

## Notice of Meeting



### CABINET

**Tuesday, 22 January 2013 - 5:00 pm**  
**Council Chamber, Civic Centre, Dagenham**

**Members:** Councillor L A Smith (Chair); Councillor R Gill (Deputy Chair); Councillor J L Alexander, Councillor H J Collins, Councillor C Geddes, Councillor M A McCarthy, Councillor L A Reason, Councillor 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 interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 19 December 2012 (Pages 1 - 10)**
4. **Budget Monitoring 2012/13 - April to November 2012 (Pages 11 - 43)**
5. **ICT Strategy 2012 - 2017 (Pages 45 - 77)**
6. **New Abbey Leisure Centre - Contract Award (Pages 79 - 104)**
7. **Disposal of Former Mayesbrook Nursing Home, Bevan Avenue, Barking (Pages 105 - 116)**
8. **Community Infrastructure Levy Draft Charging Schedule (Pages 117 - 150)**
9. **Proposed Amalgamation of Rush Green Infant and Junior Schools (Pages 151 - 158)**
10. **Contract for Provision of Personal Protective Equipment (PPE) and Uniform (Pages 159 - 163)**

11. **Contract for Provision of Taxi Services for Children with Special Educational and Complex Needs (Pages 165 - 170)**
12. **Contract for Provision of Community Alcohol Services (Pages 171 - 181)**
13. **Any other public items which the Chair decides are urgent**
14. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

#### **Private Business**

The public and press have a legal right to attend Council meetings such as the 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). ***There are no such items at the time of preparing this agenda.***

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

## CABINET

Wednesday, 19 December 2012  
(12:00 - 12:42 pm)

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

**Also Present:** Councillor P Burgon, Councillor E Carpenter, Councillor N S S Gill, Councillor H S Rai and Councillor S Tarry

### 61. Declaration of Members' Interests

The following Members declared non-pecuniary interests in relation to item 12 (School Funding Formula) as they were Council-appointed Governors of schools listed in the report:

- Councillor J Alexander
- Councillor C Geddes
- Councillor R Gill
- Councillor M McCarthy
- Councillor L Smith
- Councillor P Waker
- Councillor J White
- Councillor M Worby

Councillor Gill also declared a non-pecuniary interest in item 18 (Sale of Land to Gurdwara Singh Sabha London East) as he was a member of the Gudwara.

Councillor Worby also declared a non-pecuniary interest in item 5 (Budget Strategy 2013/14) as a sister-company to her employer, East Thames Group, would be impacted by the savings proposals.

### 62. Minutes (13 November 2012)

The minutes of the meeting held on 13 November 2012 were confirmed as correct.

### 63. Budget Monitoring 2012/13 - April to October 2012

The Cabinet Member for Finance presented a report on the Council's revenue and capital budget position for the 2012/13 financial year as at 31 October 2012.

The General Fund continued to project an end of year under spend of £0.6m and the Cabinet Member referred to the main areas of over and under spend within each Directorate. The Housing Revenue Account (HRA) continued to show a projected break-even position, while the Capital Programme forecast was lower than previously reported due, in the main, to further slippage in the HRA programme for 2012/13.

**Cabinet agreed:**

- (i) To note the projected outturn position for 2012/13 of the Council's revenue budget at 31 October 2012, as detailed in paragraphs 2.3 to 2.11 and Appendix A of the report;
- (ii) To note the progress against the 2012/13 savings targets at 31 October 2012, as detailed in paragraph 2.12 and Appendix B of the report;
- (iii) To note the position for the HRA at 31 October 2012, as detailed in paragraph 2.13 and Appendix C of the report; and
- (iv) To note the projected outturn position for 2012/13 of the Council's capital budget at 31 October 2012, as detailed in paragraph 2.14 and Appendices D and E of the report.

**64. Budget Strategy 2013/14**

The Cabinet Member for Finance presented a report on the Council's budget preparations for 2013/14 and beyond and, in particular, the budget savings options for 2013/14 and 2014/15, which had been subject to public consultation and Select Committee scrutiny in recent months.

The Cabinet Member referred to the Government's relentless programme of cuts to public sector expenditure which had meant that the Council would have to have made savings of £90m over five years by 2014/15, a situation which could be further exacerbated when the Chancellor of the Exchequer announced the Local Government Finance Settlement for 2013/14 later in the day. The Cabinet Member commented that the Council had frozen its Council Tax for the past four years in recognition of the difficulties being faced by local residents as a result of the Government's austerity measures and that the Council would do everything possible to continue to provide excellent services to the local community despite the huge pressures that were being faced.

With regard to the proposals within the report, the Cabinet Member explained that the package of savings for 2013/14 and 2014/15, totalling £24.378m, were necessary in order for the Council to set a balanced budget whilst maintaining a sensible level of reserves to protect against the very uncertain future. He stated that the Council would continue to lobby the Government in an attempt to secure the correct level of funding that the Borough's growing population should attract; a fact borne out by the 2011 Census but so far ignored by the Government.

The Cabinet Member advised that the feedback from the consultation had been properly taken into account in the development of the final proposals and specific concerns expressed by the local community and via the Select Committee scrutiny process had resulted in several of the savings options being withdrawn or deferred. The Cabinet Member confirmed that he had personally read all the letters received as a result of the consultation and he placed on record his appreciation to Council colleagues and officers for their help in compiling the final package of proposals. The Divisional Director of Finance added that a separate, detailed consultation report would be circulated to Cabinet Members and published on the Council's website prior to the formal budget setting in February 2013.

In respect of a letter distributed by the Chief Executive of the Council for Voluntary Services (CVS), the Cabinet Member for Crime, Justice and Communities referred to the next report on the agenda regarding voluntary sector funding and confirmed that the Council would seek to support the voluntary sector by utilising any reductions it was able to make to its London Councils grant contribution. The Cabinet Member for Housing also referred to the pressures placed on the Council as a result of temporary housing accommodation needs and the steps being taken by the Council to mitigate the costs and reduce the problem.

**Cabinet agreed:**

- (i) To note the current projected financial position for the Council for 2013/14 and beyond as set out in the report;
- (ii) To note the responses to the budget consultation process via:
  - a) the Select Committees, as set out in paragraph 5.4 and Appendix E of the report;
  - b) public consultation through Leader's Question Time, the Council's website, Facebook and Twitter, as set out in paragraph 5.5 of the report;
  - c) Trade union and staff consultation, as set out in paragraph 5.6 of the report.
- (iii) In light of the above and having regard to the Equalities Impact Assessments at Appendix D to the report, to the implementation of the savings proposals for 2013/14 and 2014/15 as shown in Appendix B to the report;
- (iv) To note that the following savings options were withdrawn or reduced as a result of representations made via the budget consultation exercise:
  - ACS/SAV/07 - Voluntary Sector Grant
  - ACS/SAV/22 - Broadway Theatre
  - CEX/SAV/06 - Democratic Services Scrutiny Officer
  - ACS/SAV/08 - Sheltered Housing
  - ACS/SAV/10(f) - Employment Support Mental Health
  - FIN&RES/SAV/21 - Economic Development Team
  - H&E/SAV/19 - Green Waste
- (v) To note that the following savings option was deferred from 2013/14 into 2014/15 pending further consideration:
  - ACS/SAV/26 – Anti-Social Behaviour Team
- (vi) To note that the following savings option was brought forward to 2013/14 pending further consideration:
  - FIN&RES/SAV/12 – Internal Audit - Removal of Special Projects Budget
- (vii) To note that officers are to issue notice from January 2013 to those staff at

risk of redundancy as a result of the savings proposals listed in Appendix B to the report.

#### **65. Corporate Grants and Commissioning Programme 2013/14 - 2014/15**

The Cabinet Member for Crime, Justice and Communities introduced a report on the proposed corporate grants and commissioning programme for 2013/14 and 2014/15.

The Cabinet Member advised that, in the light of the budget savings agreed earlier in the meeting, the main focus of the programme was to protect advice services and volunteer support that provided the most immediate front-line benefit to residents. To that end, it was proposed to tender for two new services which combined a number of functions and current contracts in order to ensure that the Council obtained best value for money and that robust services could be delivered within the reduced budget.

Cabinet **agreed**:

- (i) The procurement strategy, as detailed in the report, in respect of the following:
  - The Voluntary and Community Sector Support Service
  - Advice, Case Work and Enhanced Welfare Benefits Service
- (ii) To authorise the Corporate Director of Adult and Community Services, in consultation with the Chief Financial Officer and the Head of Legal and Democratic Services, to award the contracts to the successful tenderers; and
- (iii) To delegate authority to the Corporate Director of Adult and Community Services, in consultation with the Cabinet Member for Crime, Justice and Communities, to determine the reallocation to the local voluntary sector of any funding that may become available during 2013/14 and 2014/15 as a result of further reductions to the Council's contribution to London Councils.

#### **66. Performance House - Quarter 2, 2012/13**

The Leader of the Council presented the corporate performance report for the second quarter period 1 July to 30 September 2012.

The Leader drew attention to two key areas of positive performance over the period, namely the increase to 64% of primary schools rated as outstanding or good and the significant reduction in the crime rate across the Borough which coincided with the introduction of the Estates Policing initiative, which was the subject of a report later in the meeting. In relation to negative areas of performance, the Leader referred to average staff sickness levels which had risen to 9.44 days per full-time equivalent. The Leader was pleased to confirm that all children requiring a school place in the Borough had now been allocated a place.

Cabinet **noted** the corporate performance information for the second quarter of the 2012/13 financial year.

## **67. Betting Shops - Withdrawal of Permitted Development Rights and Supplementary Planning Document**

The Cabinet Member for Regeneration presented a report on proposals to control the conversion of high street premises into betting shops.

The Cabinet Member explained that in order to address the Council's long standing concerns over the social, economic and health impacts of betting shops it was intended to introduce a non-immediate Article 4 Direction under the Town and Country Planning (General Permitted Development) Order 1995 to require planning permission to be sought for the change of use of premises classified as Use Classes A3, A4 and A5 to betting shops (Use Class A2). As a further measure, a draft Supplementary Planning Document (SPD) explaining the Council's overall guidance on addressing the impacts of betting shops had been developed which established certain principles to prevent the clustering and concentration of such premises in the future.

Cabinet **agreed**:

- (i) That notice be given of the Council's intention to make a non-immediate Article 4 Direction, covering the whole Borough, withdrawing permitted development rights for permitted changes of use to betting shops;
- (ii) The draft Supplementary Planning Document 'Evening the Odds: Curbing the Proliferation of Betting Shops', attached at Appendix 1 to the report, for public consultation; and
- (iii) To note that following the outcome of consultation, a report would be presented to the Assembly seeking approval of the final Supplementary Planning Document 'Evening the Odds: Curbing the Proliferation of Betting Shops'.

## **68. Health and Wellbeing Strategy**

The Cabinet Member for Health introduced the draft Health and Wellbeing Strategy which set out a vision for improving the health and wellbeing of Borough residents and reducing inequalities at every stage of people's lives, with a particular focus on life expectancy levels, by 2015.

The Cabinet Member advised that the Strategy had been jointly developed by the Council and its NHS partners through the Clinical Commissioning Group and had been endorsed by the shadow Health and Wellbeing Board at its meeting on 27 November 2012.

Cabinet **agreed** the Health and Wellbeing Strategy and Delivery Plan 2012-15 attached at Appendices 1 and 2 to the report.

## **69. Choice and Control: Delivering the Vision for Care and Support in the Home**

The Cabinet Member for Adult Services and Human Resources presented a report on a new vision for the provision of care and support to those adults within the Borough who required assistance.

The Cabinet Member advised that the majority of current recipients of assistance had chosen to have their care provided by a personal assistant since the introduction of the Council's Personalisation programme, rather than through the more traditional homecare route. Satisfaction rates for those engaging a personal assistant were high and it was therefore proposed to extend the service via the remodelling of the in-house homecare team, the appointment of 200 new personal assistants and a reduction in the use of private homecare agencies. The Cabinet Member confirmed that the new approach would provide additional safeguards for the Borough's most vulnerable residents while enabling the Council to meet future demands and pressures within the current financial climate.

**Cabinet agreed:**

- (i) The vision of "most people receiving their care and support by an arrangement with a personal assistant";
- (ii) The organisational and staffing changes needed to deliver the vision, including the remodelling of the in-house Home Care team and the development of a smaller in-house team of personal assistants for those people most at risk;
- (iii) To note that the savings target of £220,000 in respect of home care services, agreed as part of the Budget Strategy for 2012/13 to 2014/15, would be delivered through the new approach; and
- (iv) That existing block contracts with home care companies should not be renewed when they expired in August 2013.

