

Notice of Meeting



THE CABINET

Wednesday, 14 December 2011 - 2:00 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 P T Waker, Councillor J R White and Councillor M M Worby

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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.
Members are reminded that the provisions of paragraph 12.3 of Article 1, Part B in relation to Council Tax arrears apply to the "Calculation and Setting of the Council Tax Base for 2012/13" report.
3. **Minutes - To confirm as correct the minutes of the meeting held on 22 November 2011 (Pages 1 - 8)**
4. **Budget Monitoring 2011/12 - April to October 2011 (Pages 9 - 37)**
5. **Budget Strategy 2012/13 to 2014/15 (Pages 39 - 125)**
6. **Calculation and Setting of the Council Tax Base for 2012/13 (Pages 127 - 137)**
7. **Memorandum of Understanding for Joint Working with NHS Outer North East London (Pages 139 - 153)**
8. **Debt Management Performance and Write-Offs 2011/12 (Quarter 2) (Pages 155 - 170)**

- 9. Any other public items which the Chair decides are urgent**
- 10. 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).

- 11. William Street Quarter and Eastern End Thames View Disposal and Delivery Options (Pages 171 - 200)**

Concerns the financial and business affairs of third parties (paragraph 3)
- 12. Any other confidential or exempt items which the Chair decides are urgent**

THE CABINET

Tuesday, 22 November 2011
(5:00 - 5:45 pm)

Present: Councillor L A Smith (Chair), Councillor R Gill (Deputy Chair), 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 L Butt, Councillor R Douglas, Councillor N S S Gill, Councillor G Letchford and Councillor J E McDermott

Apologies: Councillor J L Alexander and Councillor M M Worby

63. Declaration of Members' Interests

Councillor White declared a personal interest in relation to the report "Six Monthly Performance Review of Elevate Joint Venture and Proposal for Authority to Open Negotiations for the Transfer of Further Services" as he was a Council-appointed representative to the Elevate East London LLP Board.

64. Minutes (18 October 2011)

The minutes of the Cabinet meeting on 18 October were confirmed as correct.

65. Budget Monitoring 2011/12 - April to September 2011

The Cabinet Member for Finance and Education presented a report on the Council's revenue and capital budget position for 2011/12 as at 30 September 2011.

The General Fund showed an improved position at the end of September with a projected year-end overspend of £2.2m (before the planned £1.5m contribution to balances) compared to £4m as reported at the last meeting. The Cabinet Member referred to the current areas of overspend which included £0.8m in the Environmental Services division and the Corporate Director of Housing and Environment advised that action plans had been drawn up to mitigate these overspends as well as the £1m shortfall in delivering the in-year savings target.

The Cabinet Member confirmed that the Housing Revenue Account (HRA) continued to show a positive position, with a projected additional contribution to the HRA reserve of £71,000, and he outlined the current position in respect of the Capital Programme.

The report also contained proposals in respect of a transfer from the Contingency budget to meet a shortfall in savings due to the delay in implementing revised terms and conditions of employment across the Council, capital budget adjustments to reflect the current status of projects and a General Fund transfer from Housing to Revenues and Benefits. In respect of the latter, the Cabinet Member advised that the proposal had been deferred pending further discussions.

Cabinet agreed:-

- (i) To note the projected outturn position for 2011/12 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.12 and Appendix A of the report;
- (ii) To note the progress against the 2011/12 savings targets as detailed in paragraph 2.13 and Appendix B of the report;
- (iii) To note the position for the HRA as detailed in paragraph 2.14 and Appendix C of the report;
- (iv) To note the projected outturn position for 2011/12 of the Council's capital budget as detailed in paragraph 2.15 and Appendix D of the report;
- (v) Approve the transfer from the Contingency budget of £630,000 to offset the savings shortfall in Central Expenses; and
- (vi) Approve the capital budget adjustments as set out in appendix E of the report.

66. Budget Strategy 2012/13 - Proposed Change to the Council's Redundancy Scheme

The Cabinet Member for Customer Services and Human Resources presented a report on proposed changes to the Council's current redundancy scheme moving from 66 weeks' pay at maximum to 45 weeks' pay at maximum.

The Cabinet Member advised that the current scheme which offered 66 weeks' pay at maximum could no longer be sustained due to the financial pressures faced by the Council, and local government in general. There was, however, an acknowledgement that staff affected by the current savings proposals should be able to benefit from the current scheme arrangements and it was therefore proposed to have staggered implementation arrangements.

The Leader of the Council reported that stemming from the latest discussions with Union representatives on the proposals, an undertaking had been given to suspend the implementation of the proposal to move to 30 weeks' pay at maximum to allow further discussions between the Council and Unions on possible alternative proposals.

Cabinet agreed:

- (i) That the Council's policy on redundancy, as required by Regulation 7 of the 2006 Local Government Act (Early Termination of Employment) (Discretionary Compensation) (England and Wales), be amended as follows:
 - a. For redundancy notices issued on or after 1 December 2011, the enhanced redundancy compensation payments to LBB and schools non-teaching staff be reduced from x2.2 of the equivalent statutory redundancy weeks to x1.5 of the equivalent statutory redundancy weeks (i.e. up to 45 weeks' pay at maximum, depending on age and service);

- b. That where further savings proposals are made for the 2012/13 financial year in advance of the setting of the budget by the Assembly on 22 February 2012, the arrangements in (a) above be extended for a comparable period of time to those staff affected to enable them to volunteer for redundancy at the enhanced rates;
- (ii) That the above revisions to the redundancy scheme be recommended for adoption by Governing Bodies of schools; and
- (iii) That the option of implementing the statutory redundancy scheme (i.e. up to 30 weeks' pay at maximum, depending on age and service) be suspended pending further discussions between the Council and Unions on possible alternative proposals.

67. Funding Adult Social Care

The Cabinet Member for Children and Adult Services reported on the potential implications for the Borough and its residents of the findings of the Dilnot Commission on Funding of Care and Support and the proposed response to the Government's consultation exercise 'Caring for our Future'.

The Cabinet Member advised that there had been cross-party recognition of the significant pressures on funding for adult social care as population ages and the demand for services increased and, as a consequence, an independent commission, chaired by Mr Andrew Dilnot, was appointed by the Government in July 2010 to undertake a comprehensive review. In the same period the Government had also asked the Law Commission to review social care legislation.

- The Cabinet Member outlined the key findings of the Dilnot Commission which represented a radical review of the way that people would contribute towards the cost of their care, namely:
- Individual's lifetime contributions to their social care costs should be capped at a total proposed contribution of £35,000;
- The means-tested threshold above which people were liable for their full care costs should be increased from £23,250 to £100,000;
- All those who become adults with a pre-existing care and support need should be eligible for free state support immediately, with a sliding scale of charging for people aged 40 plus;
- There should be national eligibility criteria for access to adult social care services.

The Cabinet Member advised that while the Dilnot recommendations would reduce the injustice caused by the current funding arrangements which penalised individuals who had saved and invested for their future, the Government had failed to address the already apparent gap between the available funding for adult social care and the current need which would only increase under the proposals. In addition, there would be significant resource implications for local authorities in meeting their new responsibilities which the Government would equally need to address if these recommendations were implemented.

In September the Government had launched a further consultation exercise

'Caring for our Future' which would inform its forthcoming White Paper on the reform of adult social care and funding.

Cabinet **agreed**:-

- (i) To note the findings of the Dilnot Commission and the implications for Barking and Dagenham as outlined in the report; and
- (ii) The Council's response to the Department of Health's engagement paper 'Caring for our Future' as set out at Appendix 4 to the report.

68. Shared Procurement of Oracle R12 Upgrade

The Cabinet Member for Customer Services and Human Resources presented a report on proposals to upgrade the Council's current Enterprise Resource Planning (ERP) system, which provided the platform for human resources and financial information, through a shared procurement with other local authorities and led by the London Borough of Lambeth.

The Council's current ERP system, Oracle R11, was implemented in 2001 and was nearing the end of its operational life. The Cabinet Member explained that the current system had been highly customised to suit the Council's requirements but that this approach had proved to be less cost effective due to the costs involved with customisation. It was therefore proposed to move to a standardised Oracle 12 system, shared with a number of other local authorities, which would achieve economies in terms of procurement, implementation and maintenance as well as opening up greater opportunities for shared services.

The Cabinet Member referred to the estimate £3m cost of the replacement Oracle system and it was confirmed that ongoing revenue savings would be achieved through reduced staff costs as a result of the improved processes that the new system would deliver. The Corporate Director of Children's Services also confirmed that initial discussions with Headteachers on the system upgrade had been positive and that these discussions would continue to ensure that the new system met their requirements.

Cabinet **agreed**:-

- (i) To enter into an arrangement with the named London Boroughs for the joint procurement of a Framework Agreement for the provision of a shared and standardised Oracle system replacing the Council's existing customised system, as detailed in the report;
- (ii) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to enter into the contract; and
- (iii) The allocation of £3 million (£2m from the Council's capital reserve and £1m from the Invest-to-Save revenue fund) to replace the existing system with a re-implemented shared service made available through the joint procurement process.

69. A Strategy for Disabled Adaptations

The Cabinet Member for Children and Adult Services presented a report on the proposed future strategy for adaptations to disabled and older people's homes.

The Cabinet Member advised that opportunities under the new Housing Revenue Account (HRA) self financing scheme from April 2012 and a review of the delivery of private sector adaptations, via a direct payment grant scheme, would enable basic adaptations to be available to larger numbers of older and disabled people across all housing tenures. It was noted that relatively inexpensive one-off spend on major adaptations was proven to reduce incidents of hospitalisation due to falls and postpone the need for high-cost residential services. Adaptations were also a major cause for complaint to the Council as demand continued to outstrip the available resources.

Cabinet **agreed**:-

- (i) To fully fund all adaptations to Council properties via the HRA self financing scheme;
- (ii) That all housing associations and private landlords be asked to fund adaptations for their tenants;
- (iii) To the development of a preventative direct payment grant scheme for people who are not eligible for help via other schemes, as set out in the report; and
- (iv) To note the decision to delay re-tendering the administration of Disabled Facilities Grants, in order to ensure that ongoing arrangements would fit with other schemes.

70. Community Engagement and Empowerment Strategy 2011-2014

The Chief Executive presented a report from the Cabinet Member for Crime, Justice and Communities which introduced the Council's Community Engagement and Empowerment Strategy 2011-2014 entitled "Listening to the Word on the Street".

The Chief Executive explained that the strategy built on the Council's strong track record of engaging effectively and imaginatively with local people to inform service delivery and design and supported elected Councillors in their roles as community leaders.

Cabinet **agreed** to adopt the Community Engagement and Empowerment Strategy 2011-2014 attached as Appendix 1 to the report.

71. Proposed Amalgamation of Cambell Infant and Junior Schools to form Cambell Primary School

The Cabinet Member for Finance and Education presented a report on the proposal to amalgamate Cambell Infant and Junior Schools to form an all-through Primary School with effect from the start of the Spring Term 2012.

The Cabinet Member outlined the key benefits of amalgamating the two schools and it was confirmed that the school governors had been instrumental in the proposal being progressed so quickly. In relation to the prospect of amalgamating other linked infant and junior schools in the future, the Corporate Director of Children's Services confirmed that early last year she had attended Governing Body meetings to promote the benefits of amalgamation and it was hoped that further proposals would come forward in due course.

Cabinet **agreed** the amalgamation of Cambell Infant School and Cambell Junior School to form Cambell Primary School with effect from 1 January 2012.

72. Youth Offending Service Inspection, July 2011

The Corporate Director of Adult and Community Services introduced a report on the outcome of the assessments by Her Majesty's Inspectorate of Probation (HMIP) and the Care Quality Commission (CQC) of the Council's Youth Offending Service (YOS).

The HMIP undertook a 'core case inspection' during July 2011 which focussed on the three main areas of safeguarding, reducing risk of harm and reducing the likelihood of reoffending. The Cabinet was pleased to note that the YOS had been recognised as one of the best in the country for 'reducing the likelihood of reoffending' and was currently the highest scoring overall in the London region.

The CQC inspection focused on health issues relating to young offenders. The Corporate Director highlighted a number of the strengths that had been identified but also referred to the criticism by the CQC of a lack of involvement by the NHS partners in the planning, review and delivery of YOS health provision services and programmes in the borough. It was noted that the NHS partners had been asked to prepare an action plan in response to the CQC's criticisms.

Cabinet noted the report and congratulated the YOS Team on its work.

73. Housing Capital Investment Programme 2011-12 Update

The Cabinet Member for Housing presented a report on the progress of the interim investment programme for the Council's housing stock approved by the Cabinet on 14 June 2011 (Minute 4 refers) together with proposals for additional investment in the current financial year to accelerate the programme in advance of the introduction of the Housing Revenue Account (HRA) self-financing scheme from April 2012.

The Cabinet Member advised that the opportunity to accelerate the programme had arisen following a review of the Council's borrowing capacity in advance of the new HRA self-financing arrangements. As a consequence, it was proposed to invest an additional £10m in the current financial year, funded from borrowing via the Public Works Loan Board over a five-year period. It was noted that the total borrowing costs over the five-year period would be approximately £1.1m and the Corporate Director of Finance and Resources advised that this would need to be assessed as part of the financial modelling for the project to ensure that it represented value-for-money and that the business case for appropriate benefits against the £1.1m extra cost was sufficiently made.

The Cabinet Member referred to the range of works that would be undertaken to Council houses across the borough, in accordance with the Council's strategic housing investment priorities, and the longer-term benefits that would be achieved. In respect of the procurement of the various schemes, the Cabinet Member confirmed that an element would be undertaken by the Council's housing repairs and maintenance contractor, Enterprise, and wherever appropriate the remaining works would be packaged in such a way to encourage local and small-scale firms to bid for work.

Cabinet **agreed**:-

- (i) To note the progress made in delivering the interim housing capital investment programme as set out in Appendix 1 to the report;
- (ii) The additional investment programme totalling £10m as set out in Appendix 2 to the report; and
- (iii) To authorise the Corporate Director of Housing and Environment, in consultation with the Corporate Director of Finance and Resources, the Divisional Director for Legal and Democratic Services and the Cabinet Member for Housing, to procure the additional works, agree terms and award contracts in respect of each scheme.

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

74. Private Business

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

75. Six Monthly Performance Review of Elevate Joint Venture and Proposal for Authority to Open Negotiations for the Transfer of Further Services

The Cabinet Member for Customer Services and Human Resources presented a report which showed the performance of Elevate East London over the first six months of the joint venture together with proposals to open negotiations on the possible transfer of further Council services into the partnership arrangement.

The Cabinet Member advised that a number of additional services had been identified for potential transfer which would create an opportunity to make savings in support of the Council's Medium Term Financial Strategy without impacting on the delivery of frontline services and, in some cases, improving services. These services were:

- HR Service Centre (transactions)
- Pensions and Payroll Administration
- Property Services
- Facilities Management Contract Management at PFI Schools

- Technical Support and Help Desk Reception Team
- Revenues and Benefits Client Team

In line with the joint venture arrangements, Elevate East London had prepared Strategic Business Cases which detailed the proposed transfers and the Cabinet Member advised on the next steps, including the commencement of TUPE consultations with the staff and Unions, in advance of a proposed transfer date of 1 April 2012. It was noted that a further report would be presented to Cabinet in January 2012 clarifying the detailed financial, contractual and clienting arrangements.

In relation to performance during the first six months of the contract, it was noted that Elevate East London had met or exceeded most of the performance indicators measured. In response to a point that several of the targets did not appear to be particularly challenging and should be reviewed, the Cabinet Member commented that the original targets had been based on the achievement levels prior to the partnership and that he was confident that the improvement that had already been achieved would continue. The Corporate Director of Finance and Resources clarified that the performance targets would be reviewed each year.

Cabinet **agreed**:-

- (i) To note the six-monthly performance report of Elevate East London for the period up to 30 September 2011 as detailed in Appendices 1 and 2 to the report;
- (ii) The Strategic Business Cases and proposal by Elevate East London for the transfer of the services listed above from the Council to Elevate East London;
- (iii) That Elevate East London proceed to prepare and submit to the Council a Full Business Case in relation to the proposed transfer of the services listed above to Elevate East London;
- (iv) To authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director for Legal and Democratic Services, to negotiate the terms of the transfer with Elevate East London prior to submission to Cabinet of the Full Business Case; and
- (v) To authorise the Chief Executive and the Corporate Director of Finance and Resources to begin the TUPE consultation with staff and unions.

CABINET

14 DECEMBER 2011

Title: Budget Monitoring 2011/12 - April to October 2011	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Kathy Freeman, Group Manager. Corporate Finance	Contact Details: Tel: 020 8227 3497 E-mail: kathy.freeman@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>This report provides Cabinet with an update of the Council's revenue and capital position for the seven months to the end of October 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 October 2011, total Service expenditure for the full year is projected to be £185.2m against the approved budget of £183.4m; a projected overspend of £1.8m. The over spends arise in Children's Services (Complex Needs and Social Care), Housing and Environment (reduced income and cost pressures in Environmental divisions) and Finance and Resources (due to an over stated recharge budget in Revenues and Benefits). Further explanatory summaries are contained in section 2 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 £1.8m, less the planned contribution to balances of £1.5m, could result in the General Fund balance reducing by £0.3m to £10.5m without action plans being developed to mitigate the forecast over spend.</p> <p>The Housing Revenue Account (HRA) is projected to contribute £197k more than budgeted to the HRA reserve. The projected contribution to the HRA reserve currently stands at £1.7m. 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 the budget stands at £152.1m; 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. The report includes a request to make budget adjustments to the existing capital programme as detailed in appendix E.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the projected outturn position for 2011/12 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.11 of the report;
- (ii) Note the progress against the 2011/12 savings targets in paragraph 2.12 of the report;
- (iii) Note the position for the HRA as detailed in paragraph 2.13 of the report;
- (iv) Note the projected outturn position for 2011/12 of the Council's capital budget as detailed in paragraph 2.14 of the report;
- (v) Approve the capital budget adjustments as set out in appendix E of 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.

1 Introduction and 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 has been confirmed following completion of the audit of the Council's Statement of Accounts.
- 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 over spend of £1.8m for the end of the financial year of which:

- £1.2m arises from pressures in Children's Services. An over spend of £2.9m within the Complex Needs and Social Care budget is forecast (£2.4m of which relates to placements), offset by a projected £1.7m contribution from centrally retained management actions and a forecast under spend against the Targeted Support budget.;
- £0.7m arises from cost pressures in Environmental Services;
- £1.2m in Finance and Resources due to an error in setting the recharge budgets in Revenues and Benefits;
- (£0.4m) under spend in the Chief Executive Office due to vacancies;
- (£0.9m) under spend in Central Expenses due to lower interest payments and a VAT claim.

The initial net forecast of a £0.3m over spend (£1.8m less £1.5m) would result in the Council's General Fund balance remaining above 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 net 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 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 £10.5m.

The HRA budget for 2011/12 includes a contribution to the HRA reserve of £1.5m. At the end of October, the HRA is forecasting an under spend of £197k.

	Balance at 1 April 2011	Projected Balance at 31 March 2012	Target Balance at 31 March 2012
	£'000	£'000	£'000
General Fund	10,841	10,488	10,000
Housing Revenue Account (including Rent Reserve)	4,448	6,114	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	Full year projection at October 2011	Over/(under) Budget Projection
	£'000	£'000	£'000
<u>Directorate Expenditure</u>			
Adult and Community Services	64,880	64,880	-
Children's Services	65,555	66,714	1,159
Housing & Environment	20,625	21,391	766
Finance & Resources	19,232	20,483	1,251
Chief Executive Office	931	528	(403)
Central Expenses	12,159	11,239	(920)
Total Service Expenditure	183,382	185,235	1,853
Planned Contribution to Balances			(1,500)
Total Projection at end of October 2011			353

Adjustments have been made to the budgets during October:

- Adult and Community Services – When the construction of Dagenham Library was approved it was agreed that part of the funding would come from departmental borrowing. Departmental borrowing requires that the additional costs of borrowing are met by the department rather than centrally. Accordingly £136k has been taken from Adults and Community Services' budget to fund additional interest and principal repayment charges incurred as a result of borrowing to fund this project;
- Children's Services – Increase in budget of £128k relating to the roll-forward of unspent Music Services' funding transferred from the Children's Services reserve. The funding is ring fenced for the provision of Music Services;
- Barking and Dagenham Direct has transferred to Finance & Resources from Housing & Environment (previously Customer Services). The budget transferred was £6,182k;
- Human Resources have transferred to the Chief Executive Office from Finance & Resources. The budget transferred was £340k;

2.4 Directorate Performance Summaries

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

2.5 Adult and Community Services

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	69,951	64,880	64,880
Projected over/(under)spend			-

The Adult and Community Service (ACS) budget position at month 7 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 over spends 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. 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 £4.6m 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 £200k 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 over spend of £100k which is being off-set by other savings within the directorate;
- Mental Health – placement budgets are experiencing pressure which they are managing through the social care funding in establishments.

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

2.6 Children's Services

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	61,913	65,555	66,714
Projected over/(under)spend			1,159

Within the Children's Services net budget pressures currently stand at £1.2m. Service management continue to work on sustainable actions to reduce the budget pressure and it is anticipated the projected over spend can be reduced.

The most significant pressure continues to be against placement budgets at £2.4m. As part of the placements recovery plan there is a high cost placements meeting occurring once a month to discuss how to reduce the cost of these placements. However due to the higher than average 0-17 population the Borough is also trying to manage down placement demand.

The service is committed to finding the £4.5m of savings built into the 2011/12 budget. There are risks around some of these savings and a £174k shortfall is currently projected:

- £35k Court Assessment Team (CHS/SAV/21) – There are pressures reported against this budget and these are being reviewed with a view to managing this pressure by year end;
- £39K Woodland premises costs (CHS/SAV/32) – This property is still operational and the use of the building is being reviewed for reporting at period 8;
- £100k Charging for CiC (CHS/SAV/37) – The charging policy is currently being put together in preparation for 2012/13.

2.7 Dedicated School Grant (DSG)

DSG is a ring-fenced grant that is allocated to Schools. As such there can be no under or over spend. The Council retains £17.9m of the DSG in 2011/12 (2010/11; £16.3m) to spend on central education services.

2.8 Housing and Environment

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	23,961	20,625	21,391
Projected over/(under)spend			766

There has been a reduction in Housing and Environment's budget as a result of the transfer of the Barking and Dagenham Direct service to Finance and Resources.

There have been no other budget movements since period 6. However, the amount of £235k is proposed to be vired from the Housing General Fund to Revenues and Benefits (Finance and Resources) to correct a budget miscoding (subject to Cabinet approval) – this is to be reflected in period 8.

The Parks service is also due to be transferred from Adults and Community Services to Housing and Environment for period 8.

At the end of October 2011 Housing and Environment is forecasting to over spend by £766k which is £42k less than the previous month's over spend position of £808k. This movement of £42k is attributable to the parking service £70k, Employment Tribunal settlements £20k and a reduction in overtime in Highways to reflect the new T&Cs (£132k).

However, the total pressures are being offset by £750k of Departmental contingency. There is a risk that the reported over spend may increase if proposed action plans slip.

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 the Translinc contract;
- Rising fuel & energy prices above budgeted inflation;
- Supplies and services in relation to car parks and parking administration;
- 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 Private Sector Landlords on to a lower cost portfolio, as well as using the council's own properties where feasible;

The overall savings target for Housing and Environment was £4.3m of which the latest forecast is that £3.3m will be delivered this year leaving a shortfall of £1.0m. This is due to:

- £596k Parking CPZ (CUS/SAV/6) - Of the areas consulted only 12 roads have been agreed for CPZ implementation;
- £52k Road Safety (CUS/SAV/9) – Interviews are currently underway. The service also has to bear the costs of 2 FTEs for 2 months until process is complete;
- £35k Street Scene Call Outs (CUS/SAV/7) - Due to delay in implementing revised staff terms and conditions;
- £174k Street Scene Parking – Delay in implementing staff permits and lower than budgeted parking income;
- £30k Parks & open spaces (CUS/SAV/5) – Delay in implementing staff terms and conditions;
- £125k Redesigning street cleansing operations (CUS/SAV/2) - Cleansing was over its establishment by 10 staff over a period of 5 months.

The Departments are currently considering further action plans to mitigate the above pressures and reduce the current predicted over spend of £766k.

2.9 Finance and Resources

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	14,662	19,232	20,483
Projected over/(under)spend			1,251

The Finance & Resources department is projecting a £1.3m over spend that is an increase from last month. This is mainly due to the Human Resources Service which reflected an under spend, transferring to the Chief Executive's department.

This month's RMP also reflects Barking & Dagenham Direct and ICT which transferred from the Housing and Environment Department.

The over spend is mainly due to the Directorate's inherited budget pressure of £1.4m already existing within the Revenues & Benefits service at the point of transfer. This pressure has been highlighted in the Medium Term Financial Strategy and a separate Cabinet report will be submitted to request a release from the Council's contingency budget to cover the budget shortfall.

There have also been under spends across the department mainly from vacant posts.

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

2.10 Chief Executive Office

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	991	931	528
Projected over/(under)spend			(403)

The Chief Executive department is currently reflecting a £403k under spend mainly due to part year vacancies and the transfer of Human Resources which was reflecting an under spend from Finance & Resources. Some services have experienced early budget pressures due to a delay in implementing their new structures but these have been identified at an early stage and mitigating actions have now resulted in service under spends.

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

2.11 Central Expenses

Directorate Summary	2010/11 Outturn	2011/12 Budget	2011/12 Projection
	£'000	£'000	£'000
Net Expenditure	(19,482)	12,159	11,239
Projected over/(under)spend			(920)

As part of the Central Expenses 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 has now been implemented but estimates indicate that it will not generate the full year saving included in the budget. In 2011/12, as implementation occurred part way through the financial year, only part of the saving will be achieved. An impact assessment arising from the delay in implementing this project has been undertaken and shows a £630k shortfall. A budget transfer from contingency has taken place to offset this over spend.

Following a change to the Value Added Tax (VAT) liability of various Council services the Council successfully submitted a one off VAT claim for £420k. The claim related to VAT payments made over a number of years.

Due to the low level of interest rates a net under spend of £500k is projected against the budgets for interest payable and interest receivable.

2.12 In Year Savings Targets

The delivery of the 2011/12 budget is dependent on meeting a 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 2.5 to 2.11 above. A detailed breakdown of savings is provided in appendix B.

Directorate Summary of Savings Targets	Target £'000	Projection £'000	Shortfall £'000
Adult and Community Services	4,620	4,420	200
Children's Services	4,500	4,326	174
Housing and Environment	4,264	3,252	1,012
Finance & Resources and CEO	2,960	2,960	-
Central Expenses	4,000	3,370	630
Total	20,344	18,328	2,016

2.13 Housing Revenue Account

There is a budget surplus on the HRA as at period 7 of £197k. The HRA budget includes a contribution to the HRA reserve and this surplus would result in a net contribution to reserves of £1.7m. The current budget pressures are:

- Severance costs of £161k have been offset by reduced staffing costs where there are some vacant posts. The Council was unable to capitalise the severance costs as the criteria set by government was not met;
- 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;
- Rising energy and insurance costs which may not all be recoverable until the next financial year when the costs can be passed on;
- The pressures are being offset by additional rental income from properties which are earmarked for decants. This is because the rate of decants is slower than originally budgeted for.

A detailed HRA is provided in appendix C.

2.14 Capital Programme

The Capital Programme budget has been updated to reflect the capital roll forwards approved by Cabinet on 14 June 2011 and all subsequent approvals.

Directorate Summary of Capital Expenditure	Original Budget £'000	Revised Budget £'000	Projected Outturn £'000	Projected Variance £'000
Adult and Community Services	10,963	14,349	14,349	-
Children's Services	56,993	69,399	71,024	1,625
Housing & Environment	36,831	45,419	43,478	(1,941)
Finance & Resources	16,868	22,975	23,267	292
Total	121,655	152,142	152,118	(24)

In addition to the above projected capital expenditure, the Council has also entered into a Private Finance Initiative (PFI) with Laing O'Rourke for the construction of a new building for Dagenham Park School. The projected capital expenditure on the project for 2011/12 is £13.8m.

However, as part of the PFI contract the construction costs and associated risks are met by Laing O'Rourke and in return the Council pays an agreed annual charge. The PFI is due for completion in April 2012 with a total projected spend of £23.8m.

At the end of October 2011 the overall status of LBBD's Capital Programme is 'Green'. All departments attained a status of 'Green' apart from Housing and Environment that obtained 'Amber' due to the size of the under spend.

The detailed capital Programme is available at appendix D with explanations for variances provided.

Budget adjustment requests are contained within appendix E.

2.15 Financial Control

At the end of October all key reconciliations have been prepared and reviewed and no major reconciling items unexplained.

3 Options Appraisal

The report provides a summary of the financial position at the relevant year end and as such no other option is applicable for appraisal or review.

4 Consultation

The report has been circulated to appropriate Divisional Directors for review and comment. Specific implications are noted in section 7.

Individual Directorate elements have been subject to scrutiny and discussion at their respective Directorate Management Team meetings.

5 Financial Implications

This report details the financial position of the Council.

6 Legal Issues

There are no legal implications for a budget monitoring report.

7 Other Implications

- **Risk Management** (Sharon Roots)
The risk to the Council is that if spending is not managed effectively the level of balances will fall below the recommended value of £10.0m as set by the Corporate Director of Finance and Resources.
- **Customer Impact** (Paul Hodson)
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 over spend 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.
- **Property/ Asset management Issues** (Sue Lees)
Property and asset management issues are covered in the Capital section of the report, paragraph 2.14.
- **Human Resources** (Martin Rayson)
Budget plans for 2011/12 included a number of savings proposals which impacted on staff numbers employed by the Council. These were managed according to the Council's change management policies and procedures. Negotiation of the collective agreement with the Trade Unions in respect of changes to terms and conditions took longer than expected and the savings levels achievable in this year are lower than planned (which is shown in Appendix B).

8 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.

