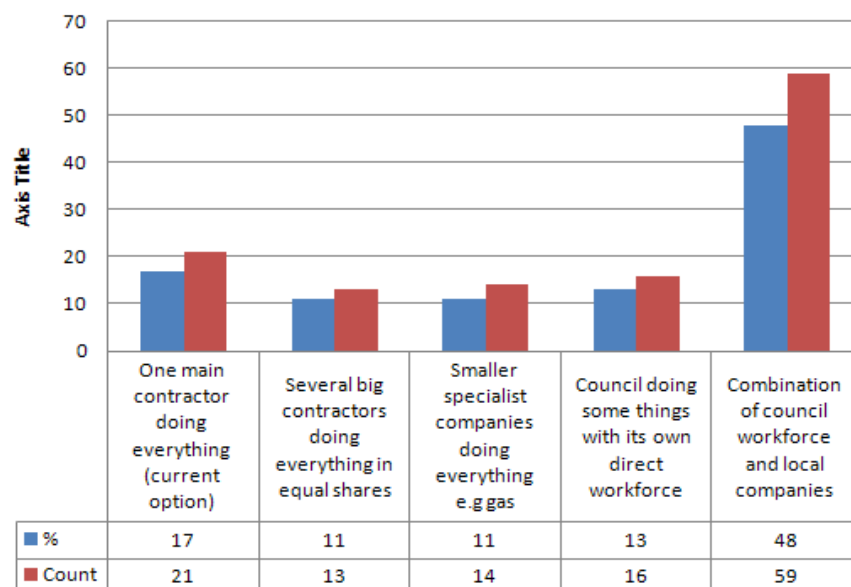
- 81 (63%) of people surveyed would like to be able to book appointments to avoid the school run. This fits with above, people wishing to book 2 hour slots.
- An overwhelming 115 (90%) of people wanted a phone call before the person arrived so that they knew they were on their way.
- Similarly 120 (94%) preferred the appointment to be done by guaranteed appointment rather than quickly, but at any time.
- Over 65% of people said they would like to report and book an appointment via the internet. 102 responses said they would like to see text messaging used to be kept informed of progress with repairs.

Additional services –



- 64% of people would undertake the repairs if it meant that we modernised the kitchen/bathroom with good quality materials.
- Women’s only service – 29 (Very good idea), 32 (Good idea), 16 (Not a good idea), 48 (No view).

Future structure of the service:



CABINET**23 August 2011****REPORT OF THE CABINET MEMBER FOR ENVIRONMENT**

Title: Introduction of a Paid Parking Permit Scheme for Staff	For Decision
<p>Summary:</p> <p>The purpose of this report is to seek Cabinet approval to make a charge to staff for parking in designated Council car parks.</p> <p>There have been ongoing discussions with unions and staff regarding the introduction of a paid permit scheme to allow staff to park in the Council's various designated car parks.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> (i) To the introduction of a staff car parking permit scheme requiring staff to purchase permits to park in designated Council car parks listed in paragraph 2.2 of the report. (ii) To the proposed charges as set out in paragraph 2.3 of the report. 	
<p>Reason(s)</p> <p>This report links to the Council's aim in the Policy House of "A well run organisation". Charging staff for car parking helps the Council to ensure that as far as possible we can offset the cost of our physical assets. In this instance, the asset is the Council's car parks. The Council is committed to protecting services to our customers and ensuring that every penny spent by the Council adds value to its residents.</p> <p>The proposals contained in this report enables the Council to generate additional income and supports the policy of the Council being a "well-run organisation". The introduction of staff car parking charges bring this Council into line with many other employers in the capital as well as many other London Boroughs.</p>	
<p>Comments of the Chief Financial Officer</p> <p>Staff have not previously been charged for parking their cars in Council car parks and in doing so, income will be generated. Whilst an indicative income of £235K per year has been modelled, it is not possible to predict how many people will re-consider their mode of transport in light of having to pay for a parking space.</p> <p>Charging staff for car parking will incur a VAT charge and needs to be taken into consideration in the financial modelling for savings purposes.</p>	

Comments of the Legal Practice

The Council has to date permitted staff to park free in the London Road and Axe Street car parks on production of Staff passes. Staff parking in the other Council building car parks identified in paragraph 2.2 has until now been free.

The report proposes a new staff parking scheme requiring staff to pay the charges identified in paragraph 2.3 in both the current pay and display car parks as well as in Council building compounds car parks that staff have until now parked in without charge.

The Council is entitled to make provision for staff parking in and around its buildings as these are regarded as private land and, provided the concessions have not become contractual rights, the Council can withdraw the concessions. There may however be trade unions issues and in approving the recommendation, Members should be satisfied that the appropriate consultation have taken place with trade unions.

Head of Service: Trevor Prowse	Title: Interim Divisional Director of Environment and Enforcement	Contact Details: Tel: 020 8227 5772 Email: Trevor.prowse@lbbd.gov.uk
Cabinet Member: Councillor Vincent	Portfolio: Environment	Contact Details: Tel: 0208 594 3892 E-mail: Gerald.Vincent@lbbd.gov.uk

1. Background

- 1.1 The Council to date allows staff, partners and visitors to park in Council car parks free of charge.
- 1.2 The introduction of parking charges for staff provides an opportunity for staff to re-consider their journey to work and whether other options may be viable such as car-share, cycling or walking. It is likely that staff parking in these car parks will reduce as a result of the new charging policy thereby reducing congestion and making more spaces for visitors and residents when they visit the Council.
- 1.3 It is possible that initially staff will choose to park in the surrounding residential areas. Around some of these locations there is parking capacity to accommodate displacement near to Council buildings, in other location spaces may be limited or drivers may have to walk considerable distances. If it is found that displacement into an area causes problems, the Council will need to work with the community to resolve these issues.

2. Proposal

- 2.1 The proposal is to introduce a range of staff parking permits that will be valid at all Council car parks. All staff who wish to park their vehicle whilst attending council buildings will need to display a valid permit.

2.2 The designated car parks for the purpose of this report are listed below:

- Civic Centre
- Stour Road (2 and 90)
- Roycraft House
- London Road Multi Storey
- John Smith House
- Axe Street
- The Mall

2.3 There will be 3 permits available to purchase which are outlined below:

- **Standard Permit**

This will allow staff to park in any of the parking facilities at Council buildings with the exception of Axe Street. This permit costs £210 per year and is paid through monthly payments of £17.50 per month (through payroll).

- **Priority Permit**

A priority permit enables the member of staff to park in marked priority bays in Roycraft House car park and Civic Centre car park as well as standard bays. This permit costs £360 per year and is paid through monthly payments of £30.00 per month (through payroll).

- **Pre-Paid Day / Half Day Permit**

This permit is available as a sheet of 20 half day permits, which will cost £10.00 (£0.50 pence for a half day, £1.00 for a whole day). A half day permit is valid for 4 ½ hours from time of arrival.

2.4 It is proposed that the Standard and Priority permits will not be registered to a car or person allowing them to be easily transferable between cars and colleagues.

3. Compliance

3.1 The Council will be checking daily that all staff cars have permits to park.

4. Financial Issues

4.1 The total amount of income generated has been modelled to be £235K per year. The variable is that we do not yet know the impact of staff re-considering their travel arrangements and using other modes of transport.