#### **70. Disposal of Land at Collier Row Road, Romford**

The Cabinet Member for Finance presented a report on the proposed sale of Council land at the southern boundary of Wellgate Community Farm to facilitate a new major, innovative family housing development in the north of the Borough.

The Cabinet Member for Finance referred to the key benefits of the development, which had received planning consent on 30 April 2012 for 88 five-bedroom detached houses subject to a Section 106 agreement to secure a four-bedroom house to the Council at Wellgate City Farm, enlargement and enhancement of the community farm including erection of new farm buildings, the transfer of 0.59 hectares of land to the Council and an education contribution of £200,000. The Cabinet Member for Regeneration commented on the proposed financial arrangements in respect of the sale of the Council's land and suggested that they represented the best possible deal for the Council in the light of the benefits that would be achieved.

**Cabinet agreed:**

- (i) The sale of 0.0623 hectares of Council-owned land at Collier Row Road, shown edged red in the plan at Appendix 1 to the report, to EcoGrove Ltd for £47,000; and
- (ii) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services, to complete all necessary legal agreements to



conclude the sale of the land.

## **71. School Funding Formula**

The Cabinet Member for Children's Services introduced a report on the proposed School Funding Formula for 2013/14.

The Cabinet Member explained that the Government intended to move towards a national funding formula for schools in the next spending review and, as part of those preparations, had introduced the Schools Forums (England) Regulations 2012 which required local authorities to reconstitute their Schools Forum. One of the key responsibilities of the new Schools Forum would be to implement the Department for Education's new funding system for distributing funding to schools and other providers.

The Cabinet Member advised that four models had been developed based on a set of key values and the outcome of the extensive consultation exercise had identified a preferred option, Model D, which was underpinned by the following principles:

- To ensure as few schools as possible were adversely affected by the new formula;
- To move more in line with the national primary: secondary funding ratio to reduce the impact of any potential national changes in future years;
- To recognise that running a split site brought extra costs (for both primary and secondary schools) and the new funding formula should not disadvantage those schools that would be amalgamating;
- To ensure where schools were particularly affected they would be able to apply to the Schools Forum if they faced financial difficulty; and
- To recognise that secondary schools were adversely affected by changes in sixth form funding at the same time, which had to be considered in deciding the level of shift.

Cabinet **agreed**:

- (i) To note the Barking and Dagenham Schools Forum Constitution at Appendix 1 to the report;
- (ii) To note the outcome of the School Funding Formula consultation process and the comments of the Schools' Forum on the proposed funding model for 2013/14, as detailed in the report;
- (iii) To support the following two principles:
  - a. That the funding formula for 2013/14 should not produce any school that 'loses' funding, with the exception of the two schools highlighted in the report which had specific issues that could not be addressed through the formula.
  - b. That rapid and fair progress should continue to be made towards narrowing the gap between the primary and secondary sectors.

- (iv) In the light of the above, to adopt Model D as the School Funding Formula for 2013/14, as detailed in paragraphs 2.12 - 2.13 and Appendix 6 of the report.

## **72. Framework Agreement for the Supply of Certain Foodstuffs**

The Cabinet Member for Children's Services presented a report on proposed new arrangements for the supply of certain foodstuffs for use in the preparation of school meals following the expiry of the Council's current contractual arrangements on 31 December 2012.

Cabinet **agreed** that the Council be named as a participating authority in a four-year Framework Agreement, led by the London Borough of Havering and involving a number of other participating authorities, for the provision of (a) dried and chilled goods and groceries and (b) frozen goods for use in the preparation of school meals, on the terms detailed in the report.

## **73. Automatic Enrolment to the Local Government Pension Scheme**

The Cabinet Member for Finance presented a report on new regulations introduced under the Pensions Act 2008 relating to the automatic enrolment of eligible staff into a qualifying pension scheme.

The Cabinet Member outlined the key aspects of the new requirements, the two main options that had been considered and the advantages and disadvantages associated with both. The preferred option allowed the Council to apply transitional arrangements up to October 2017 for those staff that had previously opted out of the Local Government Pension Scheme (LGPS), although he confirmed that all non-participating staff would continue to be encouraged to participate in the LGPS.

Cabinet **agreed**:

- (i) That the Council apply the transitional arrangements for auto-enrolment to the LGPS as outlined in option 2 in the report and to use the following timetable to implement auto-enrolment:-
  - a. Identify all employees who are eligible job holders within one month of the staging date of 1 April 2013;
  - b. From 1 April 2013, enrol all new employees (as existing procedure) and any member passing age 22 or breaching the £8,105 threshold for the first time; and
  - c. On 1 October 2017, auto-enrol all current employees who are not currently scheme members (and who are on a salary greater than £8,105 and aged over age 22).

## **74. Community Safety Partnership End of Year Report 2011/12**

The Cabinet Member for Crime, Justice and Communities presented the Barking and Dagenham Community Safety Partnership's Annual Report for 2011/12 which provided a broad overview of performance against the Partnership's key objectives

during the year as well as the priorities moving forward into 2012/13.

Cabinet **noted** the Barking and Dagenham Community Safety Partnership Annual Report for 2011/12 attached at Appendix 1 to the report.

#### **75. Overview of Performance of the Estate Policing Team**

Further to Minute 89 (17 January 2012), the Cabinet Members for Housing and Crime, Justice and Communities reported on the first six months of operation of the Estate Policing team, an initiative jointly funded via the Council's Housing Revenue Account and the Mayor for London.

As referred to earlier in the meeting, the new initiative had helped to significantly reduce crime levels across the Borough and had been well received by local residents. Specific performance monitoring arrangements introduced during the summer showed that the Estate Policing team had spent almost 9,400 hours patrolling estates across the Borough during the period 8 July to 4 November 2012 and had been directly responsible for 199 arrests, as well as dealing with a wide range of anti-social behaviour issues. The Cabinet Member for Housing advised that the initiative had also had a very positive knock-on effect in non-estate areas of the Borough and was proving to be an extremely successful project. The Divisional Director of Community Safety and Public Protection added that the project had led to a number of improvements in the way that perpetrators of crime and anti-social behaviour were dealt with.

Cabinet **noted** the success of the new Estate Policing team during the first six months of operation.

#### **76. Debt Management Performance and Write-Offs 2012/13 (Quarter 2)**

The Cabinet member for Finance presented the quarterly performance report for the period 1 July to 30 September 2012 in respect of the debt management function carried out by the Revenues and Benefits Service within Elevate East London, together with details of the debts written-off as uncollectable during the period and comparable information from the previous financial year. The Cabinet Member also gave an update on the improvements that had been achieved in respect of national non-domestic rates (NNDR) and rent collection levels since the period covered by the report.

Cabinet **noted**:

- (i) The performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of bailiffs; and
- (ii) The debt write-offs for the second quarter of 2012/13 and that a number of those debts would be publicised in accordance with the policy agreed by Cabinet.

#### **77. Sale of Land to Gurdwara Singh Sabha London East, North Street, Barking**

The Cabinet Member for Regeneration presented a report on the outcome of discussions with representatives of Gurdwara Singh Sabha London East ("the

Gurdwara”) regarding land at and around the site of the Gurdwara in North Street, Barking.

The Cabinet Member explained that the land swap arrangements, which would include the sale of Council land to the Gurdwara and the return to the Council of land currently leased to the Gurdwara, would enable the Gurdwara to expand its facilities for the benefit of the local community whilst at the same time facilitating the Council’s redevelopment plans in respect of the adjacent William Street Quarter site. The Cabinet Member added that the proposals represented the best outcome for the Council and he placed on record his appreciation to officers and representatives of the Gurdwara who had been involved in the discussions over the past couple of years.

**Cabinet agreed:**

- (i) The surrender of the current 125 year lease from the Council to the Gurdwara in respect of the land shown as Plot B on the plan at Appendix 1 to the report;
- (ii) To enter into a Deed of Rectification for the existing lease of the car park land within Plot B to rectify the lease plan and exclude the area of land falling within the William Street Quarter development;
- (iii) To sell the freehold interests in the land to the east of the Gurdwara (shown as Plot A on Appendix 1) and the area of land currently used as the Gurdwara car park within Plot B, to the Gurdwara for a combined premium of £105,000, including Council costs, for use as a community facility; and
- (iv) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services, to agree the final terms and enter into all necessary agreements and documentation to effect the above proposals.

## CABINET

22 January 2013

<b>Title:</b> Budget Monitoring 2012/13 - April to November 2012	
<b>Report of the Cabinet Member for Finance</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Steve Pearson, Group Accountant, Corporate Finance	<b>Contact Details:</b> Tel: 020 8227 5215 E-mail: <a href="mailto:steve.pearson@lbbd.gov.uk">steve.pearson@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Jonathan Bunt, Divisional Director of Finance	
<b>Accountable Director:</b> Graham Farrant, Chief Executive	
<p><b>Summary:</b></p> <p>This report provides Cabinet with an update of the Council's revenue and capital position for the eight months to the end of November 2012 projected to the year end.</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 £14.3m.</p> <p>At the end of November 2012, total service expenditure for the full year is projected to be £176.5m against the approved budget of £177.4m, a projected under spend of £0.9m. Explanatory summaries are contained in section 2 of this report.</p> <p>The current projected under spend of £0.9m would result in the General Fund balance increasing to £15.2m.</p> <p>The Housing Revenue Account (HRA) is projected to break even, maintaining the HRA reserve at £8.3m. 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, and the budget at the end of November stands at £148.5m. Capital budgets cannot contribute to the General Fund revenue position although officers ensure that all appropriate capitalisations occur.</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> <li>(i) Note the projected outturn position for 2012/13 of the Council's revenue budget at 30 November 2012, as detailed in paragraphs 2.3 to 2.11 and Appendix A of the report;</li> <li>(ii) Note the progress against the 2012/13 savings targets at 30 November 2012, as detailed in paragraph 2.12 and Appendix B of the report;</li> </ul>	

- (iii) Note the position for the HRA at 30 November 2012, as detailed in paragraph 2.13 and Appendix C of the report; and
- (iv) Note the projected outturn position for 2012/13 of the Council's capital budget at 30 November 2012, as detailed in paragraph 2.14 and Appendices D and 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 Final Outturn report to Cabinet on 26 June 2012 reported that, as at 31 March 2012, general fund balances stood at £14.3m; an increase of £3.5m on the position twelve months earlier.
- 1.2 This report provides a summary of the Council's General Fund and HRA revenue and capital positions. It also provides an update on progress made to date in the delivery of the agreed savings targets built into the 2012/13 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 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.

## **2 Current Overall Position**

- 2.1 The current Directorate revenue projections indicate an under spend of £0.9m for the end of the financial year, made up as follows:
  - £0.2m over spend in Finance and Resources due to pressures in the Revenues & Benefits court costs income budgets;
  - (£0.6m) under spend in the Chief Executive Directorate from vacancies;
  - (£0.8m) under spend in Central Expenses against the interest budgets.

The initial forecast of a £0.9m under spend 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 and ensure a balanced position by year end to maintain the available level of balances.

- 2.2 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

2012 was £14.3m and the current projected balance for the end of the financial year is £15.5m.

At the end of November 2012, the HRA is forecasting to break even and maintain the HRA reserve at £8.3m.

	<b>Balance at 1 April 2012</b>	<b>Projected Balance at 31 March 2013</b>	<b>Target Balance at 31 March 2013</b>
	£'000	£'000	£'000
General Fund	14,346	15,481	10,000
Housing Revenue Account (including Rent Reserve)	8,269	8,269	8,269

2.3 The current full year projection to 31 March 2013 across the Council for the General Fund is shown in the table below.

<b>Council Summary</b>	<b>Net Budget £'000</b>	<b>Full year projection at Oct 2012 £'000</b>	<b>Over/(under) Budget Projection £'000</b>
<u>Directorate Expenditure</u>			
Adult and Community Services	62,914	62,914	-
Children's Services	70,155	70,155	-
Housing and Environment	21,866	21,866	-
Finance and Resources	21,674	21,891	<b>217</b>
Chief Executive	802	212	<b>(590)</b>
Central Expenses	(32)	(794)	<b>(762)</b>
<b>Total Service Expenditure</b>	<b>177,379</b>	<b>176,244</b>	<b>(1,135)</b>

The current projection would increase the General Fund to £15.5m, which is over the minimum level recommended by the Corporate Director of Finance and Resources.