9 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

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GENERAL FUND REVENUE MONITORING STATEMENT OCTOBER 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	45,872	45,872	-
Mental Health	4,172	3,837	3,799	3,799	-
Community Safety & Neighbourhood Services	3,736	4,360	4,630	4,630	-
Culture & Sport	12,671	10,449	10,297	10,297	-
Management	667	247	282	282	-
	69,951	64,789	64,880	64,880	-
<u>Children's Services</u>					
Education	12,455	6,111	8,411	8,411	-
Targeted Support	1,359	14,406	13,459	13,173	(286)
Complex Needs and Social Care	34,773	31,646	31,548	34,496	2,948
Commissioning and Safeguarding	6,031	4,877	4,920	4,920	-
Other Management Costs	7,295	8,104	7,217	5,714	(1,503)
	61,913	65,144	65,555	66,714	1,159
<u>Children's Services - DSG</u>					
Schools	(15,175)	(21,148)	(21,154)	(21,154)	-
Quality & Schools Improvement	9,040	5,343	5,349	5,349	-
Integrated Family Services	2,544	3,510	3,592	3,592	-
Safeguarding & Rights Services	214	4,763	4,763	4,763	-
Children's Policy & Trust Commissioning	1,163	1,442	1,360	1,360	-
Skills and Learning	770	-	-	-	-
Other Services	1,444	6,090	6,090	6,090	-
	-	-	-	-	-
<u>Housing & Environment</u>					
Environment & Enforcement	20,601	16,948	17,247	18,013	766
Housing General Fund	3,360	3,378	3,378	3,378	-
	23,961	20,326	20,625	21,391	766
<u>Finance & Resources</u>					
Directorate of F&R	(109)	414	334	334	-
Commercial Services (including JV contract)	4,482	2,598	2,676	3,992	1,316
Financial Services	(5)	-	130	130	-
Audit & Risk	(20)	-	-	(5)	(5)
Regeneration	4,571	5,229	5,229	5,169	(60)
Corporate Management	4,694	4,681	4,681	4,681	-
Barking & Dagenham Direct	4,242	6,532	6,182	6,182	-
ICT (now within JV contract)	(3,193)	-	-	-	-
	14,662	19,454	19,232	20,483	1,251

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)	(110)	(20)
Legal & Democratic Services	795	441	381	270	(111)
Corporate Policy & Public Affairs	(957)	300	300	228	(72)
Human Resources	(32)	250	340	140	(200)
	991	991	931	528	(403)
<u>Other</u>					
Central Expenses	(27,608)	1,257	1,498	578	(920)
Contingency	-	2,834	2,074	2,074	-
Levies	8,126	8,587	8,587	8,587	-
	(19,482)	12,678	12,159	11,239	(920)
TOTAL	151,996	183,382	183,382	185,235	1,853

GENERAL FUND REVENUE MONITORING STATEMENT OCTOBER 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	-	100
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	4,420	200
<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	4,326	174
<u>Housing & Environment</u>				
CUS/SAV/1	Customer services management re-structure	424	424	-
CUS/SAV/2	Redesigning street cleansing operations	200	75	125
CUS/SAV/3	Passenger Transport - remodelling of services	1,119	1,119	-
CUS/SAV/4	Environmental & Trading Standards	150	150	-
CUS/SAV/5	Parks & open spaces	370	340	30
CUS/SAV/6	Street Scene - Parking CPZ	686	90	596
-	Street Scene - Parking Staff Permit	354	180	174
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	2	52
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	3,252	1,012

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	370	630
		4,000	3,370	630
TOTAL		20,344	18,328	2,016

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HOUSING REVENUE ACCOUNT MONITORING STATEMENT OCTOBER 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)	(77,184)	(559)
Non Dwelling Rent	(2,367)	(2,565)	(2,565)	(2,559)	6
Other Income	(12,128)	(11,603)	(12,067)	(12,356)	(289)
Capitalisation of Repairs	(2,518)	(2,500)	(1,000)	(1,000)	-
Repairs and Maintenance	22,874	23,153	21,579	21,693	114
Supervision and Management	31,533	28,926	29,464	29,979	515
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	963	10
Interest Charges	1,173	3,431	3,431	3,431	-
Corporate & Democratic Core	811	811	811	811	-
Pensions	-	80	80	113	33
Interest	(484)	(78)	(78)	(105)	(27)
Contribution to HRA Reserve	(1,047)	(1,469)	(1,469)	(1,666)	(197)

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CAPITAL PROGRAMME MONITORING STATEMENT OCTOBER 2011/12

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
<u>Adult & Community Services</u>					
Community Services, Heritage & Libraries					
Ripple Hall (St Georges/Vol Group Relocation)	100	375	375	-	
Valence Site Redevelopment	300	447	447	-	
Eastbury Manor House Redevelopment	-	18	18	-	
Disabled Adaptations (HRA)	500	502	502	-	
	900	1,342	1,342	-	
Leisure & Olympics					
Contingency	18	116	116	-	
Barking Park Restoration & Improvement	4,303	4,698	4,698	-	
Pondfield Park	-	22	22	-	
Staff Costs	98	-	-	-	
Abbey Green Park Development	33	48	48	-	
Valence Park Improvements	24	31	31	-	
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	5,120	-	
Goresbrook Leisure Centre - Olympic Training Venue	139	207	207	-	
Maysbrook Park Improvements (Phase 1)	747	1,001	1,001	-	
Play Builder	-	10	10	-	
Maysbrook Park Athletics Arena	-	1,650	1,650	-	
	10,063	13,007	13,007	-	
Total For Adult & Community Services	10,963	14,349	14,349	-	

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

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
<u>Children's Services</u>					
Primary Schools					
Eastbury	150	280	458		Overspend as a result of incorrect transactions; 178 reprofile submitted to increase budget.
Cambell Infant & Juniors	25	267	267		-
Barking Riverside first Primary School	3,015	5,181	6,443		Additional external fund needs to be added to the 1,262 budget - A reprofile has been submitted.
Roding Primary School - Cannington Road Annex	250	323	323		-
Beam Primary Expansion	100	304	346		Costs high than estimated; sponsor has submitted a 42 reprofile.
St Joseph's Primary - expansion	1,850	2,012	2,012		-
St Peter's Primary - expansion	75	137	137		-
Thames View Infants - London TG Agreement	420	537	537		-
Cambell Junior - Expansion & Refurb	25	167	167		-
Thames View Juniors - Expansion & Refurb	2,230	2,310	2,006		Project delivered under budget; balance to be (305) reprofiled to another project.
Former UJEL Site - New Primary School	8,500	9,460	9,460		-
Westbury - New Primary School	1,750	1,924	1,924		-
St Georges - New Primary School	2,260	2,745	2,900	155	Variations to contract has resulted in an overspend; A reprofile has been submitted to increase budget.
	20,650	25,647	26,979	1,332	
Other Schemes					
Renewal School Kitchens 2009/10	25	32	34		2 Minor overspend, budget met from another project.
SMF - School Modernisation Fund (Inc 2009-10 SMF Element)	997	1,880	1,880		-
Youth Access Card	15	285	285		-
Extended Schools	-	1	1		-
School's Kitchen Extension/Refurbishment 10/11	490	554	554		-

CAPITAL PROGRAMME MONITORING STATEMENT
OCTOBER 2011/12

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Cross-Government Co-Location Fund	50	1	44		Budget was initially reduced but now needs to be 43 added back. A reprofiled request has been submitted.
Basic Needs Projects (Formerly Additional School Places)	1,501	1,535	1,535		
Schools Legionella Works	-	88	88		Tenders returned have resulted in minor projected overspend; this will be closely managed to deliver 3 within budget.
Schools L8 Water Quality Remedial Works 2010/11	15	143	146		
Schools Reboiler & Repipe Fund	250	329	329		
Schools Asbestos Management & Removals 2010-11	-	8	8		
William Bellamy Childrens Centre	-	3	3		
John Perry Childrens	-	10	10		
Alibon Childrens Centre	-	98	18		(80) Awaiting final account; budget will be utilised.
Youth Bus	-	(11)	-		Overspend from 10/11 to be met by sponsor; reprofile request will be submitted.
512a Heathway - Conversion to a Family Resource	-	-	40		Overspend due to professional fees; budget to be increased from 11/12 grant allocation once final account has been received.
Devolved Capital Formula	-	805	1,090		Allocations projecting overspend; budget to be increased by DfE allocations - reprofile form to be 285 submitted.
Robert Clack Comprehensive Expansion	-	3,058	3,058		
Monteagle Primary (Quadrangle Infill)	-	300	300		
Eastbury Primary (Expansion)	-	300	300		
Gascoigne Primary (Expansion)	-	50	50		
Parsloes Primary (Expansion)	-	300	300		
Godwin Primary (Expansion)	-	300	300		
William Bellamy Infants/Juniors (Expansion)	-	300	300		
Dagenham Village Rectory Road Library (Expansion)	-	200	200		
Southwood Primary (Expansion)	-	300	300		
Sydney Russell - Schools For The Future	24,000	12,078	12,078		
Provision of New School Places (Basic Needs) Contingency	-	1,637	1,637		
Provision of New School Places (Basic Need Funding - 11/12)	-	10,313	10,313		
	27,343	34,897	35,201	304	

CAPITAL PROGRAMME MONITORING STATEMENT OCTOBER 2011/12

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Skills, Learning & Enterprise					
Dagenham Job Shop	-	11	-	(11)	Scheme moved to Regeneration; underspend from
Advanced Skills Centre	9,000	8,844	8,844	-	(11) scheme.
	9,000	8,855	8,844	(11)	
Total For Children's Services	56,993	69,399	71,024	1,625	
<u>Housing & Environment</u>					
HRA					
Housing Futures	3,363	-	-	-	
Millard Terrace	34	35	35	-	
Lifts replacement	1,810	1,020	1,020	-	
SAMS formerly remote concierge	-	65	65	-	
DH works Framework contracts	-	626	626	-	
Major maintenance renewals	2,500	1,000	1,000	-	
Heating works (Thaxted, Maxey & Humphries Houses)	-	283	283	-	
In House Costs/Contract Preparation	1,000	800	800	-	
CHP Programme	1,000	63	63	-	
Electrical Switchgear Project	520	744	744	-	
Extensions and deconversions	-	20	20	-	
Communal Lighting and Electrical Switchgear	1,500	1,050	1,050	-	
External Enveloping Work	3,000	373	373	-	
Sheltered Alarms Upgrade	-	38	38	-	
Colne & Mersea Blocks	4,269	5,674	5,674	-	
Capitalised Improvement Works	-	224	224	-	
Housing Capitalised Works	-	-	-	-	
Estate Improvement Project	-	800	800	-	
Oldmead & Bartlett Remedial Works	-	100	100	-	

CAPITAL PROGRAMME MONITORING STATEMENT OCTOBER 2011/12

Projects	Original Budget	Revised Budget	Projected Spend	Projected Variance	Explanation for Variance
	£000's	£000's	£000's	£000's	
Door Entry Project 11/12	-	1,575	945	(630)	Reprofile to be submitted; vire funds into 12/13
External Enveloping & Fire Proofing Project	-	2,528	1,517	(1,011)	Reprofile to be submitted; vire funds into 12/13
Defective Overflow Works	-	45	45	-	
Central Heating Installation	-	2,150	2,150	-	
Kitchen & Bathroom Replacement Project	-	2,075	2,075	-	
High Rise Surveys	-	1,000	1,000	-	
Capitalised Improvement Works (Estates)	-	500	500	-	
Estate Improvements	-	350	350	-	
Adaptations - Housing	-	200	200	-	
King William St Qtr	1,816	429	429	-	
Council Housing & Thames	12,621	3,801	3,801	-	
Council Housing - New Builds	463	596	596	-	
New Council Housing Phase 3	-	12,332	12,332	-	
	33,896	40,496	38,855	(1,641)	
Non-HRA Housing					
Private Sector Households	800	1,118	1,118	-	
Private Sector Households (105)	-	687	687	-	
Housing Modernisation Programme	-	57	57	-	
	800	1,862	1,862	-	
Environment & Enforcement					
Highways Maintenance(TFL)	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)	Project completed as specified; overfunding of project to be returned to funder as per agreement.
Road Safety Improvement Schemes (TFL)	-	100	100	-	
SNAPS	-	174	18	(156)	The under spend is being reviewed by Finance.
Becontree Neighbourhood Improvements	-	63	24	(39)	The under spend is being reviewed by Finance.
Environmental Improvements - On Street Waste Receptacles	630	630	630	-	
Christmas Lighting (2011/12)	45	45	45	-	
	2,135	3,061	2,761	(300)	
Total For Customer Services	36,831	45,419	43,478	(1,941)	

CAPITAL PROGRAMME MONITORING STATEMENT OCTOBER 2011/12

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
Resources					
Asset Strategy					
L8 Surveys and Risk Assessment Updates	35	-	-	-	
L8 Control of Legionella Remedial Works	-	277	277	-	
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	2,073	1,902	1,902	-	
New Dagenham Library & One Stop Shop	-	160	160	-	
Energy Efficiency Programme	-	57	70	13	Projected overspend to be addressed by further re-investment of SALIX funds; CPMO re-appraisal to be carried out.
	2,730	3,313	3,326	13	
Regeneration					
Creekmouth	-	(15)	-	-	Overspend in 10/11 to be addressed by reprofile from 15 another project.
Dagenham Heathway	-	83	83	-	
Legi Business Centres	3,647	3,915	4,440	525	Additional external funding provided; reprofile form 525 submitted.
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	133	117	(16)	Reprofile to be submitted.
BTC Public Realm - Tsq & Abbey	103	134	134	-	
Area Based Schemes (Shopping Parades)	-	183	183	-	
Robin Hood Shopping Parade Enhancement (TFL & S106)	-	324	324	-	
Barking Station Forecourt Interim Public Realm Improvements	-	-	-	-	
East End Thames View Demolition	57	54	54	-	
Axe Street Housing	263	28	28	-	
Demolition of Kingsbridge Site	-	25	25	-	
Rainham Road Corridor (TFL)	-	96	96	-	
Green Lane Corridor (TFL)	-	119	119	-	

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

Projects	Original Budget £000's	Revised Budget £000's	Projected Spend £000's	Projected Variance £000's	Explanation for Variance
London Road/North Street Site Acquisitions	1,100	1,003	1,003	-	
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Gascoigne)	6,382	393	444	51	Budget to be increased, reprofiled from another project.
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Leys)	-	225	161	(64)	Budget to be decreased and reprofiled to another project.
Boroughwide Estate Renewal - Decants and Leaseholder Buybacks(Goresbrook Village)	-	762	529	(233)	Budget to be decreased and reprofiled to another project.
Boroughwide Estate Renewal - Leaseholders	-	4,766	4,766	-	
Boroughwide Estate Renewal - Resources & Master planning	-	170	170	-	
Boroughwide Estate Renewal - Demolition	-	100	100	-	
Barking Station Forecourt - Phase 1 Implementation (TFL & S106)	800	1,028	1,028	-	
Mayesbrook Park Access Improvements (TFL)	-	366	366	-	
Merry Fiddlers Junction Improvements (TFL)	-	144	144	-	
Cycling on Greenways and Local Cycle Links (TFL)	-	144	144	-	
Station Access Improvements (TFL)	-	48	48	-	
Future Scheme Development - various locations (TFL)	-	29	25	(4)	Tenders have come in under budget.
Car Club Expansion (TFL)	-	14	14	-	
Biking Borough Initiative (TFL)	-	123	128	5	Overspend to be addressed by robust project management.
Minor Works - Various Locations - Local Transport Fund (TFL)	-	67	67	-	
Improvements to the rear of the Mall, Dagenham Heathway	-	40	40	-	
	12,952	15,142	15,421	279	
Microsoft Enterprise Agreement	36	126	126	-	
Modernisation and Improvement Capital Fund	1,150	3,458	3,458	-	
Service Management Tool	-	75	75	-	
Information & Workplace Strategy	-	207	207	-	
E-Services - On-line Portals	-	654	654	-	
	1,186	4,520	4,520	-	
Total For Resources	16,868	22,975	23,267	292	
GRAND TOTAL	121,655	152,142	152,118	(24)	

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REQUESTED CAPITAL BUDGET ADJUSTMENTS

Detail	Budget 2011/12 £000's	Budget 2012/13 £000's	Total Budget £000's	External Funding £000's	Departmental Borrowing £000's	Corporate Borrowing £000's	Total Funding £000's
<u>Children's Services - Current Programme</u>							
St Georges - New Primary School	3,055	-	3,055	3,055	-	-	3,055
Westbury - New Primary School	2,584	-	2,584	2,584	-	-	2,584
Sub Total	5,639	-	5,639	5,639	-	-	5,639
<u>Children's Services - Proposed Programme</u>							
St Georges - New Primary School	3,205	-	3,205	3,205	-	-	3,205
Westbury - New Primary School	2,624	-	2,624	2,624	-	-	2,624
Sub Total	5,829	-	5,829	5,829	-	-	5,829
<u>Resources - Current Programme</u>							
Implement Corporate Accommodation Strategy	1,902	435	2,337	-	472	1,865	2,337
Legi Business Centres	3,915	420	4,335	4,335	-	-	4,335
Sub Total	5,817	855	6,672	4,335	472	1,865	6,672
<u>Resources - Proposed Programme</u>							
Implement Corporate Accommodation Strategy	1,902	435	2,337	-	-	2,337	2,337
Legi Business Centres	4,432	420	4,852	4,852	-	-	4,852
Sub Total	6,334	855	7,189	4,852	-	2,337	7,189
Current Total - Schemes with requested change	11,456	855	12,311	9,974	472	1,865	12,311
Proposed Total - Schemes with requested change	12,163	855	13,018	10,681	-	2,337	13,018
Total of proposed changes	707	-	707	707	(472)	472	707

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CABINET

14 DECEMBER 2011

Title: Budget Strategy 2012/13 to 2014/15	
REPORT OF THE CABINET MEMBER FOR FINANCE AND EDUCATION	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 8874 8427 E-mail: jonathan.bunt@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Tracie Evans, Director of Finance and Resources	
<p>Summary:</p> <p>This report focuses on:</p> <ul style="list-style-type: none"> • A summary of the national funding position and the indicative shadow settlement; • The Medium Term Financial Strategy and a three year summary level financial model for the Council; • The proposed savings for 2012/13 through to 2014/15 totalling £30.517m; • The current budget gap for 2013/14 of £4.233m although this may change significantly when the Government announces the settlement for the next two years of the spending review period; • The outcomes of the budget consultation process with recommendations being made for reconsideration of savings and the commensurate impacts; • The current headroom (savings in surplus of balanced budgets); • The Equalities Impact Assessments of the Budget Savings proposals. <p>This report acts as a pre-cursor to the main Budget Framework report to be presented to Cabinet and Assembly in February 2012.</p> <p>Members are requested to note that at the time of writing this report, the final funding settlements are yet to be confirmed by the relevant Government departments. Figures stated within this report may therefore change.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <p>(i) Note the current projected financial position for the Council for 2012/13 and beyond as set out in this report;</p> <p>(ii) Consider the responses to the budget consultation process via:</p>	

- a). the Select Committees - see paragraph 5.5 and Appendix F
 - b). public consultation through Leader's Question Time, the Council's website, Facebook and Twitter and the Local Strategic Partnership Board - see paragraphs 5.6 - 5.10,
- (iii) Consider trades union and staff responses to the Council's savings proposals - see paragraph 5.11 and Appendix A;
 - (iv) In the light of the above and having regard to the Equalities Impact Assessments contained in Appendix E, consider and approve the savings proposals as listed in Appendix B to the report for implementation with effect from 1 April 2012;
 - (v) Note that the following savings options have been withdrawn as a result of representations made via the budget consultation exercise:
 - FIN&RES/SAV/03 - Credit Card charges
 - FIN&RES/SAV/17 - Removal of Free School Uniform awards
 - CUS/SAV/01 - Strategic Commissioning of domestic and refuse services
 - CHS/SAV/15 - Social Work restructure
 - (vi) Note that the following savings option has been deferred pending further consideration:
 - CUS/SAV/02 - Localities Management
 - (vii) Note that the following savings options have been amended following further consideration in the light of the representations made via the budget consultation exercise:
 - ACS/SAV/20 - Community Safety Co-ordinators
 - FIN&RES/SAV/01 - Transfer of Assets and Commercial Services Division to Elevate
 - FIN&RES/SAV/06 - One Stop Shop Opening Hours
 - CUS/SAV/11 - Naturalisation of grassland areas
 - (viii) Authorise the Corporate Director Adult and Community Services, in consultation with the Cabinet Member for Culture, Leisure and Sport, to take appropriate measures to implement the savings target identified in ACS/SAV/11 – Termination of subsidy to Broadway Theatre
 - (ix) Note that officers will issue notice, with effect from 22 December 2011, to affected staff who are at risk of redundancy as a result of the savings proposals in Appendix B.

Reason(s)

The setting of a robust and balanced budget for 2012/13 will enable the Council to provide and deliver required services within its overall business and financial planning framework, and to meet its policy priority of 'A Well Run Organisation'.

1. Introduction and Background

- 1.1 In October 2010, the Government announced significant funding reductions to local government funding over the four-years of the Comprehensive Spending Review period (CSR).

- 1.2 Nationally, the overall funding for all local authorities was reduced by 32.3% over the 4 year CSR period, and local authority savings were front-loaded by the Government in years one and two.
- 1.3 In preparation of the CSR 2010, the Council made emergency in-year savings of £7.846m during 2010/11 (on top of savings already approved for that year) and £20.3m savings in 2011/12.
- 1.4 The purpose of this report is to set out the high level revenue budgets proposed for 2012/13 and the savings required for 2012/13 to 2014/15, within the context of the current CSR period.
- 1.5 This report focuses on the Council's General Fund which is one of the main accounts that the Council manages. The General Fund is used to provide services, some of which are defined in statute and some of which have been developed to meet community needs. Examples of services funded by the General Fund include children's services, services to vulnerable adults, library services, leisure services, environmental services and many others. In addition to money spent from the General Fund, the Council is responsible for other accounts which are ring-fenced for specific purposes like the Housing Revenue Account (HRA) and the Capital Fund, which means that the money held within these accounts can only be spent on the specific area that the fund is set up for. Despite the ring-fenced nature of these accounts, there is an interrelationship between these accounts and the General Fund. The General Fund pays for all of the Council's strategic and support services, and each of the Council's other accounts will receive the benefits of these services and, as a result, are recharged the cost of these services. This recharging is an accounting principle and all private and public organisations will operate a level of recharging across their accounts. Shown below is a short explanation about each of the Council's funds and what they are used for:
- **Dedicated Schools Grant (DSG)** – The Council receives an allocation from the Department for Education (DfE) based on the number of pupils educated in schools and nurseries across the borough. The funding received must be allocated directly to schools (this is known as pass-porting). The Council retains an element of the total DSG allocation (about 9%) to fund services on behalf of the Schools Forum such as support for children with special educational needs, catering services, pupils out of school and the admissions service.
 - **Housing Revenue Account (HRA)** – This account is dedicated to the provision of Council housing alone. The income for this account is mainly from rents payable by tenants and expenditure is on maintenance of housing units and the management of Council housing. There is a sizeable capital account attached to the HRA.
 - **Pension Fund** – The Pension Fund is operated as a funded, defined benefit scheme which provides for the payment of benefits to former employees of the London Borough of Barking and Dagenham and those bodies admitted to the Fund, referred to as "members". The benefits include not only retirement pensions, but also widow's pensions, death grants and lump sum payments in certain circumstances. The Fund is financed by contributions from members, employers and from interest and dividends on the fund's investments. This fund

is also managed as a completely separate account and does not interact with the Councils other accounts.

- **Capital Fund** – This is defined as expenditure on the acquisition or enhancement of assets that are considered to be of benefit to the Authority over a period of more than one year, e.g. buildings and land. Other examples include payments of grants and financial assistance to third parties and expenditure that is classified as capital following a Ministerial direction e.g. capitalised redundancy costs.

2. National Context and forthcoming pressures

2.1 The Comprehensive Spending Review 2011/12 to 2014/15, announced in October 2010, covered a period of 4 years. However, the Local Government Funding Settlement was only announced for the first two years of the Spending Review period – 2011/12 and 2012/13.

2.2 The main changes announced in the CSR were:

- Reduction in the number of ring-fenced grants, and their deletion or merger into the Formula Grant
- Cessation of the Area Based Grant (ABG)
- Creation of the Early Intervention Grant and Learning Disability Grant
- Creation of a NHS Social Care grant
- Council Tax freeze grant – a grant equivalent to a 2.5% increase in Council Tax for those who freeze Council Tax
- Reductions in the proportion of grant allocated on a per capita basis and increases in the proportion allocated on a needs basis

2.3 At this stage, there is no indication of what the funding levels will be for the remaining two years of Spending Review period – 2013/14 and 2014/15. The estimated funding reductions in the Medium Term Financial Strategy assume that the funding reductions will broadly be around 28% for a four-year period and that these were front loaded into the first two years. Whilst we have not had any indications, the Government is struggling to deal with the continuing debt crisis in the UK and growth is not as forecasted. Given the economic outlook, it is unlikely that the Government will be able to improve settlements and it is highly likely that more cuts to the public sector will be required to bring UK debt payments back into line. No confirmation has yet been received on whether the NHS grant will be continued beyond 2012/13.

2.4 The table below illustrates the level of funding reductions announced for the first two years of the CSR, and the estimated levels of funding reductions for the remaining two years to 2014/15 given the information to hand:

Grant	2011/12 £'m	2012/13 £'m Subject to Confirmation	2013/14 £'m Estimated	2014/15 £'m Estimated
Formula Grant	105.4	99	93	88
Specific Grants	20.1	18.7	18	17
CT Freeze Grant	1.3	1.3	1.3	1.3
NHS Grant	2.4	2.3	0	0
TOTAL	129.2	121.3	112.3	106.3
Change £'m	(12.2)	(7.9)	(9)	(6)
Change % from prior year	(8.6%)	(6.1%)	(7.4%)	(5.3%)

Table 1 – Grant change from 2011/12 to 2014/15

2.5 Since October 2010, a number of policy proposals have been announced (summarised below) which are likely to create additional pressures for local authorities. Although the financial impact cannot be fully quantified at this stage, it is important that we are able to understand the impacts of any forecasts so that risks can be mitigated as much as possible through medium term financial planning. In the paragraphs below we have highlighted each of the areas of Government policy change and their potential impacts on the Council's financial position.

2.6 **Public Sector Pay**

In the Autumn budget statement on 29 November, the Chancellor announced a 1% cap on public sector pay for two years at the end of the current pay freeze period. If implemented by local government employers, the first year of effect for this will be 2013/14 and would result in a pressure of approximately £1m for the Council's General Fund based on the current pay bill.

2.7 **Local Government Resource Review**

Currently, National Non Domestic Rates (NNDR - these are business rates paid by businesses in the borough) are collected locally by the Council and then pooled into a national pot. The national pot is then re-distributed back to councils on the basis of need. This means that some councils receive back less than they collect and some councils receive more than they collect. As part of the Government-led Resource Review, the Government is proposing that councils continue to collect all the business rates locally and keep these. For those councils who do not collect enough business rates, they should receive a top-up grant and for those councils who collect too much, they will need to pay a tariff. Barking and Dagenham Council is a net recipient of NNDR (ie. does not collect enough to cover the need) and currently receives a top up allocation from the central NNDR pool.

There are significant risks associated with the Resource Review proposals. If the proposals are implemented, Councils would bear any losses arising from reduced levels of collection as well as a reduction in the overall level of rates collectable should the number of businesses in the borough go down. Conversely, the proposals also present a potential opportunity if councils are able to regenerate the

local economy and encourage businesses to set up or grow in the borough through differential business rate setting (which the Resource Review is considering allowing). The more businesses we can encourage to set up in the borough, the greater the income we can generate through business rates. The Council has responded to the Government consultation and is awaiting a response.

2.8 Council Tax Benefits Localisation

The changes proposed through this Government review will have significant financial implications for the Council and its residents. Nationally, the Government is aiming to achieve 10% savings through Council Tax Benefits Localisation. A 10% reduction in Council Tax Benefits for the Council equates to around £2m. In addition to the 10% savings, the funding changes proposed do not take into account increases in caseloads/demand for Council Tax Benefit, or increases in overall Council Tax Benefit year on year. A 3% increase on caseload could result in funding pressures for the Council of around £650k.

2.9 Council Tax Freeze Grant

The Government has awarded councils who do not increase their Council Tax a Council Tax Freeze Grant equivalent to a 2.5% increase on the Council Tax. For this Council, 2.5% of Council Tax equates to £1.3m. For 2012/13, the Government has set aside £805m, as a one-off cash amount to fund the Council Tax freeze. It should be noted that this is a one-off cash payment which artificially increases the amount the Council has to spend each year as the grant is not available next year and is not built into the base grant allocation. Some councils have declined the grant offer in favour of increasing Council Tax to ensure their base funding increases year on year.

2.10 Academy Top Slicing

The Government's Academy agenda encourages schools to work independently and autonomously from local authorities. As such, Academies are required to carry out certain central functions directly that were previously carried out by the Council. In recognition of additional costs that Academies will incur, the DfE allocates an amount per pupil to schools on conversion to Academy status to meet these pressures. The additional funds are paid to the school each year. The DfE funds this by recouping an amount from the Council's Dedicated Schools Grant (DSG) - this is known as "top-slicing". Even though there are no Academies in Barking and Dagenham, a top slice of £563k was applied to our formula grant by the DfE in respect of 2011/12. The DfE announced in the Academies Consultation paper issued in summer 2011 that the current levels of top slicing applied in the past had been underestimated. Nationally, the DfE has acknowledged that funding levels for Academies are "unsustainable" in the long term. The current top slice for Barking and Dagenham is £563k for 2011/12, based on a national top slice estimated at £265m. The revised figures that have been published reveal that the top slice requirement is now in the region of £580m to £680m for 2011/12. At present, the Academy top slice for 2012/13 is still being worked through by the DfE and may pose a further risk to the funding position. The Council has responded to the Government consultation and is awaiting a response.