4.2 The Staff Parking Scheme will generate new income and it is anticipated that the number of staff with permits will increase over time.

4.3 Charges for staff car parking are subject to VAT.

5. Legal Issues

5.1 See comments of the Legal Practice (above).

6. Other Implications

6.1 Risk Management

- Until the new permit charges are advertised and publicised, it is not possible to determine which permits are going to be the preferred parking arrangement.
- The London Road Multi-Storey car park in Barking. Initially the site will be staffed but the aim is to link the extensive CCTV facilities to the Emergency Control room at the Town Hall and further work will be undertaken in respect of security in consultation with the Crime and Disorder Partnership.

6.2 Contractual Issues

- The provision of car-parking, free or otherwise is not a contractual issue and is not one of our terms and conditions of service. The implementation of this change does not therefore require formal consultation or agreement with staff and their representatives. We do however appreciate the financial impact this has on our staff. We have therefore discussed this in detail with the Trade Unions and have responded positively to some of their suggestions to mitigate that impact e.g. allowing staff to purchase half-day permits

6.3 Customer Impact

- The introduction of a staff parking permit scheme should have a limited negative impact on customers. The car parks affected are mainly located next to Council offices which are not all publicly accessible.
- The proposal to introduce parking charges for staff will have a financial impact on those staff affected which has been mitigated by consultation with the staff and Unions.
- Equalities issues in relation to staff are included in the overall Equalities Impact Assessment in respect of the broader strategy regarding Council owned car parks.
- Blue badge holders will be required to have a valid parking permit, however the proposal is for blue badge members of staff to have the cost of the permit met by their service due to our commitment to make reasonable adjustments under the DDA.

6.4 Safeguarding Children

- There are no specific safeguarding issues.

6.5 Health Issues

- There are no specific health issues.

7. Options Appraisal

7.1 A range of options have been under discussion over many months with regard to staff parking charges and the results set out in this report represent the culmination of those discussions.

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

None

9. List of appendices:

None

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CABINET

23 AUGUST 2011

REPORT OF THE CABINET MEMBER FOR CUSTOMER SERVICES AND HUMAN RESOURCES

Title: Human Resources Policies and Procedures – Grievance Resolution Procedure		For Decision
Summary:		
<p>The Human Resources Service is carrying out a review of key employment policies and procedures to bring them in line with the latest employment legislation and best practice.</p> <p>The Grievance Resolution Procedure was previously identified as a priority for review and this has recently been completed. The Procedure was subject to extensive consultation with managers and trade unions and their comments and feedback were taken into account in the final document, which is attached at Appendix 1.</p> <p>The draft final Grievance Resolution Procedure was considered by the Employee Joint Consultative Committee at its meeting on 16 November 2010 and recommend to Cabinet for approval.</p>		
Wards Affected: None		
Recommendation(s)		
The Cabinet is recommended to agree the Grievance Resolution Procedure as set out at Appendix 1.		
Reason(s)		
To ensure that the Council is compliant with the latest ACAS guidance, employment and equalities legislation and “best practice”, as well as help contribute to developing a highly effective, motivated workforce.		
Comments of the Chief Financial Officer		
The relevant considerations appear at Section 2 of the Report.		
Comments of the Legal Partner		
The relevant considerations appear at Section 3 of the Report.		
Cabinet Member: Councillor John White	Portfolio: Cabinet Member, Customer Services and Human Resources	Contact Details: Tel: 020 8724 8013 E-mail: john.white@lbbd.gov.uk

Head of Service: Martin Rayson	Title: Head of Human Resources and Organisational Development	Contact Details: Tel: 020 8227 3113 E-mail: martin.rayson@lbbd.gov.uk
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1. Introduction and Proposal

- 1.1 The Human Resources Services is carrying out a review of key employment policies and procedures, in consultation with managers and trade unions.
- 1.2 The Grievance Resolution Procedure brings together the arrangements for dealing with workplace grievances under one procedure which is clearer and easier to follow. The emphasis is on grievance resolution and trying to resolve issues as quickly and as fairly as possible, in accordance with ACAS guidance etc.
- 1.3 The Procedure also sets out the Council's commitment to providing a working environment where individuals are treated with fairness, dignity and respect and free from all forms of bullying and harassment; this includes both the managers and employees personal responsibility for their own behaviour.
- 1.4 The Procedure has been equalities impact assessed and there is no adverse impact for any groups of employees; the new arrangements are objective, fair and easier to follow. The application of the Procedure will be monitored closely to ensure that it is applied fairly and consistently across the Council and in departments.
- 1.5 Additionally, in bullying and harassment cases only the officer hearing the appeal will review the decision they reach and recommendations they might make with a sub-group of the Personnel Board before notifying the employee of the outcome. The decision remains with the nominated officer and the role of the sub-group is to advise the nominated officer and enable them to reach the appropriate decision. The sub-group will also assist the Personnel Board to understand issues around bullying and harassment in the Council.

2. Financial Issues

- 2.1 There are no specific financial implications associated with this proposal.
- 2.2 The new grievance arrangements and the emphasis on resolving issues at the lowest possible level where possible, should lead to a reduction in both the amount of time spent on grievances as well as a general reduction in the number of formal grievances arising. The benefits arising from these changes are likely to include both a reduction in sickness absence through stress etc (which will increase overall service productivity) and a potential reduction in the number of grievances escalating to become Employment Tribunal cases. Currently any costs associated with ET's are funded from existing budgets and therefore any reduction in these cases will result in less being spent on such activities.
- 2.3 At this stage it is difficult to assess what the full financial benefits of these new arrangements would be until the scheme has been fully implemented and been in operation for a period of time. Officers will therefore need to monitor the new

arrangements and report back accordingly on the quantitative benefits that have arisen.

3 Legal Issues

- 3.1 The Grievance Procedures encourages workplace disputes to be resolved to avoid recourse to legal proceedings. The ACAS Revised Code of Practice 2009 on Discipline and Grievance Procedures has established a fair process for employers to follow when dealing with grievances. Failure to follow the Code does not itself make the employer liable in proceedings but the employment tribunal can take the ACAS Code into account and has a discretion to adjust an award in cases by up to 25%
- 3.2 The ACAS Code emphasis the need for employers to deal with grievances fairly and without unreasonable delay. It is imperative that the Council has a system of monitoring the progress of grievances to ensure that it does not drift into a considerable lengthy process.

4. Other Implications

- 4.1 **Risk Management** – The Grievance Policy and Procedure follow ACAS guidance, employment legislation and “best practice” and as such should help reduce the number of tribunal claims by encouraging workplace resolution of issues in a more efficient way.
- 4.2 **Staffing Issues** – The trade unions (and staff support networks) have been consulted on the proposals and their comments and feedback taken into account in the final document; they will be consulted on the arrangements for communicating and implementing these if agreed.