## 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

<b>Directorate Summary</b>	<b>2011/12 Outturn</b>	<b>2012/13 Budget</b>	<b>2012/13 Projection</b>
	£'000	£'000	£'000
Net Expenditure	69,951	<b>62,914</b>	<b>62,914</b>
Projected over/(under)spend			-

The Adult and Community Services forecast out-turn position at the end of month 8 of the 2012/13 financial year is to break-even.

A challenging savings target of £3.392m (alongside a further £370k of Senior Manager & Policy Team savings) is built into the 2012/13 budget. There are pressures on some of the savings targets, but overall these will be managed to ensure that the savings target is realised.

## 2.6 Children's Services

<b>Directorate Summary</b>	2011/12 Outturn	2012/13 Budget	2012/13 Projection
	£'000	£'000	£'000
Net Expenditure	69,729	<b>70,155</b>	<b>70,155</b>
Projected over/(under)spend			-

A full budget monitoring exercise was not undertaken for November as the departmental finance team is focussing on working through the financial implications of the school funding reforms. The high risk demand led placement budgets were however monitored and no changes from the previous month are forecast.

## 2.7 Dedicated School Grant (DSG)

The DSG is a ring fenced grant to support the education of school aged pupils within the borough. The grant is allocated between the Schools and Centrally Retained budget in agreement with the Schools Forum. The indicative 2012/13 DSG allocation is £196.1m with £20.4m being retained centrally.

## 2.8 Housing and Environment

<b>Directorate Summary</b>	2011/12 Outturn	2012/13 Budget	2012/13 Projection
	£'000	£'000	£'000
Net Expenditure	23,579	<b>21,866</b>	<b>21,866</b>
Projected over/(under)spend			-

The Housing and Environment General Fund budget is currently forecast to breakeven, which is consistent with that reported in period 8. However, there are still significant pressures within these budgets.

The main pressure is in the Housing General Fund, particularly in relation to the high numbers of homeless placements in Bed and Breakfast accommodation. These placements are a significant cost to the Council as a result of the benefit cap on this type of accommodation, therefore, leading to an increased net spend by the Council

This pressure is being mitigated with a number of in-year action plans, and there are a number of risks in the deliverability of these plans which are being closely monitored. In addition, there are also factors outside of the control of the service such as a higher than anticipated increase in demand for homeless placements and the prevailing market conditions within the private sector rented market which may lead to an increased pressure than what is currently forecasted.



A freeze on spend, where possible, has also been applied to ensure that the department overall can come in on budget by year end.

The department started the year with a savings target of £2.1m. A high proportion of the savings will be fully delivered but there is currently an overall pressure of around £350k. This is mainly due to significant pressures facing the Housing General Fund as mentioned above, which in turn affects the deliverability of the £350k saving on private sector licence properties (See appendix b).

## 2.9 Finance and Resources

<b>Directorate Summary</b>	2011/12 Outturn	2012/13 Budget	2012/13 Projection
	£'000	£'000	£'000
Net Expenditure	25,523	<b>21,674</b>	<b>21,891</b>
Projected over/(under)spend			<b>217</b>

The Finance & Resources department is currently forecast to overspend by approximately £217k, an improvement from last month's projection of £317k overspend. This is mainly as a result of additional income generated within the Assets & Facilities management areas. There is a continued pressure arising from the under-recovery of court cost income in Revenues & Benefits of approximately £700k and this is being mitigated by a freeze on expenditure within the department where possible. Further action plans are currently being formulated to further reduce the projected overspend so that the Department will break even by the year end.

For 2012/13 the department had a total savings target of £2.591m and all of the individual savings are forecast to be delivered.

A risk remains relating to the Revenues & Benefits local authority error rate. As at the end of November the local authority error rate has been reported as 0.46% and so is still below the lower threshold limit of 0.48%. If the error rate breaches this lower limit but remains below 0.54% there will be a scaled loss of subsidy but if the higher threshold is breached there will be a significant loss of subsidy to the Council. Additional resources have now been applied by Elevate to assist in mitigating the error rate. The position is being closely monitored by the Elevate client team who receive weekly updates and by the Chief Finance Officer at a Revenues & Benefit monthly performance monitoring meeting.

## 2.10 Chief Executive

<b>Directorate Summary</b>	2011/12 Outturn	2012/13 Budget	2012/13 Projection
	£'000	£'000	£'000
Net Expenditure	122	<b>802</b>	<b>212</b>
Projected over/(under)spend			<b>(590)</b>

The services within the Chief Executive department are currently forecast to underspend by £590k which is an improvement of £142k from the £448k underspend reported at the end of period 7.

This improvement is mainly as a result of in year staffing vacancies across the department and additional external income expected within the Marketing & Communications team.

For 2012/13 the department had a total savings target of £2.3m and there is currently a projected shortfall in delivery of £136k in respect of the HR targets but this is being managed by reductions in other expenditure.

## 2.11 Central Expenses

<b>Directorate Summary</b>	2011/12 Outturn	2012/13 Budget	2012/13 Projection
	£'000	£'000	£'000
Net Expenditure	(1,941)	(32)	<b>(794)</b>
Projected over/(under)spend			<b>(762)</b>

Due to the management of our cash balances a net under spend of £762k is projected against the budgets for interest payable and interest receivable.

## 2.12 In Year Savings Targets

The delivery of the 2012/13 budget is dependent on meeting a savings target of £19.0m. Directorate Management Teams are monitoring their targets and providing a monthly update of progress which is summarised in the table below. A detailed breakdown of savings and explanations for variances is provided in appendix B.

<b>Directorate Summary of Savings Targets</b>	Target £'000	Projection £'000	Shortfall £'000
Adult and Community Services	3,392	3,392	-
Children's Services	3,410	3,410	-
Housing and Environment	2,331	1,981	<b>350</b>
Finance & Resources	2,591	2,591	-
Chief Executive	2,300	2,164	<b>136</b>
Central Expenses	5,000	5,000	-
<b>Total</b>	<b>19,024</b>	<b>18,375</b>	<b>486</b>

## 2.13 Housing Revenue Account (HRA)

The Housing Revenue Account is currently expected to break even in 2012/13. There are some budget pressures in relation to additional work required to re-provide the Repairs & Maintenance service as an in-house operation which is currently predicted to be in the region of £450k.

There are further pressures in Supervision & Management relating to energy costs (£200k) and a one- off contribution to Housing Strategy team for the work involved in the implementation of the new self-financing implementation of £200k. In addition to the above, there is also a £138k pressure as a result delays in implementation of the Garage strategy.

The above pressures are being mitigated in-year by a higher than budgeted net rental surplus of £672k, mainly arising from the renting of decanted/ general needs properties for temporary accommodation that would have otherwise remained void.

In addition, interest of £324k on borrowing of £8.5m for the Decent Homes capital programme will not now be paid as a result of slippage in the programme. The HRA is also benefitting from an estimated additional £470k of interest on cash balances arising from the deferral of elements of the capital schemes, hence enabling unplanned longer-term investment activity. There is a risk that the pressure on the revenue budgets as a result of the implementation of the new repairs service will continue to increase as the work streams progress but this is being closely monitored.

In 2011/12 there was a budgeted £1.4m contribution to HRA revenue reserves which led to a brought forward revenue reserves balance of £8.3m. There is no further budget contribution in 2012/13 to increase this reserve balance; however, there is an increased contribution to capital resources of approximately £72k from £36.688m to £36.760, leaving an overall breakeven forecast in the HRA.

## 2.14 Capital Programme

The Capital Programme forecast is lower than reported last month due to slippage in the Schools Places programme for 2012/13.

<b>Directorate Summary of Capital Expenditure</b>	<b>Budget £'000</b>	<b>Projected Outturn £'000</b>	<b>Projected Variance £'000</b>
Adult & Community Services	6,110	6,000	(110)
Children's Services	64,117	37,238	(26,879)
Housing & Environment (non HRA)	7,637	7,673	36
HRA	51,670	35,232	(16,438)
Finance & Resources	19,040	17,631	(1,409)
<b>Total</b>	<b>148,574</b>	<b>103,774</b>	<b>(44,800)</b>

A detailed Capital Programme is provided at Appendix D.

Variances by area are largely due to slippage and are summarised below:

### Adult & Community Services

- Community Services, Heritage & Libraries – (£92k) under spend
- Leisure Services – (£18k) under spend

### Children's Services

Schools – (£26.9m) under spend – slippage on Schools Places programme into 2013/14. The sum included in the Capital Programme on schools included significant uncommitted amounts in the second half of the financial year. This was because of the need for substantial preparatory work to be undertaken prior to derivation of a robust way forward. A comprehensive report on this was provided to the meeting of the Cabinet on 13 November 2012 (Minute 51), and this identified projects to be undertaken in relation to grant funding to be received from the government of £75.6m.

The report also identified the anticipated incidence of spend for those projects, involving 20 sites. Having clarified this detail, the amount anticipated to be spent in 2012/13 has therefore been reprofiled and reflected in anticipated spend as

promptly as possible. The impact of this is that the forecast spend in 2012/13 has been reduced by £26.8m, fully reflecting the agreed Cabinet position at that meeting.

Housing & Environment

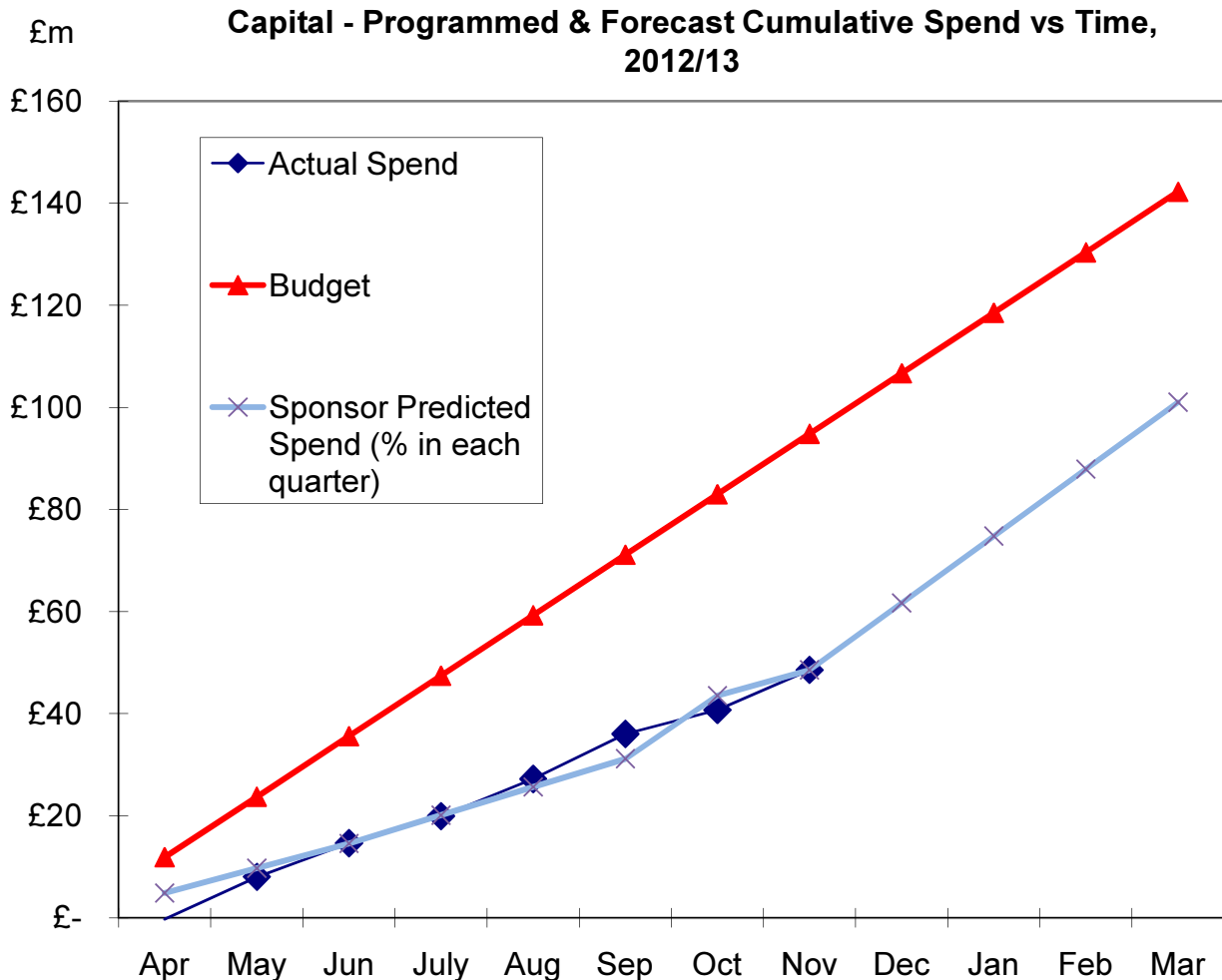
- Housing Revenue Account – (£16m) under spend to be re-profiled into 2013/14.