2.11 **Localism Act 2011**

The Government's Localism Act is focussed on localism and devolution and claims that it is designed to ensure that decisions about services in local areas are made at the lowest possible democratic level, closest to the people who will be affected by the decision. Some of the elements of the Act may present particular challenges for implementation in London and have a potential impact on finances, such as:

- Neighbourhood Planning
- Housing Finance
- Housing and Regeneration Functions of the GLA
- Mayoral Development Corporations
- GLA Governance.

2.12 **Public Health**

The Government's consultation on the Public Health White Paper was published in July 2011. It details five main changes that are being introduced relating to public health (PH):

- Local authorities will lead on PH, to shape services for local needs (health and wellbeing boards will be key to this)
- Public Health England (PHE) will support integrated public health from April 2013
- An integrated PH outcomes framework is being developed, focused on health outcomes
- PH will be made a clear priority across Government (a cross-Government committee is being formed)
- A commitment to reduce health inequalities as a priority across the system.

Nationally, PHE will bring together 18 different bodies (including the Health Protection Agency, the National Treatment Agency, the public health observatories, cancer registries, some Department of Health and Strategic Health Authority functions) and will be twice as big as the Department of Health. It will be an executive agency, more independent from the Department of Health than originally proposed.

There is still a significant amount of uncertainty around the practicalities of implementing the policy and how the changes will happen in practice.

The thinking at the moment is that local authorities will have a "shadow budget" for PH in 2012/13 (and there are discussions with Health about the methodology used to apportion) with a view to having full budget and control handover from April 2013 onwards. It is expected that the allocation will be based on historic expenditure, taking into account of a 3% top slice to the Mayor of London to fund the pan-London health improvement plan, with a formal announcement expected in the New Year.

2.13 **Dedicated Schools Grant (National Funding Reforms)**

The current method of schools' funding is based on a historic "spend plus" methodology. The original grant allocation was set when the Dedicated Schools Grant was introduced and subsequently uplifted for inflation/other adjustments annually. There are many disparities in the current system and in recognition of this the DfE published a consultation paper in the summer proposing changes to the current system. The consultation proposes to introduce the National Funding formula from 2013/14 onwards, with a shadow budget released for April 2012/13.

The proposal is to introduce a four block model, recognising that there are different funding levels required for each of the blocks, as opposed to a specific allocation per pupil. The four blocks are:

- Schools
- Early Years
- Special Education
- Central Services

The main risk is around the control of the Central Services budgets and what the revised allocation will be for these services when the National Funding system is introduced. These risks do not impact directly on the General Fund and should be contained within the Dedicated Schools Grant. There is a risk that some services currently offered will not be included in the calculation of the specific allocation per pupil, and this could lead to a reduction in education services. Boroughs with rapid growth are likely to continue to be disadvantaged as payment levels are defined based on population in January each year, with growth needing to be contained within that allocation, with only limited scope for additional income, this presents an additional pressure for our schools. The Council has responded to the Government consultation and is awaiting a response.

2.14 Housing Revenue Account – Self-Financing Reforms

The Department for Communities and Local Government (DCLG) is proposing to abolish the HRA subsidy system as it is complicated and no longer serves the purposes for which it was intended. Under the Localism Act, local authorities will take control of the housing expenditure and income enabling effective long term planning of the housing stock. As a result, authorities are expected to take on a share of the £28bn debt as part of the self-financing requirement. The indicative debt settlement figure for Barking and Dagenham is £265m. In exchange for paying on-going annual subsidy payments, the authority will be responsible for meeting the annual interest charges of the £265m debt.

2.15 Greater London Authority / Powers of Influence

The Greater London Authority (GLA) was formally established on 3 July 2000 to improve the coordination between the 32 local authorities in London, and have a single individual to represent the City of London in the form of The Mayor of London. The Mayor is supported by an Assembly that is in place to hold the Mayor to account by scrutiny of his/her actions and decisions. The Assembly also accepts, rejects or amends the Mayor's proposed budgets and policy proposals on an annual basis.

The GLA is accountable for the strategic administration of Greater London. It has three main areas of responsibility:

- Economic development and Wealth Creation
- Social Development
- Environmental Improvement

These three areas cover Transport, Policing, Fire and Rescue, Sustainable Development, Strategic Planning, Equality of Opportunity, Health and Health Inequalities, Climate change and Community Safety.

The GLA itself does not provide any services directly; however, the executive has power over four functional bodies that are guided by the policy of the GLA:

- Transport for London (TFL) – Responsible for most of London’s transport system
- The Metropolitan Police Authority (MPA) – Responsible for the Metropolitan Police Service. In the future, although policing will remain a function of the Mayor of London, it will no longer be a GLA function once the role of Police and Crime Commissioner is introduced
- The London Fire and Emergency Planning Authority (LFEPA) – London Fire Brigade and emergency planning
- London Development Agency (LDA) – Responsible for developments across London

2.16 The financial implications of any policy changes need to be factored into the Medium Term Financial Strategy. All implications will at this stage only be indicative and will change as we receive further information.

3. Local Context/Strategy

3.1 The budget strategy and the savings process undertaken have been in line with the core philosophy of protecting front line services, protecting vulnerable people and providing effective support functions. The Medium Term Financial Strategy underpins the Council’s three objectives of:

1. Raising average income in the borough
2. School and post-16 education
3. Housing and Estate Renewal

3.2 Demographic Pressures

The Council is responsible for providing services to those living and working in the borough. Barking and Dagenham is experiencing huge demographic changes, with a change in the number of people living in the borough and a change in the age and ethnicity of the population. The latest survey results show that Barking and Dagenham’s population is growing faster than any other borough in London. We have larger increases in the number of births and our older people are living longer, many of whom have increasingly complex health needs. Barking and Dagenham is a destination of growing attractiveness – and while we should celebrate the fact that our borough is somewhere that people increasingly choose to live, this does result in real and growing pressure on the services we can and do provide.

3.3 2012 Pay Award

The national employers’ side have recently received a pay claim for a “substantial increase” in 2012 to compensate for the impact on their members’ income levels of the decisions not to make a pay award in the last two years and the current level of inflation. The employers’ side is currently in dialogue with local authorities about the stance that they wish to take in responding to that claim. Whilst the affordability of any award is an issue for most authorities (and this Council is not building any provision for pay increases into base budgets), some do believe that some award should be made to the lowest paid in the sector despite the difficulties that might cause. The position to be adopted by the national employers will be known early in the New Year, but the outcome of negotiations may not become clear for some months after that. It is normal practice for this Council to comply with a National Agreement.

3.4 **Changes to Redundancy Scheme**

Many of the savings proposals do impact upon staff and there will be a significant number of posts lost should the proposals be accepted. Cabinet has taken the decision to exercise its discretion to amend the current redundancy scheme, and the maximum number of weeks' pay an individual might get through redundancy has reduced from 66 weeks to 45 weeks. Most individuals will get an amount that is proportionally less than that, based on their age and length of service. This decision has been taken to reduce the future costs of redundancies. The proposal to reduce the multiplier still further in April 2012 and pay a maximum of 30 weeks has been put on hold pending further discussions with the Trade Unions.

3.5 **Olympics**

Barking and Dagenham is one of the six Host Boroughs, meaning that it has an increased input into the working of the Games by virtue of the fact that Stratford is in the next borough. The pressure on services will begin to be very obvious as we get nearer to Games time and the capacity of our staff will need to be managed to ensure that we are able to continue services through the games time period. However there are significant promotional opportunities in terms of profile and regeneration, and the six Host Boroughs are working together to lobby, for example, the London Mayor and Transport for London for a range of economic initiatives. The Olympic Torch will be carried through this borough. The Olympics Committee expects Councils to pay for some of the costs towards the smooth running (e.g. increased refuse collections, increased security etc).

4. **Budget Gap for 2012/13**

4.1 Members at Assembly in February 2011 agreed to savings for 2012/13 totalling £10.187m, which left a remaining budget gap of £6.363m.

4.2 Since February 2011, a number of service pressures have been identified as well as areas requiring essential investment to ensure that the budget is robust in 2012/13 and future years.

4.3 In order to reduce the impact of the budget gap on front line service departments, several adjustments have been made to central budgets.

4.4 The service pressures and central adjustments have been summarised in Table 2 below, and further information has been provided in respect of each of these adjustments.

4.5 **Service Pressures:**

Realignment of HRA Recharges: As outlined at paragraph 2.14 above, from 1 April 2012, the DCLG will be abolishing the Housing Revenue Accounting Subsidy System. Under the new proposals, the Council will be expected to pay a one off debt charge of £250m in exchange for not paying an annual subsidy. Going forward, the DCLG expects all Housing Revenue Accounts to be self financing, with the ability to finance the debt charges and cost of interest. In order to ensure that the HRA is financially viable as a standalone business, a thorough review of all income and expenditure has been undertaken. This review has identified **£2.5m** of recharges to the HRA that should be re-aligned to General Fund budgets.

Children's Social Care Placements Budget: Children's Services has been experiencing a number of pressures on its Social Care Placements budget. The borough's 0-19 year old population is nearly 7% higher (at 30.1%) than the London population figure, which has resulted in a significant increase in demand on the services. The pressure of £2.5m has been significantly managed downwards by the department, by a number of service reductions and efficiencies across each of the Divisions including Commissioning, Targeted Support and Education. These service reductions have identified savings of £1m towards the overall pressure, leaving a Corporate Pressure of **£1.5m**.

Review of Leisure Services in Barking: As a result of this review, additional funds are required to finance the capital costs of borrowing required to replace current provision with a new leisure centre in Axe Street. It is estimated that the costs will be **£100k** in the first year, increasing to **£200k** in 2013/14.

Revenues and Benefits Recharge Alignment: A programme of reviewing recharges across the organisation has identified a recharge error in the Revenues and Benefits account which has created a **£1.4m** accounting gap in the Revenues and Benefits accounts. This gap needs to be funded in order to bring the Revenues and Benefits accounts back into balance.

Concessionary Fares: There has been a 6% estimated increase in the cost of Concessionary Fares since 2011/12. This is a service which is managed by London Councils on behalf of the Mayor and the increase is not one that is managed locally. This 6% cost increase has resulted in a pressure of **£350k** that has been incorporated into the service pressures above.

Review of Corporate Procurement: Following a thorough review of the Corporate Procurement savings agreed in February 2011, this has resulted in a reduction in the overall target. This will decrease the target by £2m for 2012/13 and a further £3m for 2013/14. Despite these reductions, the Council is still budgeting to achieve significant procurement base budget savings of £5m for 2012/13.

4.6 **Adjustments to Central Budgets:**

In order to mitigate the service pressures outline above, the Corporate Director of Finance and Resources has been reviewing corporate budgets and balances to identify any scope for releasing funds. The focus of this exercise has been on 2012/13 rather than later years.

Revenues and Benefits allocation from Budget Risk Contingency: The Revenues and Benefits pressure exists within the current financial year of £1.4m and, subject to Cabinet approval, could be met from the central contingency available in 2011/12. This would alleviate the pressure in 2012/13.

Reduce Corporate Redundancy Budget: The corporate redundancies budget is currently £4m and could be reduced by £1m in anticipation of fewer departures and costs in later years.

Adjust budget for borrowing: The borrowing provision for the build of Becontree Heath Leisure Centre is lower than initially anticipated due to more favourable rates, this releases £200k.

Releasing cash from the Insurance Reserve: In closing the 2010/11 accounts, an earmarked reserve of £1m was created for future insurance costs over and above those already accounted for. This could be released as a contribution from reserves to ease the position in 2012/13 but, as it is cash not a budget, would create an equal pressure in setting the budget the following year.

New Homes Bonus: The New Homes Bonus is awarded to local authorities who develop new homes and bring empty properties back into use. It is not a specific or ring-fenced grant so can be used to support our overall net budget requirement. The amount estimated for 2012/13 is £500k and this has been taken into account to mitigate against some of the service pressures outlined above.

Council Tax Freeze Grant: The Council Tax Freeze Grant is equivalent to a 2.5% increase on the Authority's Band D Council Tax figure. It is only awarded to authorities that do not increase their Council Tax charges. For 2012/13, the indicative allocation has been announced at £1.3m; however, Members are requested to note that this is a one off cash amount.

Table 2 - Changes to the MTFS since February 2011 Assembly

Medium Term Financial Strategy Pressures and Adjustments	2012/13 £'000	2013/14 £'000
Approved MTFS Budget Gap (February 2011 Assembly)	6,363	315
Pressures identified since Assembly		
Realignment of HRA recharges	2,500	
Children's Placements budget	1,500	
Review of Leisure Services in Barking	100	200
Revenues and Benefits	1,400	
Review of Corporate Procurement	2,000	3,000
Proposed Total Increases to MTFS Budget Gap	7,500	3,200
Technical Accounting Movements	(3,600)	1,000
Net Pressures identified	3,900	4,200
Adjustments		
Additional Council Tax Freeze Grant	(1,315)	
Concessionary Fares	350	
Additional New Homes Bonus Grant	(500)	(500)
Net Adjusted MTFS Gap (as at October 2011)	8,798	4,015

- 4.7 As a result of the service pressures and central budget adjustments, additional savings of £8.798m had to be identified for the 2012/13 budget, over and above the £10.187m already agreed at February 2011 Assembly. Therefore, the total saving requirement for 2012/13 is £18.985m. For 2013/14, there was an original budget gap of £11.315k, and savings of £11m were identified and agreed at the February Assembly. The above pressures increase the gap for 2013/14 by a further £3.7m; this means the overall saving requirement totals £15.015m for 2013/14.

5. Budget Setting Challenge and Consultation process

5.1 The Council has conducted a public consultation exercise following publication of its savings proposals on 25 October 2011. The public and stakeholders were given opportunities to respond to the consultation through:

- Select Committee meetings
- Two Leader's Question Time events
- A comments facility on the website
- Facebook and Twitter

The consultation also received prominent coverage in the News and the Barking and Dagenham Post.

5.2 More targeted consultation opportunities were also held for particular groups of stakeholders:

- Shadow Health and Wellbeing Board
- Learning Disabilities Partnership Board
- Local Strategic Partnership Board
- Bowls clubs

5.3 On 10 November, a further list of savings proposals was published. These proposals were developed in response to early feedback from Select Committees which suggested that not all proposals would be accepted, and therefore alternative options should be proposed. These proposals were publicised with a press release, highlighted on the website's homepage, featured on Facebook and Twitter, and considered by the Public Accounts and Audit Select Committee on 28 November, which all Select Committee Members were invited to attend.

5.4 The Select Committees considered the savings proposals at the following meetings:

- Public Accounts and Audit Select Committee on 2 November 2011
- Safer and Stronger Community Select Committee on 9 November 2011
- Health and Adult Services Select Committee on 10 November 2011
- Living and Working Select Committee on 15 November 2011
- Children's Services Select Committee on 22 November 2011
- Public Accounts and Audit Select Committee (joint meeting of all Select Committees) on 28 November 2011

5.5 Select Committees

The specific comments of the Select Committees and the proposed outcomes are set out in Appendix F to this report.

5.6 Public and stakeholder consultation responses

The savings proposals which garnered the greatest response from the public consultation process were as follows:

- Deletion of Community Safety Co-ordinators
- Proposals for the remodelling of services for people with learning disabilities, with concern that there would be cuts over and above these changes
- Deletion of subsidy to Broadway Theatre (including letters from local children, comments on Twitter and by the MP for Barking)
- Reduction in service and opening hours at One Stop Shops and Contact Centre
- Charging for the Internet in libraries

- Proposal to close Markyate library (petition and letters from schoolchildren received)
- Proposals to increase income generated through parks, in terms of the potential impact on people with low incomes
- Proposals to close Goresbrook Leisure Centre
- Reductions in funding to voluntary organisations

- 5.7 At the Safer and Stronger Community Select Committee, Members accepted the principle of the savings proposal to terminate grant funding to the Broadway Theatre (ACS/SAV/11) but recommended that Cabinet consider options for retaining performances and other arts activities at the venue.
- 5.8 The Shadow Health & Wellbeing Board met on 8 November 2011 to consider both the Council's budget proposals and the intentions within the Commissioning Strategy Plan of NHS Outer North East London. By considering both together, the Board was seeking to fulfil its mandate of ensuring a coherent, integrated health and social care system. In considering the Shadow Board's feedback, it is important to recognise that it is still very much in its infancy, and the way that it has been fitted into the processes of both the Council and NHS ONEL in this first year mean that the Board had a relatively short time to consider the plans for 2012/13.
- 5.9 Having very much recognised that it is early days for the joined-up commissioning and planning anticipated under the new system, the Board noted that reference back to the Joint Strategic Needs Assessment in only some of the proposals, and noted that there was no consistent overall reference to the priorities that the JSNA set for the borough. The Board questioned proposals such as the early closure of Goresbrook Leisure Centre, where it was felt that the impact on achievement of the borough's targets for physical activity had been only briefly assessed, albeit that the longer term (with the replacement for Abbey Sports Centre) looked positive. The Board looked forward to improved join up across plans for the Council and the Clinical Commissioning Group in next year's process, with some real movement on integrated care pathways and service design, which builds on the steadily improving relationships and structures for health and social care that are emerging.
- 5.10 A detailed table of public comments received, and responses which will be sent to respondents, have been circulated to all Members under separate cover. These will also be made available for reference at the Cabinet meeting and a copy will be published on the Council's website.
- 5.11 Staff and trade union responses
Comments received from staff and trade unions are set out in Appendix A. By the time of the deadline for publication of this report, only two responses had been received from trade unions. Any further responses received by the date of the Cabinet meeting will be tabled at the meeting.
- 5.12 Petitions
Petitions have been received in relation to savings proposals for the Broadway Theatre and the closure of Markyate Library. The petition in respect of the Broadway Theatre will be considered by Assembly on 7 December 2011. The proposed approach to the Broadway Theatre is set out in paragraph 5.16 below. The petition in respect of Markyate Library will be considered by the Assembly on

22 February 2012. It is considered at this stage that it will be possible to implement the Libraries Review as well as addressing the concerns of the petitioners.

- 5.13 The savings proposals set out in Appendix B have been prepared in light of the budget consultation process for Member consideration.
- 5.14 Table 3 lists savings withdrawn, deferred or amended as a result of the budget challenge and consultation process. This shows that £124k of savings proposals have been withdrawn for 2012/13 and a further £1,245k for 2013/14.
- 5.15 The specific saving proposals that have been withdrawn during the consultation process are listed below.
- Select Committees:*
- PAASC: FIN&RES/SAV/03 - Credit Card charges
 - CSSC: FIN&RES/SAV/17 - Removal of Free School Uniform Awards
 - CSSC: CHS/SAV/15 - Social Work Restructure
 - LAWSC: CUS/SAV/01 - Strategic Commissioning of Domestic & Commercial Refuse services

In addition to the above, these adjustments have also been made:

- Deferred - LAWSC: CUS/SAV/02 - Restructuring arising from the move to localities management
- Amended – Leaders QT: ACS/SAV/20 - Deletion of Community Safety Co-ordinators. Amended proposal will retain the Community Safety Co-ordinators, refocusing the way they work in neighbourhoods, and revise the charging of some of the service to the HRA.
- Amended – PAASC: FIN&RES/SAV/01 - Transfer of Assets and Commercial Services Division to Elevate. Revised proposal transferring fewer service areas and staff
- Amended – PAASC & LAWSC: FIN&RES/SAV/06 - Reduction in One Stop Shop & Contact Centre opening hours. Revised proposal will reduce service levels, but will not reduce opening hours or days of the One Stop Shops or the range of services provided.
- Amended - SSCSC: CUS/SAV/11 - The creation of naturalised areas of grassland and woodland: Grassland element removed is £40k, woodland is £33k. Saving amended to incorporate woodlands only.

Table 3 – Savings withdrawn following select committees, the savings proposed for withdrawal, the deferred saving and the amended saving.

	2012/13 £'000	2013/14 £'000	2014/15 £'000	3 Year £'000
Savings Agreed at February 2011 Assembly	10,187	11,000	0	21,187
Additional Savings identified 2011/12	9,883	1,127	739	11,749
Total Savings (including Feb 2011 Assembly Agreed)	20,070	12,127	739	32,936
Saving proposals for withdrawal				
PAASC: FIN&RES/SAV/03 - Credit Card charges	60	0	0	60
CSSC: FIN&RES/SAV/17 - Removal of Free School Uniform Awards	64	0	0	64
CSSC: CHS/SAV/15 - Social Work Restructure	0	150	50	200
Leaders QT: CUS/SAV/01 - Strategic Commissioning of domestic & commercial Refuse services	0	1,095	0	1,095
TOTAL SAVING WITHDRAWN	124	1,245	50	1,419
Saving proposal to be deferred				
LAWSC: CUS/SAV/02 - Restructuring arising from the move to localities management	200	100	0	300
TOTAL SAVINGS DEFERRED	200	100	0	300
Saving proposals amended following consultation				
PAASC: FIN&RES/SAV/01 - Transfer of Assets and Commercial Services Division to Elevate	182	0	0	182
PAASC & LAWSC: FIN&RES/SAV/06 - Reduction in One Stop Shop & Contact Centre opening hours	340	58	0	340
Leaders QT: ACS/SAV/20 - Deletion of Community Safety Co-ordinators	138	0	0	138
SSCSC: CUS/SAV/11 - The creation of naturalised areas of grassland and woodland*	40	0	0	40
TOTAL SAVINGS AMENDED	700	58	0	758
TOTAL SAVINGS AS AT DECEMBER 2011	19,046	10,724	689	30,459

5.16 Cabinet will wish to note the following:

- **Libraries Review:** officers have been asked to bring forward further savings options relating to libraries. Following discussion with the Portfolio Holder, additional proposals to those set out in ACS/SAV/22 will be brought forward in relation to libraries, for consideration by Safer and Stronger Select Committee on 18 January and by Cabinet on 14 February 2012.
- **Transfer of Assets & Commercial Services to Elevate:** since the presentation of the original proposal, revisions have been made so a reduced number of areas and staff are included in the transfer. This reduces the savings option by £182k.
- **Community Safety Co-ordinators:** Following representations from members of the community and the Police to the Cabinet Member for Crime, Justice and Communities and the Leader of the Council the service will continue to be delivered alongside the Anti-Social Behaviour Team in Community Safety. Within this proposal an additional post is to be provided. Funding of £92k will

then be made available from the Housing Revenue Account whilst the General Fund saving is reduced to £46k.

- **Broadway Theatre:** At the meeting of the Safer and Stronger Select Committee on 9 November 2011, Members accepted the principle of the savings proposal to terminate grant funding to the Broadway Theatre (ACS/SAV/11) but recommended that Cabinet consider options for retaining performances and other arts activities at the venue. The Council has a long term partnership agreement to provide rehearsal and performance accommodation to Barking and Dagenham College students at the Broadway. Funds have been allocated to ensure that the theatre can continue to open its doors. There is no question of the building closing.

Officers understand that withdrawing the funding from the Broadway Theatre Company Limited will present severe financial challenges to the organisation. Early discussions have taken place with Barking and Dagenham College, arts organisations and the Arts Council about how the venue can continue to deliver high quality professional theatre whilst also widening the offer to allow greater community access. It is anticipated that by continuing popular events such as the annual pantomime, premieres by local professional arts companies such as ARC and Studio 3, and developing a regular programme of foyer events, a community arts centre which offers affordable activities for local people can be developed.

Together with Barking and Dagenham College it is proposed to commission a detailed feasibility study to inform the business strategy for the next few years.

- **Town Show:** The Safer and Stronger Communities Select Committee requested that three issues be considered by Cabinet as part of their decision making process relating to the proposal to stop funding the Town Show: firstly, whether it would be possible to cover the costs of the event by raising business sponsorship and/or introducing an entry charge; secondly, whether it would be feasible for the event to be delivered by community groups; and finally, whether it would be possible to continue to hold the event but on a much smaller scale.

For the 2011 event, the Corporate Communications team raised about £25,000 in sponsorship from local business. In the current financial climate this is considered to be a good achievement, which may be difficult to repeat in future years. In these times of austerity it is unrealistic to expect that the full cost of the Town Show could be met from business sponsorship. Given the very local and grass roots community focus the event has, experience suggests that it is likely to be only businesses with a strong local presence that would consider that they would benefit from being associated with the Town Show.

Similarly, it is not considered that charging entry for the Town Show would be a realistic means of bridging the funding gap. Officers have previously evaluated this and do not consider it feasible. This is due to additional costs to install security fencing to stop people getting in, and an increase in staff to take payments at the entry gates. Also, and perhaps more importantly, given the nature of the event, it is considered very unlikely that enough people would be prepared to pay to get onto the show ground to make charging worthwhile. It should be noted that an entry charge was experimented with many years ago and resulted in low attendances and a significant financial loss.

It is not considered that it will be possible for local community groups to take on the delivery of the Town Show because of the level of infrastructure costs incurred in presenting the event, for example, two temporary stages; toilets; PA systems; marquees. Whilst it may well be possible for community groups to give some free support through 'good will' to bring down some of the costs associated with the event – and this approach certainly works well with the annual fireworks display – it is not realistic to expect contractors to provide their services on anything other than a commercial basis.

- **The Health and Adult Services Select Committee sought assurance that cuts/driving down prices would not affect service quality and that vulnerable adults would be safeguarded:** The proposal in ACS/SAV/04 will ensure that Barking and Dagenham pay the same price for the same beds for people with the same need. The aim is to ensure equity across East London. Barking and Dagenham will be leading this piece of work on behalf of East London Solutions and will ensure that quality is maintained through the use of a standard service specification and continued monitoring.

- 5.17 For all proposals agreed, Cabinet is asked to note that officers will begin implementation of the savings to ensure the full reduction is achieved in 2012/13 including issuing letters to affected staff advising them that they are at risk of redundancy with effect from 22 December 2011 (the expiry of the call-in period).
- 5.18 Based on the current net budget gap of £8.798m and the additional savings identified of £9.883m, there was £1.085m more available in savings proposals than we are required to save. Adjusting for savings proposals that have been withdrawn of £124k, savings options proposed for deferral of £200k and amended savings of £700k, this reduces the additional savings to £61k.
- 5.19 Table 4 shows the total savings position, the budget position and the impact on the budget gap were the Cabinet to accept the withdrawal of the specific savings in table 3. The table does not take into account the financial impact of concerns raised by the public through the consultation process, where a proposal to remove a savings proposal has not been made by Select Committees or arising from a Leader's Question Time.

Table 4 - Impact of savings options on MTFS budget gap

Medium Term Financial Strategy Pressures and Adjustments	2012/13 £'000	2013/14 £'000
MTFS Pressures (February 2011 Assembly)	16,550	11,315
MTFS Savings (February 2011 Assembly)	10,187	11,000
MTFS Budget Gap – February Assembly 2011	6,363	315
Service pressures and central adjustments (net)	2,435	3,700
Approved MTFS Budget Gap – October 2011	8,798	4,015
Additional Savings – October 2011 (before Select Committees)	(9,883)	(1,127)
Net Budget gap – October 2011 (surplus)	(1,085)	2,888
Savings withdrawn/deferred/amended	1,024	1,403
Revised Headroom (-) / Budget gap (+) following withdrawn proposals and savings to be deferred	(61)	4,291

5.20 In assessing the concerns raised about the savings proposals above, Members are requested to note that the funding for 2012/13 is yet to be confirmed by central government. In addition, the DfE have yet to announce the Academies top slice for 2012/13.

6. Savings proposals for 2012/13 to 2014/15

- 6.1 Taking into account the savings of £10.187m agreed at the February 2011 Assembly; total savings of £20.070m have been identified for 2012/13. Taking into account of all the adjustments recommended in this report, this leaves a headroom figure of **£61k**.
- 6.2 Members are advised to take into account that the final funding settlement has not yet been announced for 2012/13 and further pressures may emerge, e.g. levies and other Government announcements which normally come through between December and February.
- 6.3 Savings identified for 2013/14 total £12.127m, including pre-agreed savings at February Assembly 2011 and savings of £739k for 2014/15 have been identified. Following the Select Committee process, £1.403m savings have been withdrawn or deferred. This reduces the savings identified for 2013/14 to £10.724m.
- 6.4 As there remains a budget gap for 2013/14 of £4.291m, the savings that have been withdrawn, as part of the wider identification of further savings options to address that shortfall, may need to be reviewed and reconsidered in the future.
- 6.5 Table 5 below illustrates the total savings achieved by each department, including the February 2011 Assembly agreed savings.

Table 5 – Total Savings by Department

Total Savings Identified (including Feb 2011 Assembly Agreed)				
	2012/13 £'000	2013/14 £'000	2014/15 £'000	3 Year Total
Feb 2011 Approved:	10,187	11,000	0	21,187
Additional Savings	9,883	1,127	739	11,749
Total Savings identified	20,070	12,127	739	32,936
Savings withdrawn/deferred/amended (table 3)	1,024	1,403	50	2,223
TOTAL	19,046	10,724	689	30,459
Departmental break down of Total Savings:				
Adult and Community Services	3,512	2,714	314	6,494
Children's Services	3,510	1,558	250	5,318
Customer Services	2,111	178	9	2,298
Finance and Resources	2,591	1,120	0	3,769
Chief Executive's	2,322	154	116	2,592
Corporate	5,000	5,000	0	10,000
TOTAL	19,046	10,724	689	30,459

7. Council Tax Base for 2012/13

- 7.1 The Council Tax base for 2012/13, after taking into account of a 3% loss in collection is calculated at 53,086.9. This is an increase of £369k compared to last year's Council Tax income. A separate report detailing the Council Tax Base for 2012/13 is elsewhere on this agenda.

8. Proposed Budget for 2012/13 to 2014/15

- 8.1 The estimated budget requirement for 2012/13 is approximately £174m, which is a reduction of £9m on the £183m for 2011/12. This reduction has mainly arisen as a result of funding cuts announced on the Formula Grant and Specific Grants.
- 8.2 At the time of writing the report, the final funding allocations are yet to be announced by Government. Therefore, there will be an element of uncertainty in the funding levels presented in the MTFS for 2013/14 and 2014/15.
- 8.3 Members are requested to note that additional service pressures, increased cost of capital investment and low interest rates affecting the Council's treasury strategy, as well as further policy changes will impact on the budget gap over the last the last two years of the Spending Review period. It is our intention to update Members on the budget gap for 2013/14 and 2014/15 when the Government has been clearer about the settlement figures.