Background Papers Used in the Preparation of the Report:

Report to the Employee Joint Consultative Committee, 16 November 2010

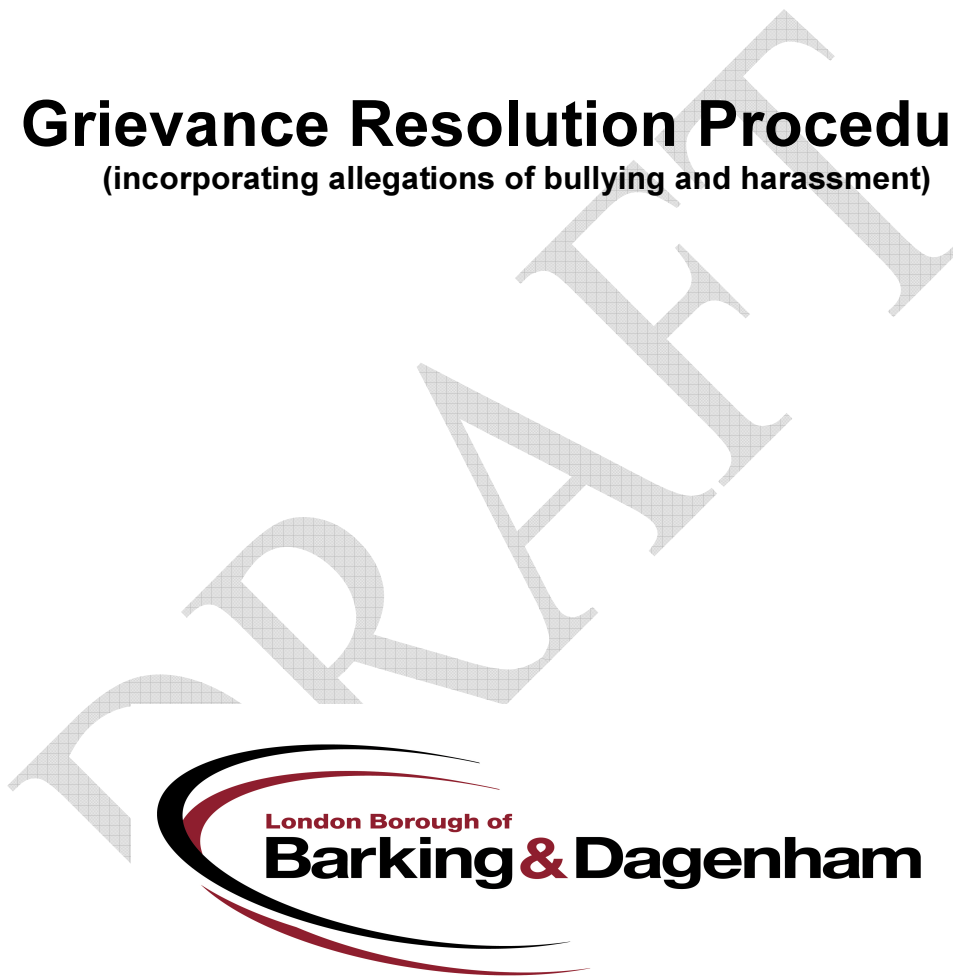
List of appendices:

Appendix 1 – Grievance Resolution Procedure

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Grievance Resolution Procedure

(incorporating allegations of bullying and harassment)



1. Introduction

Council Policy

The Council is committed to providing a working environment where individuals are treated with fairness, dignity and respect; this procedure allows employees to raise genuine workplace grievances and have them dealt with fairly, consistently, promptly and objectively and with a view of trying to achieve an agreed resolution.

The Procedure applies to all employees employed directly by the Council and follows the guidance contained within the ACAS statutory Code of Practice for Disciplinary and Grievance Procedures, and ACAS guidance on Bullying and Harassment at Work (effective from 6 April 2009).

The Procedure is not intended to punish employees, but to try and resolve any grievances as quickly and as fairly as possible, at the lowest appropriate level in the Council and to avoid minor issues developing into more serious matters. It is not to be used to pursue false, malicious or vexatious complaints and to do so will be considered a disciplinary matter that may lead to dismissal.

Grievances - Definition

The ACAS Code of Practice defines grievances as concerns, problems or complaints that employees raise with their employer.

Grievances may be concerned with a wide range of issues such as the allocation of work, physical working environment, working hours, health and safety, working relationships or general treatment at work.

Bullying and Harassment - Definition

The ACAS guide “Bullying and Harassment at Work” defines bullying and harassment as follows:

Bullying, as “offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means intended to undermine, humiliate, denigrate or injure the recipient”.

Harassment, as “unwanted conduct affecting the dignity of men and women in the workplace. It may be related to age, sex, race, disability, religion, sexual orientation, nationality or any personal characteristic of the individual, and may be persistent or an isolated incident. The key is that the actions or comments are viewed as demeaning and unacceptable to the recipient”.

Appendix 1 sets out the Council’s policy on bullying and harassment, including allegations of a sensitive sexual, homophobic or racial nature etc.

Advice and Support

Human Resources will support and advise managers considering grievance matters raised through the Procedure. They will also monitor all formal grievances raised to ensure they are dealt with in accordance with the Procedure, employment and equalities legislation, and “best practice”.

Employees are entitled to be accompanied by a trade union representative or a fellow work colleague at any meetings under the “Formal Resolution” process of the Procedure. Further details of the additional advice and support available to employees are attached at Appendix 2.

Whistle-Blowing

The Council has a Whistle-Blowing Procedure, for raising concerns about any alleged wrongdoing in the workplace e.g. fraud or corruption, unlawful acts or dangers to health and safety. Matters raised under the Whistle-Blowing Procedure may be dealt with as a grievance.

The Corporate Director of Finance & Resources, or nominated officer acting on the advice of the Divisional Director of Human Resources, will decide whether allegations are more appropriately dealt with under the Whistle Blowing or Grievance Procedure. There is no right of appeal against that decision.

Work colleagues not directly employed by the Council

Managers must seek advice from Human Resources on dealing with any grievance or bullying and harassment matter raised by agency workers or work colleagues not directly employed by the Council.

2. Matters outside the scope of the Procedure

This Procedure is available to all employees directly employed by the Council, except in the following circumstances: -

- Complaints about the Council’s statutory responsibilities as an employer.
- In response to being subject to another formal investigation or hearing under the Disciplinary, Managing Performance, Grievance or Sickness Absence procedures etc.
- To restart the procedure within 12 months of the completion of action in respect of the same or a similar grievance, (unless agreed recommendations have been broken or ignored).
- Any issues for which there is a separate appeals procedure e.g. grading, disciplinary or redundancy.

- Any personal matter not directly related to the member of staff's employment or conditions of service over which the council has no control.
- Collective disputes or matters, which are properly the subject of collective bargaining between the Council and trade unions, e.g., pay issues.
- To pursue false, malicious or vexatious complaints, (to do so will be considered a disciplinary matter, that may lead to dismissal).
- A matter that occurred more than 3 months ago.
- As a response to a grievance taken out by another member of staff.

3. Informal Resolution

It is in everyone's interest for work place concerns to be dealt with on an informal basis and both employees and managers have a responsibility to resolve concerns at the lowest possible level.