Finance & Resources

- Asset Strategy – (£20k) under spend
- ICT – (£1,147k) slippage on Oracle R12 project
- Regeneration – (£242k) under spend

Explanations for project variances over £100k are provided in Appendix E.

Year to date capital expenditure totals £48.55m representing 33% of the annual budget after two thirds of the financial year. The following graph compares projected spend against programmed spend for the year:



This illustrates that actual spend to date is well below budgeted levels (after re-profiling) and project sponsors are forecasting that expenditure will double to approximately £104m in the last four months of the financial year.

## **2.15 Financial Control**

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

## **3 Options Appraisal**

3.1 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**

4.1 The report has been circulated to appropriate Divisional Directors for review and comment.

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

## **5 Financial Implications**

5.1 This report details the financial position of the Council.

## **6 Legal Issues**

6.1 Local authorities are required by law to set a balanced budget for each financial year. During the year there is an ongoing responsibility to monitor spending and ensure the finances continue to be sound. This does mean as a legal requirement there must be frequent reviews of spending and obligation trends so that timely intervention can be made ensuring the annual budgeting targets are met.

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

- Final Revenue and Capital Outturn 2011/12; Cabinet 26 June 2012;
- Budget Framework 2012/13; Cabinet 14 February 2012.

## **Appendices**

- A – General Fund expenditure by Directorate
- B – Savings Targets by Directorate
- C – Housing Revenue Account Expenditure
- D – Capital Programme
- E – Explanation for Capital Variances

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**GENERAL FUND REVENUE MONITORING STATEMENT  
NOVEMBER 2012/13**

Directorate	Outturn 2011/12	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
<b><u>Adult &amp; Community Services</u></b>					
Adult Care & Commissioning	46,070	45,489	46,002	46,002	-
Mental Health	3,770	3,861	3,419	3,619	200
Community Safety & Neighbourhood Services	4,463	4,403	4,357	4,157	(200)
Culture & Sport	9,796	8,067	8,113	8,113	-
Management	267	679	1,023	1,023	-
	<b>64,366</b>	<b>62,499</b>	<b>62,914</b>	<b>62,914</b>	<b>-</b>
<b><u>Children's Services</u></b>					
Education	7,303	3,064	3,436	3,003	(433)
Targeted Support	12,146	10,017	10,234	9,574	(660)
Complex Needs and Social Care	33,402	29,339	29,075	30,856	1,781
Commissioning and Safeguarding	4,292	3,789	4,097	4,097	-
Other Management Costs	12,586	22,083	23,313	22,625	(688)
	<b>69,729</b>	<b>68,292</b>	<b>70,155</b>	<b>70,155</b>	<b>-</b>
<b><u>Children's Services - DSG</u></b>					
Schools	(17,739)	(22,358)	(21,878)	(21,878)	-
Quality & Schools Improvement	4,959	5,953	5,953	5,953	-
Integrated Family Services	4,032	4,713	4,713	4,713	-
Safeguarding & Rights Services	5,909	5,763	5,763	5,763	-
Children's Policy & Trust Commissioning	493	1,182	1,182	1,182	-
Skills and Learning	-	-	-	-	-
Other Services	2,346	4,747	4,267	4,267	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Housing &amp; Environment</u></b>					
Environment & Enforcement	20,355	19,719	19,989	19,989	-
Housing General Fund	3,224	1,611	1,877	1,877	-
	<b>23,579</b>	<b>21,330</b>	<b>21,866</b>	<b>21,866</b>	<b>-</b>
<b><u>Finance &amp; Resources</u></b>					
F&R Directorate	5,283	4,392	4,587	4,375	(212)
Finance ( including Audit & Risk and Subsidy)	(841)	(638)	(352)	(531)	(179)
Regeneration & Economic Development	5,302	4,880	5,034	5,074	40
Emergency Planning & Operations	-	563	-	-	-
Customer Services, Contracts & Improvement	14,431	9,950	10,536	11,288	752
Assets & Facilities Management	1,348	1,130	1,869	1,685	(184)
Corporate Client	-	129	-	-	-
	<b>25,523</b>	<b>20,406</b>	<b>21,674</b>	<b>21,891</b>	<b>217</b>
<b><u>Chief Executive Services</u></b>					
Chief Executive Unit	(228)	-	(150)	(215)	(65)
Marketing & Communications	-	-	39	(71)	(110)
Corporate Policy & Public Affairs	217	-	-	(76)	(76)
Legal & Democratic Services	60	377	623	429	(194)
Human Resources	73	-	290	145	(145)
	<b>122</b>	<b>377</b>	<b>802</b>	<b>212</b>	<b>(590)</b>
<b><u>Other</u></b>					
Central Expenses	(10,528)	(8,383)	(12,100)	(12,862)	(762)
Contingency	-	3,938	3,148	3,148	-
Levies	8,587	8,920	8,920	8,920	-
	<b>(1,941)</b>	<b>4,475</b>	<b>(32)</b>	<b>(794)</b>	<b>(762)</b>
<b>TOTAL</b>	<b>181,378</b>	<b>177,379</b>	<b>177,379</b>	<b>176,244</b>	<b>(1,135)</b>

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**GENERAL FUND SAVINGS MONITORING STATEMENT****NOVEMBER 2012/13****Adult and Community Service**

<b>Reference</b>	<b>Detail</b>	<b>Explanation for Variance Where Applicable</b>	<b>Target £'000</b>	<b>Forecast £'000</b>	<b>Variance £'000</b>
ACS/SAV/01	Reductions to services funded by Area Based Grant	On line to be achieved	1,251	1,251	-
ACS/SAV/02	Inclusion of Tenancy Sustainment Team in remodel and retender of floating support.	On line to be achieved	120	120	-
ACS/SAV/03	Remodeling homecare services in line with the principles of personalisation	On line to be achieved	20	20	-
ACS/SAV/04	Revisions to pricing framework for Care Home Placements	On line to be achieved	20	20	-
ACS/SAV/06	Changes to in-house residential care service for adults with a learning disability (80 Gascoigne)	Saving behind schedule due to necessary building works. However, the saving is being managed within the Directorates budgets.	125	125	-
ACS/SAV/07	Learning Disability Day Services Management Saving	On line to be achieved	25	25	-
ACS/SAV/08	Reducing Children's to Adults' transition costs	On line to be achieved	50	50	-
ACS/SAV/09	Reconfiguration of mental health services	On line to be achieved	98	98	-
ACS/SAV/10	Changes to grants to voluntary organisations	On line to be achieved	285	285	-
ACS/SAV/11	Broadway theatre	On line to be achieved	65	65	-

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
ACS/SAV/12	Closure of Goresbrook Leisure Centre	On line to be achieved	161	161	-
ACS/SAV/13	Olympic unit	On line to be achieved	32	32	-
ACS/SAV/14	Reduction to events and education programme	On line to be achieved	40	40	-
ACS/SAV/16	Libraries - charging for internet access	Due to a delay in implementing the necessary IT for this saving there will be some shortfall on income. However, this is being managed within the Directorates budgets	20	20	-
ACS/SAV/17	Expanding commercial opportunities at heritage venues	On line to be achieved – however, the saving is being reviewed regularly to make sure the income is being achieved.	10	10	-
ACS/SAV/18	Leisure Centres - Charges	On line to be achieved	310	310	-
ACS/SAV/19	Remodeling of crime and disorder services to develop Integrated Offender Management	On line to be achieved	112	112	-
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	On line to be achieved	46	46	-
ACS/SAV/21	Non Staffing Supplies & Services Budgets	On line to be achieved	85	85	-
ACS/SAV/22	Libraries review	On line to be achieved	212	212	-
Feb 2011 Assembly	Commissioning Contracts & Purchase Savings	On line to be achieved	250	250	-
Feb 2011 Assembly	Community halls	On line to be achieved	175	175	-
<b>Total</b>			<b>3,392</b>	<b>3,392</b>	<b>-</b>

**Children's Services**

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
CHS/SAV/01	Alternative delivery method for Independent Review Officer (IROs) - Change the method of delivery of the independent reviewing officers posts	On line to be achieved	110	110	-
CHS/SAV/02	Prevention/Crisis Intervention/ Family Group Conferencing Merger of the three preventative services to create efficiencies	On line to be achieved	100	100	-
CHS/SAV/03	School Estate/School Investment Team partly funded from DSG	On line to be achieved	150	150	-
CHS/SAV/04	Youth and Engagement Team Efficiency	On line to be achieved	80	80	-
CHS/SAV/05	Common Assessment Framework (CAF) team reductions- reducing the number of posts in the CAF team	On line to be achieved	80	80	-
CHS/SAV/06	Catering efficiencies/reductions	On line to be achieved	150	150	-
CHS/SAV/07	CAMHS Schools Counselling contract ending that will not be renewed and reduction in primary and emotional team	On line to be achieved	60	60	-
CHS/SAV/08	Safeguarding Board Cost Reductions	On line to be achieved	30	30	-
CHS/SAV/09	14-19 Flexi Learning Services, General Fund element removal - reductions in support or through increased Dedicated Schools Grant (DSG) contribution	On line to be achieved	50	50	-
CHS/SAV/10	Connexions - Careers Reduction in Contract Value	On line to be achieved	700	700	-
CHS/SAV/11	Management Re-structure - reducing the number of post in the Assessment Team	On line to be achieved	50	50	-
CHS/SAV/12	Reducing Children's to Adults transition costs	On line to be achieved	50	50	-
CHS/SAV/13	Service Efficiencies and re-organisation	On line to be achieved	100	100	-
CHS/SAV/14	Disabled Children's Team - Contribution from short breaks funding on mainstreamed	On line to be achieved	100	100	-

Reference	Detail	Explanation for Variance Where Applicable	Target	Forecast	Variance
			£'000	£'000	£'000
	into base budget				
CHS/SAV/17	Education Inclusion/School Improvement - Staffing Review and Reductions	On line to be achieved	185	185	-
CHS/SAV/18	School Improvement Income - Raising the SLA income - charging Schools for services/Other Local authorities	On line to be achieved	60	60	-
CHS/SAV/19	Training Reductions	On line to be achieved	260	260	-
CHS/SAV/20	Reduction of Management costs in the Multi-agency Locality Teams	On line to be achieved	150	150	-
CHS/SAV/21	Portage Amalgamation	On line to be achieved	35	35	-
CHS/SAV/22	Reduction to Youth Commissioning Fund	On line to be achieved	100	100	-
Feb Assembly	Education Psychology Service - Combination of Staffing and increased school SLA income	On line to be achieved	100	100	-
Feb Assembly	Childcare Team	On line to be achieved	145	145	-
Feb Assembly	Reconfigure & merge Children's Centres, Merging 8 Children's Centres into 4	On line to be achieved	520	520	-
Feb Assembly	Family Information Services	On line to be achieved	45	45	-
<b>Total</b>			<b>3,410</b>	<b>3,410</b>	<b>-</b>

**Housing and Environment**

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
Feb Assembly	Transport savings from adjustments for affordability and reductions in use of buses	Savings plan based on cessation of two routes, of which only one route has been implemented. The second route planned to end towards Sept/Oct so will only realise part benefit.	100	100	-
ACS/SAV/02	Inclusion of Tenancy Sustainment Team in remodel and retender of floating support.	Completed	120	120	-
CUS/SAV/03	Revisions to Domestic Refuse Collection and Recycling Services	On target, glass is now collected within regular domestic waste.	260	260	-
CUS/SAV/04	Relocation of Passenger transport services to a Frizlands depot and realignment of resources to optimise service delivery	Relocation confirmed. To liaise with Property Services to confirm arrangements.	206	206	-
CUS/SAV/05	Replace orange bags with recyclable bins	Capital bid approved from Oct 2012 – £100k was approved in cabinet to be released form contingency to cover the period of delay.	200	200	-
CUS/SAV/06	Optimisation of Refuse fleet	On target, double shifting in operation from 1 <sup>st</sup> April	200	200	-
CUS/SAV/07	Management Restructure in Environmental Services	Have completed top layer, awaiting rest of service restructure	154	154	-
CUS/SAV/08	Turning down the lights to save energy	Meeting with Volker scheduled for 14/06 – savings generated from August onwards (8 months pro rata). Anticipated savings from 13/14 can be implemented earlier to cover the shortfall	138	138	-
CUS/SAV/09	Increase in cost of permits within Car Parking Zones	Costs and number of permits to be generated to be confirmed.	70	70	-
CUS/SAV/10	Converting private sector licence properties from old portfolio to the new contract at lower rates.	The savings target is a combination of reduction in B&B pressures, PSL conversions, and use of council own stock to reduce cost pressures. Whilst other items are controllable, the use of B&B properties has risen	350	0	350