Table 6 - The gross budget gap, savings identified and the remaining budget gap

Medium Term Financial Strategy Pressures and Adjustments	2012/13 £'000	2013/14 £'000
MTFS Pressures (February 2011 Assembly)	16,550	11,315
Service pressures and central adjustments (net)	2,435	3,700
Budget Gap	18,985	15,015
Savings Identified	(20,070)	(12,127)
Budget Gap as at October 2011	(1,085)	2,888
Savings withdrawn/deferred/amended (table 3)	1,024	1,403
Remaining Budget Gap/(Headroom)	(61)	4,291

- 8.4 This report requests Members formally to agree to the saving proposals put forward in respect of 2012/13 to 2014/15. These will be factored into the main Budget Framework report for 2012/13 which will be presented to Cabinet and Assembly in February 2012.
- 8.5 A summary of the MTFS as at 31 October 2011 is at Appendix C.

9. The Housing Revenue Account

- 9.1 In light of the Self Financing Requirements, local authorities are required to produce business plans outlining the income and expenditure requirements over a 10 to 30 year period.
- 9.2 For Barking and Dagenham, over a 10 year period the net surplus available will be £49.2m. This is the net figure, taking into account £383.7m for capital needs, the cost of borrowing, new builds and estate renewals.
- 9.3 It is important to note that the current business plan has been modelled on a number of assumptions on inflation (2.5%), interest rate (3.5%), and rent increases in line with Government policy. A change in any of these factors will impact on the business plan and the financial consequences will need to be taken into consideration and modelled through accordingly.
- 9.4 The detail of the financial settlement for the HRA and the 30 year business plan, with all the underpinning financial modelling and assumptions, will be presented to Cabinet in February.

10. Capital Strategy

- 10.1 The Council has an agreed capital programme which is approved annually at Assembly and updated throughout the year at Cabinet as part of the monitoring reports. Over the next three years, the approved programme and funding is:

Table 7 – Capital programme by Department over three years

Department	2011/12 £000	2012/13 £000	2013/14 £000	Total £000
Adult & Community Services	14,246	666	81	14,993
Children's Services	67,710	15,020	384	83,114
Customer Services	49,938	1,643	0	51,581
Finance & Resources	18,455	18,591	0	37,046
Total	150,349	35,920	465	186,734

Table 8 – Sources of Finance for Capital Programme over three years

Source of Finance:	2011/12 £000	2012/13 £000	2013/14 £000	Total £000
External funding (mainly grants)	81,651	13,559	0	95,210
Major Repairs Allowance	16,950	0	0	16,950
Section 106	3,712	925	0	4,637
Leaseholder contributions	698	0	0	698
Prudential borrowing	47,338	21,436	465	69,289
Capital receipts	0	0	0	0
Total	150,349	35,920	465	186,734

- 10.2 As part of developing the capital strategy, a number of schemes and funding sources have been identified to meet the Council's priorities. As part of this, the Council will look to build new houses and improve the existing housing stock by accessing external funding. Similarly, government grant monies will be utilised to provide additional school places across the borough.

- 10.3 Within the Council's MTFs, a budget provision was approved by Members last year of £1m to fund urgent capital schemes or to fund prudential borrowing. This £1m will provide approximately £11m in additional to other small amounts of capital resource e.g. capital receipts, to potentially meet the costs of schemes such as highways improvements, ICT replacement, building maintenance, the capitalisation of redundancy costs.
- 10.4 The Council is yet to receive full details of the capital funding for schools which we are expecting in December 2011. Once this has been received, the full capital strategy will be presented to Members.

11. Financial Implications

- 11.1 Financial implications have been covered throughout the report.

12. Legal Implications

- 12.1 Local authorities are under an explicit duty to ensure that their financial management is adequate and effective and that they have a sound system of internal control and management of financial risk. This report contributes to that requirement. Specific legal advice may be required on the detailed implementation of agreed savings options.
- 12.2 Where there are proposals for the closure or discontinuance of a service or services, appropriate consultation will need to be carried out. The savings proposals that affect staff will require consultation with Unions and staff. In addition to that Members will need to be satisfied that Equality Impact Assessments have been carried out before the proposals are decided by Cabinet.

13. Equalities Impact Assessment

- 13.1 The Council requires that each saving proposal being made should have an assessment of the likely particular impacts of the proposal on residents and staff from the 8 equality categories. This has been put in place to:
- Ensure our services are accessible to all and really meet the needs of our customers
 - Ensure that we deliver our policies and strategies in a practical way
 - Ensure that reasonable account is taken of the impacts of decisions, changes and new strategies and policies on service users and staff from the equalities categories laid out in the Equalities Act 2010. The need for effective equalities analysis has been highlighted by recent judicial reviews of decisions made by other local authorities on the grounds of alleged inadequate analysis of proposed savings.
- 13.2 This process is designed to ensure the Council's policies are adhered to and to help the Council take into account the requirements of the Equalities Act 2010 in the context of applying spending reductions.
- 13.3 It is anticipated that the savings proposals will have an impact on the majority of the residents in the borough. However this assessment is of the additional or particular impacts on the equality groups.

13.4 The eight equality groups are:

- Men, women and transgender people
- People from black and minority ethnic groups
- Disabled people
- Old and young people
- Lesbian, gay and bisexual people
- People with different religions and beliefs and those of no belief
- Pregnant women and new mothers
- People who are socio-economically disadvantaged

Additional comment was made regarding the potential impact on carers and community cohesion.

13.5 Each proposal was assessed to establish:

- Whether there would be a particular positive or negative impact on residents from each of the equalities categories, over and above the impact that there would be on all residents
- What mitigations have been made in designing the proposal, or would be put in place if adopted, to reduce any negative impacts identified
- How and when the actual impact of the proposal would be reviewed

13.6 A schedule of the Equalities Impact Assessments (EIA) is provided in Appendix E.

13.7 EIAs have been carried out on all of the proposals. Of these there are 114 negative impacts and 25 positive impacts on particular equality groups. Of the proposals, 38 have no negative impacts on particular equality groups. The breakdown of impacts by equality group is laid out below, starting with the greatest negative impact:

Table 9 – Impact of Proposals on Equality Groups

	Negative impact	Positive impact	No impact
Age	20	4	46
Disability	15	6	49
Socio-economic	15	3	52
Gender	14	2	54
Staff	13	0	57
Race	11	2	57
Religion and Belief	8	1	61
Cohesion	7	0	63
Sexual Orientation	5	2	63
Other	5	4	61
Pregnant and nursing mothers	1	1	68
TOTAL	114	25	

13.8 A significant proportion of the proposals have a negative impact on more than one area of equalities, and so the total figures are greater than the number of proposals. The table does not reflect the level of impact within each proposal but does provide a general sense of the impact on each category.

13.9 Mitigation

Of the 32 proposals with at least one possible negative impact identified, 30 have either changed the proposal or built in actions which would mitigate the negative impact following the relevant Equalities Impact Assessment. For example, the proposal to introduce charges for internet use in libraries has been identified as having a potential negative impact on older people, younger people and those on low incomes. This has been mitigated by including the recommendation that:

“A charge will not be made for use by LBBB residents who are under 19 and over 59. Also the pricing tariff has been kept to a low level to minimise impact on adults on low incomes.”

13.10 Conclusion of the EIA:

The overall impact of the proposed savings may have a disproportionately negative impact on younger and older people in the borough. There will also be particular impact on people with lower incomes, women and disabled people. These are groups who already suffering the impact of cuts by national government and other agencies. In particular, recent research has highlighted the impact of cuts nationally on women, such as UNISON Factsheet 21; Women and public spending cuts, and <http://fawcettsociety.org.uk> The impact of saving cuts by the Council will therefore have a particular, further cumulative impact on women in the borough. In addition, a significant majority of older people who access Council services are women, meaning that there is a further added impact to women from the cuts identified as impacting older people.

13.11 Disabled people are affected by a number of the proposals; disabled people tend to be on significantly lower incomes than the overall population, so again they will experience a greater impact from the proposed savings.

13.12 To some extent these impacts are to be predicted: Council services tend to focus on serving the most vulnerable residents, and a large part of some areas of the Council’s work does focus on younger and older people, so when the Council has to make significant savings, it is likely that services for those groups will be particularly affected.

13.13 Most of the individual impacts will occur because the equality groups use an affected service more than the wider community, rather than because they will lose specifically targeted services. However the cumulative impact is nonetheless significant and the Cabinet is advised to consider the overall combined impacts of the decisions being made.

13.14 However, the majority of the possible negative impacts have been mitigated through changes to the proposals, or additional measures added to the implementation of the proposals. The Council has worked hard to minimise the impacts on equalities groups and those on low incomes.

13.15 There are some positive impacts, such as the more flexible provision of home care, which may benefit lesbian and gay residents, or the positive impact on carers and people with disabilities to the changes to short break provision. Overall, the potential, substantial particular impacts on equalities groups have been mitigated through the choice of the proposals given, and the design of the proposals as described.

13.16 The Council is required to take due regard of statutory equality needs in making decisions, including considering savings proposals. The consistent approach taken in recent judicial reviews against other local authorities based on their approach to equalities assessments, has been whether “there had been a conscious directing of the mind by the decision-makers to their obligations under legislation, and in particular to the need to exercise the duty to have due regard in substance and with vigour and based on sufficient information, appropriately analysed”¹.

13.17 In considering the savings proposals, Cabinet should take into account:

- The cumulative impact of the combined proposals on residents from the 8 equality groups
- The cumulative impact in particular on younger and older people, those on lower incomes and disabled people and women who are the most affected by the proposals

14. Other Implications

14.1 **Risk Management** – In addressing the funding gap for 2012/13, consideration has been given to risks associated with delivering each of the saving proposals. Each saving has been RAG (red, amber, green) rated in line with the level of risk the saving poses and mitigating factors have been considered alongside each of the proposals.

14.2 **Contractual Issues** – There are no direct contractual issues arising from this report. The saving options put forward some new or re-negotiated contracts and where appropriate, further reports will be brought to Cabinet for approval.

14.3 **Staffing Implications** – It is estimated that the savings proposals put around 140 posts at risk (with the potential for 100 redundancies). Discussions with the Trade Unions on the specific impact of the savings proposals for 2012/13 began in mid-October, although budgets are discussed at each formal meeting with them. For each individual savings proposal, where there is an impact on staff, consultation has taken place with the staff affected. Should the savings proposals be agreed, we will follow the appropriate HR policies and procedures around implementing change. The Council remains committed to minimising compulsory redundancies where possible. We have issued HR1 and S188 letters to advise of the potential of redundancies of that order.

Where there are reductions in posts, this frequently means that smaller numbers of staff are required to carry out the same volume of work. The process of implementation of the savings will need to be handled with care to mitigate risks in relation to this.

14.4 **Customer Impact** – The freezing of Council Tax at 2010/11 levels is designed to minimise the financial impact on our residents. The saving options have been subject to an assessment of equalities and diversity implications and consideration given to the extent of adverse impact on our customers (see section 13). Extensive consultation has also taken place (see section 5). Front line services have been

¹ R (on the application Green) v Gloucestershire County Council; R (on the application of Rowe and another) v Somerset County Council; QBD; (Admin) (Judge McKenna sitting as a deputy judge of the High Court): 16 November 2011

protected as far as possible, but some cuts to front line services have been unavoidable.

- 14.5 **Safeguarding Children** – There is a risk that budget proposals could impact on safeguarding children at a number of levels. Proposals have considered carefully the need to protect the most vulnerable and therefore Children’s Complex Needs and Social Care options have been very carefully scrutinised to ensure they do not place children at risk.

Front line services have been protected where-ever possible so that all staff who work with families can maintain safeguarding vigilance. There is a risk that some reductions in early intervention services could lead to more families reaching crisis, when this might have been avoided. This has been mitigated by improved cross-agency working through the Multi-Agency Localities Teams.

- 14.6 **Health Issues** – The direction of travel outlined in the report is underpinned by the Joint Strategic Needs Assessment 2011. The emphasis on a more asset based approach to health and wellbeing may bring a greater sense of optimism particularly as it is focussed on creating greater community resilience, education, sustainable housing and promoting social cohesion. The challenge of the ‘fast moving’ demographic change and the impact of work capability assessment and other universal benefits are clearly going to be significant. This will require the need for constant health impact assessment to ensure the most effective use of resource to deliver improved population health and well being outcomes.

The changes outlined for the local NHS in North East London and through the shadow public health grant will need to be further impact assessed in the New Year to inform the direction of the Health and Wellbeing Strategy. In particular there are anticipated increased costs for Children’s services and Adult Social Care such as continuing and integrated care programmes.

- 14.7 **Crime and Disorder Issues** – The Crime and Disorder Act places a duty on the Council as a responsible authority to have regard to the reduction and prevention of crime and disorder in its decision making process and policy development and delivery. As such in terms of financial constraints it is important to have regard to the impact of budget reductions in terms of crime and disorder.

The decision by Cabinet to retain the Community Safety Co-ordinators will have a positive impact in terms of crime and disorder in that it is this team who deliver neighbourhood crime reduction initiatives jointly with local Safer Neighbourhood Policing Teams, this work and the work to support communities will therefore continue. The budget reductions and restructures within Community Safety and Public Protection will have no negative impact in terms of front line delivery but will see a more co-ordinated approach to commissioning and treatment services for drug and alcohol service users.

The Council has further worked to ensure that Children's Centres, youth services and diversionary activities are protected from further cuts and therefore this work which underpins the offer for families, parents and young people, particularly those at risk of offending will continue.

Reducing community facilities and provision for community groups may well adversely impact in terms of cohesion but the recommendations in the report which have been detailed will seek to mitigate the risk.

14.8 **Property / Asset Issues** – There are no direct property/asset issues arising from this report.

Background Papers Used in the Preparation of the Report:

Assembly Budget Framework report – February 2011

List of appendices:

- Appendix A - Staff and Trade Union consultation responses
- Appendix B - List of Saving Proposals
- Appendix C - Medium Term Financial Strategy Summary
- Appendix D - HRA Business Plan
- Appendix E - Equalities Impact Assessments
- Appendix F - Specific comments of Select Committees and Proposed Outcome

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London Borough of Barking and Dagenham Budget Consultation – staff and trade union comments received & responses

1. Staff comments

Theme	Comments	Response
<p>Buildings management</p>	<ul style="list-style-type: none"> • Turn the heating off when the weather is so mild. • Office moves - why is this not done via Facilities Management as it used to be, we accept they can't do all moves, but what else do they do • Has anyone considered solar panels on our council buildings? 	<ul style="list-style-type: none"> • The Assets team are constantly turning the heating on and off in response to weather conditions, though sometimes the building takes a while to warm up and cool down. In some areas (but not all) there is a local temperature control so that staff can make adjustments locally. If anyone ever feels a building is too hot or cold they should report it to the FM Helpdesk and they will respond. • The Facilities and Asset Management team do still manage all office moves. The physical work of large moves is done by Phil's Removals (who are a local small business), particularly where we need a van (which we don't have for the purpose). However, this is happening less and less now as we have standardised furniture and so do not need to move so much around. <p>As well as managing moves the team are responsible for managing the Council's asset database, all general housekeeping for the core office buildings, and planning and delivering the Council's office building rationalisation programme. This programme will see us reduce our number of office buildings from 23 to less than 6, which is making a major contribution to our savings programme.</p> <ul style="list-style-type: none"> • We are actively seeking to achieve installations where possible and have a number on our new buildings (eg Becontree Heath Leisure Centre). Retrofitting to existing buildings is harder although we are also seeking to do this wherever possible. Currently it takes a long time for the savings to cover the cost of installation. We're looking at alternative sources of funding and will endeavour to use

Theme	Comments	Response
<p>Buildings management (cont)</p>	<ul style="list-style-type: none"> • Desk lamps could be used in daylight hours only by staff who are actually at work, this would reduce the amount of lights which are burnt everyday over the top of empty desks 	<p>solar panels wherever economically feasible to do so.</p> <ul style="list-style-type: none"> • In general in open plan offices you have to provide a certain level of lighting, set out by national guidelines and add task lighting when required – so we have to have our current arrangements in place.
<p>Flowers & street improvements</p>	<ul style="list-style-type: none"> • They waste a lot of money on signs, new lampposts and flower pots • Flower beds on the roundabout at the civic- at what cost – another unnecessary cost 	<p>These flowers and planters cost £39,000. This was a one-off cost.</p> <p>While some people do not like the flower boxes, a similar number of residents have commented that they have brightened up the borough and make our area look better – this matters because we want to attract investment into the borough and jobs for local people.</p> <p>We believe the lampposts referred to are ones installed relatively recently on Chadwell Heath High Road. These were installed as part of a programme of works to increase the attractiveness of local shopping centres, to support local businesses and encourage people to shop locally. The works were funded by a combination of money from Transport for London and the Council’s capital programme (that is, money that can only be spent on one-off works, not on providing services)</p>

Theme	Comments	Response
<p>Health & safety</p>	<p>The current establishment has been reduced since 2007 by 65%. The proposed additional 14% (0.5FTE) cut will have an impact on the sort of service that the H&S and Occupational Health (OH) team can deliver and practicalities may result in a reduction of 28% (1.0 FTE)</p> <p>The OHSW service has a positive impact on overall Council expenditure, and parts of the service (wellbeing) have been evaluated to show a positive impact with:</p> <ul style="list-style-type: none"> • sickness absence • Income generation from training and OH provision to outside bodies <p>There are risks resulting in reduction of capacity or sharing the function with others. It is recommended that there needs to be an independent approach to identify the risks of either reducing capacity of the team by 0.5 FTE, or sharing services with others, undertaken by Assurance and Risk.</p> <p>The adoption of a rehabilitation model may be worth exploring across one or more other local authorities.</p>	<p>Senior management recognises the importance of the points that are being made by the Health and Safety Team, in particular the fact that it is not only numbers of staff employed which influence risk – it is also the type of work being done.</p> <p>Senior management is analysing in full the individual points the team are making, but believes that there is potential, particularly through working jointly across councils, to preserve our careful approach to managing risks within this Council and deal with incidents when they unfortunately arise. Joint working will expand our capacity to manage those risks and potentially reduce our costs. In implementing these budget proposals we will not take any hasty steps before being clear on the way in which we are handling them.</p>

Theme	Comments	Response
<p>Health & safety (cont)</p>	<p>The use of learning pool will minimise the amount of time needed to directly train, but the impact will be minimal as only 7% of the Health and Safety time is spent on preparation and delivery of training; due to statutory obligation not all of this will be able to shift to Learning Pool.</p> <p>The work being undertaken by ELS to look at alternative models to training commissioning should include health and safety training to drive down costs should external providers be used, as well as minimising spare training places. This will be dependent on ensuring that we have similar health and safety management systems and culture in place. This target is currently being met by providing as much Health, Safety and Wellbeing training in-house as possible.</p> <p>The possibility of merging OHSW and Assurance and Risk could be explored.</p> <p>Consideration could be given to share H&S services with Thurrock.</p>	

Theme	Comments	Response
<p>Leisure Services</p>	<p>Is there a need for another new leisure centre when surely spending money on Goresbrook would be a better option this must be a spend to save option</p>	<p>If Goresbrook Leisure Centre closes in 2012 it will be 20 years old. The average life span for a 'wet and dry' centre like this is about 25 years. The reason Goresbrook Leisure Centre needs to close is that it is reaching the age when it will require several millions of pounds of investment to replace key plant and equipment and for structural works just to keep the building operational and safe to use. Due to its design and construction the centre is also very expensive to operate. The new centre will be a lot more cost effective and will of course last for at least another 25 years. In our view it would be a case of throwing good money after bad if we were to spend all that is needed to keep Goresbrook Leisure Centre open for the next decade or so.</p> <p>It's clear from our experience with the new Becontree Heath Leisure Centre, which replaced Wood Lane Sports Centre and Dagenham Pool, that modern, accessible sports facilities are more cost effective and much more popular with customers: for example since the new centre opened at the end of May gym memberships have gone up from 500 to over 3,000 and the number of children learning to swim has increased from 1,200 to 1,900.</p> <p>Usage levels are much higher at the new centre and costs are a lot lower than for the two centres it replaced, which is a win-win scenario. Our plan is to repeat this with a new centre to replace Abbey Sports Centre and Goresbrook Leisure Centre</p>

Theme	Comments	Response
<p>Mobile phones</p>	<p>Are mobile phones essential? Only staff on call out or at risk should have a phone, is call usage monitored, how many personal calls are made via mobile</p>	<p>Mobile phones are an efficient way to ensure that employees are doing the tasks allocated to them and to allow flexibility in tasking them. Managers are required to monitor phone usage and employees are not allowed to use their phones for personal calls. We will ensure that managers receive the information with which to monitor usage.</p>
<p>Outsourcing</p>	<p>Where will the savings be by moving council departments into private sector companies? Initially there is a saving not having the workforce on the books but will end up costing more in the long run, the same work still needs to be done, a private company will inevitably increase costs to meet their own targets sooner or later. When the contract's up in 5-7 years and the current provider doesn't get reinstated then what?</p> <p>The hundreds of frontline staff who this outsourcing proposal concerns, have desperately wanted to get on the internet to tell you how they feel. Unfortunately due to their workload they are unable to do this.</p>	<p>The proposal to transfer further services into Elevate allows for a number of existing posts within the Council to be merged into existing posts within Elevate. This means that Council staff will transfer into Elevate posts and the Council will be able to make savings from deleting the posts vacated. The posts within Elevate already exist, and are either occupied by secondees from Agilisys, or by agency staff. If the proposal is accepted, the secondees will return to Elevate, or the agency contracts will be terminated. The cost of these Elevate posts are already within the total cost of the Elevate contract, and therefore this proposal represents a true saving to the Council.</p> <p>The contract with Elevate has been negotiated for 7 year duration, and any addition of services will also be negotiated to end at the same time as the original transfer. The contract actually requires Elevate to deliver a cost reduction over the life of the contract, not an increase.</p> <p>At the end of the contract period there are several possible outcomes, which can only be determined at the time:</p> <ul style="list-style-type: none"> • The council may choose to extend the contract by three years; • The council may choose to retender the contract; • The council may choose to bring the services back in house.

Theme	Comments	Response
<p>Outsourcing (cont)</p>		<p>If the council retendered the services and Elevate was not successful then the usual rules of TUPE would apply.</p>
<p>Policy and performance restructure</p>	<p>It was difficult to engage with the document because it doesn't provide much detail on how the focus and quantity of work will change and to accommodate the reduction in staff.</p> <p>There is unease about the variable impact on the different departments and sections.</p> <p>The deletion of the Public Health Analyst post - it should not be underestimated the extent to which the current postholder has been critical to the health performance management system, general analysis and the preparation of the 2011 Joint Strategic Needs Assessment. This form of analysis requires specialist knowledge, the loss of which could substantially compromise certain public health activities if not managed carefully.</p> <p>Loss of this post, without concerted effort on the part of both organisations to resolve the staffing position in Public Health more generally, would be a very significant loss of critical capacity.</p>	<p>Senior management recognises the value of the work done by all these teams and the importance of working out in detail who will be responsible for each element of the essential work to be undertaken.</p> <p>Since the writing of this response there have been further proposals in relation to policy , performance and data analysis. Many of the public health issues have moved on since the writing of this letter but as the response says it remains the case that there is detailed work to be done on how work within the council, and between the council and the NHS will best be done.</p> <p>On information assurance, the Corporate Director Finance and Resources has already allocated a dedicated resource to undertake this work and this will be more widely publicised.</p> <p>Senior management endorses the points about the need for careful cross working across the council to ensure that the balance of resource is right and there will be much more detailed joint working put in place once the restructurings are implemented.</p>

Theme	Comments	Response
<p>Policy and performance restructure (cont)</p>	<p>Proposals to delete a post and place the postholder at risk, whilst recruiting to substantially similar posts elsewhere seems unco-ordinated and likely to incur costs for both organisations that could be avoided.</p> <p>Under these proposals we would have reduced capacity to service the performance management framework of the Health & Wellbeing Board. We note that there appears to be relatively little reduction in the performance resources in Adult & Community Services, We would ask that servicing the performance demands of the new health and wellbeing agenda be made integral to that team's work.</p> <p>We would suggest that deletion of the Programme Manager and its support officer is premature until we know the funding position for 2012/13.</p> <p>The deletion of the Information Assurance Officer (less than a year since it was created), is concerning.</p> <p>The previous review of Corporate Policy and Performance dealt too sketchily with the way in which the</p>	

Theme	Comments	Response
<p>Policy and performance restructure (cont)</p>	<p>revised service was to be delivered with the new resources. The risk is that the same process is being repeated. For the benefit of those who work alongside the corporate teams - as well as those in them - it would seem critical that the working model is defined.</p> <p>The feedback that we hear about policy and programme jobs being thought of as unnecessary, set against the backdrop of the Secretary of State's repeated references to 'non-jobs', is demoralising. We do continue to 'get on with the job' against this backdrop, as well as being under the shadow of a further review in October 2012 which will return to these same question. However, perhaps some thought would be useful about how we can demonstrate more clearly the contribution that these teams make to the effective running of the authority's frontline services.</p>	

Theme	Comments	Response
Publications	Is it necessary to send out council tax booklets at year end, the price to design and produce and to have the book sent back because they are not wanted is an unnecessary cost. You can inform of certain information by sending out a one A4 page information sheet, publicise the council tax booklet on the web.	The publication of Council Tax leaflets is a legislative requirement: there is a fairly detailed list of what information we have to publish: we keep the costs to a minimum.
Refuse services	Charge for the collection of garden waste like neighbouring boroughs	The green garden waste service is very popular with our residents and this has helped increase, to record levels, the amount of waste that is either recycled or composted. We want all residents to be able to participate in the scheme regardless of their ability to pay. Each ton of green waste composted is waste that does not need to go to landfill. This saves the council around £160,000 in landfill tax.
Signage	<ul style="list-style-type: none"> • New signage being put up around Dagenham East station, is that necessary- review the need and the actual cost to design, print and install • Signage at the front of the Civic that appears once a year stating 'we have frozen council tax' or 'merry christmas'- council tax payers would rather be given money off than have it spent on a sign 	<ul style="list-style-type: none"> • We believe you are referring to banners which have recently been installed in locations across the borough, to look ahead to the Olympics and to celebrate our local young sporting hopefuls. This is designed to help make our borough look attractive both for residents and for the many visitors we expect to receive next year – and in turn, we aim to attract investment into the borough which will mean local jobs. • The signage which was used for the last few years has already been paid for, but we accept the need to make sure that we only put up signs for what is absolutely necessary. Where we can, we will try to offset costs through sponsorship, but this is not always possible.

Theme	Comments	Response
<p>Staff pay & allowances</p>	<ul style="list-style-type: none"> • Take away essential car user allowances for all staff and pay per mile • Reduce everyone's salaries by 1% to share the pain 	<ul style="list-style-type: none"> • We are currently reviewing who receives Essential Car User Allowance under the existing criteria and the Trade Unions are involved in that review. This may well deliver some savings. We are not proposing to end the payment of the allowance as we wish to ensure staff are appropriately compensated for costs incurred in delivering services to customers effectively. • A proposal to reduce salaries across all staff is complicated because of the contractual positions of each member of staff and would require huge amount of legal negotiation and consultation. Whilst this has not been ruled out as an option it is very difficult to implement and would have a proportionately greater impact on people at lower salary levels, therefore it has not been proposed at this time.
<p>Staff redundancies</p>	<p>The majority of savings are for posts that don't exist anyway?</p>	<p>There are approximately 140 posts being deleted across the range of proposals being presented to Members. We would estimate at the moment that this would result in up to 100 redundancies.</p>

Theme	Comments	Response
<p>Voluntary redundancy scheme</p>	<p>All staff should have the opportunity to apply for redundancy even if their job is not directly threatened. This will allow those who are more financially able to leave and provide jobs for those who are losing their job and cannot afford to be out of work.</p>	<p>We have already had two rounds of voluntary severance which has led to a number of people leaving the Council of their own volition. We work hard to reduce the number of compulsory redundancies, so when individuals are able to volunteer in this structured way, it provides both the council and the employee with a positive way forward. However, we simply cannot afford to allow employees to volunteer for redundancy if the post they are carrying out is not at risk – the important work of the Council has to continue and many jobs have to remain in the staffing establishment, despite the acute cost pressures. Indeed, the costs we incur when people are made redundant are significant and so we have to manage this extremely carefully. Someone volunteering to leave therefore won't always allow the Council to make the savings we need, we may have to spend money to recruit others into the vacant post, for example.</p>

2. Trade union comments

Two responses have been received to date which are included on the following page.

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From: Robinson Penny
Sent: 16 November 2011 12:44
To: Tellus
Subject: Living & Working Select Committee

Proposed Outsourcing of Frontline Services

The hundreds of frontline staff who this outsourcing proposal concerns, have desperately wanted to get on the internet to tell you how they feel. Unfortunately due to their workload they are unable to do this.

Therefore on behalf of all GMB members we are registering their anger and disbelief that a Labour run local Authority would even consider agreeing to these proposals.

This whole process (or lack of) has been dealt with in an underhand way. We are appalled at the manner in which you have pushed this through without any consultation. These documents were put on line for the general public to see before either unions or members of staff directly involved had been notified. In the past our consultations have been meaningful and transparent, up until now.

We now expect any future consultations to be meaningful and a two way procedure.

Penny Robinson

GMB Branch Secretary B10
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From: T&GW Unite
Sent: 16 November 2011 12:43
To: Tellus
Subject: Living & Working Select Committee

Proposed outsourcing of frontline services.

The hundreds of staff who this outsourcing proposal concerns have desperately wanted to get on the internet to tell you how they feel. Unfortunately due to the workload they are unable to do this.