Employees Responsibility

Employees must first try to resolve the matter informally by talking to their immediate line manager, (if the line manager is the subject of the grievance, they should speak to their manager's manager). The employee should:

- Explain the nature of their concern(s) and what action they feel should be taken to enable a resolution to be met
- Agree, where possible, any appropriate action necessary to resolve their grievance

Managers Responsibility

Managers must arrange a confidential time and place to meet with the employee, as soon as possible, to discuss the matter. The manager should:

- Consider the grievance seriously
- Ensure that the employee is given a full opportunity to explain their grievance
- Ensure they have a full understanding of their grievance and how the employee thinks it should be resolved
- Seek a means of resolving the grievance to the employee's satisfaction if this is possible, taking into account Council policies, procedures, rules and the need for consistency and fairness

Most issues should be resolved within 20 working days. Managers and employees should keep a written note of informal discussions.

To conclude the informal process, managers should provide the employee with a brief written summary of the outcome, including any actions agreed.

4. Formal Resolution

This is only available on completion of “Informal Resolution” process at Section 3; employees cannot go directly to the “Formal Resolution” process.

Grievance Hearing

Where the grievance has not been resolved informally, the employee should write to Human Resources, using the pro-forma at Appendix 3.

The employee should outline clearly the reason(s) for their grievance with details of any events/actions (including dates, times and any witnesses), that triggered the complaint and how they would like it resolved. If the grievance or desired outcome is unclear, the employee may be asked to clarify their grievance before any meeting takes place.

Human Resources will acknowledge receipt of the grievance in writing, normally within 5 working days. Human Resources will also liaise with the employee’s department to enable an officer to be nominated who will hear the grievance and undertake a detailed investigation. The nominated officer will then arrange a meeting with the employee to discuss their grievance.

Ideally a grievance hearing will be arranged within **10 working days** of receipt (in Human Resources) of the grievance. If this is not possible, the nominated officer must write to the employee to explain the reason for the delay and give an indication of when the hearing can be expected; this will be within a maximum 20 working days from the date the grievance was received.

The nominated officer is responsible for the “conduct” of the hearing which will vary depending on:

- The nature of the grievance
- Whether evidence is readily available to clarify the facts of the case
- The form of resolution being sought

The nominated officer will notify the employee in writing of their decision and any action that is proposed to resolve the grievance raised, within 5 working days of the grievance hearing. The timescale may be extended, (up to a further 10 working days or in some cases longer with the employee’s agreement), if further investigations are necessary.

Appeal

If the employee is dissatisfied with the outcome of the grievance hearing they have the right of appeal. The employee should write to Human Resources within 10 working days of receipt of the outcome decision letter*, using the pro-forma at Appendix 4.

***Employees must register their appeal within this period otherwise they will be deemed to have accepted the decision at the Grievance Hearing; appeals will not be accepted after this period.**

The appeal pro-forma must be completed clearly stating:

- Why the employee is dissatisfied with the outcome decision
- What alternative solution they are seeking to resolve their grievance

No new evidence, i.e. evidence that was not raised and submitted previously at the grievance hearing, by either party can be presented at the appeal.

On receipt of the appeal pro-forma Human Resources will liaise with the employee's department to enable a more senior officer to be nominated to hear the appeal, normally at least Group Manager level.

The nominated officer will contact the employee within 10 working days of receipt (in Human Resources) of the appeal to arrange an appeal hearing. If this is not possible, they will write to the employee to explain the reason for the delay, and give an indication of when the hearing will be held; this will be within a maximum 20 working days from the date the appeal was received.

If the nominated officer cannot arrange an appeal hearing within the timescale i.e. within 20 working days from the date the appeal was received, they must notify Human Resources and another officer may be appointed.

The purpose of the appeal hearing is to consider the grounds that have been put forward and to assess whether or not the conclusion reached at the grievance hearing was appropriate. The appeal is not a rehearing of the original grievance, but rather a consideration of the specific areas of which the employee is dissatisfied in relation to the original grievance.

Following the appeal hearing, the nominated officer will notify the employee in writing of their decision and any action that is proposed to resolve the grievance raised, within 5 working days of the appeal hearing. The timescale may be extended, (up to a further 10 working days or in some cases longer with the employee's agreement), if further investigations are necessary.

In bullying and harassment cases only, the nominated officer hearing the appeal will review the decision they reach and recommendations they might make with a sub-group of the Personnel Board before notifying the employee of the outcome. The decision remains with the nominated officer and the role the sub-group is to advise the nominated officer and enable them to reach the appropriate decision. The sub-group will also assist the Personnel Board to understand issues around bullying harassment in the council.

In the above cases, the timescale for notifying the employee in writing of the decision will be within 20 working days of the appeal hearing.

This is the final stage; there is no further right of appeal.

Human Resources will automatically update the Procedure to comply with any changes to legislation and / or ACAS guidance and notify employees of the amendments.

Appendix 1:

Allegations of Bullying and Harassment

Policy

The Council is committed to providing a working environment for all its employees that is comfortable and free from all forms of bullying and harassment. Any employee who is found to have bullied and/or harassed a work colleague or customer of the Council will be subject to disciplinary action, up to and including summary dismissal.

Employees are encouraged to report any incidents of bullying and/or harassment they experience or witness so that the Council can investigate and resolve the matter. The Council will take all such complaints seriously and an employee who makes a genuine complaint of bullying and/or harassment will be protected and not be penalised or victimised in any way.

Note: The Council will also instigate an investigation into alleged bullying or harassment if it has grounds to believe that an employee may have been bullying and/or harassing another work colleague or customer, whether or not there has been a formal complaint.

Managers and Employees Responsibilities

Managers are responsible for implementing and raising awareness of this Policy. **All managers and employees** have personal responsibility for their own behaviour and for ensuring that they comply with this Policy.

Bullying and Harassment – Definition

ACAS defines bullying and harassment as;

Bullying as offensive, intimidating, malicious or insulting behaviours, an abuse or misuse of power through means intended to undermine, humiliate, or injure the recipient.

Harassment as unwanted conduct affecting the dignity of men and women in the workplace. It may be related to age, sex, race, disability, religion, sexual orientation, nationality or any personal characteristic of the individual, and may be persistent or an isolated incident. The key is that the actions or comments are viewed as demeaning and unacceptable to the recipient.

Examples of unacceptable behaviour may include:

- Picking on someone or setting them up to fail
- Inappropriate behaviour or language at meetings
- Spreading malicious rumours, or insulting someone (particularly on the grounds of age, race, sex, disability, sexual orientation and religion or

belief); this includes postings on notice boards and social networking sites

- Copying and/or circulating memos/letters/e-mails/texts/reports or any other written or electronic communications that are critical about someone to others who do not need to know
- Exclusions or victimisation
- Unwelcome jokes or comments of a sexual or racial nature or about and individual's age, disability, faith and gender etc
- Unwelcome sexual advances – touching, standing too close, display of offensive materials, asking for sexual favours, making decision on the basis of sexual advances being accepted or rejected.

Dealing with Allegations of Bullying and Harassment

General

Bullying and harassment are potentially serious disciplinary offences and the Council will use the Disciplinary Procedure to address such issues where, in its view, that is the appropriate course of action. The alleged victim(s) will be consulted but will not have a veto over the course of action decided upon.