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
		substantially in last few months.			
CUS/SAV/11	Reduced mowing to create naturalised environment	Receiving help of Ambassador Woodland, GLA, Woodland Trust etc.	33	33	-
CUS/SAV/12	Renegotiate Abandoned Vehicle contract	On target	12	12	-
CUS/SAV/13	Reduction in Environmental Enforcement	Initial savings was based on reduction of 4 posts, subsequently replaced by increased income target. £20k to be generated in Area Services and £50k in Enforcement. Income is being generated from a very low base.	140	140	-
CUS/SAV/14	Making Parks more commercially sustainable	Parking charges in Parks not being implemented (£9K) as per members decision, Grazing and Education at Millennium Centre not achievable (£4.5k), only half of Bowling Greens savings and 'Golfwise' achievable (i.e.£25k) as original costings from 'Confirm' now inaccurate, Income from Lakes, Tennis and Education and Concessions achievable	98	98	-
Feb Assembly	Housing Advice Restructure	Complete.	50	50	-
Feb Assembly	Re procurement of street lighting contract	On target for both Schedule 1 (planned) and 3 (other reactive works) to meet savings.	200	200	-
<b>Total</b>			<b>2,331</b>	<b>1,981</b>	<b>350</b>

**Finance and Resources**

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
FIN&RES/SA V/01	Transfer of Assets and Commercial Services division to Elevate	The transfer of the Property Services, BSF and Technical Support Sections took place on 1 <sup>st</sup> April 2012. Savings achieved through the deletion of posts in LBBD and the transfer of staff into established posts within the Elevate structure.	756	756	-
FIN&RES/SA V/02	Reviewing staffing levels within the Capital Programme Monitoring Office(CPMO), Corporate Programmes Team and Business Support	3 Vacant posts have been deleted.	150	150	-
FIN&RES/SA V/04	External Risk Management Training - Cease external risk management training	Supplies and service budget reduced.	7	7	-
FIN&RES/SA V/06	One Stop Shop & Contact Centre Service Reduction	This saving is being delivered by Elevate. The affected staff did not leave until the middle / end of May; accordingly we will not see a dip in the performance figures until July.	203	203	-
FIN&RES/SA V/07	Review Out of Hours Contract	Savings currently delivered by Elevate.	25	25	-
FIN&RES/SA V/08	Reduction in the CIPFA trainee programme	2 posts deleted were held vacant in 11-12 therefore savings achieved.	70	70	-
FIN&RES/SA V/09	Recharging Pondfield House rent to the Housing Revenue Account	Saving achieved	200	200	-
FIN&RES/SA V/10	Reduction in Provision for Carbon Reduction Commitment (CRC)	Saving achieved through the charging of Schools CRC costs to the DSG	200	200	-
FIN&RES/SA V/11	Savings in Sustainable Communities/ Economic Development area	On target to be achieved. Posts have been deleted, and the affected staff have now left the organisation. Projects budgets have also been scaled back accordingly.	190	190	-
FIN&RES/SA V/12	Reorganisation of Development Planning team	On target – post deleted / person left, and supplies budgets have been reduced accordingly.	90	90	-

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
FIN&RES/SA V/13	Reorganisation of Employment & Skills team	On target. The employees have been reduced and the projects budget has been scaled back.	80	80	-
FIN&RES/SA V/14	Reduction to staffing in Job Shop and business support	On target – linked to savings above.	50	50	-
FIN&RES/SA V/15	Reduction of External Audit fees	A reduced bill is expected from the Audit Commission for this saving to be delivered.	30	30	-
FIN&RES/SA V/16	Reduction in Building Schools for the Future budget	Saving achieved as spend with consultants in the BSF area is now reducing.	50	50	-
Feb Assembly	Re-structuring of Staffing establishment and a reduction in non-employee budgets	The structure for 12-13 has been implemented and the service is operating within existing funding.	256	256	-
Feb Assembly	Reduction in accommodation costs through the Modern Ways of Working project	Saving achieved through the closure of Fortis House. Budgets to be transferred from Children's Services.	234	234	-
<b>Total</b>			<b>2,591</b>	<b>2,591</b>	<b>-</b>



**Chief Executive**

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Variance £'000
CEX/SAV/01	Restructure of Senior Managers	The achievement of this target will be dependent on the affected senior managers across the Council leaving on time.	810	810	-
CEX/SAV/02	Restructure of Policy Teams	Savings on target and affected staff have now left the organisation.	932	932	-
CEX/SAV/03	Restructure of Legal and Democratic services	Savings on target posts deleted, and affected staff have left Authority.	147	147	-
CEX/SAV/04	Merging Payroll and HR Support	Service currently being delivered by Elevate East London. The business case indicates that the only savings achievable will be £78k.	114	78	36
CEX/SAV/05	Reduction in spending on strategic HR	£100k of this savings target is subject to a review of Learning & Development spend across the departments which has been submitted to CMT for comment. If the review is agreed by CMT, department's budgets will	150	50	100
Feb 2011 Assembly	CE Review – M&C	Saving on target at this stage. Income target increased by £100k – but remains the biggest risk for the team. However if The News is as successful as last year, then the target will be fully met.	147	147	-
<b>Total</b>			<b>2,300</b>	<b>2,164</b>	<b>136</b>

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## HOUSING REVENUE ACCOUNT MONITORING STATEMENT NOVEMBER 2012/13

HOUSING REVENUE ACCOUNT	Outturn 2011/12	Original Budget	Working Budget	Projected Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
Rents	(77,953)	(83,017)	(83,017)	(83,689)	(672)
Non Dwelling Rent	(2,484)	(2,574)	(2,574)	(2,406)	168
Other Income	(15,103)	(17,098)	(17,152)	(17,631)	(479)
Capitalisation of Repairs	(1,625)	(1,000)	(1,000)	(2,700)	(1,700)
Repairs and Maintenance	20,999	20,043	20,522	22,352	1,830
Supervision and Management	(233,356)	34,643	34,218	36,002	1,784
Rent Rates and Other	1,341	920	920	826	(94)
Depreciation	14,697	14,875	14,875	14,875	-
Bad Debt Provision	1,002	992	992	883	(109)
Interest Charges	1,296	9,685	9,685	9,360	(325)
Corporate & Democratic Core	811	811	811	811	-
Interest	(526)	(93)	(93)	(567)	(474)
Revenue Contribution to Capital	-	14,013	14,013	14,084	71
Repayment of Debt	-	7,800	7,800	7,800	-
Subsidy	21,057	-	-	-	-
Pensions	113	-	-	-	-
HRA Borrowing	265,912	-	-	-	-
<b>Contribution to HRA Reserve</b>	<b>(3,819)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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### Forecast Capital Programme Outturn November 2012/13

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
<u>Adult &amp; Community Services</u>					
1654	Ripple Hall (St Georges/Vol Group Relocation)	245	49	50	(195)
191	Eastbury House	11	2	11	
2233	Valence Site Redevelopment	54	23	54	
2872	Fews Lodge Extra Care Scheme	577	643	680	103
100	Disabled Adaptations (HRA)	494	320	494	
2888	Direct Pymt Adaptations	380	193	380	
2913	80 Gascoigne Road Care Home	327		327	
2266	Barking Park Restoration & Improvement	813	684	813	
2768	Abbey Sports Centre (Wet Side Changing Areas)	9	6	9	
2603	Becontree Heath Leisure Centre	249	93	249	
2815	Goresbrook Leisure Centre - Olympic Training Venue	20		2	(18)
2855	Mayesbrook Park Athletics Arena	796	417	796	
2870	Barking Leisure Centre 12-14	2,135	602	2,135	
<b>Total For Adult &amp; Community Services</b>		<b>6,110</b>	<b>3,032</b>	<b>6,000</b>	<b>(110)</b>

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
<u>Children's Services</u>					
<u>Primary Schools</u>					
2555.01	Eastbury	113	5	113	
2745	George Carey CofE (formerly Barking Riverside) Primary School	940	(91)	940	
2736	Roding Primary School (Cannington Road Annex)	216	2	216	
2759	Beam Primary Expansion	98	12	98	
2799	St Joseph's Primary - expansion	356	274	356	
2800	St Peter's Primary - expansion	34		34	
2776	Thames View Infants - London TG Agreement	76	36	76	
2787	Cambell Junior - Expansion & Refurb	31	13	31	
2786	Thames View Juniors - Expansion & Refurb	468	86	468	
2784	Manor Longbridge (former UEL Site) Primary School	576	239	576	
2789	Westbury - New Primary School	223	91	223	
2790	St Georges - New Primary School	91	132	132	41
<u>Other Schemes</u>					
2793	Schools Modernisation Fund 2009-12	2,493	1,693	2,493	
2742	Youth Access Card Scheme	43	19	43	
2751	Kitchen Refurbishment 10/11	36	17	36	
2724	Basic Needs Funding (Additional School Places)	62	(186)	62	
2581	Schools Legionella Works		2	2	2
2809	Schools Reboiler & Repipe Fund 2010/11		10	10	10
2310	William Bellamy Children's Centre	6	(14)	3	(3)
2311	Becontree Children's Centre		(232)		
2217	John Perry Children's	10	(5)	10	
2586	Furze Children's Centre				
2651	Alibon Children's Centre	(9)		2	11
2739	Gascoigne Community Centre	(8)			8
2826	Conversion of Heathway to Family Resource Centre	84	26	84	
2878	512A Heathway (Phase 2) - Conversion to a Family Resource with additional teaching space	117	154	154	
9999	Devolved Capital Formula	2,235	745	2,235	
2825	Dagenham Park School - PFI				
2825A	Dagenham Park School - BSF (extra work)				
2818	Sydney Russell School - BSF	11,383	9,521	11,383	
2859	Robert Clack Comprehensive Expansion	11	10	11	
2860	Monteagle Primary (Quadrangle Infill)	1,797	1,278	1,797	
2861	Eastbury Primary (Expansion)	750	207	750	
					37

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
2863	Parsloes Primary (Expansion)	1,310	1,188	1,310	
2864	Godwin Primary (Expansion)	300	315	315	15
2865	William Bellamy Primary (Expansion)	750	146	750	
2866	Dagenham Village Rectory Road Library (Expansion)	200			
2867	Southwood Primary (Expansion)	1,251	1,176	1,251	(200)
2900	Becontree Primary Expansion	275	208	275	
2924	St Joseph's Primary(Barking) Extn 12-13	1,680	1,011	1,680	
2929	Schools Modernisation Fund 2012-13	785	50	785	
2932	Trinity 6th Form Provision	922		922	
<u>Basic Needs including SEN</u>					
2906	School Expansion SEN projects	550		550	
2909	School Expansion Minor projects	550	240	550	
2918	Roding Cannington	90	10	90	
2919	Richard Alibon Expansion	75	17	75	
2920	Warren/Furze Expansion	90		90	
2921	Manor Infants Jnr Expansion	100	18	100	
2922	Valence Halbutt Expansion	50		50	
2923	Rush Green Expansion	15		15	
	New School Places - Primary & Secondary Schools 2012/13	28,580		1,780	(26,800)
	Programme of School Basic Need Funding 2011/12	216		216	
	Provision of New School Places (Basic Needs) Contingency	752		752	
<u>Skills, Learning &amp; Enterprise</u>					
2723	Skills Centre	3,344	3,330	3,344	
<b>Total For Children's Services</b>		<b>64,117</b>	<b>21,753</b>	<b>37,238</b>	<b>(26,879)</b>