Therefore on behalf of all Unite members we are registering their anger and disbelief that Labour run Local Authority would even consider agreeing to these proposals.

This whole process (or lack of) has been dealt with in an underhand way. We are appalled at the manner in which you have pushed this through without any consultation. These documents were put on-line for the general public to see before either Unions or members of staff directly involved had been notified. In the past our consultations have been meaningful and transparent, up until now.

We now expect any future consultations to be meaningful and a two way procedure.

Yvonne Weaver (Convenor)
Unite the Union
Room B18
Civic Centre
Dagenham
RM10 7BN

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SAVINGS OPTIONS 2012/13 - 2014/15

Proforma Reference	Service/Area	Detail of the Savings Option	£000's Agreed 2012-13	£000's Additional 2012-13	£000's Withdrawn / Reconsidered	£000's Total 2012- 13	£000's Agreed 2013-14	£000's Additional 2013-14	£000's Withdrawn / Reconsidered	£000's Total 2013- 14	£000's Additional 2014-15	£000's Withdrawn / Reconsidered	£000's Total 2014- 15	£000's 3 Year Total
ADULT & COMMUNITY SERVICES														
ACS/SAV/01	Adult and Community Services	Reductions to services funded by Area Based Grant	1,060	191		1,251	975	0		975	0		0	2,226
ACS/SAV/02	Adult Care Commissioning	Inclusion of Tenancy Sustainment Team in remodel and tender of floating support.		120		120	0	0		0	0		0	120
ACS/SAV/03	Adult Care Commissioning	Remodelling homecare services in line with the principles of personalisation		20		20	100	100		100	100		100	220
ACS/SAV/04	Adult Care Commissioning	Revisions to pricing framework for Care Home Placements		20		20	20	20		20	24		24	64
ACS/SAV/05	Adult Care Commissioning	Remodel of learning disability day, volunteering and employment services		0		0	100	100		100	100		100	200
ACS/SAV/06	Adult Social Care	Changes to in-house residential care service for adults with a learning disability (80 Gascoigne)		125		125	75	75		75	50		50	250
ACS/SAV/07	Adult Care Commissioning	Learning Disability Day Services Management Saving		25		25	0	0		0	0		0	25
ACS/SAV/08	Adult Social Care	Reducing Children's to Adults' transition costs		50		50	0	0		0	0		0	50
ACS/SAV/09	Mental Health Services	Reconfiguration of mental health services		98		98	100	100		100	0		0	198
ACS/SAV/10	Adult Care Commissioning	Changes to grants to voluntary organisations	250	35		285	250	(35)		215	0		0	500
ACS/SAV/11	Culture & Sport	Broadway theatre	65	0		65		0		0	0		0	65
ACS/SAV/11	Culture & Sport	End Subsidy to Broadway theatre		0		0	100	100		100	0		0	100
ACS/SAV/12	Culture & Sport	Closure of Goresbrook Leisure Centre swimming pool	125	0		125	125	0		125	0		0	250
ACS/SAV/12	Culture & Sport	Closure of Goresbrook Leisure Centre		36		36	246	246		246	0		0	282
ACS/SAV/13	Culture & Sport	Olympic unit	0	32		32	250	(32)		218	0		0	250
ACS/SAV/14	Culture & Sport	Reduction to events and education programme.		40		40		0		0	0		0	40
ACS/SAV/15	Culture & Sport	Changes to the public events programme		0		0	90	90		90	0		0	90
ACS/SAV/16	Culture & Sport	Libraries - charging for internet access		20		20		0		0	0		0	20
ACS/SAV/17	Culture & Sport	Expanding commercial opportunities at heritage venues		10		10	10	10		10	40		40	60
ACS/SAV/18	Culture & Sport	Leisure Centres - Charges		310		310		0		0	0		0	310
ACS/SAV/19	Community Safety & Public Protection	Remodelling of crime and disorder services to develop Integrated Offender Management		112		112		0		0	0		0	112
ACS/SAV/20	Community Safety & Public Protection	Deletion of 4 Community Safety Coordinators		184	(138)	46		0		0	0		0	46
ACS/SAV/21	Adult and Community Services	Non Staffing Supplies & Services Budgets	85	0		85	90	0		90	0		0	175
ACS/SAV/22	Culture & Sport	Libraries review		212		212		0		0	0		0	212
Feb 2011 Assembly	Adult Care Commissioning	Commissioning Contracts & Purchase Savings	250	0		250	250	0		250	0		0	500
Feb 2011 Assembly	Culture & Sport	Community halls	175	0		175		0		0	0		0	175
Total Adult & Community Services			2,010	1,640	(138)	3,512	1,940	774	0	2,714	314		314	6,540

SAVINGS OPTIONS 2012/13 - 2014/15

Proforma Reference	Service/Area	Detail of the Savings Option	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	3 Year Total
			Agreed 2012-13	Additional 2012-13	Withdrawn / Reconsidered	Total 2012-13	Agreed 2013-14	Additional 2013-14	Withdrawn / Reconsidered	Total 2013-14	Additional 2014-15	Withdrawn / Reconsidered	Total 2014-15			
CHILDRENS SERVICES																
CHS/SAV/01	Commissioning and Safeguarding	Alternative delivery method for Independent Review Officer (IROs) - Change the method of delivery of the independent reviewing officers posts	50	60		110	0	0		0	0		0		0	110
CHS/SAV/02	Complex Needs	Prevention/Crisis Intervention/ Family Group Conferencing Merger of the three preventative services to create efficiencies	50	50		100	50	50		50	0		0		0	150
CHS/SAV/03	Education	School Estate/School Investment Team partly funded from DSG	50	100		150	0	0		0	0		0		0	150
CHS/SAV/04	Targeted Support	Youth and Engagement Team Efficiency	30	50		80	0	0		0	0		0		0	80
CHS/SAV/05	Commissioning and Safeguarding	Common Assessment Framework (CAF) team reductions- reducing the number of posts in the CAF team		80		80	0	0		0	0		0		0	80
CHS/SAV/06	Commissioning and Safeguarding	Catering efficiencies/reductions		150		150	0	0		0	0		0		0	150
CHS/SAV/07	Commissioning and Safeguarding	CAMHS Schools Counselling contract ending that will not be renewed and reduction in primary and emotional team		60		60	100	100		100	50		50		50	210
CHS/SAV/08	Commissioning and Safeguarding	Safeguarding Board Cost Reductions		30		30	0	0		0	0		0		0	30
CHS/SAV/09	Education	14-19 Flexi Learning Services, General Fund element removal - reductions in support or through increased Dedicated Schools Grant (DSG) contribution		50		50	0	0		0	0		0		0	50
CHS/SAV/10	Education	Connexions - Careers Reduction in Contract Value		700		700	0	0		0	0		0		0	700
CHS/SAV/11	Complex Needs	Management Re-structure - reducing the number of post in the Assessment Team		50		50	0	0		0	0		0		0	50
CHS/SAV/12	Children's Services - Directorate	Reducing Children's to Adults transition costs		50		50	0	0		0	0		0		0	50
CHS/SAV/13	Children's Services - Directorate	Service Efficiencies and re-organisation		100		100	1,460	(610)		850	0		0		0	950
CHS/SAV/14	Complex Needs	Disabled Children's Team - Contribution from short breaks funding on mainstreamed into base budget	100	0		100	100	100		100	0		0		0	200
CHS/SAV/15	Complex Needs	Social Work Staffing Restructure		0		0	150	(150)		0	50		(50)		0	0
CHS/SAV/16	Education	Adult College - contribution from the College towards management costs / overheads		0		0	100	100		100	100		100		100	200
CHS/SAV/17	Education	Education Inclusion/School Improvement - Staffing Review and Reductions	135	0		135	100	100		100	100		100		100	335
CHS/SAV/18	Education	School Improvement Income - Raising the SLA income - charging Schools for services/Other Local authorities	60	0		60	50	50		50	0		0		0	110
CHS/SAV/19	Education	Training Reductions	250	0		250	23	23		23	0		0		0	273
CHS/SAV/20	Targeted Support	Reduction of Management costs in the Multi-agency Locality Teams	150	0		150	55	55		55	0		0		0	205
CHS/SAV/21	Targeted Support	Portage Amalgamation	35	0		35	30	30		30	0		0		0	65
CHS/SAV/22	Targeted Support	Reduction to Youth Commissioning Fund		100		100	0	0		0	0		0		0	100

SAVINGS OPTIONS 2012/13 - 2014/15

Proforma Reference	Service/Area	Detail of the Savings Option	£000's Agreed 2012-13	£000's Additional 2012-13	£000's Withdrawn / Reconsidered	£000's Total 2012- 13	£000's Agreed 2013-14	£000's Additional 2013-14	£000's Withdrawn / Reconsidered	£000's Total 2013- 14	£000's Additional 2014-15	£000's Withdrawn / Reconsidered	£000's Total 2014- 15	£000's 3 Year Total
CHS/SAV/17B	Education	Education Inclusion/School Improvement Services - Staffing Review and Reductions - Further reductions in advisory teachers		50		50		0		0	0		0	50
CHS/SAV/19B	Education	Training reductions - Increased income generated by charging and selling training beyond children's services		10		10		0		0	0		0	10
Feb 2011 Assembly	Complex Needs	Education Psychology Service - Combination of Staffing and increased school SLA income	100	0		100		0		0	0		0	100
Feb 2011 Assembly	Complex Needs	Transport savings from adjustments for affordability and reductions in use of buses	100	0		100	100	0		100	0		0	200
Feb 2011 Assembly	Targeted Support	Childcare Team	145	0		145		0		0	0		0	145
Feb 2011 Assembly	Targeted Support	Reconfigure & merge Children's Centres, Merging 8 Children's Centres into 4	520	0		520		0		0	0		0	520
Feb 2011 Assembly	Targeted Support	Family Information Services	45	0		45		0		0	0		0	45
Total Childrens Services			1,820	1,690	0	3,510	1,560	148	(150)	1,558	300	(50)	250	5,318
CUSTOMER SERVICES														
CUS/SAV/01	Environment & Enforcement	Strategic Commissioning of services		0		0	1,095	0		0	0		0	0
CUS/SAV/02	Environment & Enforcement	Restructuring arising from the move to localities management		200	(200)	0		100	(100)	0	0		0	0
CUS/SAV/03	Environment & Enforcement	Revisions to Domestic Refuse Collection and Recycling Services		260		260		0		0	0		0	260
CUS/SAV/04	Environment & Enforcement	Relocation of Passenger transport services to a Frizlands depot and realignment of resources to optimise service delivery	400	(194)		206		0		0	0		0	206
CUS/SAV/05	Environment & Enforcement	Replace orange bags with recyclable bins	200	0		200	275	(275)		0	0		0	200
CUS/SAV/06	Environment & Enforcement	Optimisation of Refuse fleet		200		200		0		0	0		0	200
CUS/SAV/07	Environment & Enforcement	Management Restructure in Environmental Services		154		154		0		0	0		0	154
CUS/SAV/08	Environment & Enforcement	Turning down the lights to save energy		138		138		0		0	0		0	138
CUS/SAV/09	Environment & Enforcement	Increase in cost of permits within Car Parking Zones		70		70		0		0	0		0	70
CUS/SAV/10	Housing Strategy	Converting private sector licence properties from old portfolio to the new contract at lower rates.	150	200		350		0		0	0		0	350
CUS/SAV/11	Environment & Enforcement	Reduced mowing to create naturalised environment		73	(40)	33		32		32	0		0	65
CUS/SAV/12	Environment & Enforcement	Renegotiate Abandoned Vehicle contract		12		12		0		0	0		0	12
CUS/SAV/13	Environment & Enforcement	Reduction in Environmental enforcement		140		140		0		0	0		0	140
CUS/SAV/14	Environment & Enforcement	Making Parks more commercially sustainable		98		98		96		96	9		9	203
Feb 2011 Assembly	Housing Strategy	Housing Advice Restructure	50	0		50		0		0	0		0	50

SAVINGS OPTIONS 2012/13 - 2014/15

Proforma Reference	Service/Area	Detail of the Savings Option	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	3 Year Total	
			Agreed 2012-13	Additional 2012-13	Withdrawn / Reconsidered	Total 2012-13	Agreed 2013-14	Additional 2013-14	Withdrawn / Reconsidered	Total 2013-14	Additional 2014-15	Withdrawn / Reconsidered	Total 2014-15						
Feb 2011 Assembly	Environment & Enforcement	Environmental Transformation	660	(660)		0	50	0		50	0		0	0		0		0	0
Feb 2011 Assembly	Environment & Enforcement	Efficiencies within Parking services processes					50			50								50	
Feb 2011 Assembly	Environment & Enforcement	Reprocurement of street lighting contract	200	0		200		0		0	0		0			0		200	
Total Customer Services			1,660	691	(240)	2,111	1,420	(47)	(1,195)	178	9	0	9					2,298	
FINANCE & RESOURCES																			
FIN&RES/SAV/01	Assets and Commercial Services	Transfer of Assets and Commercial Services division to Elevate			(182)	756		0		0	0		0			0		756	
FIN&RES/SAV/02	Assets and Commercial Services	Reviewing staffing levels within the Capital Programme Monitoring Office(CPMO), Corporate Programmes Team and Business Support	150			150	0	0		0	0		0			0		150	
FIN&RES/SAV/03	Asset and Commercial Services	Introduction of charges for the use of credit cards	60		(60)	0				0			0			0		0	
Fin&RES/SAV/04	Audit and Risk	External Risk Management Training - Cease external risk management training	7			7		0		0	0		0			0		7	
FIN&RES/SAV/06	Elevate/ B & D Direct	One Stop Shop & Contact Centre Service Reduction		543	(340)	203		58	(58)	0	0		0			0		203	
FIN&RES/SAV/07	Elevate/ B & D Direct	Review Out of Hours Contract		25		25		0		0	0		0			0		25	
FIN&RES/SAV/08	Finance	Reduction in the CIPFA trainee programme		70		70		0		0	0		0			0		70	
FIN&RES/SAV/09	Assets and Commercial Services	Recharging Pondfield House rent to the Housing Revenue Account		200		200		0		0	0		0			0		200	
FIN&RES/SAV/10	Assets and Commercial Services	Reduction in Provision for Carbon Reduction Commitment (CRC)		200		200		0		0	0		0			0		200	
FIN&RES/SAV/11	Regeneration	Savings in Sustainable Communities/ Economic Development area	60	130		190		40		40	0		0			0		230	
FIN&RES/SAV/12	Regeneration	Reorganisation of Development Planning team		90		90		0		0	0		0			0		90	
FIN&RES/SAV/13	Regeneration	Reorganisation of Employment & Skills team		80		80		0		0	0		0			0		80	
FIN&RES/SAV/14	Regeneration	Reduction to staffing in Job Shop and business support		50		50		0		0	0		0			0		50	
FIN&RES/SAV/15	Finance	Reduction of External Audit fees		30		30		0		0	0		0			0		30	
FIN&RES/SAV/16	Assets and Commercial Services	Reduction in Building Schools for the Future budget		50		50		0		0	0		0			0		50	
FIN&RES/SAV/17	Assets and Commercial Services	Removal of Free School Uniform Awards		64	(64)	0		0		0	0		0			0		0	
Feb 2011 Assembly	Directorate	(F&R savings target shortfall)		0		0	854	0		854	0		0			0		854	
Feb 2011 Assembly	Finance	Re-structuring of Staffing establishment and a reduction in non-employee budgets	256	0		256		0		0	0		0			0		256	
Feb 2011 Assembly	MWOW & One B&D Savings	Reduction in accommodation costs through the Modern Ways of Working project	234	0		234	226	0		226	0		0			0		460	
Total Finance & Resources			550	2,687	(646)	2,591	1,080	98	(58)	1,120	0	0	0					3,711	

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Medium Term Financial Strategy 2011-2020

31 October 2011

2011/12 Revised 2012/13 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 Total
 £'000 £'000 £'000 £'000 £'000 £'000 £'000 £'000 £'000

Adjustments / Comments

Budget increases:

Corporate obligations/implications of economic climate:

Pension Fund revaluation	500	500	500	-	-	-	-	-	-	1,500
ELWA Levy	689	800	-	-	-	-	-	-	-	1,489
LFEPa Resilience Levy	17	-	-	-	-	-	-	-	-	17
Concessionary Fares	1,046	350	-	-	-	-	-	-	-	1,396
Carbon Reduction Commitment	400	-	130	-	-	-	-	-	-	530
Inflation - Staff costs	-	-	-	-	-	-	-	-	-	-
Inflation - Non Staff	-	1,000	1,000	2,000	3,000	3,000	3,000	3,000	3,000	19,000
	2,652	2,650	1,630	2,000	3,000	3,000	3,000	3,000	3,000	23,932

Financial implications of member approved decisions:

Capital Programme - capital financing costs current (as agreed in MTFs Feb 10)	2,250	2,250	-	-	-	-	-	-	-	4,500
Dagenham Library and One Stop Shop	600	-	-	-	-	-	-	-	-	600
Becontree Heath Leisure Centre	-	400	-	-	-	-	-	-	-	400
Youth Access Card	278	-	-	-	-	-	-	-	-	278
	3,128	2,650	-	-	-	-	-	-	-	5,778

Financial implications of Future Investment:

Local & National Elections	(190)	-	-	-	-	-	-	-	-	(190)
Temporary Accommodation	285	-	-	-	-	-	-	-	-	285
Provision for future investment and risks	-	750	750	500	250	-	-	-	-	3,000
Affordable level of internal investment in the capital strategy	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	8,000
	95	1,750	1,750	1,500	1,250	1,000	1,000	1,000	1,000	11,095

Investment required to ensure budget is robust:

Corporate provision to cover redundancy costs	2,000	(1,000)	(1,000)	-	-	-	-	-	-	-
Replenishment of general reserves (£1m in base for 2009/10)	(1,500)	(1,500)	-	-	-	-	-	-	-	(3,000)
Insurance Reserve	-	(1,000)	1,000	-	-	-	-	-	-	0
Transformation Reserve/Board - ITS	1,000	-	(1,000)	-	-	-	-	-	-	-
Children's Social Care - Placement Budgets	-	1,500	-	-	-	-	-	-	-	1,500
Review of Corporate Procurement	-	2,000	3,000	-	-	-	-	-	-	5,000
Olympics	250	-	(250)	-	-	-	-	-	-	-
Review of Leisure services in Barking	-	100	200	-	-	-	-	-	-	600
Roads & Buses Bad debt provision	-	-	-	300	-	-	-	-	-	-
Realignment of HRA Recharges	-	2,500	-	-	-	-	-	-	-	2,500
People Board Fund	250	(250)	-	-	-	-	-	-	-	-
Contingency to cover budget risks	4,551	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	32,551
	6,551	5,850	5,450	3,800	3,500	3,500	3,500	3,500	3,500	39,151
Total Additional Costs (A)	12,426	12,900	8,830	7,550	7,750	7,500	7,500	7,500	7,500	79,956

Change in Income Funding

Formula Grant	(9,594)	(6,396)	(6,000)	(5,000)	(5,000)	1,000	1,000	1,000	1,000	(27,990)
Specific Grants	(6,441)	(1,381)	(685)	(1,000)	(1,000)	1,000	1,000	1,000	1,000	(6,507)
Area Based Grant	(5,633)	0	0	0	0	0	0	0	0	(5,633)
NHS Grants	2,432	(122)	0	0	0	0	0	0	0	2,310
Council Tax Freeze Grant	1,315	1,315	0	(1,315)	0	0	0	0	0	1,315
New Homes Bonus Grant	355	500	500	0	0	(355)	0	0	0	1,500
Change in Council Tax base	1,111	0	0	0	0	0	0	0	0	1,111
Reduction in Collection Fund deficit	690	0	0	0	0	0	0	0	0	690
Total Change in Income (B)	(15,764)	(6,085)	(6,185)	(5,500)	(6,000)	3,315	2,960	3,315	3,315	(26,629)

Budget Gap (A less B)

28,190	18,985	15,015	13,050	14,000	4,435	4,540	4,185	4,185	4,185	106,585
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Total £47.1 Million

Savings:

Departmental Savings

Departmental savings	25,190	15,046	5,724	689	-	-	-	-	-	46,649
	25,190	15,046	5,724	689	-	-	-	-	-	46,649

Corporate Savings and Efficiency

Procurement (JV) Savings	3,000	4,000	5,000	-	-	-	-	-	-	12,000
Average 3% service efficiency for all services from 2014/15	-	-	-	4,000	4,000	4,000	4,000	4,000	4,000	20,000
	3,000	4,000	5,000	4,000	4,000	4,000	4,000	4,000	4,000	32,000
Total Savings	28,190	19,046	10,724	689	4,000	4,000	4,000	4,000	4,000	78,649

Budget Gap including savings

0	(61)	4,291	12,361	10,000	435	540	185	185	185	27,936
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Total £16.6 Million

As advised by Council's Actuary
 Confirmed figures from D.Henaghan
 Additional Levy in 11/12 onwards
 Statutory requirement needed for base budgets
 Potential element in 12/13 onwards
 Assume current pay freeze
 Nominal allocation to cover uncontrollable cost-price inflation including energy costs

Reflects borrowing costs of approved capital programme
 Reflects borrowing costs of approved capital programme
 Reflects borrowing costs of approved capital programme
 Reflects approved budget

Need to establish an Election reserve to hold an annual 60k budget.
 Reflects approved budget
 An additional contingency to cover unknown pressures that must be supported
 25 year portfolio to build our long term capital strategy

£2m budget in 11/12 - no needed if we can capitalise redundancies
 Staggered removal of reserve top up, once reserves are re-established
 Reduction in Insurance reserve to assist in reducing the Budget Gap.
 Budget to build ITS pot - to be managed by the transformational team.

Acute demand pressure for Childrens Social Care provision over the available Budget
 Procurement pressures with loss of JV savings
 Additional pressure as per CLG
 Acute Pressure in Support of Axe Street Leisure Centre
 Budget pressure due to overpayment income increasing
 Correction of unjustified recharges to the HRA to fund the One Stop Shop & Call Centre
 One year investment in HR
 Contingency used to cover budget risks exposed in setting budget for Council Tax

Actual formula grant reduction as per Settlement
 Reduction in Specific grants as per Settlement
 Reduction in ABG not included in FG & SG above
 Assume LBBD will receive as per settlement - Pending DoH Confirmation
 Freezing CT Equivalent of a 2.5% increase
 Additional New Grant - Figure calculated using DCLG calculator
 Increase in CT base
 Addresses historic deficit

Savings Proposed by Departments to close Budget Gap

Target Joint venture savings - from December 2010 onwards
 Ongoing Efficiency targets post delivery of the current departmental targets

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Appendix D

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Barking HRA 13 October

Stock	18,697	18,462	18,243	18,064	17,850	17,663	17,622	17,622	17,622	17,622	17,622	17,622	17,622	17,622	17,622
£m	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Rent	81.8	84.8	87.8	91.2	94.4	96.2	98.9	101.9	104.9	108.1	111.3	114.6	118.1	121.6	125.3
Man & maint	-41.0	-41.8	-42.6	-43.4	-44.2	-45.1	-46.1	-47.3	-48.5	-49.7	-50.9	-52.2	-53.5	-54.8	-56.2
HRA recharges	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
M&M Savings	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Net rent	45.3	47.5	49.8	52.3	54.7	55.7	57.3	59.1	60.9	62.9	64.9	66.9	69.1	71.3	73.6
Interest	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6
HRA resources	35.7	37.9	40.2	42.6	45.0	46.0	47.6	49.4	51.3	53.2	55.2	57.3	59.4	61.7	63.9
New build	-3.5	-17.2	-11.0												
Estate renewal	-6.4	-7.5	-7.5	-7.5	-7.5	-2.0									
Gascoigne new build															
Estate & new build	-9.9	-24.7	-18.5	-7.5	-7.5	-2.0									
New borrowing	14.0	14.0													
Backlog funding	40.0	40.0	9.5	15.0	15.5										
	54.0	54.0	23.5	15.0	15.5										
Available for capital	49.3	28.2	37.2	35.1	37.5	44.0	47.6	49.4	51.3	53.2	55.2	57.3	59.4	61.7	63.9
Capital needs	49.2	50.3	51.4	52.5	53.7	24.1	24.7	25.3	25.9	26.6	24.6	25.3	25.9	26.5	27.2
Surplus/(deficit)	0.0	-22.1	-14.2	-17.4	-16.1	19.9	22.9	24.1	25.4	26.7	30.6	32.1	33.6	35.1	36.7
<i>Cumulative</i>	0.0	-22.1	-36.4	-53.7	-69.9	-49.9	-27.0	-2.8	22.5	49.2	79.8	111.9	145.4	180.5	217.3
Debt	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0	275.0

Assumptions

1. £261m starting debt + £14m headroom drawn down day 1
2. Inflation 2.5% interest rate 3.5%
3. Rent increases in line with Government policy
4. Management and maintenance based on 2011.12 budget - £4.5m reduction from 2012/13
5. £31.7m used for Goresbrook/Leys new build
6. Gascoigne regeneration programme completed in 6 years - no Council ownership of new build

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Barking draft HRA Self-financing debt settlement - 13 October 2011

Self-financing debt allocation	Stock	Debt £000	
Feb CLG model	19,199	281,305	This is the £281m debt in Feb 2011 CLG model
Revise opening inflation assumptions Rent 5% Costs 3%		291,877	The Feb 2011 model used estimates of future inflation. Actual inflation will be higher. While we don't know for certain this is based on more likely inflation outturn.
Reduce stock numbers	1,900	28,885	Estimated reduction to reflect reduced stock numbers
Forecast debt allocation		<u>262,992</u>	Revised estimate of "valuation" This is the payment the Council would need to make to Government on 31 March 2012
SCFR 1 April 2011		-19,008	
Backlog funding		2,000	
31 March 2012		<u>-17,008</u>	
		0	
Forecast self-financing debt increase		<u>262,992</u>	
HRA CFR	Ex LA new build	LA new build	Total
1 April 2011	-16,064	5,022	-11,042
Backlog	2,000		2,000
New build		6,714	6,714
Other increase	0	0	0
31 March 2012	<u>-14,064</u>	<u>11,736</u>	<u>-2,328</u>
Self-financing settlement		262,992	
Starting self-financing debt		<u>260,664</u>	
			So having paid £263m to Government there would be £261m of HRA debt to start with
Borrowing limit			
Debt allocation		262,992	
New build borrowing		11,736	
		<u>274,728</u>	
Opening headroom		<u>14,064</u>	
			The Council would then be allowed to increase borrowing by the £14.1m it would have had in the HRA but for the new build borrowing

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1 Description of Impact by Equality Categories

- 1.1 The positive and negative impacts on each equality group are listed below. The level of impact for different proposals will be quite different, so it is not sufficient to compare the numbers of proposals relating to each category to work out the comparative impact.

Age

Positive Impact

Reference Number	Description	Mitigation
ACS/SAV/02	Tenancy Sustainment Team Floating Support	The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.
ACS/SAV/08	Reducing the cost of transition between Children's & Adult Services	This will be available as an option for families; practitioners will emphasise the positive aspects of personalised approaches.
ACS/SAV/19	Integrated Offender Management	The Substance Misuse Team will be remodelled under the same structure for generic and other specialist social work teams to address the wider social care needs of Drug and Alcohol users. Bringing together Domestic Violence Services under the management of the GM for Adult Safeguarding will have a positive impact on young adults who are brought to the attention of ASB and Youth Offending. With the emerging priorities of gang issues a more holistic management approach will reduce crime through more proactive prevention work.
CHS/SAV/12	Reducing the cost of transition between CS & AS	This will be available as an option for families; practitioners will emphasise the positives of personalised approaches.

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/01	Reduction to services funded by the Area Based Grant	Fairer Contributions Policy: An easy to understand leaflet has been widely circulated to explain the policy. This has been backed up by briefings to staff and members. A phone line has been set up for people in case of queries. The policy was designed to mitigate effects on the old, disabled and those on low incomes. No charges will be made if the assessed charge is £5 or below, only 70% of disposable income is considered as chargeable income, an extra £5 has been added to the minimum guaranteed income for people aged 85 and over, and 35% of higher level DLA/AA will not be taken into account (typical rate is 25%).
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV/15	Changes to the public events programme	Steps will be taken to provide alternative opportunities to showcase local talent in particular using the stage in the town hall square in Barking. This opportunity will be re-provided in the Barking Town Hall square.
ACS/SAV/18	Leisure Centre charges	A variety of concessionary pricing policies are in place that are available to children and young people, older people, disabled people and others that will help to minimise the impact of these changes for those people for whom price can be a barrier to participation. Up to a 50% reduction on the standard price will be made available to the following groups: <ul style="list-style-type: none"> • Children and young people aged 16 and under • Full time students • People on low incomes in receipt of means tested benefits • People receiving 'carer allowance' • Disabled people who are eligible for a blue badge Funding has been secured for 2011/12 and 2012/13 to provide free access for people over the age of 60. If this funding is not continued then the 50% tariff will also apply for over 60s. Discounts will also apply for family groups. Also children enrolling on learn to swim programmes will be able to access free swimming whilst they are enrolled on the lesson programme.
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	The impacts have been mitigated by the decision to continue to deliver the service alongside the Anti-Social Behaviour Team in Community Safety.