Bullying must be distinguished from the right of, and obligation placed on managers, to exercise proper direction and supervision of employees in the course of their duties. The Council will not tolerate the abuse of this Procedure to challenge and undermine managers exercising legitimate authority. Such instances will be dealt with as disciplinary offences.

Working Arrangements During Investigations

Allegations of bullying and/or harassment can place particular stresses on both the alleged victim and alleged perpetrator. As such, they must be dealt with promptly and, wherever possible, in ways that seek to minimise the stress on the parties involved.

Whilst individual circumstances and service needs must always be taken into account, the presumption is that working arrangements will be adjusted whilst complaints under this procedure are being investigated so that the alleged victim and alleged perpetrator are separated. Reporting arrangements may be changed and either or both parties required to work at a different location.

Human Resources will advise on the options and the Head of Service will take account of the wishes of the parties involved and service needs in reaching their decision; decisions will make no inferences regarding relative guilt and no such inferences may be drawn.

Other considerations

In very exceptional circumstances, where the alleged victim can demonstrate plausible grounds for feeling particularly intimidated or threatened by the alleged perpetrator, and on the advice of Human Resources, it may be necessary to offer a degree of anonymity and/or make arrangements to ensure that the parties do not have to meet directly at meetings or hearings called under this or any other Council procedure.

Procedure

The procedural arrangements for dealing with allegations of bullying and/or harassment are the same as detailed for grievances. However, there are four possible outcomes for allegations of bullying and/or harassment made;

1. The investigation of the allegation(s) demonstrates sufficient preliminary evidence to justify referring the matter directly to be dealt with under the Disciplinary Procedure. Then a disciplinary investigation will be set up and all further action will be taken under that procedure. No further action will be taken under the Grievance Procedure.
2. In exceptional cases there may be a recommendation of transfer, (unless provided for in the employee's terms and conditions if they suffer a detriment by it, for example additional expense or a less responsible role).
3. There is substance to the allegation(s) and informal means, such as mediation, conciliation, coaching, counselling, training, should be used to address the issue.
4. The allegation(s) was unfounded.

Appendix 2:

Additional Advice and Support

Occupational Health – Any employee that is involved in a claim of bullying and/or harassment may find it helpful to talk to the Occupational Health Adviser and therefore will be given the option of a referral.

Counselling – The Council provides a confidential external service for staff through our Occupational Health Service.

EAP – Employee Assistance Programme - is a welfare initiative available by telephone to give counselling, information, signposting and support.

Note: To include contact details

Trade Unions – The Council recognises the important role that trade unions have in resolving and supporting such issues and encourages employees to approach their TU Representatives for support in addressing unacceptable and inappropriate behaviours. The recognised trade unions are as follows:

Non-Teaching:

- APEX
- GMB
- Unison
- Unite

Teaching:

- ATL
- NAHT
- NASUWT
- NUT

Note: To include contact details

Staff Support Networks - The Council has well established support networks that provide valuable support, including confidential advice, on both work related and personal matters. The staff support networks are as follows:

- BME Staff Support Network
- Disabled Staff Network
- LGBT Staff Support Network

Note: To include contact details

Other Support

Note: To include contact details

Grievance Pro-Forma – Formal Resolution

Section 1: Employee Details

Name: Contact No:

Post: Location:

Department: Section/Service:

Section 2: Employee Representative Details

Please detail the name of your representative. (You are entitled to be represented by a trade union representative or a work colleague at any stage of the formal procedure).

Name: Contact No:

Name of trade union (if applicable):

Section 3: Grievance Details

Please detail your grievance overleaf giving full details of dates, incidents, parties involved, witnesses, circumstances, etc. Additionally, where possible, please ensure that you include or reference the following specific details:

- The date that this issue commenced
- Whether this is a one-off issue, or part of a sequence of events
- Which policies, procedures or employment terms do you believe have been breached
- What action/steps you have taken to resolve the issue informally, when and who with?
- Copies of any relevant documentary information
- What you are looking for as a satisfactory outcome

Please note that the procedure is not intended to punish staff, but to try and resolve any grievances as quickly and as fairly as possible, at the lowest appropriate level in the organisation and to avoid minor issues developing into more serious matters. It is not to be used to pursue false, malicious or vexatious complaints and to do so will be considered a disciplinary matter that may lead to dismissal.

Please state your grievance:

(Please continue onto a separate sheet if necessary)

B) Please state what you are seeking as a satisfactory outcome to your grievance

Signed:..... **Date:**.....

Name (Please Print):
.....

Grievance Pro-Forma – Appeal

Section 1: Employee Details

Name: Contact No:

Post: Location:

Department: Section/Service:

Section 2: Employee Representative Details

Please detail the name of your representative. (You are entitled to be represented by a trade union representative or a work colleague at any stage of the formal procedure).

Name: Contact No:

Name of trade union (if applicable):

Section 3: Appeal

Where you are appealing against the outcome at the Grievance Hearing; ensure that you detail the specific reason(s) why you are dissatisfied with the Nominated Officer's decision.

A) Please state your reasons for appealing against the outcome at the Grievance Hearing:

(Please continue onto a separate sheet if necessary)

B) Please state what you are seeking as a satisfactory outcome to your grievance:

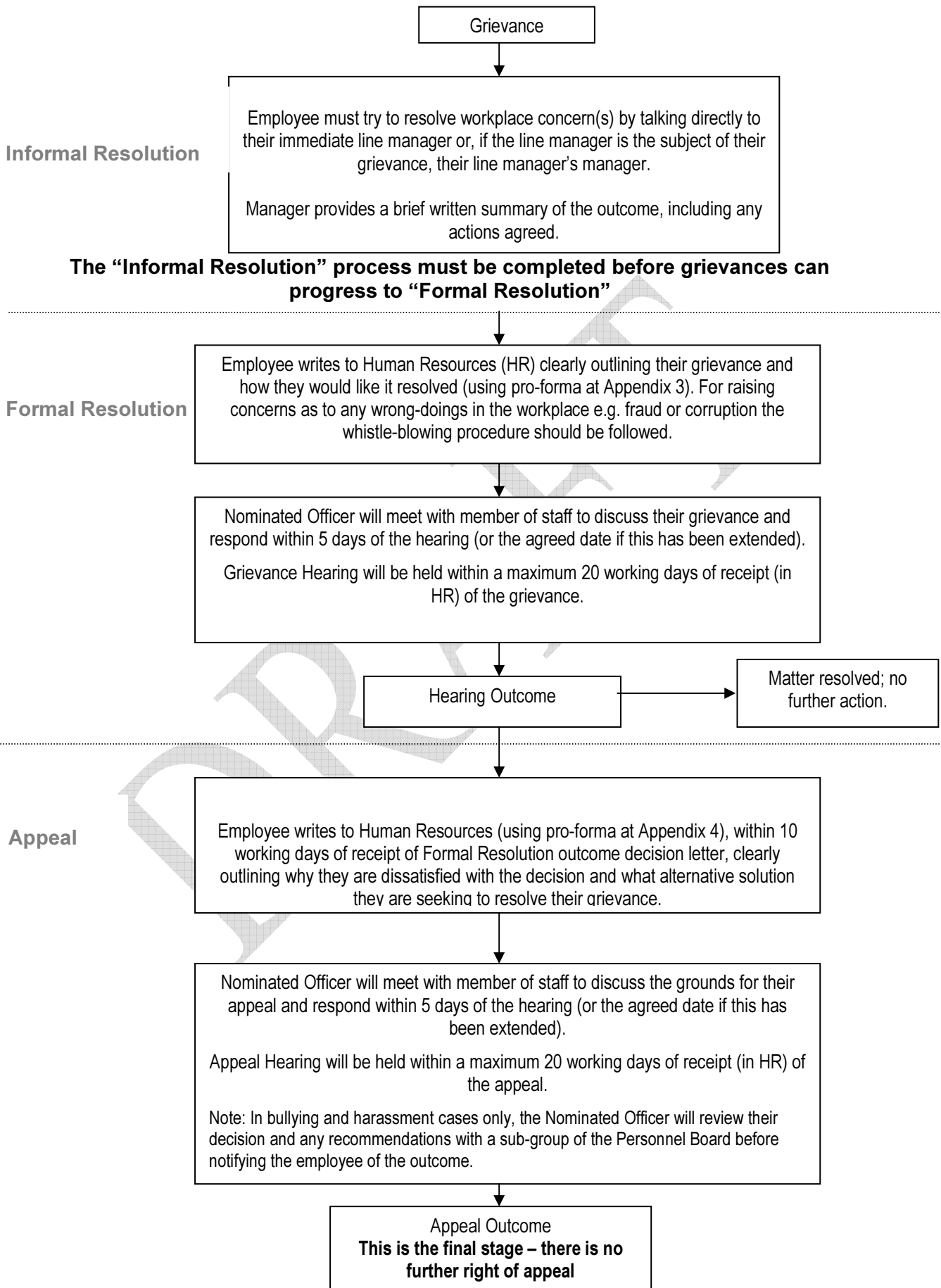
C) How the Nominated Officer's reasons for rejecting the alternative solution might be addressed (if applicable)