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
<u>Housing and Environment</u>					
<u>HRA</u>	HRA Business Plan 2012/13 - unallocated	17,689		1,193	(16,496)
2637	Dh Works Framework Contracts	5	5	5	
2640	MAJOR WORKS(ENTERPRISE) PROJ.	1,000	1,056	1,056	56
2734	SAMS formerly remote concierge	70	18	70	
2641	Heating Works (Thaxted, Maxey & Humphries Houses)	65	63	65	
2645	Planning & Contingencies	750	77	750	
2727	CHP Programme	24		24	
2728	Electrical Switch Gear	271	169	271	
2725	Extensions and deconversions		(13)		
2822	Communal Lighting & Electrical switchgear	560	420	560	
2726	External Enveloping Work	251	(15)	251	
2730	Sheltered Alarms Upgrade	11		11	
2731	Colne & Mersea Blocks	1,344	1,092	1,344	
2811	Capitalised Improvement Works	147	70	147	
2813	Estate Improvement Project	900	320	900	
2824	Oldmead & Bartlett Remedial Works	103	82	103	
2844	Door Entry Project 12/13	1,583	314	1,583	
2845	External Enveloping & Fire Proofing Project	2,554	1,257	2,554	
2846	Defective Overflow Works	15		15	
2847	Central Heating Installation	1,931	671	1,931	
2848	Kitchen & Bathroom Replacement Project	1,676	1,539	1,676	
2849	High Rise Surveys	250	2	250	
2850	Capitalised Improvement Works (Estates)	250	171	250	
2853	Estate Improvements	684	153	684	
2852	Adaptations - Housing	129	62	129	
2880	Central Heating Installation (Phase II)	101	37	101	
2881	Kitchen, Bathroom, Central Heating & Rewire	1,884	1,764	1,884	
2882	Electrical Rewiring	326	79	326	
2772	King William Street Quarter (Phase 1)	80	3	80	
2773	New Build Council House Building (Phase 2 & 3)	1,400	1,065	1,400	
2757	Council House Building	237	1	237	
2823	New Council House Building - Phase 3	1,569		1,569	
2917	Abbey Road CIQ	500		500	
2931	Leys New Builds Dev (HRA)	500		500	
2933	Voids 12-14	100		100	
2934	Roof Replacement Project	260		260	



Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
2935	Internal Works Multiple Elmnts	100		100	
2936	Rewiring (incl Smoke Alarms)	0		20	20
2937	CCTV/SAMS Phase 2	15		15	
2938	Fire Safety Works	150		150	
2939	Riverside House Refurb	100		100	
2941	Renewables (PVs & CSEPs additional External Eveloping Works	100		100	
2942	Travellers Site Refurbishment	50		50	
2943	Asbestos Removal (Communal Areas Only)	30		30	
2944	R & M Set Up Costs	2000		2,000	
2945	Street Properties Acquisition	500		500	
2946	Older Persons Housing Strategy Phase 1	0			
2947	External & Internal Lobby Painting Programme 12-14	500		500	
	<u>Boroughwide Estate Renewal:</u>				
	Current Year Schemes	8,906	5,169	8,888	(18)
	<b>Total HRA</b>	<b>51,670</b>	<b>15,628</b>	<b>35,232</b>	<b>(16,438)</b>
	<u>Non HRA Housing &amp; Environment</u>				
106	Private Sector Households Dfg'S (Odpn Grant Aided)	1,054	508	1,054	
105	Private Sector Hsg Assistance rendered	230	199	230	
2570	Capita Housing (Formerly Housing Modernisation Programme)	32	21	32	
	<u>Environmental Services</u>				
2288	Land Quality Inspection Programme	20	2	2	(18)
2764	Street Light Replacement	1,186	487	1,186	
2842	Flats Recycle Bank Scheme		14	14	14
2777	SNAPS	47		47	
2836	Road Safety Improvement schemes 11-12				
2873	Environmental Improvements	168	208	208	40
2894	Road Safety Improvements 12-13	96	55	96	
2887	Frizlands Workshop Improvements	175	29	175	
2886	Parking Strategy Implementation	9	(34)	9	
2907	Lays Road Reconstructions 12-13	215	190	215	
2908	Brown Wheeled Bin for Recycling	1,123	985	1,123	
2930	Highways Maintenance (Non-Principal Roads)	2,500	1,152	2,500	
2948	Abbey Green- Churchyard Wall	100		100	
	<u>PGSS</u>				
2421	PGSS Staff Costs	39		39	
2423	Pondfield Park	8		8	

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
2567	Abbey Green Park Development	22	15	22	
2604	Valence Park Improvements	15	15	15	
2326	Btc Public Art Project Artwork - Tgsc (Part Of Public Realm)	5	3	5	
2817	Mayesbrook Park Improvements (Phase 1)	100	32	100	
2879	Barking Park Light Railway & Rowing Boat Equipment	25	25	25	
2911	Quaker Burial Ground Improvements	8		8	
2912	Barking Park Tennis Project	150		150	
2925	Adizone 2012-13 (St Chads & Central Park)	310	285	310	
<b>Total For Housing &amp; Environment</b>		<b>59,307</b>	<b>19,819</b>	<b>42,905</b>	<b>(16,402)</b>

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
<u>Finance &amp; Resources</u>					
<u>Asset Strategy</u>					
2741	L8 Control of Legionella Remedial Works	250	33	250	
2578	Asbestos (Public Buildings)	54	7	54	
2771	Automatic Meter Reading Equipment	25		5	(20)
2542	Backlog Capital Improvements	670	36	670	
2565	Implement Corporate Accommodation Strategy	1,001	572	1,001	
2587	Energy Efficiency Programme	280	69	280	
<u>ICT</u>					
2623	Microsoft Enterprise Agreement	89		89	
Modernisation and Improvement Capital Fund (formerly One B & D ICT)					
2738	Main Scheme)	2,022	277	2,022	
2738.13	E-Services - On-line Portals	98		98	
2738.15	Citrix Application Delivery	181		181	
2738.16	SharePoint Corporate Rollout	223		223	
2877	Oracle R12 Joint Services	3,494	615	2,347	(1,147)
<u>Regeneration</u>					
2458	New Dagenham Library & One Stop Shop Church Elm Lane	40	16	40	
2596	LEGI Business Centres	341	57	341	
2585	London Road Market Square				
2775	BTC Public Realm - Tsq & Abbey	30	2	30	
2821	Robin Hood Shopping Parade Enhancement	342	(21)	342	
2625	Thames View Regeneration (formerly East End Thames View Demolition)	25	3	25	
2819	London Road/North Street Site Acquisitions	897	339	897	
2831	Barking Station Forecourt Implementation Phase	241	160	304	63
2854	Improvements to the rear of the Mall, Dagenham Heathway	223		233	10
2901	Creekmouth Arts & Heritage Trail	50		50	
2902	Short Blue Place (New Market Square Barking Phase II)	1,088	556	1,088	
2914	Barking Job Shop Relocation	229	6	229	
2916	Lawns & Wood Lane Development	300	134	300	
2926	Outer London Fund Round 2	290	115	290	
2927	Abbey Road & Chequers (Lane & Corner) Realm Impr	431	9	431	
2928	Captain Cook Site Acq & Public Realm Works	820	3	505	(315)
2890	PRINCIPAL RD RESURF TFL	473	199	473	
2891	MERRY FIDDLERS JUNCT YEAR 2 TFL	442	33	392	(50)

Project No.	Scheme	Budget £'000	Actual £'000	Forecast Spend £'000	Variance £'000
2892	CYCLING GREENWAYS YEAR 2 TFL	96	80	96	
2893	THAMES ROAD Corridor Improvements (formerly MAYESBRK NGHD AR	240	290	290	50
2895	CHADWELL HTH STATION IMP TFL	288		288	
2896	DGHM HTHWY Low Carb Zone TFL	48		48	
2897	SMARTER TRAVEL PLANS TFL	202	141	170	(32)
2898	LOCAL TRANSPORT PLANS TFL	96	128	128	32
2899	RIVER RODING CYCLE LINK TFL	240	2	240	
2840	Car Club Expansion Year 2 (TfL)	6		6	
2841	Biking Borough Initiative Year 2 (TfL)	115	87	115	
2910	Barking Station Parade Assessment	60		60	
1	Capitalisation of Redundancies	3,000		3,000	
<b>Total For Finance &amp; Resources</b>		<b>19,040</b>	<b>3,949</b>	<b>17,631</b>	<b>(1,409)</b>
<b>GRAND TOTAL</b>		<b>148,574</b>	<b>48,553</b>	<b>103,774</b>	<b>(44,800)</b>

## **Explanations for Significant Variances on Capital Projects**

### Adults & Community Services

- Ripple Hall (£195k under spend) – these savings were identified by project sponsor and achieved through reduced fit out costs.
- Fews Lodge (£103k over spend) – tender prices are higher than anticipated.

### Children's Services

- School Places – Please see main report
- Dagenham Village Rectory Road Expansion (£200k cost under spend) – project cancelled, other options being considered.

### Housing & Environment

HRA self-financing has resulted in much larger revenue surpluses than under the previous subsidy regime and therefore it has been important to ensure that these surpluses have been utilised adopting a best-value approach.

The Business Plan for 2012/13 was only approved by Cabinet in March 2012 and this plan contained provisional estimates for spend across the three major investment streams: Capital works programme; New Build and Estate Renewals.

Savills were required to undertake various revisions of their proposed capital works investment requirements and this work was finalised in June of this year. The findings were presented to the July Cabinet where it was agreed to undertake an 18-month, rather than an annual, programme for the first year. This has led to a delay in the commencement of a large part of the Capital Works programme but this was essential to ensure that works undertaken were in line with the Savills findings.

The overall programme for housing investment agreed by Members in July is over a 10-year time frame and therefore delivery of these schemes will be smoothed over the ten-year period. This smoothing results in an additional year end balance in the Major Repairs Reserve (within the HRA) of £38million and ensures that the programme can be delivered in a managed, consistent manner.

### Finance & Resources

- Oracle R12 (£1,147k slippage under spend) – funds to be re-profiled into 2013/14 because of changes in the agreed date for the project going live, pushing major spend by the contractors into the next financial year.
- Captain Cook Site Acquisition and public realm works (£315k slippage under spend) – works to be completed next year.

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## CABINET

22 January 2012

<b>Title:</b> ICT Strategy 2012-17	
<b>Report of the Cabinet Member for Customer Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Rupert Hay-Campbell ICT and Information Governance Officer	<b>Contact Details:</b> Tel: 020 8227 3190 E-mail: rupert.hay-campbell@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Jon Bunt, Divisional Director of Finance	
<b>Accountable Director:</b> Graham Farrant, Chief Executive	
<p><b>Summary:</b></p> <p>The draft ICT Strategy 2012 – 2017 attached at <b>Appendix 1</b> outlines the strategy for using ICT to support delivery of the Council’s priorities through the following design principles:</p> <ul style="list-style-type: none"> <li>• Continue to implement channel shift to support online service delivery in order to achieve savings;</li> <li>• Make more effective use of the tools and systems that we already have in place;</li> <li>• Use standard products and processes when implementing new systems;</li> <li>• Provide staff with appropriate tools to carry out their work as effectively as possible;</li> <li>• Make use of shared services, shared platforms and cloud computing whenever possible, using East London Solutions or other appropriate partnerships.</li> </ul> <p>This strategy was developed following extensive consultation across the Council over the past year.</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to adopt the ICT Strategy for 2012-2017 as attached at Appendix 1 to the report.</p>	
<p><b>Reason(s)</b></p> <p>To provide the Council with the strategic principles that will be used to validate ICT investment decisions over the next 5 years.</p>	

## **1. Introduction and Background**

- 1.1 This paper presents the Council's new ICT Strategy for 2012-17 which aims to provide the Council with the strategic framework to validate ICT investment decisions over the next five years.
- 1.2 The strategy replaces the previous strategy that was approved by Cabinet in July 2007. The previous strategy saw a significant investment in the Council's ICT infrastructure that has led to the current reliable ICT systems.
- 1.3 The ending of the period of the old ICT strategy was marked by the transfer of the Council's ICT service to the Elevate East London joint venture. Development of the new ICT Strategy was delayed to ensure that these new arrangements were properly reflected in the strategy.
- 1.4 Extensive consultation was carried out across the Council in 2011/12 and the Strategy itself was finalised in 2012. This delay has also allowed the strategy to properly reflect the challenges produced by the reductions in the Council's funding under the comprehensive spending review.

## **2. Proposal and Issues**

- 2.1 The ICT Strategy for 2012-17 does not seek funding for the necessary projects, as each project will be individually approved and sources of funding identified, but focuses on key aspects such as the design and implementation principles.