ACS/SAV22	Libraries Review	<p>It is not expected that there will be any equality implications for customers from the proposals relating to relocation from Muirhead Quay or those for Thames View and Valence libraries. However, there could be adverse impact if the proposal to close Wantz and Markyate libraries is implemented. However, a good quality and comprehensive library service will continue to be provided: only 44 Borough residents would live more than 1 mile or a 20 minute bus ride away from a library. This takes into account current library provision in Havering and Redbridge.</p> <p>In 2010/11 there were 64,348 visits to the two libraries proposed for closure, about 5% of the total visits across the ten libraries. It is expected that most, if not all, Wantz and Markyate service users will access other libraries: Dagenham and Valence libraries are about 1 ½ miles away from the two libraries that may be closed. Current activity sessions at Markyate and Wantz libraries will be replicated at nearby libraries. Active borrowers at Markyate and Wantz libraries will be monitored to see what impact the closure of the two libraries has had on their continued use of the libraries' service.</p>
CEX/SAV/02	Restructure of Policy Teams	<p>The existing School Library Service provision at Dorothy Barley school will be expanded. There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.</p>
CHS/SAV/02	Merger of Preventative Services	<p>There will be tighter criteria for accessing the service. The Team will prioritise key groups and families.</p>
CHS/SAV/03	School Estate	<p>The impact may be on the reduced amount available from capital budgets for building. Actual impact will be monitored through School Investment Board.</p>

CHS/SAV/04	Engagement Team	The Council will still be able to deliver next year's summer programme but this may mean re-deploying youth workers from other activities and deployment of the Youth Bus in the evenings over the Summer. The responsibility for delivering the borough's high profile Young Inspectors programme will be incorporated into the delivery of The BAD Youth Forum, with Young Inspectors becoming a formal sub-group of the Forum. It is anticipated that the current level of service will be retained through better collaborative working across Integrated Youth Services and Complex Needs and Social Care.
CHS/SAV/07	Reduction in the council's funding contribution to the Child and Adolescent Mental Health Service (CAMHS)	The Council will ensure the primary mental health workers in the localities regularly run sessions from school sites. If there is an increased number of no shows then the service will renegotiate tier 3 services in the community, and • Consider having tier 3 services on school sites.
CHS/SAV/08	Children's Safeguarding Board Cost Reductions	
CHS/SAV/09	Educational Psychology Service	EPS will prioritise early support and pre-school children, and work with schools regarding prioritisation and effective focus of time.
CHS/SAV/10	Careers Advice Services; reduction in contract value to meet statutory requirements only by 2013/14	Council officers will work with schools and other providers to commission additional provision or to explore other delivery options e.g. through the use of ICT. Council officers will realign existing commissioned services to achieve greater impact and to align with existing provision for example, availability in Children's Centres. The Local Authority is extending the number of quality assured providers of alternative education for young people aged 14-19. The Skills Centre will provide an additional 560 FTE places for LBBB young people following vocational pathways.
CHS/SAV/11	Transport	
CHS/SAV/17	Education Inclusion	Impact of reduction will be reviewed termly – in July, December and March, for a year after introduction. Performance of managed service will be reported directly to schools.
CHS/SAV/18	Increase in Income Generated by Advisory Teachers	Financial monitoring will be carried out from 1 April 2012 to track that income generated is on course to meet target.
CUS/SAV/11	Reduced mowing to create naturalised environment	To mitigate this impact, we will cut pathways through the long grass and this will also be used as a 'fire break'
CUS/SAV/14	Making parks more commercially sustainable	

Summary of 'Age' Equality Group

20 of the proposals would involve a particular negative impact to younger or older people. These include savings with a direct impact on younger people – such as the removal of free school uniform awards scheme – as well as changes such removing the Town Show, which would affect the whole community, but has in the past had an emphasis on attracting young people and families.

A significant majority of older people who access Council services are women. Therefore the negative impacts associated with older people also tend to have a stronger impact on women than men.

The effect of the savings as proposed would be felt most by younger and older people.

The budget savings made by the Council in early 2011 were similarly analysed to identify their impact on the different equality groups, and those cuts were also found to have a particularly significant impact on younger and older people.

Socio-economic

Positive impact

Reference Number	Description	Mitigation
ACS/SAV/02		The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.
ACS/SAV/08	Tenancy Sustainment Team Floating Support	This will be available as an option for families; practitioners will emphasise the positive aspects of personalised approaches.
CHS/SAV/12	Reducing the cost of transition between CS & AS	This will be available as an option for families; practitioners will emphasise the positives of personalised approaches.

Negative impacts

Reference Number	Description	Mitigation
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV/17	Expanding commercial opportunities at heritage venues	None

ACS/SAV/18	Leisure Centre charges	<p>A variety of concessionary pricing policies are in place that are available to children and young people, older people, disabled people and others that will help to minimise the impact of these changes for those people for whom price can be a barrier to participation. Up to a 50% reduction on the standard price will be made available to the following groups:</p> <ul style="list-style-type: none"> • Children and young people aged 16 and under • Full time students • People on low incomes in receipt of means tested benefits • People receiving 'carer allowance' • Disabled people who are eligible for a blue badge <p>Funding has been secured for 2011/12 and 2012/13 to provide free access for people over the age of 60. If this funding is not continued then the 50% tariff will also apply for over 60s.</p> <p>Discounts will also apply for family groups.</p> <p>Also children enrolling on learn to swim programmes will be able to access free swimming whilst they are enrolled on the lesson programme.</p>
CEX/SAV/02	Restructure of Policy Teams	<p>There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.</p>
CHS/SAV/04	Engagement Team	<p>The Council will still be able to deliver next year's summer programme but this may mean re-deploying youth workers from other activities and deployment of the Youth Bus in the evenings over the Summer. The responsibility for delivering the borough's high profile Young Inspectors programme will be incorporated into the delivery of The BAD Youth Forum, with Young Inspectors becoming a formal sub-group of the Forum. It is anticipated that the current level of service will be retained through better collaborative working across Integrated Youth Services and Complex Needs and Social Care.</p>

CHS/SAV/07	Reduction in the council's funding contribution to the Child and Adolescent Mental Health Service (CAMHS)	The Council will ensure the primary mental health workers in the localities regularly run sessions from school sites. If there is an increased number of 'no shows' then the service will renegotiate tier 3 services in the community.
CHS/SAV/09	Educational Psychology Service	EPS will prioritise early support and pre-school children, and work with schools regarding prioritisation and effective focus of time.
CHS/SAV/10	Careers Advice Services; reduction in contract value to meet statutory requirements only by 2013/14	Council officers will work with schools and other providers to commission additional provision or to explore other delivery options e.g. through the use of ICT. Council officers will realign existing commissioned services to achieve greater impact and to align with existing provision for example, availability in Children's Centres. The Local Authority is extending the number of quality assured providers of alternative education for young people aged 14-19. The Skills Centre will provide an additional 560 FTE places for LBBD young people following vocational pathways.
CHS/SAV/13	Service Efficiencies and Re-organisation	Some of the most effective services will be delivered on an outreach basis. Managers will continue to support OFSTED inspections as best they can.
CHS/SAV/16	Adult College - contribution from the College's budgets towards management costs / overheads	The college will maintain its relentless focus on improving the quality of provision in order that levels of income from the SFA are maximised. This will allow some measure of financial headroom in order for the college to offer assistance to learners on low incomes, including senior citizens. The college will further improve cost effectiveness by increasing class sizes but only to the point at which the quality of teaching and learning is not adversely affected. The college will review its current marketing and communications strategy in order to improve levels of recruitment, and therefore revenue.
CHS/SAV/20	% reduction in the staff that provide advice and guidance to childminders in the borough	Realign the childminding support team to ensure targeted support and utilise more efficiently the Business and sustainability Officer. Also use external business support providers.
CUS/SAV/09	Introduce new system of permits for controlled parking zones that incentivise the use of low emission vehicles	The vehicle manufacturing industry has responded to this challenge and has produced highly fuel efficient larger vehicles for a number of years now. This is offset by the alternative extensive public and transport network in the borough.

CUS/SAV/13	Generating income to resource existing client team	An EIA will be established as part of the recruitment and consultation process. We will comply with corporate and legal obligations. In advance of any programmes and whilst they are being delivered we will begin with low level challenge that makes offenders aware they are at risk. Communication will reflect community languages where appropriate. In advance of any programmes and whilst they are being delivered we will begin with low level challenge that makes offenders aware they are at risk. We will also look at easy payment opportunities and early payment reduction
FIN&RES/SAV/06	Reduction to staffing in Job Shop (element 1) and business support (element 2)	Regular performance information will be collected and analysed to ensure that services are targeted at key client groups.

Summary of 'Socio-Economic' Equality Group

There would be six positive and 15 negative particular impacts on residents on lower incomes. Whilst socio-economic status is not a legally protected equality category, the London Borough of Barking and Dagenham consider socio-economic status alongside the equalities categories when analysing the impact of decisions and services on residents from the equality groups. Younger and older people, people with a disability and women tend to be on lower incomes than the overall population; therefore the preceding concerns also impact more on this group. A number of the negative impacts have been mitigated, for example by providing concessionary rates at leisure centres.

Disability

Positive Impacts

Reference Number	Description	Mitigation
ACS/SAV/02		The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.
ACS/SAV/07	Tenancy Sustainment Team Floating Support Learning Disability Residential Care	The on-going service review will be specifically focused on ensuring that the tenants derive greater individual choice and control over their lives through the re-modelling of the service.
ACS/SAV/08	Reducing the cost of transition between Children's & Adults Services	This will be available as an option for families; practitioners will emphasise the positive aspects of personalised approaches.
CHS/SAV/12	Reducing the cost of transition between CS & AS	This will be available as an option for families; practitioners will emphasise the positives of personalised approaches.
CHS/SAV/14	Changes to Short Breaks Provision	This will be available as an option for families; practitioners will emphasise the positives of personalised approaches.
CUS/SAV/14	Making parks more commercially sustainable	None

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/01	Reduction to services funded by the Area Based Grant	<p>Fairer Contributions Policy: An easy to understand leaflet has been widely circulated to explain the policy. This has been backed up by briefings to staff and members. A phone line has been set up for people in case of queries.</p> <p>The policy was designed to mitigate effects on the old, disabled and those on low incomes.</p> <p>No charges will be made if the assessed charge is £5 or below, only 70% of disposable income is considered as chargeable income, an extra £5 has been added to the minimum guaranteed income for people aged 85 and over, and 35% of higher level DLA/AA will not be taken into account (typical rate is 25%).</p>
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	The impacts have been partially mitigated by the decision to continue to deliver the service alongside the Anti-Social Behaviour Team in Community Safety. The remaining posts will be able to undertake some engagement work – but will be on a limited and Borough wide basis only.
CEX/SAV/02	Restructure of Policy Teams	There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.

CHS/SAV/02	Merger of Preventative Services	There will be tighter criteria for accessing the service. The Team will prioritise key groups and families.
CHS/SAV/04	Engagement Team	The Council will still be able to deliver next year's summer programme but this may mean re-deploying youth workers from other activities and deployment of the Youth Bus in the evenings over the Summer. The responsibility for delivering the borough's high profile Young Inspectors programme will be incorporated into the delivery of The BAD Youth Forum, with Young Inspectors becoming a formal sub-group of the Forum. It is anticipated that the current level of service will be retained through better collaborative working across Integrated Youth Services and Complex Needs and Social Care.
CHS/SAV/09	Educational Psychology Service	EPS will prioritise early support and pre-school children, and work with schools regarding prioritisation and effective focus of time.
CHS/SAV/10	Careers Advice Services; reduction in contract value to meet statutory requirements only by 2013/14	Council officers will work with schools and other providers to commission additional provision or to explore other delivery options e.g. through the use of ICT. Council officers will realign existing commissioned services to achieve greater impact and to align with existing provision for example, availability in Children's Centres. The Local Authority is extending the number of quality assured providers of alternative education for young people aged 14-19. The Skills Centre will provide an additional 560 FTE places for LBBB young people following vocational pathways.
CHS/SAV/11	Transport	None
CHS/SAV/17	Education Inclusion	Impact of reduction will be reviewed termly – in July, December and March, for a year after introduction. Performance of managed service will be reported directly to schools.
CHS/SAV/21	Deletion of the post of Head of Portage and Early Support	The service will designate an experienced advisory teacher to lead and manage the remaining staff and focus work on improving outcomes. Portage staff will have a larger case load or a waiting list for home visits and support may have to be introduced.
CUS/SAV/03	Revisions to Domestic Refuse Collection and Recycling Services	In addition to the communications and media campaigns each household will be visited by door knockers who either use or have access to colleagues who use the most common community languages. Assisted collections services will be provided, and refuse operatives will assist those people who have difficulties moving their bin. This part of the service will be included in all communications and campaigns.

CUS/SAV/05	Alter the arrangements for the orange recycling bags by replacing it with wheelie bins.	In addition to the communications and media campaigns each household will be visited by door knockers who either use or have access to colleagues who use the most common community languages. Assisted collections services will be provided, and refuse operatives will assist those people who have difficulties moving their bin. This part of the service will be included in all communications and campaigns.
CUS/SAV/11	Reduced mowing to create naturalised environment	To mitigate this impact, we will cut pathways through the long grass and this will also be used as a 'fire break'

Summary of 'Disability' Equality Group

The proposals include three positive and 15 negative impacts on people with a disability. The positive impacts related to services being delivered more flexibly and effectively. A number of the negative impacts are on areas which are particularly used by people with a disability rather than specifically provided for that group. Disabled people tend to be on significantly lower incomes than the population overall; changes to service which affect people on lower incomes will also affect disabled people. Some of the proposals have been mitigated by reducing charges to disabled people, and ensuring effective communications of changes to services.

Gender

Positive Impacts

Reference Number	Description	Mitigation
ACS/SAV/02	TST Floating Support	The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.
ACS/SAV/19	Integrated Offender Management	The Substance misuse Team will be remodelled under the same structure for generic and other specialist social work teams to address the wider social care needs of Drug and Alcohol users. Bringing together Domestic Violence Services under the management of the GM for Adult Safeguarding will have a positive impact on women by providing more holistic services for the most vulnerable.

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/01	Reduction to services funded by the Area Based Grant	<p>An easy to understand leaflet has been widely circulated to explain the policy. This has been backed up by briefings to staff and members. A phone line has been set up for people in case of queries.</p> <p>The policy was designed to mitigate effects on the old, disabled and those on low incomes.</p> <p>No charges will be made if the assessed charge is £5 or below, only 70% of disposable income is considered as chargeable income, an extra £5 has been added to the minimum guaranteed income for people aged 85 and over, and 35% of higher level</p>

Reference Number	Description	Mitigation
		DLA/AA will not be taken into account (typical rate is 25%).
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV22	Libraries Review	<p>It is not expected that there will be any equality implications for customers from the proposals relating to relocation from Muirhead Quay or those for Thames View and Valence libraries. However, there could be adverse impact if the proposal to close Wantz and Markyate libraries is implemented. However, a good quality and comprehensive library service will continue to be provided: only 44 Borough residents would live more than 1 mile or a 20 minute bus ride away from a library. This takes into account current library provision in Havering and Redbridge.</p> <p>In 2010/11 there were 64,348 visits to the two libraries proposed for closure, about 5% of the total visits across the ten libraries. It is expected that most, if not all, Wantz and Markyate service users will access other libraries: Dagenham and Valence libraries are about 1 ½ miles away from the two libraries that may be closed. Current activity sessions at Markyate and Wantz libraries will be replicated at nearby libraries. Active borrowers at Markyate and Wantz libraries will be monitored to see what impact the closure of the two libraries has had on their continued use of the libraries' service.</p>
CEX/SAV/02	Restructure of Policy Teams	<p>The existing School Library Service provision at Dorothy Barley school will be expanded. There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.</p>
CHS/SAV/02	Merger of Preventative Services	There will be tighter criteria for accessing the service. The Team will prioritise key groups and families.

Reference Number	Description	Mitigation
CHS/SAV/07	Reduction in the council's funding contribution to the Child and Adolescent Mental Health Service (CAMHS)	The Council will ensure the primary mental health workers in the localities regularly run sessions from school sites. If there is an increased number of 'no shows' then the service will renegotiate tier 3 services in the community.
CHS/SAV/09	Educational Psychology Service	EPS will prioritise early support and pre-school children, and work with schools regarding prioritisation and effective focus of time.
CHS/SAV/10	Careers Advice Services; reduction in contract value to meet statutory requirements only by 2013/14	Council officers will work with schools and other providers to commission additional provision or to explore other delivery options e.g. through the use of ICT. Council officers will realign existing commissioned services to achieve greater impact and to align with existing provision for example, availability in Children's Centres. The Local Authority is extending the number of quality assured providers of alternative education for young people aged 14-19. The Skills Centre will provide an additional 560 FTE places for LBBB young people following vocational pathways.
CHS/SAV/11	Transport	None
CHS/SAV/13	Service Efficiencies and Re-organisation	Some of the most effective services will be delivered on an outreach basis. Managers will continue to support OFSTED inspections as best they can.
CUS/SAV/03	Revisions to Domestic Refuse Collection and Recycling Services	In addition to the communications and media campaigns each household will be visited by door knockers who either use or have access to colleagues who use the most common community languages. Assisted collections services will be provided, and refuse operatives will assist those people who have difficulties moving their bin. This part of the service will be included in all communications and campaigns.
CUS/SAV/05	Alter the arrangements for the orange recycling bags by replacing it with wheelie bins.	In addition to the communications and media campaigns each household will be visited by door knockers who either use or have access to colleagues who use the most common community languages. Assisted collections services will be provided, and refuse operatives will assist those people who have difficulties moving their bin. This part of the service will be included in all communications and campaigns.
CUS/SAV/06	the number vehicles required, from 14 to 9 refuse collection vehicles	New refuse collection vehicles are to be procured soon and the specification for new vehicles has incorporated the requirement for quieter lifting gear. Refuse crews will also be made aware of the issue. The placement and return of bins to the boundary of the property rather than close to the property will help mitigate the problem

Summary of 'Gender' Equality Group

There would be 14 negative and two positive impacts on people of a particular gender. These consist of negative impacts on services which are particularly used by women and parents such as the library service.

Race

Positive Impacts

Reference Number	Description	Mitigation
ACS/SAV/01	Reduction to services funded by the Area Based Grant	<p>Fairer Contributions Policy: An easy to understand leaflet has been widely circulated to explain the policy. This has been backed up by briefings to staff and members. A phone line has been set up for people in case of queries.</p> <p>The policy was designed to mitigate effects on the old, disabled and those on low incomes.</p> <p>No charges will be made if the assessed charge is £5 or below, only 70% of disposable income is considered as chargeable income, an extra £5 has been added to the minimum guaranteed income for people aged 85 and over, and 35% of higher level DLA/AA will not be taken into account (typical rate is 25%).</p>
ACS/SAV/02	Tenancy Sustainment Team Floating Support	<p>The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.</p>

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/11	End subsidy to Broadway Theatre	<p>Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.</p>
ACS/SAV/14	Reduction to heritage events and education programmes	<p>Steps will be taken to raise external funding to replace the Council revenue funding.</p>

ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	The impacts have been partially mitigated by the decision to continue to deliver the service alongside the Anti-Social Behaviour Team in Community Safety. The remaining posts will be able to undertake some engagement work – but will be on a limited and Borough wide basis only.
CEX/SAV/02	Restructure of Policy Teams	There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.
CHS/SAV/02	Merger of Preventative Services	There will be tighter criteria for accessing the service. The Team will prioritise key groups and families.
CHS/SAV/08	Children's Safeguarding Board Cost Reductions	None identified
CHS/SAV/09	Educational Psychology Service	EPS will prioritise early support and pre-school children, and work with schools regarding prioritisation and effective focus of time.
CHS/SAV/10	Careers Advice Services; reduction in contract value to meet statutory requirements only by 2013/14	Council officers will work with schools and other providers to commission additional provision or to explore other delivery options e.g. through the use of ICT. Council officers will realign existing commissioned services to achieve greater impact and to align with existing provision for example, availability in Children's Centres. The Local Authority is extending the number of quality assured providers of alternative education for young people aged 14-19. The Skills Centre will provide an additional 560 FTE places for LBBB young people following vocational pathways.
CHS/SAV/13	Service Efficiencies and Re-organisation	Some of the most effective services will be delivered on an outreach basis. Managers will continue to support OFSTED inspections as best they can.
CUS/SAV/03	Revisions to Domestic Refuse Collection and Recycling Services	In addition to the communications and media campaigns each household will be visited by door knockers who either use or have access to colleagues who use the most common community languages. Assisted collections services will be provided, and refuse operatives will assist those people who have difficulties moving their bin. This part of the service will be included in all communications and campaigns.

CUS/SAV/05	Alter the arrangements for the orange recycling bags by replacing it with wheelie bins.	In addition to the communications and media campaigns each household will be visited by door knockers who either use or have access to colleagues who use the most common community languages. Assisted collections services will be provided, and refuse operatives will assist those people who have difficulties moving their bin. This part of the service will be included in all communications and campaigns.
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Summary of 'Race' Equality Group

11 of the proposals are projected to have a particular negative impact and two have positive impacts on residents or staff from BAME groups. These have all been identified because the related proposals have a greater impact on people from BAME backgrounds than the general population – none are related to services particularly aimed at people from particular ethnic backgrounds.

Cohesion

Positive Impact - None

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	The impacts have been partially mitigated by the decision to continue to deliver the service alongside the Anti-Social Behaviour Team in Community Safety. The remaining posts will be able to undertake some engagement work – but will be on a limited and Borough wide basis only.
CHS/SAV/02	Merger of Preventative Services	There will be tighter criteria for accessing the service. The Team will prioritise key groups and families.
CHS/SAV/10	Careers Advice Services; reduction in contract value to meet statutory requirements only by 2013/14	Council officers will work with schools and other providers to commission additional provision or to explore other delivery options e.g. through the use of ICT. Council officers will realign existing commissioned services to achieve greater impact and to align with existing provision for example, availability in Children's Centres. The Local Authority is extending the number of quality assured providers of alternative education for young people aged 14-19. The Skills Centre will provide an additional 560 FTE places for LBBD young people following vocational pathways.
CHS/SAV/17	Education Inclusion	Impact of reduction will be reviewed termly – in July, December and March, for a year after introduction. Performance of managed service will be reported directly to schools.

Summary of 'Cohesion' Equality Group

There would be seven negative impacts on community cohesion from the proposals. The Council is committed to promoting community cohesion in the borough. The Public Sector Equality Duty 2011 requires Councils to foster good relations between different groups. A number of the proposals risk significantly affecting community cohesion. For example, by reducing support for vulnerable young or older people to meet with their own peer groups and also people from different backgrounds – by age, race or faith, for example – some of the positive work underway to promote community cohesion would be reduced.

Religion and Belief

Positive Impact

Reference Number	Description	Mitigation
ACS/SAV/02	Tenancy Sustainment Team Floating Support	The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV/15	Changes to the public events programme	Steps will be taken to provide alternative opportunities to showcase local talent in particular using the stage in the town hall square in Barking. This opportunity will be re-provided in the Barking Town Hall square.
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	The impacts have been partially mitigated by the decision to continue to deliver the service alongside the Anti-Social Behaviour Team in Community Safety. The remaining posts will be able to undertake some engagement work – but will be on a limited and Borough wide basis only.

CEX/SAV/02	Restructure of Policy Teams	There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.
CHS/SAV/02	Merger of Preventative Services	There will be tighter criteria for accessing the service. The Team will prioritise key groups and families.
CHS/SAV/08	Children's Safeguarding Board Cost Reductions	
CHS/SAV/13	Service Efficiencies and Re-organisation	Some of the most effective services will be delivered on an outreach basis. Managers will continue to support OFSTED inspections as best they can.

Summary of 'Religion and Belief' Equality Group

The proposals would have eight negative and one positive impact on people with a particular faith. These impacts are mostly on services which are particularly used by people who have a faith, rather than on services targeted at people from any particular faith. The proposal to reduce support for partners who are involved in the Children's Safeguarding Board could reduce the ability to engage with and collect information about residents from different faith groups.

Sexual Orientation

Positive Impacts

Reference Number	Description	Mitigation
ACS/SAV/02	Tenancy Sustainment Team Floating Support	The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.
ACS/SAV/03	Remodelling homecare services in line with the principles of personalisation	The remodel of reablement and specialised dementia care will commence in 2013. In the meantime we will work with the voluntary sector to develop the quality of service delivery. The remodel will be a gradual process introducing new providers into the market.

Negative Impacts

Reference Number	Description	Mitigation
ACS/SAV/11	End subsidy to Broadway Theatre	Expressions of interest will be sought from arts organisations to take on the operation of the theatre at neutral cost to the Council.
ACS/SAV/14	Reduction to heritage events and education programmes	Steps will be taken to raise external funding to replace the Council revenue funding.
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	The impacts have been partially mitigated by the decision to continue to deliver the service alongside the Anti-Social Behaviour Team in Community Safety. The remaining posts will be able to undertake some engagement work – but will be on a limited and Borough wide basis only.

CEX/SAV/02	Restructure of Policy Teams	There will be more co-ordination of people and resources across the Council to maximise the skills and knowledge we have. We will also seek to work with other councils to avoid duplication of analysis and capitalise even more than we do currently on sources of information from London Councils and elsewhere. The Equalities policies of the Council and its key objectives of Increasing Personal Incomes, Housing Improvement and Education Improvement will mean that there will still be a great emphasis on socially excluded groups. The Council will continue to operate its Equalities policies and to collect data on each of the Equalities groups wherever relevant. This mitigation will mean that there will be no immediate impact.
CHS/SAV/02	Merger of Preventative Services	

Summary of 'Sexual Orientation' Equality Group

The proposals would have five negative and two positive impacts on lesbian and gay people.

Pregnant and nursing mothers

Positive Impact

Reference Number	Description	Mitigation
ACS/SAV/02	Tenancy Sustainment Team Floating Support	The new proposed service model should prioritise targeted work with older people in B&D to promote the Gateway service as access routes to floating support. The new model will prioritise targeted work with Disabled groups in B&D to promote the Gateway service as access routes to floating support. Distribute Gateway information to Disabled People & Carers using current contracts under Adult Commissioning that are Learning Disability, Physical & Sensory Disability specific. Detailed monitoring systems will be used within the Gateway service and all potential providers on the framework agreement. The Adult Commissioning Team will monitor information on quarterly basis to identify gaps and trends within provision and implement actions to mitigate adverse impacts if identified.

Negative Impacts

No negative impacts have been identified.

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Schedule of savings proposals and recommendations

As part of the budget consultation, the Council’s select committees reviewed each of the savings proposals put forward by Cabinet.

Following a presentation by the relevant Cabinet Member and a question and answer session with the relevant senior officer, scrutiny Members decided whether they were satisfied with the proposal or whether they wished to make recommendations back to Cabinet. Their recommendations and comments, a list of which is scheduled here, are now to be used by Cabinet Members in reaching a decision.

It should be noted that:

- proposals which the select committees made no material recommendations, comments or requests to have been omitted from this schedule
- the full list of savings proposals can be found at Appendix B
- during the select committee process, some proposals were withdrawn by the relevant Cabinet Member following the comments of scrutiny Members and other public comments. These proposals are also listed in this schedule, but are marked * WITHDRAWN *

Saving reference	Saving title	Select Committee Recommendations / Comments / Requests to Cabinet
Public Accounts and Audit Select Committee (2 Nov 2011)		
CEX/SAV/01	Chief Executive’s organisational review	<p>That more contingency planning is done in case, in the future, it transpires there is not enough senior management capacity. A process should be laid out in case of this.</p> <p>That five of the eight red Corporate Risks relate to areas managed by the posts these proposals aim to delete. There could therefore be too much of a negative effect if these cuts go ahead as proposed.</p>
CEX/SAV/04	Merging Payroll and HR Support	That PAASC be provided with a monitoring report every six months which assesses Elevate’s performance.
CEX/SAV/05	Reduction in spending on strategic HR	<p>That officers re-write the proposal to provide greater clarity regarding the number of posts involved.</p> <p>That regard is given to the negative impact this saving could have on equalities and diversity.</p>

Saving reference	Saving title	Select Committee Recommendations / Comments / Requests to Cabinet
* AMENDED * FIN&RES/SAV/01	Transfer of Assets and Commercial Services Division to Elevate	That more detail be added to the savings proposal in all sections of the form. That the proposal be subject to a report back on the potential for Housing Services to undertake work relating to estates management
* WITHDRAWN * FIN&RES/SAV/03	Introduction of charges for the use of Credit Cards in payment for services provided by the Council	That the saving would have an unacceptably disproportionate impact on no/low income residents. That the saving would have a detrimental impact on the Council's reputation.
FIN&RES/SAV/05	Remove provision in the Medium Term Financial Strategy for inflation	That PAASC receives regular reports which monitors this situation/impact locally and assesses the wider national inflation issues.
* WITHDRAWN (subject to approval) * FIN&RES/SAV/06	Service reduction in One Stop Shops and Contact Centre	That the reduction to opening hours/days does not go ahead due to the adverse impact it would have on the service. The Cabinet Member for Customer Services withdrew the proposal following the committee's comments.
Living and Working Select Committee (8 Nov 2011)		
* WITHDRAWN (subject to approval) * *CUS/SAV/01	Strategic Commissioning	That strategic commissioning in this area is scrutinised at an appropriate time before implementation. That benchmarking information from strategic commissioning in other authorities is shared with members.
* DEFERRED * CUS/SAV/02	Restructuring arising from the move to localities management	That localities management returns to the committee for further scrutiny in order to influence and shape its development before implementation.
CUS/SAV/03	Revision to Domestic Refuse Collection and Recycling Services	That a comprehensive communications plan be implemented to educate residents about the changes to recycling.
CUS/SAV/09	Introduce new system of permits for controlled parking zones	That owners of commercial vehicles are required to pay a higher price for their permit than regular car owners in order to minimise the impact on families.
Safer and Stronger Community Select Committee (9 Nov 2011)		
ACS/SAV/11	Termination of grant funding to Broadway Theatre	That options on how the Council can retain the performance arts at the venue should be considered.