Signed:..... **Date:**

Name (Please Print):

.....

Grievance Procedure - Flowchart



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THE CABINET

23 AUGUST 2011

REPORT OF THE CABINET MEMBER FOR CHILDREN AND EDUCATION

Title: Urgent Action – Demographic Growth Capital Fund Grant: Sixth Form Accommodation at Robert Clack Comprehensive School		For Information
<p>Summary</p> <p>Attached at Appendix A is a report advising on a successful bid to the Young People Learning Agency (YPLA) for grant funding in the sum of £3.058m to facilitate the improvement of provision of sixth-form classroom accommodation at Robert Clack Comprehensive School.</p> <p>The Council was invited by the YPLA in June this year to bid for funding to increase sixth-form capacity at ‘outstanding’ secondary schools in the Borough. An urgent evaluation of options, based on information contained in the Council’s Building Schools for the Future (BSF) Business Case, identified Robert Clack Comprehensive School as the only viable project that met the criteria and could be delivered by the YPLA’s deadline of March 2012.</p> <p>The Council was notified on 18 July that the full bid had been successful, subject to a range of conditions which included the requirement for the Council to formally sign and accept the terms and conditions of the grant by 15 August 2011. As was not possible for the decision to wait until this Cabinet meeting, the Chief Executive, acting under the Urgent Action provisions of the Council’s Constitution and after full consultation with Cabinet Members and notification to the Lead Member of the Children’s Services Select Committee, implemented the recommendations within the report on 10 August 2011.</p> <p>Recommendation</p> <p>The Cabinet is asked to note the action taken by the Chief Executive under the urgency procedures contained within paragraph 17 of Article 1, Part B of the Council’s Constitution in agreeing the following:</p> <ul style="list-style-type: none"> (i) the acceptance of the capital grant of £3,058,000 from the Young People Learning Agency to support the provision of 16-19 student teaching accommodation at Robert Clack Comprehensive School; (ii) the Corporate Director of Children’s Services be authorised to sign and accept the grant on behalf of the Council for submission to the YPLA, together with information confirming the project, by 15 August 2011; and (iii) the procurement proposals as set out in the report and to authorise the Corporate Director of Children’s Services, in consultation with the Corporate Director of Finance and Resources and the Cabinet Member for Children and Education, to approve the appointment of the final contractor and the placing of an order. 		
Cabinet Member: Councillor Rocky Gill	Portfolio: Cabinet Member, Children and Education	Contact Details: Tel: 020 8724 2892 E-mail: rocky.gill@lbbd.gov.uk

Chief Officer: Helen Jenner	Title: Corporate Director of Children's Services	Contact Details: Tel: 020 8227 5800 E-mail: Helen.jenner@lbbd.gov.uk
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Background Papers

- Letter and enclosures from the Chief Executive of 10 August 2011 entitled "Urgent Action under Paragraph 17, Article 1, Part B of the Constitution – Demographic Growth Capital Fund Grant – Sixth Form Accommodation at Robert Clack Comprehensive School of Science".

List of Appendices

- **Appendix A** - Report and appendices re "Demographic Growth Capital Fund Grant – Sixth Form Accommodation at Robert Clack Comprehensive School of Science"

REPORT OF THE CABINET MEMBER FOR CHILDREN AND EDUCATION

August 2011

Title: Demographic Growth Capital Fund Grant – Sixth Form Accommodation at Robert Clack Comprehensive School of Science	For Decision
<p>Summary: On 18 July 2011 the Council was advised that a bid to the Young People Learning Agency (YPLA) for sixth form provision had been successful and £3,058,000 grant had been awarded for a building project at Robert Clack Comprehensive School. The project must reach practical completion by March 2012 and the Council must sign and accept the terms and conditions of the grant by 15 August 2011 otherwise the funding will be forfeited.</p> <p>The report seeks to secure the support of Cabinet for the project and for an accelerated decision making and procurement process to ensure timescales are successfully met.</p> <p>Wards Affected: Heath and Whalebone Wards</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none"> (i) the acceptance of the capital grant of £3,058,000 from the Young People Learning Agency to support the provision of 16-19 student teaching accommodation at Robert Clack Comprehensive School; (ii) the Corporate Director of Children’s Services be authorised to sign and accept the grant on behalf of the Council for submission to the YPLA, together with information confirming the project, by 15 August 2011; and (iii) the procurement proposals as set out in the report and to authorise the Corporate Director of Children’s Services, in consultation with the Corporate Director of Finance and Resources and the Cabinet Member for Children and Education, to approve the appointment of the final contractor and the placing of an order. 	
<p>Reason(s)</p> <p>This project supports the Council’s priority of providing education places in sufficient number to respond to demand, and will enhance the learning experience for young people.</p>	
<p>Comments of the Chief Financial Officer</p> <p>Following a bid to the Young People’s Learning Agency (YPLA) to increase the accommodation for post 16 learners at Robert Clack Comprehensive School, the YPLA has approved our bid of £3.058m to pay for 2 wings of 9 classrooms per wing.</p> <p>The terms of the YPLA funding states that the entire grant must be spent by 31st March 2012 and that no additional funds will be available after this date. In addition, the Local</p>	

Authority must ensure that the funding must be spent in accordance to the terms and conditions of the grant (see Annex 1) otherwise the sums paid will be subject to claw back or deductions through reducing our YPLA revenue payments.