### **Design Principles**

- 2.2 The Strategy sets out five design principles that will be used when designing changes to the Council's IT systems over the next five years:
  - Continue to implement channel shift to support service delivery that is "online by default" in order to achieve savings. This means that online delivery will be implemented wherever it is practical, affordable and appropriate.
  - Ensure that appropriate access methods are in place for residents and service users who are digitally excluded, including mediated access to online services.
  - Make effective use of the tools and systems that we already have in place and ensure that staff have appropriate skills
  - Provide staff with appropriate tools to carry out their work
  - Make use of shared services, shared platforms and cloud computing whenever possible. Use standard products and processes when implementing new systems
- 2.3 The strategy makes a number of recommendations as to how the Council's systems can be improved:
  - Respond to residents' demands to offer more services on the Council's website and through the existing 'My Account' facility. Make the site easier to use and support access by modern mobile phones such as smartphones
  - Exploit existing tools to analyse the data we hold to better understand our residents and service users and make our services more efficient



- Enhance the Council's systems that support the operation of the business to give staff the tools they need (for example the new Oracle implementation and SharePoint roll out)
- Introduce robust, yet more flexible security controls to support mobile working and allow staff to use their own equipment as appropriate
- Pilot new approaches to user devices and web based software (for example tablet computers and web based office productivity tools)
- Work with our partners in Elevate, East London Solutions, Thurrock and across the public sector to ensure our ICT systems are fit for purpose and make use of opportunities to reduce costs through cloud computing and shared systems

## **Implementation**

- 2.4 The ICT Strategy will be implemented through a series of projects. The projects that will be implemented over the full five year period of the Strategy cannot all be defined at this stage.
- 2.5 The projects that will be implemented will all be subject to individual business case approval. These business cases will identify the sources of funding which could include:
- Modernisation and Improvement Capital Fund
  - Invest-to-save Fund
  - Departmental capital programmes and revenue budgets
- 2.6 By ensuring that all projects have an approved business case it will be possible to ensure that only business critical projects and those that offer a strong return on investment will be selected for implementation.
- 2.7 The selection of projects to be implemented will be continually reviewed during the lifespan of the ICT Strategy. This will allow the Strategy to respond flexibly to changing Council requirements and priorities over the next five years.

## **3. Options Appraisal**

- 3.1 Detailed options appraisals will be conducted as part of the approval process for any ICT projects implemented under this strategy.

## **4. Consultation**

- 4.1 A wide ranging consultation process was undertaken within the Council by Elevate and the Council's ICT client team. This included interviews with over 60 members of staff, Divisional Directors and Corporate Directors. Presentations were made to all departmental management teams and CMT.

## **5. Financial Implications**

Implications completed by: Martin Henwood, Deputy Chief Financial Officer

- 5.1 The financial implications of the ICT Strategy are underpinned by the effective relationship between the Council's ICT client team and Elevate, and their ability to anticipate and use trends in the delivery of this crucial support service. This is the

reason why the ICT Strategy has a focus on design principles and ensuring there is sufficient flexibility and a strong link to value for money in delivery of ICT.

- 5.2 The Elevate contract reinforces this latter aspect with a contractual commitment to target savings. This has been realised to date, mainly through applications consolidation and reduced suppliers' costs, saving almost £1.2m p.a. between 2011/12 and 2013/14.
- 5.3 Implementation of the ICT Strategy will continue to be reinforced with the involvement of the Modernisation and Improvement Programme Board (MIPB), which ensures that there is explicit link between service delivery to our customers; the ICT service's cost; and the impact of the ICT service on operational cost and effectiveness.
- 5.4 The focus on design principles and trends in the use of ICT, plus controls through MIPB, the ICT client and Elevate, combine to provide a sound environment for securing value for money in implementation of the ICT Strategy. Wider affordability issues that might arise will be addressed through the Council's Budget process.

## **6. Legal Implications**

Implications completed by: David Lawson, Deputy Head of Legal & Deputy Monitoring Officer; Eldred Taylor-Camara, Legal Group Manager (Partnerships & Strategic Procurement)

- 6.1 The Strategy puts in place an approach that will help ensure compliance with a number of legal requirements including data protection and secure data sharing together with contributing to cost effective governance options.
- 6.2 Under the Incremental Services Agreement entered into between the Council and Elevate East London ("Elevate"), it is provided that Elevate works with the Council to develop, publish maintain and review the Council's ICT Strategy and that in implementing the Strategy, they develop ICT Projects.
- 6.3 Each Project should be supported by an appropriate Business Case which is to be submitted to and approved by the Council (in most cases by Cabinet) before they are implemented.

## **7. Other Implications**

- 7.1 Each ICT project initiated under the strategy will have a range of implications that will be considered separately before the project is approved.

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

Please see list of references on pages 28 and 29 of the ICT Strategy 2012-17.

### **List of appendices:**

Appendix 1: ICT Strategy 2012-17

# London Borough of Barking & Dagenham

## ICT Strategy 2012 – 2017



September 2012



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Connectivity and Flexible Working	10	17			



The council faces a number of significant challenges over the next five years as it seeks to protect frontline services at a time of significant cost savings and a growth in the population of our borough. This ICT Strategy sets out the ways that ICT will help in meeting those challenges.

It is important that the council's ICT service adapts to allow us to deliver our services with greater efficiency. We will embrace the opportunities presented by online service delivery to allow our residents to carry out routine transactions at a time convenient to them freeing up our staff to focus on areas of greatest need.

As the way that our residents connect to the Internet changes with increasing use of mobile phones and tablet devices we will ensure that our online services adapt to meet our residents needs.

We will explore opportunities to work collaboratively with other councils and other public sector organisations to deliver ICT services in the most cost effective way possible. We will build on our successful collaboration with Thurrock and continue to explore opportunities to work with our neighbouring London boroughs

through the East London Solutions group and other pan-London initiatives.

This strategy sets out how the council will provide the underpinning systems that will allow us to deliver on our key theme of "building a better life for all" by raising household incomes, improving standards in schools and post 16 education and through housing and estate renewal. The delivery of these objectives is supported by having a well run organisation and it is in this area that the ICT Strategy is particularly important

**Councillor Collins**  
**Portfolio holder for ICT**  
**London Borough of Barking & Dagenham.**

**September 2012**

# Introduction

# 2

The ICT Strategy 2012-17 defines how the Council's ICT systems and infrastructure will support the Council's ambition to "build a better life for all".

The ICT Strategy sets out a number of design principles and a technical architecture which will be used to prioritise projects as the strategy is implemented.

## Issues

The key issue affecting the delivery of council services over the next five years is the impact of the **cost savings** required in the Council's budgets. The Council's ICT service must react to these pressures and support the cost savings that service areas need to make. At the same time the Council is facing a **growth in population** that will require all services to operate in a more efficient way.

The Council will need to make better use of the data that it holds about its residents and service users to ensure that managers are able to make **knowledge based decisions** about service delivery.

The policies, strategies and trends that have an impact on the Council's ICT Strategy are described in more detail in section 4.

## Design principles

The following design principles are set out in the remaining sections of the ICT strategy:

- Implement channel shift to support service delivery that is "online by default"
- Ensure that appropriate access methods are in place for residents and service users who are digitally excluded
- Make effective use of the tools and systems that we already have in place and ensure that staff have appropriate skills

- Provide staff with appropriate tools to carry out their work
- Make use of shared services, shared platforms and cloud computing whenever possible. Use standard products and processes when implementing new systems

## Solutions

The ICT Strategy makes a number of broad recommendations:

- Respond to residents demands to offer more services on the Council's website, make the site easier to use and support access by smartphone
- Exploit existing tools to analyse the data we hold to better understand our residents and service users and make our services more efficient
- Enhance the Council's systems that support the operation of the business to give staff the tools they need (for example the new Oracle implementation and SharePoint roll out)
- Introduce robust, yet more flexible security controls to support mobile working and allow staff to use their own equipment as appropriate
- Pilot new approaches to user devices and web based software (for example tablet computers and web based office productivity tools)
- Work with our partners in Elevate, East London Solutions, Thurrock and across the public sector to ensure our ICT systems are fit for purpose and make use of opportunities to reduce costs through cloud computing and shared systems

The ICT Strategy will be implemented through a set of projects, listed in the ICT Strategy Action Plan, which will be prioritised using the principles set out in the Strategy and the corporate risk management approach.

# Medium Term Outcomes

# 3

The following table lists the medium term outcomes of the ICT Strategy that will be delivered by 2015/16 subject to agreement on funding and priority:

Area	Outcome
Online Services	<ul style="list-style-type: none"> <li>We will have a single customer portal, accessible by smartphone, linked to our strategic line of business systems</li> <li>We will have automated customer service transactions including appointments and service requests</li> <li>We will be able to store key facts about a person or place that impact on service delivery in a way that can be shared across services</li> </ul>
Business Intelligence	<ul style="list-style-type: none"> <li>We will have a streamlined approach to linking child data – child index. This will include data from the NHS where appropriate</li> <li>We will have a streamlined approach to linking people and property data – customer index</li> <li>We will have strengthened the skills of our staff to make better use of analytic tools</li> </ul>
Line of Business Systems	<ul style="list-style-type: none"> <li>We will have an application roadmap that supports application de-commissioning and future investments in strategic systems</li> <li>We will be using standardised functions and will have reduced local customisations</li> <li>We will be sharing more applications across boroughs and with partners such as the NHS</li> </ul>

Support Systems	<ul style="list-style-type: none"> <li>We will have a single enterprise planning system (Oracle R12) that will drive service planning by the business supported by Finance and HR</li> <li>We will have office software (i.e. spreadsheets, email and word processing) that maximises existing investment but provides value for money</li> </ul>
Connectivity and Flexible Working	<ul style="list-style-type: none"> <li>We will have a flexible, value for money approach to desktops and laptops, based on business need</li> <li>We will allow staff to bring their own ICT where appropriate, based on business need</li> <li>We will have systems that allow flexible working at home or in residents homes/businesses</li> <li>We will ensure appropriate security controls are in place to maintain secure connections with our partners (e.g. NHS &amp; Police)</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>We will share more infrastructure with other boroughs in the East London Solutions group and other appropriate partners</li> <li>We will reduce the total cost of ownership of the council's ICT infrastructure making use of cloud based technologies where appropriate</li> <li>We will continue to invest in our infrastructure to provide resilient and secure environments for our systems where required. We will also explore leasing / revenue models to meet this need</li> </ul>
Governance	<ul style="list-style-type: none"> <li>We will have clear information governance polices for sharing information within the council and with partners</li> <li>We will have detailed audit information about who has undertaken information security training</li> </ul>

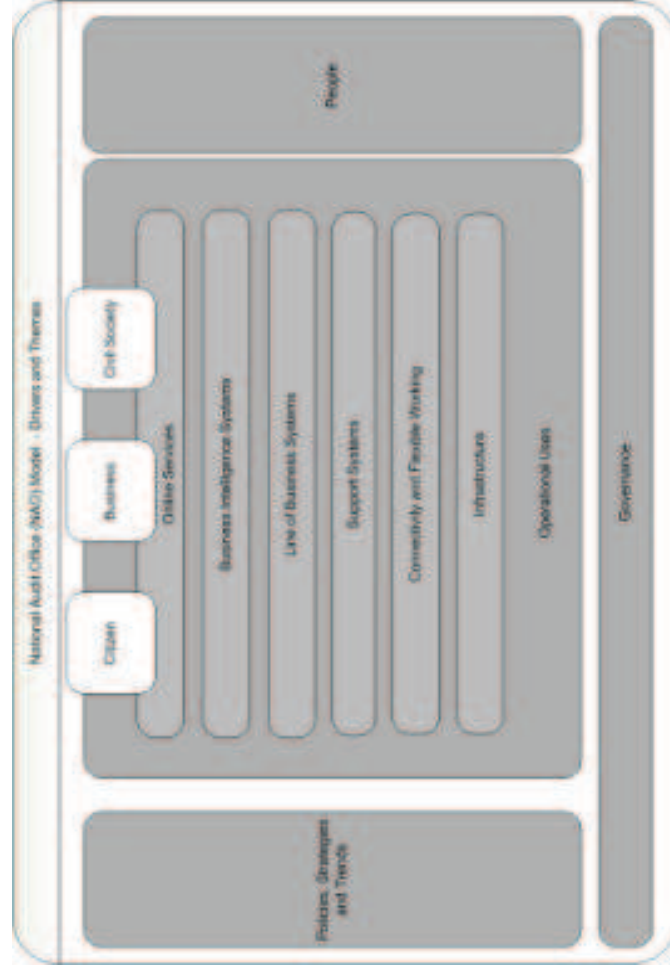
# Approach

# 3

The development of the ICT Strategy used a range of approaches to gather information and identify those projects that will be needed to deliver a fit for purpose ICT infrastructure for the Council.