Saving reference	Saving title	Select Committee Recommendations / Comments / Requests to Cabinet
ACS/SAV/15	Changes to the public events programme	That Cabinet re-examine the sponsorship opportunities for the town show and also explore options for the town show to be run by charities.
* AMENDED * CUS/SAV/11	The creation of naturalised areas of grassland	That Cabinet carry out a consultation with the residents before making a decision on the saving proposal.
Children's Services Select Committee (22 Nov 2011)		
* WITHDRAWN (subject to approval) * CHS/SAV/15	Social Work Restructure	The Cabinet Member for Children withdrew the proposal
CHS/SAV/16	Adult College contributions	That further consultation be carried out with the College before proposing the saving for 2013/14
* WITHDRAWN (subject to approval) * FIN&RES/SAV/17 Phase II	Removal of Free School Uniform Awards scheme	The Cabinet Member for Children withdrew the proposal
Public Account and Audit Select Committee (28 Nov 2011)		
ACS/SAV/22	Libraries Review	That the library strategy be scrutinised and plans for consultation with residents shared with the committee.
CHS/SAV/10B	Reduction in value of Connexions Careers Advice Contract	That Cabinet reflects on the adverse impact the saving would have on young people.
CHS/SAV/22	Reduction to Youth Commissioning Fund	That Members are provided with a report that outlines how the remaining £200k of the commissioning fund will be spent on services for young people.
FIN&RES/SAV/14	Reduction to staffing in Job Shop and business support	That there is a campaign in the News explaining the job brokerage options available to residents as well as the functions of the Job Shop, Business Centre and Enterprise centre.

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CABINET

14 DECEMBER 2011

Title: Calculation and Setting of the Council Tax Base for 2012/13	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: Annette Cardy, Group Manager for Revenues and Benefits	Contact Details: Tel: 020 8227 2693 E-mail: annette.cardy@lbbd.gov.uk
Accountable Divisional Director: Sue Lees, Divisional Director of Assets and Commercial Services	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
<p>Summary:</p> <p>This report seeks approval of the Authority's Council Tax Base for 2012-13, which is the responsibility of the Cabinet.</p> <p>This report sets out the calculation of the Council Tax Base for 2012-13 and provides information on powers available to the Council to reduce discounts for second homes and long-term empty properties, and to award locally determined discounts. Information is also provided on powers available to the Council to offer discounts for prompt payment, where bills are paid immediately in full without the need for an instalment plan.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is asked to agree:</p> <ul style="list-style-type: none"> (i) That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by the London Borough of Barking & Dagenham Council as its Tax Base for the year 2012-13 shall be 53,086.9 Band 'D' properties; (ii) That the discount for long-term empty properties and second homes continues to be set at 10%; (iii) That no locally determined discount's based on categories of property or occupier be awarded for 2012-13; and (iv) That there should be no award of reductions for prompt payment during 2012-13. 	
<p>Reason(s)</p> <p>The Council has a duty to set a Tax Base for Council Tax purposes by 31 January each year under Section 67 of the Local Government Finance Act 1992.</p>	

1. Introduction and Background

- 1.1 The Tax Base must be conveyed to the major precepting Authorities by 31 January prior to the start of the financial year.
- 1.2 The Tax Base must be calculated in accordance with regulations made by the Secretary of State under Section 33(5) of the Local Government Finance Act 1992 i.e. The Local Authorities (Calculation of Tax Base) Regulations 1992.
- 1.3 The regulations set a prescribed period for the calculation of the tax, which is between 1 December and 31 January in the financial year preceding that for which the calculation of the council tax base is made. The data used in the calculation must be that held by the Council as at 30 November.
- 1.4 Appendix A sets out the Calculation of Tax Base.

2. Proposal and Issues

- 2.1 The Local Government Act 2003 gives the Council discretion to vary certain discounts that were previously prescribed. The powers, which came into force for the 2004/05 financial year, are to:
 - Reduce the 50% discount on second homes to 10%
 - Reduce, or remove entirely, the 50% discount for properties that have been empty for more than six months
 - Award 'locally determined discounts' of up to 100%, determined by categories of properties or persons, or on a case by case basis.
- 2.2 In December 2008 the Assembly accepted a recommendation to continue a 10% discount on long term empty properties and second homes. This is consistent with the approach and application of reduced discounts that has been adopted by most other local authorities.
- 2.3 In addition, the Assembly also agreed that no locally determined discounts based on category of property or occupier would be awarded for 2009/10 onwards.

3. Options Appraisal

- 3.1 In December 2008 the Assembly accepted a recommendation not to award reductions for prompt and non-cash payments for 2009/10 but to reconsider the possibility of this in future years.
- 3.2 Under reg.25 of the Council Tax Administration and Enforcement Regulations, a billing authority may set a resolution on or before the date that the Council Tax is set, that will allow a scheme to be run which would allow Council Tax payers to receive a discount for paying their Council Tax by a specified date / day, in one lump sum.
- 3.3 The Council has not previously operated such a scheme. There was some research undertaken previously to establish whether customer interest would be

sufficient to justify the introduction of a scheme. The system functionality is available to be able to operate and administer these reductions.

- 3.4 The typical level of discount offered by Authorities who operate these schemes is 2%. Following a survey undertaken previously there did appear to be some level of interest in this type of reduction. However, since the survey was undertaken, the economic climate may have affected this interest and the likely take up is not clear.
- 3.5 Taking account of current economic factors and lack of clarity of interest in a scheme, careful consideration would have to be given to the level of discount allowable. It would be very difficult to calculate an appropriate discount level that could be guaranteed to not significantly disadvantage the Council or appropriately incentivise the Council Tax payer.
- 3.6 It is recommended that this matter be revisited at a time of more stable economic conditions and a clearer understanding of whether interest in the scheme would justify its implementation.

4. Consultation

- 4.1 The calculation of the Council Tax Base follows a prescribed process and, as such, does not require consultation. The options relating to discounts and / or reductions were discussed with senior Members and officers.

5. Financial Implications

The 2012-13 Council Tax Base has increased by 363.20 Band 'D' equivalent properties from the previous year. At the current Band 'D' charge of £1,016.40 this would generate an additional £369,000 of Council Tax income compared to the previous year's base.

6. Legal Implications

- 6.1 The legal context and implications are summarised within sections 1 - 3 of this report.

7 Background Papers Used in the Preparation of the Report:

- 7.1 None

List of appendices:

- Appendix A – Council Tax Base 2012-13
- Appendix A1- Council Tax Base Data 2012-13

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Calculation of Tax Base

1. Calculation of Tax Base

- 1.1 The valuation of properties for Council Tax purposes is carried out by the Valuation Office Agency.
- 1.2 For Council Tax purposes each property is placed in a band based on its open market value as at 1st April 1991. The bands are as follows: -

Range of Values Band	Valuation
Values not exceeding £40,000	A
Values exceeding £40,000 but not exceeding £52,000	B
Values exceeding £52,000 but not exceeding £68,000	C
Values exceeding £68,000 but not exceeding £88,000	D
Values exceeding £88,000 but not exceeding £120,000	E
Values exceeding £120,000 but not exceeding £160,000	F
Values exceeding £160,000 but not exceeding £320,000	G
Values exceeding £320,000	H

- 1.3 The Tax Base is calculated in terms of the equivalent number of Band 'D' properties after discounts and exemptions have been taken into account. There are statutory ratios which determine the proportion of the band D charge that will be charged for a property in each band. The ratios are as follows:

A = 6/9ths	E = 11/9ths
B = 7/9ths	F = 13/9ths
C = 8/9ths	G = 15/9ths
D = 1	H = 18/9ths

- 1.4 The standard Council Tax is set in relation to Band 'D' properties, this will mean that somebody living in a Band 'A' property pays 2/3rds of the standard amount whilst somebody in a Band 'H' property pays twice the standard amount.
- 1.5 The full Council Tax charge is based on the assumption that the property is occupied by two or more adults. However, some properties are exempt from any charge, and others qualify for a discount. In determining the Tax Base the following discounts and exemptions are taken into account: -

a) Single Person Discount

Where only one adult lives in the property the Council Tax bill for that property is reduced by 25%. A full and comprehensive review of all of these discounts is undertaken during the year.

b) Status Discounts

For the purpose of determining the number of adults living in the property certain categories of people are not taken into account. Examples include:

- Full time students and student nurses
- Recent school leavers
- People with severe mentally impairment
- People living in a nursing or care home
- Certain care workers
- People in prison

Where the number of adults to be counted after allowing these disregards is one, a 25% discount is allowed. Where the number of adults is nil a 50% discount is allowed. Status discounts are reviewed during the year.

c) Empty Properties

Properties that are unoccupied, but not exempt, are currently entitled to a reduced 10% discount which was previously approved by the Assembly.

d) Exemptions

There are 23 categories of property which are exempt. The main exemptions that apply in Barking and Dagenham are:

- Unoccupied properties (for the first six months they are unoccupied)
- Properties undergoing major repairs
- Properties left unoccupied because the occupier has died
- Properties occupied only by full time students
- Properties occupied only by people with severe mental impairment.

Exemptions are reviewed regularly during the year.

e) Reductions for People with Disabilities

Under certain circumstances, a property that is the home of a person with a disability is charged at the rate for the band below that which would normally be charged. For properties in band A the charge is reduced by 1/9th of the band D charge.

- 1.6 The calculation of the Council Tax Base for information Purposes is required to be submitted to the department for Communities and Local Government each year. The calculation was submitted on 11th October 2011 and the tax base for Grant purposes was 54,806.60 band D equivalent properties.
- 1.7 For the purposes of setting the tax base for calculating the Council Tax, the information to be used is that recorded in the valuation list and the Council Tax records as at 30 November 2011. The number of band D equivalents for each property band at that date is shown below with a comparison to the figures at the time the tax base was set for 2011-12.

2011-12			2012-13	
Last Year Totals	Band 'D' Equivalents	Band	Total	Band 'D' Equivalents
4.50	2.5	A*	4.50	2.5
5,625.80	3,750.5	A	5,636.00	3,757.3
8,755.55	6,809.9	B	9,023.20	7,018.0
37,415	33,257.8	C	38,259.90	34,008.8
7,363.8	7,363.8	D	7,563.90	7,563.9
1,505.35	1,839.9	E	1,513.95	1,850.4
311.8	450.4	F	310.05	447.9
39.8	66.3	G	39.70	66.2
6.7	13.4	H	6.90	13.8
61,028.30	53,554.5		62,358.10	54,728.8

*Disabled person's reductions

2. Adjustments

2.1 When determining the tax base for the purpose of setting the Council Tax an allowance has been made for non collection. The losses on collection allowance for 2012-13 has been assessed as 3.0%, which is the same as the previous year.

2.2 The adjustment, expressed as band D equivalents, is shown below.

Basic tax base at 30 November 2011	54,728.8
Losses on collection allowance at 3.0%	-1,641.9
Final Tax Base for 2012-13	<u>53,086.9</u>

2.3 When compared to the Tax Base for 2011-12 of 52,723.7, there has been an increase equivalent to 363.20 band D properties (0.7% of the Tax Base).

3.3 A fully detailed calculation of the tax base is contained in **Appendix A1**

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	Band A Disabled	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Totals
Line 1	0	7150	10776	43309	8368	1660	330	44	20	71657
Line 2	0	406	460	954	183	31	10	2	0	2046
Line 3	0	0	0	0	0	0	0	0	0	0
Line 4	0	6744	10316	42355	8185	1629	320	42	20	69611
Line 5	0	5	13	168	71	19	3	6	12	297
Line 6	5	13	168	71	19	3	6	12	0	297
Line 7	5	6752	10471	42258	8133	1613	323	48	8	69611
Line 8	2	4301	5531	15069	2078	353	37	2	0	27373
Line 9	0	59	137	561	104	18	2	0	0	881
Line 10	0	3	3	15	8	1	5	15	1	51
Line 11	0	26	38	129	28	9	1	0	1	232
Line 12	0	0	0	0	0	0	0	0	0	0
Line 13	0	29	41	144	36	10	6	15	2	283

Line 14	Number of dwellings adjusted in line 7 classed as long term empty receiving a 0% discount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Line 15	Number of dwellings adjusted in line 7 classed as long term empty receiving a > 0% and < 50% discount	0	115	103	186	56	13	2	3	1	479											
Line 16	Number of dwellings in line 7 where there is liability to pay 100% Council Tax [lines 7 - 8 - 9 - 13 - 15]	3	2248	4659	26298	5859	1219	276	28	5	40595											
Line 17	Total equivalent dwellings after discounts, exemptions and disabled. [Lines 8 x 0.75 + line 9 x 0.75 + line 13 x 0.5 + line 15 x [100 - %discount/100 + line 16 [2 decimal places]	4.5	5636.00	9023.2	38259.9	7563.9	1513.95	310.05	39.7	6.9	62358.1											
Line 18	Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9												
Line 19	No. of Band D equivalents [to 1 decimal place] = Line 17 x Line 18	2.5	3757.3	7018.0	34008.8	7563.9	1850.4	447.9	66.2	13.8	54728.8											
	No. of Band D equivalents of contributions in lieu [Class O] to 1 decimal place																					
	Tax base for Revenue Support Grant purposes [to 1 decimal place]																					54728.8
	Estimates of new properties etc due to affect the tax base																					
	New properties expected to be completed before 31st March 2011. 8 Band B properties and 2 Band C properties and ALL properties estimated to benefit from a single person discount.	0	0	8	2	0	0	0	0	0	10											
A																						

B	New properties expected to be completed before 31st March 2012. 372 Band B and 105 Band C. Allow 100% exemption for 6 months and all properties estimated to benefit from a single person discount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		5/9	6/9	7/9	8/9	11/9	13/9	15/9	18/9													
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C	Estimated demolished properties in 2011-12.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		5/9	6/9	7/9	8/9	11/9	13/9	15/9	18/9													
		0	0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	Changes to discounts and exemptions deemed to be zero change in 2011-12 Estimated Provision for the adjustments in retrospectively applied discounts and exemptions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Revised figures for 2011-12 taking into account line 19 figures and estimated new and demolished properties																					54728.8
	Losses on Collection Allowance @ 3%																					-1641.9
	Tax base for Revenue Support Grant purposes [to 1 decimal place]																					53086.9

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CABINET

14 DECEMBER 2011

Title: Memorandum of Understanding for Joint Working with NHS Outer North East London	
REPORT OF THE CABINET MEMBER FOR HEALTH	
Open report	For Decision
Wards Affected: None	Key Decision: YES
Report Author: Mark Tyson, Programme Manager, Health Transition	Contact Details: Tel: 020 8227 2875 E-mail: mark.tyson@lbbd.gov.uk
Accountable Divisional Director: Karen Ahmed, Divisional Director of Adult Commissioning	
Accountable Director: Anne Bristow, Corporate Director of Adult & Community Services	
<p>Summary:</p> <p>In February 2011, NHS Barking & Dagenham was joined with NHS Havering, NHS Redbridge and NHS Waltham Forest in a 'cluster management team' called NHS Outer North East London. This 'clustering' arrangement left the borough-based Primary Care Trusts (PCTs) in place as legal entities, but brought their management together into a single structure, and created a joint Board to be accountable for all four PCTs' work. This was a means of achieving the tough management savings targets imposed on PCTs by the Department of Health. It is also a step towards the eventual abolition of PCTs in 2013, as proposed in the Health & Social Care Bill currently before Parliament.</p> <p>NHS London and London Councils have proposed the agreement of a Memorandum of Understanding between Councils and their NHS cluster management teams. The intention is to improve the understanding of accountability structures, set terms and standards for joint working, and to identify joint priorities.</p> <p>This report presents the Memorandum of Understanding for Cabinet approval. The Memorandum is attached as an appendix.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <p>(i) Approve the current draft of the Memorandum of Understanding as the basis for concluding the negotiation with NHS Outer North East London; and</p> <p>(ii) Authorise the Corporate Director of Adult and Community Services to proceed to conclude negotiations with NHS Outer North East London on any remaining outstanding items and to sign the Memorandum on the Council's behalf, subject to any direction that Cabinet gives.</p>	

Reason(s)

In an NHS which is changing rapidly, it is important that there is a documented statement of the areas on which the Council wishes to engage with NHS Outer North East London. The document does not amend the Council's business and takes no control away from the Council, but it provides a basis for strengthening the relationship with NHS ONEL, and clarifies our joint priorities.

1. Introduction and Background

- 1.1 In February 2011, NHS Barking & Dagenham was joined with NHS Havering, NHS Redbridge and NHS Waltham Forest in a 'cluster management team' called NHS Outer North East London. This 'clustering' arrangement left the borough-based Primary Care Trusts (PCTs) in place as legal entities, but brought their management together into a single structure, and created a joint Board to be accountable for all four PCTs' work. This was a means of achieving the tough management savings targets imposed on PCTs by the Department of Health. It is also a step towards the eventual abolition of PCTs in 2013, as proposed in the Health & Social Care Bill currently before Parliament.
- 1.2 NHS London and London Councils have proposed the agreement of a Memorandum of Understanding between Councils and their NHS cluster management teams. The intention is to improve the understanding of accountability structures, set terms and standards for joint working, and to identify joint priorities.

2. Proposals and Issues

Process

- 2.1 A basic template was provided by NHS London and London Councils with broad headings for areas of agreement.
- 2.2 A draft was completed by NHS Outer North East London for consideration by the Council. Based on a discussion at Adult & Community Services DMT and Corporate Management Team, a revised draft was sent back to NHS ONEL for their consideration, and further iterations have resulted in the attached final draft, produced for Members' approval.
- 2.5 NHS Outer North East London Board has delegated to officers to approve and sign the final draft from NHS ONEL's standpoint.

Proposed Draft

- 2.6 Appendix A provides the draft Memorandum of Understanding which Cabinet Members are being asked to approve.

Issues

- 2.7 The terms of the Memorandum are, in many respects, quite broad. Some specific points which Members may wish to note, however, include:

- The Memorandum sets out our intention to ensure that strategic plans are developed jointly. The Health & Social Care Bill will require the Council to operate the Health & Wellbeing Board under a duty to promote integrated working: this is a preliminary step towards discharging that duty.
- The Memorandum sets out the expected attendance by NHS ONEL at the borough's partnership groups and working groups. This has been an area of some difficulty since the 'clustering' of PCTs and the reduction in management capacity, so establishing expectations is useful.
- It establishes expectations around safeguarding, including representation at relevant forums (not least the Local Safeguarding Children Board and the Safeguarding Adults Board) and adherence to protocols and guidance in planning and delivering services.
- It establishes arrangements for disputes and monitoring.

2.8 On Public Health transition, the Memorandum does not contain the detail since such detail is still being worked on. However, it commits both parties to work proactively towards an earlier transfer than that set out in statute. It commits us to the negotiation of a Section 75 agreement to provide the contractual basis for this, and outlines the ways in which we will collaborate on performance management of public health workstreams in the interim.

2.9 The Memorandum also sets out a short protocol on the consultation that will be expected of the Health & Adult Services Select Committee by NHS Outer North East London on matters of 'substantial variation' of services. The protocol sets out guidance published on the matter, including on the expectations for the length of time consultation should last. It is intended that this short protocol should simply set down the basic guidelines in order to encourage co-operation with the Committee, rather than provide a detailed and bureaucratic assessment against which every individual programme should be measured.

2.10 The Memorandum of Understanding is a statement of our commitment to joint working and the ways in which this will be approached and the priorities that will be adopted. Nothing in the document cedes any of the Council's powers or amends anything in the Council's scheme of delegation or otherwise compromises or amends its sovereignty over its own business.

3. Options Appraisal

3.1 Essentially, the options available to Cabinet are to approve it (with any direction on amendments to be made) or not. Not to approve the Memorandum of Understanding would be difficult, and would suggest that we are not open to collaboration and proactivity in our approach to joint working; it is not the recommended course of action.

3.2 Therefore, Members are recommended to:

- approve the Memorandum document in principle;
- to authorise the Corporate Director of Adult & Community Services to conclude the negotiation of the Memorandum;
- to provide such direction as they see fit on amendments, removals or additions.

4. Consultation

4.1 The consultees to the Memorandum, and to this report, include:

- Cllr Maureen Worby (Chair, Health & Wellbeing Board)
- Cllr Dominic Twomey, Chair, HASSC (in respect of Scrutiny Protocol)
- Representatives for the Council's Finance, Risk, Communications and Legal Services.
- Divisional Director of Safeguarding & Commissioning, Children's Services
- Adult & Community Services Departmental Management Team
- Corporate Management Team
- Joint Director of Public Health, Matthew Cole

4.2 Any comments made by consultees have been reflected in the Memorandum.

5. Financial Implications

Implications completed by: Ruth Hodson, Group Manager, Finance

5.1 The Memorandum of Understanding makes no explicit financial commitment on behalf of the Council, nor does it amend any existing financial governance. It does set out the expectation that there will be a future Section 75 arrangement for Public Health, subject to any central guidance to the contrary, which will be in the Council's interests as it is expected to take on responsibility for public health before the statutory transition date. The detail of this will be subject to negotiation nearer the time, through the agreed Transition Plan.

6. Legal Implications

Implications completed by: Fiona Taylor, Legal Group Manager)

6.1 A Memorandum of Understanding is a voluntary agreement between the parties setting out the duties and obligations as detailed at Appendix 1 of this report. It is not fully binding in the way that a contract is but sets out formally the parties' intentions under the agreement. Paragraph 2.10 of this report correctly sets out the Council's legal obligation under the Memorandum of Understanding.

6.2 The purpose of this agreement is to promote effective working relationships amongst the parties and commence the preliminary work around the discharge of duties under the Health and Social Care Bill.

7. Other Implications

7.1 Risk Management

The Memorandum establishes the terms on which the Council engages with a significant partner (NHS Outer North East London). On that basis, it improves the management of that relationship, provides clarity about communications and expectations and so reduces the risk to the Council achieving its outcomes through unclear or poorly communicated activity. Further, it sets specific expectations around the use of Section 75 and Section 256 of the National Health Service Act

2006 to cover joint commissioning and activity, which will improve the basis on which such activities are pursued and lessen the risks to the Council.

7.2 Customer Impact

Whilst the Memorandum does not, of itself, impact directly on patient and service user experience, improvements in the joint planning of services and clarity about the Council's role in scrutiny and championing the interests of residents will have long-term benefits for service provision.

7.3 Safeguarding Children and Vulnerable Adults

As above, the Memorandum clarifies expectations on health service commissioners about engagement in borough safeguarding structures, which (if followed) will bring about improvements in co-ordination and response to incidents and alerts.

7.4 Health Issues

The subject of the Memorandum is the relationship between health service planners and the Council. As such, it can only benefit health services locally and the commitment to joint action to address health inequalities.

7.5 Crime and Disorder Issues

The Memorandum establishes expectations for the contribution of the health sector to the Community Safety Partnership and related strands of work where health and crime overlap.

Background Papers Used in the Preparation of the Report:

None

List of appendices:

Appendix 1 Memorandum of Understanding (proposed) for joint working between NHS Outer North East London and London Borough of Barking & Dagenham

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Outer North East London

Memorandum of Understanding

between
NHS Outer North East London
and
London Borough of Barking & Dagenham

MEMORANDUM OF UNDERSTANDING BETWEEN THE LONDON BOROUGH OF BARKING AND DAGENHAM LOCAL AUTHORITY AND NHS OUTER NORTH EAST LONDON (ONEL)

Introduction and background

This memorandum of understanding (MOU) establishes a framework for co-operation between the London Borough of Barking & Dagenham, and NHS ONEL Cluster. It sets out how the organisations will work together to maintain and strengthen joint working arrangements. This MOU is a statement of intent for internal purposes and is not intended to create any legal obligations.

This agreement is based on five guiding principles:

- **Clear accountability.** Each organisation must be accountable for its actions, so each must have unambiguous and well defined responsibilities;
- **Transparency.** Parliament, Government and the public must know who is responsible for what;
- **Avoidance of duplication.** Each organisation must have a clearly defined role, to avoid second guessing inefficiency and the unnecessary duplication of effort. This will help ensure proper accountability;
- **Regular information exchange.** This helps each organisation to discharge its responsibilities as efficiently and effectively as possible
- **Collaborative working.** Each organisation will proactively take action to maintain and strengthen joint working arrangements and include engagement with emerging GP Consortia.

The MoU is being drafted whilst the Health & Social Care Bill continues through Parliament and some references are conditional on the Bill being enacted and confirming the direction that is anticipated. In particular, the current structures for NHS commissioning are anticipated to change from 31 March 2013, when Clinical Commissioning Groups and the National Health Service Commissioning Board replace NHS Outer North East London.

The London Borough of Barking & Dagenham and NHS ONEL will work in partnership on the following:

Strategy and planning

Both organisations will work together to develop strategic plans which ensure health, care and support services for the borough, now and in the future, are designed in such a way to enhance the health and wellbeing of residents and contribute to reducing inequalities. Each organisation will proactively seek to co-design strategies, policy and operational guidance using the best available evidence to inform planning and decision making. Both organisations will work together to identify opportunities to increase joint planning.

We will do this in Barking and Dagenham through:

- The Health and Well Being Board: engaging in the development of plans for the local population, promoting and supporting integrated approaches to commissioning and provision and reviewing and agreeing plans where they meet

the needs and priorities identified in the JSNA and Joint Health and Wellbeing Strategy as part of finalising plans.

- Specifically, through ensuring that Board time is given over to both the Commissioning Strategy Plan process and the Council's budget and business planning processes. Further, both parties commit to engage in the processes for development of the Health & Wellbeing Strategy and the JSNA.

The Role of the Health & Adult Services Select Committee

Following discussions between NHS Outer North East London and the Council's Health & Adult Services Select Committee over consultation on elements of the PCT budget for 2011/12, parties agreed to the inclusion of a short protocol on when the Select Committee should be consulted on 'substantial variation'

Department of Health guidance, whilst not defining substantial variation, provides the following:

- "a) changes in accessibility of services, for example both reductions and increases on a particular site or changes in opening times for a particular clinic. Communities attach considerable importance to the local provision of services, and local accessibility can be a key factor in improving population health, especially for disadvantaged and minority groups. At the same time, development in medical practice and in the effective organisation of health care services may call for reorganisation including relocation of services. Thus there should be discussion of any proposal which involves the withdrawal of in-patient, day patient or diagnostic facilities for one or more speciality from the same location;
- b) impact of proposal on the wider community and other services, including economic impact, transport, regeneration;
- c) patients affected, changes may affect the whole population (such as changes to accident and emergency), or a small group (patients accessing a specialised service). If change affects a small group it may still be regarded as substantial, particularly if patients need to continue accessing that service for many years (for example, renal services). There should be an informed discussion about whether this is the case and which level of impact is considered substantial;
- d) methods of service delivery, altering the way a service is delivered may be a substantial change – for example moving a particular service into community settings rather than being entirely hospital-based. The views of patients and patients' forums will be essential in such cases."

With widespread change underway in the NHS, NHS ONEL commits to involve the Select Committee in emerging plans for substantial changes to frontline service provision, adopting the principle that early discussion of impending changes will obviate the need for the Select Committee to assert its right to be consulted further down the path, when this may impose unhelpful delays in the delivery process.

The Select Committee commits to assist wherever possible in the timescales to be agreed for the consultation. However, both parties agree that the starting point, as outlined in Department of Health guidance, are the Cabinet Office standards on consultations, which set out a 12-week minimum period. In exceptional circumstances, which may centre around a need for urgency or a more modest scale for the proposed service variation, and in discussion with the Chair, a 4-week consultation period may be agreed. Should a change need to be made for reasons of immediate healthcare emergency, such as disease outbreak, a letter to the Chair should be provided, setting out why consultation is not possible and to be published in the next possible agenda pack for the Select Committee.

Consultation with the Health & Adult Services Select Committee is not intended to replace wider consultation with affected parties; nor is it intended to replace the routine involvement by each party of the other party's officers in routine planning, delivery and service development.

Organisational structures

All parties to this agreement will ensure that there is representation for their partners at cluster and borough level governance structures. Partners commit to engaging in relevant boards and committees as an opportunity to bring together relevant expertise and representation. All partners should be actively involved in planning for the 2012/13 "end state" when the Health and Social Care Bill is enacted.

We will do this in Barking and Dagenham through:

- Ensuring that there is a senior local authority representative on the Barking and Dagenham PCT Board. At the time of drafting, the Council has confirmed this as the Corporate Director of Adult & Community Services.
- Ensuring that there is a senior PCT and GP clinical commissioning group (CCG) lead on the Barking and Dagenham Health and Wellbeing Board. At the time of drafting, this is achieved through the following membership:
 - Non-Executive Director, Jill Pullen
 - Executive Director, Jane Gateley
 - Borough Director, Sharon Morrow
 - Joint Director Public Health, Matthew Cole
 - Chair of the Clinical Commissioning Committee, Dr Arun Sharma
 - Clinical Commissioning Group leads, Dr Gurkirit Kalkat and Dr Chandra Mohan

Membership of the Health & Wellbeing Board is anticipated to change as the Board moves from Shadow to full form over the course of 2012/13.

- Committing to the following representatives attending partnership meetings:

Borough Meeting	ONEL Attendee
Local Strategic Partnership Board	Non- Executive Director, Jill Pullen
Public Service Board	Chief Executive, Heather Mullin or Executive Director Jane Gateley
Health & Wellbeing Board	Non-Executive Director, Jill Pullen Executive Director, Jane Gateley

	Borough Director, Sharon Morrow Joint Director Public Health, Matthew Cole
Health and Wellbeing Board Executive	Borough Director, Sharon Morrow Joint Director Public Health, Matthew Cole
Children's Trust	Borough Director, Sharon Morrow
Skills, Jobs and Enterprise Board	Finance lead, Stephen O'Brien
Local Safeguarding Adults' Board	Borough Director, Sharon Morrow
Local Safeguarding Children's Board	Borough Director, Sharon Morrow and Deputy Director of Safeguarding, Helen Davenport
Local sub groups	Designated Nurse – Stephanie Sollosi
Integrated Children's Health Board	Borough Director, Sharon Morrow
Learning Disability Partnership	Borough Director, Sharon Morrow
Community Safety Partnership	Executive Mgt team Member Nuzhat Anjum
3 x SAB sub groups <ul style="list-style-type: none"> • Training and education • Case review • Performance and Monitoring 	Safeguarding adults Strategic Implementation Lead – Julie Dalphinis
Domestic Violence Strategic Group	Domestic Violence Strategic Implementation Lead, Victoria Hill
Disabled Children's Board	Clinical Commissioner, Children's, Debbie Wilkins
Complex Needs Panel	Clinical Commissioner, Children's, Debbie Wilkins
Sexual and Reproductive Health	Joint Commissioning Manager, Jamil Ahmed
Integrated Family Services Panel	Contracting Manager, Out of Hospitals, Maggie McCutcheon
Carers Steering Group	Joint Commissioning Manager, Jamil Ahmed
Older Peoples Strategy Group	Joint Commissioning Manager, Jamil Ahmed
Transition Strategy Board	Contracting Manager, Out of Hospitals, Maggie McCutcheon

Shared resources

Each organisation should maintain, and look to increase joint posts where this makes sense locally. Existing pooled budgets should be maintained. Transfer of funds under section 256 should be implemented in a timely manner and in accordance with existing agreements where they already exist. Partners should systematically consider opportunities for increasing joint working through the joint commissioning and provision of services. Partners should develop robust reablement plans together. Partners should specifically work together to design and deliver the new commitments and areas for improvement identified in the 2011/12 NHS Operating Framework and the Council's priorities for joint commissioning as identified through its business planning process. Partners should consult and co-design local infrastructure where it makes sense locally, particularly where partners are interested in sharing, co-locating or competing for services. (Specific activities involving the transfer of funds, services, or property among the parties will require separate agreements or contracts).