The Local Authority must sign and accept the terms and conditions of the grant by the 15th August 2011 otherwise the funding will be forfeited.

The YPLA have reserved the right, at one weeks' notice to inspect works, invoices, receipts and vouchers in relation to the scheme

The project build includes a 10% contingency element to cover any unforeseen costs. Any under spends will be returned to the YPLA.

Comments of the Legal Practice

This report is seeking Cabinet's approval to accept an offer of a capital grant of £3,058,000 from the Young People Learning Agency (YPLA) to facilitate the improvement of provision of 16-19 classroom accommodation at Robert Clack Comprehensive School, and authority for the Corporate Director of Children's Services to sign and accept the grant on behalf of the Council.

The Council as a Local Education Authority has a statutory duty to support the improvement of the quality of the education and training facilities for young people in their area.

The YPLA grant offer is subject to certain conditions set out in the Funding Terms and Conditions attached at Annex 1 to this report. The most important of these conditions are as follows:

- (a) The grant must only be applied for the purpose of facilitating the improvement of 16-19 student teaching accommodation at Robert Clack Comprehensive School.
- (b) The improvement works must be completed latest by 31st March 2012, and YPLA will not be responsible for payment in respect of any works undertaken after that date.

Due to the value of the proposed improvement works, the contract will need to be competitively procured.

Bearing in mind the time constraints imposed by the YPLA deadline of 31st March 2012, it is proposed that the construction works be procured either via the OGC Buying Solutions Construction Framework Agreement or via the Council's BSF LEP.

The OGC Framework Agreements have been tendered by the OGC on the EU on behalf of UK public bodies, and are therefore available for use by the Council.

The option of procuring via the BSF LEP is also legally viable as the OJEU notice issued by the Council in respect of the BSF LEP contract covered the provision of construction services in respect of educational facilities.

The Legal Practice confirms that there is no legal reason preventing Cabinet from approving the acceptance of the grant offer from the YPLA. All reasonable efforts would

however need to be taken by the Council to ensure that the deadline for completion of the improvement works by the YPLA deadline of 31st March 2012 is met, otherwise the Council will have to find funds from its own resources to meet the cost of any works undertaken subsequent to that date.

The Legal Practice should be consulted in relation to terms and conditions of the construction contract to be entered into with the successful contractor.

Cabinet Member: Councillor R. Gill	Portfolio: Education and Children	Contact Details: Tel:020 8724 2892 E-mail: rocky.gill@lbbd.gov.uk
Head of Service: Jane Hargreaves	Title: Divisional Director Education	Contact Details: Tel: 020 8227 2686 E-mail: jane.hargreaves@lbbd.gov.uk

1. Background

- 1.1 An opportunity came unexpectedly from the Young People's Learning Agency on 10 June 2011 which invited the Council to submit by 18 July 2011 a proposal to increase 6th Form capacity at outstanding secondary schools in the Borough.
- 1.2 Reference was made to the options available and the strategy document for sixth form provision based on historical information contained in the BSF Business Case.

2. Proposal

- 2.1 After analysis of the possible options the only viable possibility that met the criteria and could be delivered within the timescale was at Robert Clack School. This proposal takes away two 1930s timber wings of the school and replaces them with 2 double storey modular built constructions. These will provide nine classrooms in each wing together with some offices, lift and access facilities. The net increase in classroom accommodation would be 12 new classrooms and potentially cater for an additional 185 learners aged 16-19 years.
- 2.2 These proposals will allow for the much needed replacement and provision of additional classrooms to ensure that Robert Clack School is able to respond to demands from pupils to meet their needs for 16-19 education. The capital costs will be met entirely from YPLA funds, provided time constraints are met. The school will be able to support the aspirations of the wider student community specifically across the North East 6th Form Consortium.

3. Financial Issues

- 3.1 The grant amounts to £3.058m which is a substantial sum and will bring a much needed facility to the Borough. It is the full amount requested in the application and this was based on prices secured from a reputable provider of the types of building solution which is being considered for this project. The price allows for a small contingency of 10% and all ground works, building, fitting out and fee costs. Any overspend would need to be underwritten by the Council as no additional grant request can be made.

4. Legal Issues

4.1 The responsibility for delivery of this project will lie with the council and it will be for the Council to satisfy the condition of the grant sum, and to meet the timescales to spend the grant which will be 31 March 2012.

4.2 For member's information the conditions of the grant are appended to this report.

5. Other Implications

5.1 Risk Management

5.1.1 The conditions of the grant do highlight a number of requirements or risks to the project and place requirements on the Council. The two major risks are that the timescales must be met and any overspends incurred are the responsibility of the Council.

5.1.2 It is proposed to identify and manage these risks through a methodical approach to minimise risk ensuring that we in particular select a procurement route which responds appropriately. We require a construction company that has a proven record of delivery of this type of scheme on time and within budget. We must establish good communication links with YPLA so that they are fully informed during the whole process.

5.2 Contractual Issues

5.2.1 Details of the contractual issues relating to the grant are set out in the appended requirements at the end of this report.

5.2.2 In terms of procurement at the current time there are two options being pursued to either use the Office of Government Commerce (OGC) Framework for system buildings or as an alternative through the Borough established Local Education Partnership (Laing O'Rourke). Further investigations are continuing in this respect and the preferred option will be determined by officers, in consultation with the Lead Member, having regard to the best option for the Council and the current status of the OGC framework, and the deliverability of the project relating to the Council's own rules.

5.2.3 Corporate procurement have advised that given the timescales and risks associated with this project, from a procurement perspective, the use of a pre-existing arrangement albeit via an OGC Framework or the LEP would appear to be the most appropriate and expedient route open to us.

5.3 Staffing Issues

5.3.1 There are no specific staffing issues, but with more pupils on the system there is likely to be additional teaching opportunities and the increase in building area will lead to additional facilities management demands.

5.4 Customer Impact

5.4.1 More young learners will have improved opportunity to study, not just at Robert Clack, but also those in the North East 6th Form Consortium. Additional and improved facilities will give a better experience for the Borough's young people.

5.4.2 The construction of the facilities will ensure that for employees and young people attending the school there will be level access into the building with appropriate accessible facilities and passenger lift to the first floor.

5.5 Safeguarding Children

5.5.1 The current condition of some of the buildings, notably those planned to be replaced at Robert Clack, are very poor being put on site in the 1930s. Replacement of these wooden structures will certainly provide students with a much improved and safer environment in which to learn.

5.6 Health Issues

5.6.1 There are no specific health issues. However, the provision of a new facility will mean an improved environment in which to work and study for staff and pupils.

5.7 Crime and Disorder Issues

5.7.1 Consideration will be taken to make the new facility a safe place for staff and students to use and also to design out opportunities for potential crime.

5.8 Property / Asset Issues

5.8.1 The buildings which are to be replaced at Robert Clack are approaching the end of their useful life and are being attacked by vermin and fungus. Their replacement will greatly enhance the school buildings on the site.

6. Options appraisal

6.1 The opportunity to apply for this grant was unexpected as previously indicated. Before determining which project to submit, consultation took place with colleagues in schools and because of demand and the condition of the buildings at Robert Clack were selected as representing the most appropriate to be replaced and additionally where most demand would be satisfied.

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

- 16-19 Demographic Growth Capital Fund (DGCF) Letter from the Young Peoples Learning Agency dated 10.06.11
- 16-19 DGCF Bid document date 08.07.11
- 16-19 DGCF Letter from YPLA dated 18.07.11 (Grant Advice Letter)
- 16-19 DGCF Terms and Conditions Document
- 16-18 DGCF Proposed Works Form

8. List of appendices:

Annex 1 – YPLA Demographic Growth Capital Fund 2011-2012 - Terms and Conditions for Local Authorities receiving YPLA Funding.

**YPLA Demographic Growth Capital Fund 2011-2012
Terms and Conditions for Local Authorities Receiving YPLA Funding**

Introduction

1. The London Borough of Barking and Dagenham (the Local Authority) has submitted to the Young People's Learning Agency (YPLA) a proposal, for Robert Clack Comprehensive School, described on the Demographic Growth Capital Fund (DGCF) Information Form dated 08 July 2011, to address the need for capacity for extra places in school sixth forms arising from the increase in the population of young people aged 16-19. The YPLA has applied the DGCF assessment criteria and has allocated funding as described in the Conditions of Funding letter (attached) to support the Local Authority's proposal.
2. By signing and returning this document, the Local Authority agrees to apply the allocated funding solely for the purposes of the eligible works, namely as described in the DGCF Information Form and the DGCF Proposal Works Form, according to the Terms and Conditions described below.
3. "Allocated funding" refers to the sum identified in the Conditions of Funding letter (attached) that the YPLA has allocated to the Local Authority to support the Local Authority's proposal pursuant to this agreement.
4. This agreement (which is made up of the DGCF Information Form, the DGCF Proposed Works Form and these Terms and Conditions) applies to the use of the allocated funding provided by the YPLA for the purposes described by the Local Authority on the DGCF Information Form and the DGCF Proposed Works Form.

Proposed Works

5. The Local Authority will complete and return, by the date specified in the attached Conditions of Funding letter, the DGCF Proposed Works Form which sets out the following information:
 - the development that the Local Authority intends to carry out;
 - planned milestones, including securing planning permission;
 - the planned maximum expenditure profile and total expenditure;
 - the intended start date on site of the works; and
 - the proposed date of practical completion of the works – i.e. the date on which the architect signs the Certificate of Practical Completion.
6. The YPLA may request the Local Authority to provide reports on the progress of the works referring to the information set out in the DGCF Proposed Works Form if, for example but not limited to, the project is proceeding more slowly than planned or the Local Authority has raised concerns that could affect progress. The Local Authority shall notify the YPLA in writing with reasons as soon as possible if there are delays in the planned schedule and provide a revised schedule.

7. The Local Authority will need to obtain the YPLA's written agreement as soon as it is aware of any changes to the works listed in the DGCF Proposed Works Form. The YPLA will not give consent to any changes which will mean that the proposed works will no longer address the need for capacity for extra places in school sixth forms. For the avoidance of doubt, such changes will include, but are not limited to:

- any change (i.e. more than 10 per cent) in the scale of the works; and/or
- any change to the location of the site or premises at which the works will be undertaken.

Completion Date

8. The Local Authority will ensure that either the eligible capital works reach practical completion no later than the 31st March 2012 or, if works continue beyond 31st March 2012, that the YPLA allocated funding will have been fully spent by 31st March 2012 on the works described in the DGCF Proposed Works Form. The DGCF will end on 31st March 2012 and no further claims can be lodged nor will payments be made in respect of expenditure after 31st March 2012. Any YPLA allocated funding not paid to the Local Authority by 31st March 2012 will not be subsequently available to the Local Authority and will be retained by the Department for Education. If the YPLA determines that the Local Authority has spent allocated funding in breach of the agreement, the YPLA may clawback the appropriate level of funding by, for example but not limited to, reducing revenue payments.

Procurement and Contracting

9. The Local Authority will follow best project management and public procurement practices, including, but not limited to, procuring all YPLA funded works by competitive tendering, obtaining professional advice where required and securing in a timely manner all planning permissions, legal and financial consents.

10. The Local Authority is responsible for securing all required consents and permissions relating to the proposed works before the works are undertaken.

Right of Inspection by YPLA

11. Subject to notice of at least one week the Local Authority will make arrangements for representatives of the YPLA, the YPLA's agents or consultants to attend site meetings, inspect work in progress, inspect invoices, receipts, vouchers and other documentation relating to the scheme and take copies of such invoices, receipts, vouchers or documentation.

Suspension of Payments

12. The YPLA may suspend payments if the Local Authority fails to meet the conditions set out in paragraphs 9, 10 and 11.

Payments

13. Subject to compliance with the agreement the YPLA will pay the funding allocation in three instalments through normal BACS transfers as follows:

August 2011	45% of the grant allocation
December 2011	45% of the grant allocation
March 2012	10% of the grant allocation

14. The YPLA reserves the right, in its sole discretion, to amend the timing and value of payments in accordance with project progress, including, but not limited to, accelerating payments if projects proceed faster than planned, delaying payments where progress is slower than planned and reducing payments if project costs are lower than planned. In any event, YPLA allocated and paid funds will not exceed the sum stipulated in the attached Conditions of Funding Letter.

Allocation Reduction and Clawback

15. At its sole discretion, the YPLA will require repayment of any YPLA allocated funding that the Local Authority has spent either on ineligible works, (see paragraph 2), or for works that have not taken place by 31st March 2012 or at all.

16. In the event of a breach of any of the agreement, the YPLA may exercise all or any of the following rights:

- to require the repayment, in whole or in part, of DGCF funding paid to the Local Authority; and/or
- to withhold, withdraw and/or clawback in whole or in part allocated funding that would otherwise have been payable to the Local Authority under these terms and conditions. The value of withheld or withdrawn funds will be determined by the YPLA in its sole discretion and will be based on the extent of the breach – for example, the value of ineligible works.

Limitations

17. This agreement does not impose or imply any obligation on the YPLA to provide any capital funding towards additional building costs in excess of the sum of allocated funding identified in the Conditions of Funding letter (attached). The Local Authority should make sure that it has appropriate risk assessments and plans in place to deal with the consequences of any overrun on project costs or other eventualities that may affect project completion beyond the terms of this agreement.

Change of Use

18. The proposed works supported by this funding allocation must be used for the purpose of supporting education for 16-19 year olds provided by the Local Authority. The Local Authority must notify the YPLA of any intended change that would result in said buildings being used for other purposes. The YPLA may then determine the level of funding to be repaid by the Local Authority to the YPLA, depending on the time elapsed since the completion of the works. If the Local Authority fails to notify the YPLA of any change of use, the YPLA may reclaim

appropriate funds from any other funding payable to the Local Authority, at any time.

Signed:

Chief Executive or Director of Children's Services or delegated authority as listed on the previously returned Information Form

Date: _____

Please complete and return to: Mary Brigden, Capital and Infrastructure Team, YPLA, Cheylesmore House, Quinton Road, Coventry, CV1 2WT

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