Information, engagement and communications

Organisations should assist each other in providing information to promote their own and their partners' objectives. They should look for opportunities to jointly develop information strategies to support residents to make choices about the services they receive and empower them to take control of their health and wellbeing. Engagement activities should be integrated where possible, to ensure a co-ordinated approach to involving residents in service design and decision making.

We will do this in the London Borough of Barking and Dagenham through:

- Fully engaging LINks (and any subsequent HealthWatch organisation that the Council will commission) and key stakeholders at the appropriate stages in the commissioning cycle process.
- Having robust arrangements for engagement within our governance and decision making structures. So for the NHS: from cluster wide programmes, to LINk reps on the PCT boards, to patient representation at Clinical Commissioning Group and GP practice level wherever possible.
- Ensuring that, whilst structures change in both organisations, there is clarity about Caldicott Guardian roles.
- Ensuring that there is continued adherence to, and review of, the North East London Information Sharing Protocol and that Subject Specific Information Sharing Arrangements are agreed to cover the sharing of personalised information for specific purposes, and other such agreements are negotiated for the timely sharing of depersonalised data.

It is essential that both parties share timely and accurate information on the performance of health and social care services and projects so that a shared view of progress can be taken. For partners to work jointly on service improvement, and to prepare the Health & Wellbeing Board for timely intervention and discussion, performance data needs to be made readily available. Both parties should be clear about any sensitivity about any data shared, even if it is not patient-sensitive.

With so much change in local services, it is also recognised that there will be issues on which the parties to this agreement differ. The fact of signing this agreement indicates a sound, basic commitment to work together on the development of effective, integrated local services wherever possible and wherever it is in the interests of local residents and service users.

However, the two parties will not always reach consensus on the way forward for local service development. NHS Outer North East London confirm that they will rarely resort to public dispute regarding such matters. However, it is recognised that the Council is a democratic institution, and it is important that it is free to express, on behalf of its population, concerns about aspects of developing provision, or about proposals to reduce or cut services which it feels are to the significant detriment of local residents. Where this is done, it will be done having made attempts to raise issues in appropriate discussions with NHS Outer North East London. Such disagreement on specific issues - on the part of either party - ought not to be taken as detracting from the fundamental commitment to jointly develop an integrated health and social care economy.

Safeguarding

Each organisation should ensure appropriate resources are available to fulfil statutory requirements, commit to supporting local safeguarding boards for adults and children's services.

We will do this in Barking and Dagenham through:

- Actively working together within an interagency framework based on statutory guidance.
- Ensuring that there is effective representation of designated professional and safeguarding leads of appropriate seniority on the LSCB and Adult Safeguarding Board.
- Ensuring the safety of children and vulnerable adults by integrating strategies and adopting agreed multi-agency policies, procedures and practices.

Public health and health improvement

The Department of Health, through Anita Marsland, Transition Managing Director for Public Health England, has set out the processes by which public health transition will be managed over the coming 18 months.

As part of this, NHS ONEL and LB Barking & Dagenham commit to work together to agree a timely and robust transition plan for sign-off by the Regional Director of Public Health, Dr Simon Tanner. The outside date for agreement of this plan is 1 April 2012, but parties will seek to agree it considerably earlier wherever possible.

In the intervening period, LB Barking & Dagenham have made a commitment to host the Barking & Dagenham Health Improvement Team of NHS ONEL in offices at Barking Town Hall. This included the provision of IT facilities to enable the team to operate through the Council email system in preparation for statutory transfer under such guidance as will be issued in due course.

The principles to which both parties now commit, and which they will seek to replicate in the transition plan, include:

- An early transfer of public health functions and responsibilities to London Borough of Barking & Dagenham, with a target date of October 2012. This will support the borough in having local authority-based public health fully functional by the statutory transition date of 1 April 2013, or as confirmed in eventual legislation.
- The use of provisions under Section 75 of the National Health Service Act 2006, or any emerging guidance issued on the transfer of Public Health functions to the new receiving body, to ensure that any transfer of responsibilities, finances and outcomes has absolute clarity about the accountabilities and safeguards for both parties.
- In the run-up to transfer of responsibilities, agreement of a performance monitoring arrangement whereby both parties can be confident that Public Health is continuing to deliver their priorities and requirements.
- London Borough of Barking & Dagenham to proactively consider the structures that they would like to see in place for the long-term delivery of public health.

- Partners should agree how they will address the statutory requirements specific to Directors of Public Health, taking into account emerging policy.

We will do this by setting up joint working groups, where sensible and proportionate, to consider how we manage the operational and HR issues around the transition.

Barking & Dagenham's Health & Wellbeing Strategy will be refreshed in 2012, and all parties commit to engage with this process to ensure that the strategy reflects priorities for 2012 onwards. A key strand of the Strategy will be the reduction in health inequalities and the improvement in population health. This will be taken forward using the Health & Wellbeing Board to jointly agree the priorities and to monitor progress against the plans.

Dispute resolution

In the event of a dispute arising between the parties in the implementation of this Memorandum of Understanding, the following process will be adopted:

- Any dispute relating to this Memorandum shall, in the first instance, be referred to the Chief Executives of the partners, who shall endeavour to resolve the dispute within 28 days.
- In the event that a dispute has not been resolved as above, the partners agree that, without restricting the ability of any partner to terminate this Agreement, the partners may agree to refer the dispute to mediation, the procedure being in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure or such other model mediation procedure as may be agreed by the partners.

Monitoring and transition arrangements:

ONEL

- The MOU will be monitored at the quarterly meeting of ONEL chief executives, with an annual update to the Health and Wellbeing and PCT Board.
- The MOU will be updated as required to reflect changes in the system including GP consortia take on delegated responsibilities, establishment of commissioning support organisations and health improvement transfers to local authorities.
- Significant changes will require approval through the PCT board and borough Health and Wellbeing board.

London

- NHS London will monitor whether Clusters have an MOU or equivalent with each borough and when an MOU / equivalent is amended
- Local Authorities will be invited to provide monitoring information via London Councils and the Joint Improvement Programme (JIP)
- Regular reporting on the status of collaborative working will be provided to the London Health Transition Advisory Group.

London Borough of Barking & Dagenham

Commits to maintain / strengthen arrangements as set out above.

NHS Outer North East London

Commits to maintain / strengthen arrangements as set out above.

Signed:

LB Barking & Dagenham: _____ **Date:** _____
Corporate Director, Adult & Community Services
(as authorised by Cabinet, 14 December 2011)

NHS Outer North East London: _____ **Date:** _____
Chief Executive

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CABINET

14 DECEMBER 2011

Title: Debt Management Performance and Write-Offs 2011/12 (Quarter 2)	
Report of the Cabinet Member for Finance and Education	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Peter Cosgrove, Service Delivery Director, Elevate	Contact Details: Peter.Cosgrove@ElevateEastLondon.co.uk
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<p>Summary: This report focuses on the performance of the Council's partner, Elevate East London, in carrying out the debt management function on behalf of the Council for the second quarter of 2011/12 and also details the debts that have been written off. The report for the first quarter was considered by Cabinet on 20 September 2011.</p> <p>A new debt management policy was approved by Cabinet on 18 October 2011. This policy contained a new procedure for approving the write-off debt for the revenue and benefit services that will be used from the third quarter.</p>	
<p>Recommendation(s)</p> <p>Cabinet is asked to:</p> <ul style="list-style-type: none"> (i) note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits Service operated by Elevate East London; and (ii) note the debt write-offs for quarter 2 of 2011/12 and that a number of these debts will be publicised in accordance with the policy agreed by Minute 69 (6 November 2007). 	
<p>Reason(s) Assisting in the Council's Policy House aim of ensuring a well run organisation delivering its statutory duties in the most practical and cost-effective way. It will ensure good financial practice and adherence to the Council's Financial Rules to report on debt management performance and total debt write-off each quarter.</p>	

1. Introduction and Background

- 1.1 The Council's Revenues, Benefits, General Income and Rents Service is operated by Elevate East London LLP (Elevate). The Service is responsible for the management of the Council's debt falling due by way of statutory levies and chargeable services.
- 1.2 This report sets out the progress and performance for the second quarter of 2011/12 and covers the overall performance of each element of the service, improvements planned for the service, service progress so far, and debts that have been agreed for write off in accordance with the Council's Financial Rules. On 18th October 2011 the Council agreed a new debt management policy and as part of that a new procedure for write-offs was also agreed. Write offs will now be agreed according to the new policy.
- 1.3 Cabinet have also requested details of bailiff performance and this will be added to all quarterly reports from the next quarter.

2 Proposal and Issues

- 2.1 For each of the teams of the Revenues Service an Operational Improvement Plan has been put in place and this also includes a Continuous Service Improvement Plan (CSIP). The CSIP is an action plan that highlights the operational improvement activity being addressed during the financial year.
- 2.2 Set out below is the performance for the second quarter and highlights of the CSIP improvements being worked on by Elevate for each of the functions of the Revenues Service.

Table 1: Collection Rate Performance - 2011/12 (Quarter 2)

Revenue	KPI Profiled Target	Actual	Variance	Amount Collected	Yearly Amount Due	Year end estimate
Council Tax	54.8%	55.00%	+0.2%	£28.5m	£51.8m	92.9%
NNDR	56.1%	55.9%	-0.2%	£30.5m	£55m	96.0%
Rents	95.80%	96.85%	+1.05%	£92.9m (projected)	£95.9m (projected)	96.75%
Leaseholder	35.34%	42.9%	+7.56%	£1.6m	£3.8m	71.65%

Council Tax performance quarter 2 and service improvements

- 2.3 Council Tax collection rates at the end of the second quarter were 0.2% above last year's performance and the contractual target set for Elevate. The percentage collection was 55%, equating to £28.5m collected of the £51.8M Council Tax due.
- 2.4 A new project to train more B&D Staff to support the council tax call centre has been started and an additional 9 staff and 3 team leaders will be trained by the end of November.
- 2.5 A new payment arrangement procedure has increased direct debit payers to 26,435 (1.5%) since April 2011.
- 2.6 Summons surgeries established by Elevate at the beginning of the year continue to be successful with customers seen at both Barking Learning Centre (BLC) and Dagenham Library resolving issues before the hearings.
- 2.7 Since Barking magistrates court closed on the 30 September, agreements have been reached with Redbridge and Havering for the sharing of Havering Magistrates court. As a result the boroughs have reached an amicable agreement and will continue to work together in the future.
- 2.8 Attachments of earnings have increased significantly since the beginning of the year with 612 attachments of earnings now in place compared to 242 in April. Attachments to benefits have gone up from 751 to 1,089.

NNDR performance quarter 2 and service improvements

- 2.9 NNDR collection for the second quarter is 23.7%, equating to £13m of the £55m debt collected. This is 8.8% below last year and the contractual target set for Elevate. However this is due to non-payment of debt owed by the Council while the Council carries out a review of its NNDR liability and finance coding structure. This has been completed at the beginning of August and the outstanding debt paid. This is predicted to bring NNDR collection to 0.5% above target in August.
- 2.10 A review of the current procedures and policies has been undertaken and resources increased to deal with staff shortages due to maternity. Telephone performance has increased significantly and now call answering is averaging 90% of those offered.
- 2.11 Plans are in place to improve case selection for enforcement action as well as automating key processes such as refunds to improve capacity within the team.

Rents collection performance and service improvements

- 2.12 At the end of Quarter 2, projected rent collection for the whole year stands at 96.69%, which is above the profiled KPI target of 95.2% with June seeing £93m of the £96.2m quarter 2 rent due collected. This includes £4.1m of arrears brought forward from last financial year.
- 2.13 The Council implemented a new IT system for rent collection in November 2009. Elevate has been working to stabilise the IT system and the functionality has been improved and is more stable now. The improved stability of the system has allowed

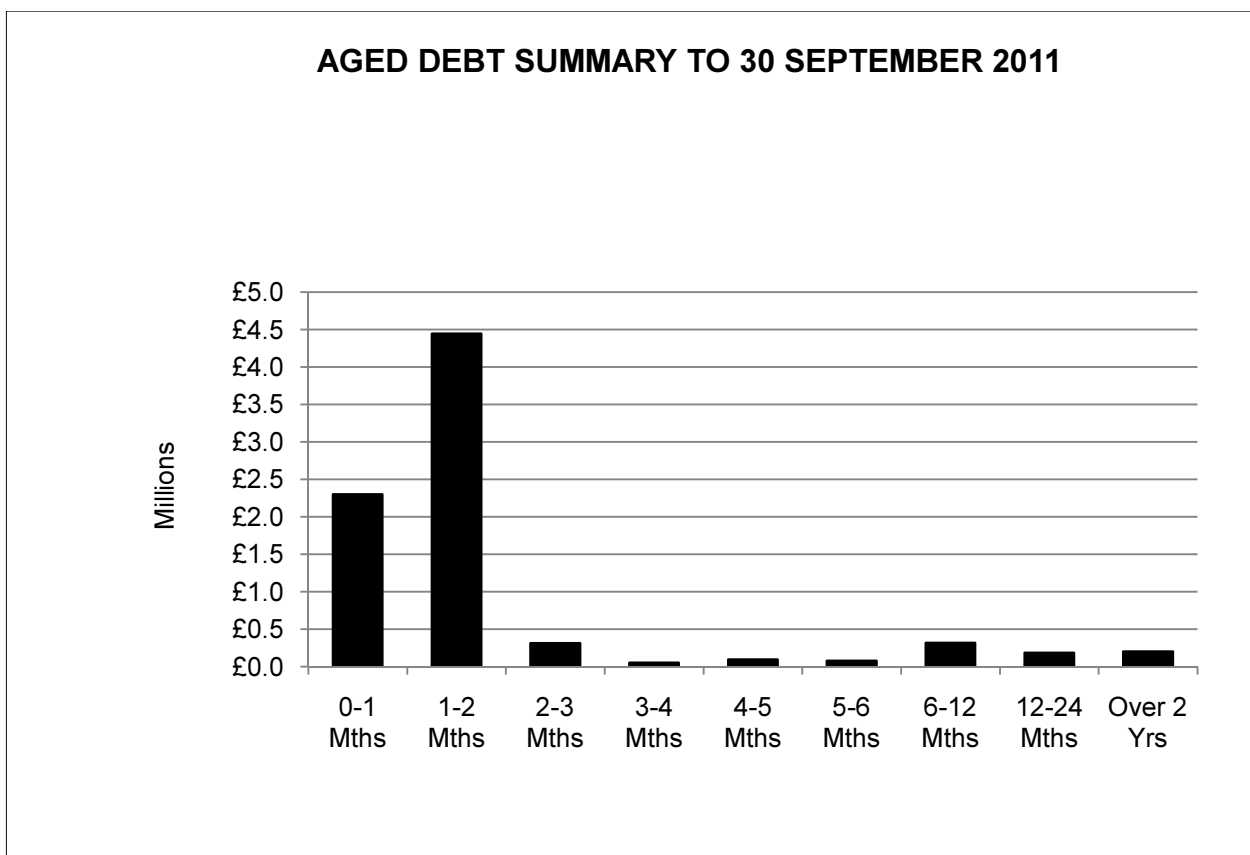
the Rents Team management to be proactive by running system reports that identify rent arrears actions that are overdue. The Team have made great strides in ensuring that those in arrears are contacted in accordance with the agreed procedures.

Rents Quarter 2 and service improvements

- 2.14 One Stop Shop staff at Barking Learning Centre and Dagenham Library have received extensive training on Rents since April and the number of tenants attending for advice has risen. In September 2011 over 650 visits concerning rents were made to both sites.
- 2.15 Elevate encourage payment by Direct Debit (DD). Tenants paying by DD at the end of September increased to 4,510 which is 22.23% of the 20,285 tenancies, including garages. This is an increase of 84 from the end of May. There will be further work to increase DDs over the second half of the year.
- 2.16 The team continue to look at options to ensure smarter working; foremost being more joined up working with Housing to ensure HB take up is maximised at tenancy sign up and abandoned tenancies are identified. In our day to day operations we have moved to serving Notices, predominantly by post, so that staff have time to take action on more cases that are highlighted for arrears action. The Barking Learning Centre is dealing with HB assessments on the same day without an appointment.
- 2.17 Since Elevate took on the management of rent collection it has removed a bottleneck and subsequent backlog of arrears cases needing to be referred to court. Elevate are continuing to maintain a higher level of throughput as well as management of the increased workload due to the high volume of arrears cases subject to a Possession Order for breach of payment agreements.
- 2.18 There is no backlog of cases waiting to be referred to the County Court. However such is the volume of cases under Possession Orders, over 300, so the workload increases as tenants in breach of Orders apply for hearings which the Court team must attend. This is demanding of officer time and affects the throughput of cases being referred for new Possession hearings. It is difficult to predict when the volume of cases under Court Orders will reduce to more manageable volumes. Three main factors have been identified as:
- the number of tenants paying off very high levels of debt at low instalment values,
 - the relatively low numbers the Court agree to evict. There have been an average of 11.5 evictions each month so far this year,
 - the number of new arrears cases being referred to court - on average some 20 cases per week are being referred to Court for Possession Orders.
- 2.19 The computer system "prompts for action" are being reviewed to ensure that they are working at the optimum level for the arrears recovery plan. Furthermore, arrears letters are undergoing review and efforts to achieve easier contact with tenants in arrears by obtaining mobile numbers are ongoing, most excitingly Elevate plan to introduce alerts by text message for tenants in arrears during the second half of the year.

General Income

- 2.20 General Income is used to describe the ancillary sources of income available to the Council, and which support the cost of local service provision. Examples of income streams from which the Council derives income include; recharges for social care; rechargeable works for housing; nursery fees, trade refuse, truancy penalty notices, hire of halls and football pitches. A single computer system is used for the billing of these debts and collection performance across all these debts is reported together.
- 2.21 The collection of Leasehold Service Charges and Penalty Charge Notices are monitored through separate computer systems and the performance of these is reported separately.
- 2.22 The current aged profile of the debt¹ is as follows:



- 2.23 For the second quarter £24,056,252.23 was collected with £6,461,536.17 having been collected in September. At the end of September the debt stood at £12,871,571.94
- 2.24 Elevate make sure that the debt is pursued while a reasonable prospect remains of collecting the debt. For example the above chart shows a tranche of debt that is over two years old. With these (around 300 cases) most commonly Elevate are in discussion with the issuing department to decide on the next steps or the debt has

¹ Aged debt reflects invoices that remain unpaid after the 21 days. 21 days being the Council's payment terms.

legal action pending. All debts are monitored on a regular basis to ensure that appropriate action is being taken.

General Income: Leaseholders

- 2.25 Performance for the collection of leasehold charges at the end of September stood at 42.90% (£1.6M) of all the monies due for the current and all previous years. At the same point last year collection was 35.3% (£1.1M).
- 2.26 It should be noted that leasehold collection has been greatly hampered by a lack of functionality of the new leasehold module of the computer system implemented by the Council in April 2010. It was only possible to issue letters in relation to last year's arrears at the beginning of July 2011, and for reminders regarding the current year to be issued in mid-July. This basic functionality was previously not available. However, while the system is now able to deal with current year's debt it is the case that the system lacks the functionality to deal with arrears cases. Elevate are reviewing the issue in order to establish the most efficient and cost effective solution to allow for effective arrears collection in the future.

General Income: Leaseholders - improvements

- 2.27 The IT issues highlighted above have meant that the efforts of Elevate's Revenues Service and its IT teams has been focused on working to improve the functionality of the IT system.

Penalty Charge Notices

- 2.28 The Council refer unpaid Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements to Elevate for enforcement once a warrant has been obtained from the Traffic Enforcement Court. The vast majority of these relate to parking infringements.
- 2.29 In May 2010 the Council introduced a new computer system for dealing with PCNs. However, it is the case that because of teething problems with this system the Council has been unable to refer any PCNs issued since May 2010 to Elevate. The issue was resolved in May 2011 and it will be possible for the Council to refer appropriate PCNs to Elevate from November 2011.
- 2.30 While PCNs from May 2010 have not been referred, Elevate have been asked to focus on outstanding PCNs from the previous computer system relating to the period before May 2010. To this end Elevate is working closely with the Council to maximise recovery and clear remaining cases so that the old computer system can be shut down in the autumn of 2011.

Write off process

- 2.31 In May 2010 the Service received an Internal Audit report concerning write-offs. The outcome of this audit was that the write-off of debt was given a "Substantial Assurance" rating, meaning that Audit are satisfied with the processes in place for dealing with the write-off of debt. These processes remain in place within Elevate.

- 2.32 Where a debt is written off it is the case that measures have been taken to collect all debts and levies due; it is the case that some debts will remain unpaid, even after concerted efforts have been made to collect them.
- 2.33 Debts are categorised and recommendations made to write-off amounts deemed to be irrecoverable. The write-off of debt allows the service to focus on debts that are more likely to be recovered. At the same time the Council makes provision within its accounts for debts that are likely to be written-off.
- 2.34 The write-offs presented in this report fall into two broad categories. Firstly, debts Elevate is unable to collect on the Council's behalf because for example the customer is deceased and there is no estate, the customer has gone away and cannot be traced, or the age of the debt precludes recovery. Secondly, there are cases where it is uneconomic to collect.
- 2.35 Of the debts written off the three main reasons were that for 43% the debtor had absconded and could not be traced, for 37% it was deemed uneconomical to pursue the debt and for 9% the debtor was insolvent.

Debt Write-off: Quarter 2 2011/12

- 2.36 The value of debts written off for the first quarter of 2011/12, i.e. April to June 2011 total: £120,804.31 (see Appendix B).
- 2.37 In 2010/11 almost £2.4M was written off. However it is very important that the amounts written off are seen in relation to the overall value of debt that Elevate seek to collect for the Council on an annual basis, which is in excess of £300M each year, meaning that less than 1% of debt is written off. (Appendix B)
- 2.38 Write-offs for debts managed by Elevate for the second quarter total £275,079.81.

Publication of individual details of debts written off (Appendix C)

- 2.39 A number of Authorities publicise the details (names, addresses etc.), of residents who have had debts written off. In the majority of cases, these debts have been written off where the debtor has absconded.
- 2.40 The Council agreed in November 2007 (Minute 69, 6 November 2007) that a list showing the details of debtors, who have had debts written off, would be attached to this report. A list has been attached at Appendix C. The list has been limited to the top ten debts only.
- 2.41 As was previously outlined within the 6th November 2007 Cabinet report, It was recommended that the following types of debt write offs are excluded from this publicised list:
- a) Debts that have been written off following a corporate complaint being upheld
 - b) Debts that have been written off due to the debtor falling within one of the vulnerable groups (e.g. elderly, disabled, infirm etc.)
 - c) Where the original debt was raised in error
 - d) Where debts have been written off, but no legal action has been taken to prove that the debt was legally and properly due

e) Where the debt has been written off following bankruptcy or insolvency action (the majority of these cases will be individually publicised)

2.42 The exclusion of the category of debts listed above will eliminate the possibility of any unnecessary and potentially costly legal challenges from debtors, who take issue with their details being publicised. It is intended that where the details or whereabouts of debtors become known following publication, those debtors will be pursued as far as is possible, to secure full payment of the debt.

2.43 The list provided at Appendix C does not include debts or debtors that fall within categories a-e above, so the list as it stands can be publicised.

3. Options Appraisal

3.1 This is not relevant for an information report.

4. Consultation

4.1 Elevate have provided the information and been consulted in the drafting of this report.

5. Financial Issues

5.1 As part of the closure of the Council's accounts each year, a review of outstanding debts are made and an estimate of bad and doubtful debts is provided for. All write offs in year are made against that provision. The level of bad debts proposed and agreed for write off is monitored quarterly against the provision made at year end.

5.2 Improvements in the pursuit and collection of debt enables the Council to make a lower provision and improves the level of balances and reserves though debts are only pursued to the point that it is economically sensible to do so.

6. Legal Issues

6.1 The pursuit of debts owe to the Council is a fiduciary duty. The Council seeks to recover money owed to it by the courts once all options are exhausted. Not all debt will be recovered and a pragmatic approach has to be taken with debts as being on occasions, uneconomical to recover in terms of the cost of process and the means of the debtor to pay. As observed in the body of this report, in the case of rent arrears, a possession and subsequent eviction orders are a discretionary remedy and the courts will on many occasions suspend the possession order on condition the tenant makes a contribution to their arrears. The Councils decision to utilise Introductory Tenancies will over time begin to have an impact as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy.

6.2 The decision to write off debts has been delegated to Chief Officers who must have regard to the Financial Rules.

7. Other Implications

7.1 Risk Management - No specific implications save that of this report acting as an early warning system to any problems in the area of write off's.

Background Papers Used in the Preparation of the Report:

- Operational Improvement Plans for Revenues Service areas.

List of appendices:

- Appendix A – Debt Write Off Table for Quarter 2 2011/12
- Appendix B – Debt Write Off Table for Quarter 1 2011/12 and for all of 2010/11
- Appendix C – Top Debts Written Off

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Table 1: Debts Written Off during 2011/12 Quarter 2

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Home Care	Residential Care	Council Tax	NNDR	TOTAL
June-11	Under £2k	3,039.30	0	0	0	0	0	12,781.05	24,018.14
	Over £2k	7,412.55	0	0	0	0	0	0	12,040.57
	Over £10k	0	0	0	0	0	0	0	0
Total	10,451.85	12,825.81	0	0	0	0	0	12,781.05	36,058.71
Jul -11	Under £2k	6,864.23	2,834.97	0	0	0	0	0	9,699.20
	Over £2k	0	0	0	0	0	0	0	0
	Over £10k	0	0	0	0	0	0	0	0
Total	6,864.23	2,834.97	0	0	0	0	0	0	9,699.20
Sep-11	Under £2k	9,637.45	23,038.82	0	0	0	122,005.97	0	207,217.38
	Over £2k	5,058.89	2,320.31	0	0	0	0	26,498.76	22,104.52
	Over £10k	0	0	0	0	0	0	0	0
Total	14,696.34	25,357.13	40,763.70	0	0	0	122,005.97	26,498.76	229,321.90
Quarter 2 Totals	32,012.42	41,017.91	40,763.70	0	0	0	122,005.97	39,279.81	275,079.81

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Appendix B

Table 2: Debts written off during 2011/12 Quarter 1

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	PSL Homeless	Home Care	Residential Care	Council Tax	NDR	TOTAL
2011-12 Totals	£43,021.72	£25,882.79	£34,848.01	£843.54	£16,208.25	£0	£0	£0	£0	£120,804.31

Table 3: Debts written off during 2010/11

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	PSL Homeless	Home Care	Residential Care	Council Tax	NDR	TOTAL
2010-11 Totals	£117,197	£370,313	£694,217	£126,498	£46,260	£0	£0	£328,858	£698,506	£2,381,842

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Appendix C

NAME	AMOUNT	DEPARTMENT	REASON
Mr L J Holliday	£6,725.24	Rents	It has not been possible to trace the former tenant either through internal checks or through the work of bailiffs, no other address has been discovered.
Ms Amanda Coorough	£4,628.02	General Income	All recovery action has been unsuccessful. The bailiff has been unable to enforce collection via a High Court action, as the debtor has moved and they have been unable to trace them.
Mr C Morris	£2,963.74	Rents	It has not been possible to trace the former tenant either through internal checks using checks through credit reference agencies, electoral roll, telephone directories, shared local authority data bases, land registry, or through the work of bailiffs, no other address has been discovered.
Mr G Dev Sani	£2,923.71	Rents	It has not been possible to trace the former tenant either through internal checks using checks through credit reference agencies, electoral roll, telephone directories, shared local authority data bases, land registry, or through the work of bailiffs, no other address has been discovered.
Ms Diana Moorhouse	£2,320.31	General Income	Debtor has now left employment. Write-off of the debt was agreed by LBBB HR department.
Mr S R Straker	£2,112.63	Rents	It has not been possible to trace the former tenant either through internal checks using checks through credit reference agencies, electoral roll, telephone directories, shared local

				authority data bases, land registry, or through the work of bailiffs, no other address has been discovered.
Ms Narendra Dayaram	£1,980.19	NADR		No forwarding address and no trace internally using checks through credit reference agencies, electoral roll, telephone directories, shared local authority data bases, land registry, or through the bailiff.
Mr Jay Douglas	£1,863.45	General Income		No trace of debtor despite carrying out internal checks which include checks through credit reference agencies, electoral roll, telephone directories, shared local authority data bases, land registry and following a referral to bailiff that also failed to make contact with the debtor.
Mr Raj Singh	£1,717.40	CTAX		£3,100 of the debt owed to LBBB was covered by a charging order and this was recovered when the property was sold. The debt was not all covered by the charging order (the debt increased after the charging order had been awarded to LBBB) and after the sale the debtor could not be traced. LBBB were informed that he had gone abroad.
Mr Hussain Qureshi	£1,692.61	NADR		Following internal using checks through credit reference agencies, electoral roll, telephone directories, shared local authority data bases, land registry, and bailiff checks there is no trace of rate payer. The debt refers to 2007/08.

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