The central approach used was based on the model set out by the National Audit Office (1) in February 2011 which emphasises the responsibility of those making ICT investments to ensure best value, and that both business and ICT operating costs are driven down as a result.

The ICT Strategy set out in this document uses the drivers and themes identified in the NAO's model.



A wide ranging consultation process was undertaken within the Council by Elevate and the Council's client team. This included interviews with over 60 members of staff, Divisional Directors, Corporate Directors and partner organisations. The findings from the consultation led to the creation of a detailed Information and Workplace Strategy (2) on which the recommendations of this strategy are based.

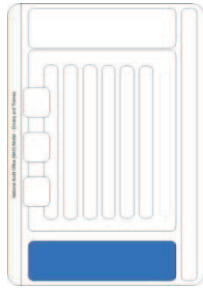
The Information and Workplace Strategy identifies the common issues impacting on service delivery. Given the wide range of functions carried out by the Council it was not practical to attempt to interview every team. However, the extensive coverage that has been achieved has ensured that the common issues across the Council have been identified.

Council officers and Elevate worked to ensure that the strategy reflects current best practice in both the public and private sectors. This included reviewing published national government ICT strategies, local government ICT strategies and industry research.

The Council is committed to shared service models and the development of this strategy took into account plans for both the Elevate East London strategic partnership and the East London Solutions group. The Council is fully participating in a number of pan-London initiatives including London Connects, SOCITM London and the Information Security Group for London. Input from these groups helped inform the development of this strategy.



# Policies, Strategies and Trends 4



The development of the ICT Strategy has been driven by the Council's Statement of Priorities for 2012/13 (3). The statement sets out the aims of the Council including the overarching ambition to "build a better life for all".

The Statement of Priorities sets out three main aims:

- Raising household incomes
- Improving standards in schools and post-16 education
- Housing and estate renewal

These aims are underpinned by the theme of "a well-run organisation". Prioritisation of the projects proposed for delivery by the ICT Strategy is based on the Council's Statement of Priorities.

The impact of the comprehensive spending review and the necessary cost savings that the Council must achieve means that a primary focus of the strategy will be on supporting the **changes necessary to support the savings proposals**.

At a time of significant **population growth** in the borough (4) the Council's services are expected to come under significant pressure. Services must adapt to these growing pressures and will rely on effective ICT systems to meet the challenge.

The ICT Strategy will follow the principles of the Council's transformation roadmap as well as the government's ICT Strategy (5) and the principles set out in the review of central government

online services (6) to move towards a "digital by default" model of service delivery. This will:

- Improve access to council services
- Meet resident and service user expectations
- Lower costs of service delivery

**Shared services** form a key method of delivering ICT services to the Council. This approach is endorsed by both the ICT Strategy for local government published by SOCITM (7) and that of central government (5).

The Council has already started work on using shared service models through the creation of the **Elevate East London** joint venture with Agilisys and its on-going engagement with neighbouring authorities in the **East London Solutions** group. East London Solutions (ELS) are developing a "2020 vision" that will describe how ICT in the ELS boroughs can converge over the next ten years in order to **reduce total cost of ownership**.

The Council has already made the commitment to a new shared system for its Oracle Finance and Human Resources system. Barking & Dagenham is engaging with a number of other London boroughs as part of **Programme Athena** to jointly procure the latest version of the Oracle system. The Council is committed to using standardised Oracle functions as part of this programme.

Other key areas of work identified in the Council's Statement of Priorities (3) are providing innovative working methods to enable quicker and easier access to our services for customers and more

efficient ways of working for council staff. The Councils approach to modernising services, set out as the target operating model in the Customer Strategy (8) also identifies the importance of using the information that we hold more effectively to support **knowledge based decision making**. This is an area that the National Audit Office has identified as a common weakness across local government (1).

The Council holds significant amounts of data in its line of business systems and reporting tools. The ICT strategy will seek ways of ensuring that this **data is more effectively used and disseminated** to support service delivery. Part of this work will focus on providing staff with the necessary **skills**.

The government has set increasingly higher expectations on local government to publish information. The Code of Recommended Practice for Local Authorities on **Data Transparency** published by the Department of Communities and Local Government (9) sets out the types of data that the Council should be publishing. The Council's line of business systems and business intelligence systems need to reflect these demands.

Changes in technology trends are having an impact on the way in which the Council's ICT systems are delivered. The two key trends that are having the most significant impact are "cloud" computing and rising expectations of ICT.

### **Cloud computing**

The concept of delivering business systems and back office applications using servers that are not based in the Council. This will normally depend on the use of applications that are delivered using a web browser rather than a program installed on the desktop.

Cloud computing promises a cost reduction as the Council is no

longer required to invest in servers held in a data centre on council premises. It should also result in a more flexible computing environment as it is simpler to deliver a browser to the user than installing a range of applications on desktop computers.

### **Rising expectations of ICT**

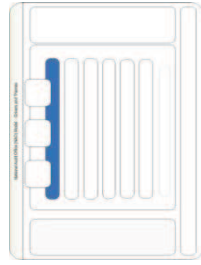
Staff increasing have access to more powerful and flexible ICT devices at home than those provided by the Council.

The rising expectations of employees – especially in the area of mobile devices – creates a challenge. A logical extension of this trend is that the Council should allow staff to use their personal equipment for business purposes if appropriate

This trend is known as "consumerisation" in the IT industry.

The development of **line of business systems** that make use of a standard web browser to deliver applications is a trend already evident in a number of the Council's existing systems. However the investment required by software vendors to implement this approach can be significant, so many of the Council's existing line of business systems will take time to adopt this approach. This trend has an impact on the most appropriate desktop equipment that the Council should be providing to staff.

The rising adoption of **smart phones and tablet devices** by staff has led to an increased expectation about the capability of ICT equipment and how often it is replaced. This is having an impact on expectations about the use of ICT when at work. In order to meet these expectations the Council will look at allowing staff to make use of their personal equipment for work purposes.



Online services describes the delivery of council services using the website and through handling some telephone calls to the Council using automated systems. The Council's plans for service delivery are set out in the Customer

Strategy (8).

## Design Principles:

- Service delivery should become "online by default"
- Services should take account of digitally excluded residents
- There should be full integration between the website and the line of business systems
- There should be a single customer portal for online services
- Services that will deliver the greatest savings, or the greatest customer impact should be targeted for enhancement first

## Medium Term Outcomes:

- We will have a single customer portal, accessible by smartphone, linked to our strategic line of business systems
- We will have automated customer service transactions including appointments and service requests
- We will be able to store key facts (including equalities data) about a person or place that impact on service delivery in a way that can be shared across services

The Council will work to ensure that new services are "**online by default**" and online transactional web pages are created to support those services. Customers increasingly expect to be able to interact

with the Council at times that are convenient to them. **Online service delivery** allows the Council to meet this expectation whilst providing opportunities to reduce cost.

The Council remains committed to ensuring that residents who do not have access to the internet, or who have disabilities that prevent them accessing online services are still able to access services through alternative methods.

Research from Ofcom shows that **smartphones** are increasingly being used to access the Internet and this is reflected in the data collected from the Council's own website (visits using mobile devices has grown from 3% in February 2011 to 15% in February 2012). The Council will ensure that residents and customers can use their **smartphone** to access information and services.

The Council has already started providing residents with the ability to do more online with the launch of the "**My Account**" area of the website in December 2011. The Council will further develop the "My Account" page to provide additional access to some of the following services:

- Housing
- Benefits
- Parking
- Leisure
- Adult Social Care

This will include enhancing the ways in which payments are made online.

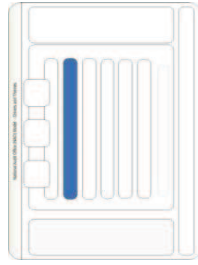
Work will also be undertaken to automate and improve services delivered by the contact centre. In particular, calls that can be answered using automated systems will be routed to an Interactive Voice Response (IVR) system.

Enhancements to the online services will be delivered through a number of key projects listed in the following table:

Project	Driver	Sponsor	Schedule
My Account (005, 020, 021)	Online service delivery	Elevate	2012/13 - 2014/15
Web incident handling (004)	Environment incident reporting	Housing & Environment	2012/13
IVR (003)	Automated call handling in B&D Direct	Elevate	2012/13
Appointments booking system (018)	Service improvement by automating appointment bookings	Elevate	2012/13
Payment Services (019)	Online payments integration with My Account	Elevate	2013/14

**Note:** Project numbers relate to the project list in the ICT Strategy Action Plan.

# Business Intelligence Systems 6



Business Intelligence Systems provide managers with the information that they need in order to make knowledge based service delivery decisions.

## Design Principles:

- Develop single views of customers/service users/children to support more effective service delivery
- Continue to maintain existing line of business systems and share data through an integration hub (see section 14 below)
- Make more effective use of existing business intelligence tools and platforms in the Council
- Make property and GIS data available to line of business systems through the integration hub
- Ensure any new remotely hosted line of business systems can make their data available to the integration hub

## Medium Term Outcomes:

- We will have a single approach to linking child data – child index
- We will have a single approach to linking people and property data – customer index
- We will have strengthened the skills of our staff to make better use of analytic tools

In common with much of government (1) the Council does not make as much use of business intelligence systems compared to the private sector.

The Council uses a number of **business intelligence tools** to support its line of business systems. However the use of these tools is limited to tactical reporting against single systems. There has been no work undertaken to use these tools across multiple systems.

There are a number of existing systems available to enhance business intelligence within the Council, these include: SharePoint business intelligence; Crystal Reports; Business Objects and Oracle OBIEE.

There is recognition across departments that information about service users needs to be shared more effectively in order to ensure the best outcomes, efficient service delivery and effective monitoring of services including tracking of equalities data. All those services delivering targeted services to residents identified a requirement to build up a “**single view**” of their customers.

The **Public Sector Equality Duty** (10) sets out the Council’s obligations to collect and hold sufficient information in order to meet its obligations under the duty. The development of a **customer index** containing equalities data will allow the Council to meet this obligation.

The lack of a **single view of customers** introduces risks for vulnerable residents as a service area may not be aware of the needs of a resident and may not adjust their service as a result. In Children’s Services early intervention and preventative approaches to safeguarding would be significantly improved through better business intelligence about the children living in the borough.

There are significant issues with the management of spatial data. The Council maintains a detailed Geographical Information System (GIS) and is responsible for maintaining the local land and property gazetteer, yet there is inconsistent use of address data in the line of business systems.

The ICT Strategy recommends that work is undertaken to build a number of central indexes to support the sharing of information between services. These indexes will facilitate the reuse of data about children, adults and property within the borough.

The development of central indexes of customer data will require a review of the Council's **privacy notices** to ensure that legal obligations are met and that there is a **clear public expectation** about how resident's data will be used.

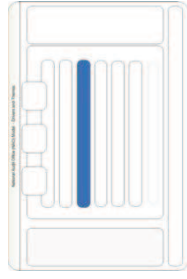
The Council's business intelligence capabilities will be delivered through a number of key projects listed in the following table:

<b>Project</b>	<b>Driver</b>	<b>Sponsor</b>	<b>Schedule</b>
Child index (024)	Enhanced visibility of children in the borough	Children's	2013/14
Customer, index (026)	Enhanced visibility of adults in the borough	Adults	2015/16
Assimilate partner data into indexes (027)	Better partnership working and enhanced service planning	Adults	2015/16

**Note:** Project numbers relate to the project list in the ICT Strategy Action Plan.

# Line of Business Systems

# 7



The Council uses a number of line of business systems to support service delivery. These systems are described in detail in the Information and Workplace Strategy (2).

## Design Principles:

- Systems should be “fit for purpose”, not necessarily “best of breed”
- Services should have access to the systems that they need to deliver efficient services
- New line of business systems should make use of browser based clients wherever possible
- Opportunities for shared service models of system hosting should always be considered
- Remotely hosted line of business systems must make data available to the Council’s business intelligence systems and support data sharing requirements
- Existing systems with overlapping functionality should be consolidated

## Medium Term Outcomes:

- We will have an application roadmap that supports application de-commissioning and future investments in strategic systems
- We will be using standardised functions and will have reduced local customisations
- We will be sharing more applications across boroughs

The line of business systems support a wide range of diverse services many of which have complex and statutory requirements.

At a time of reductions in funding and increasing population pressures (4) services areas will rely on line of business systems to support efficient service delivery.

In some areas (for example Social Care) the line of business systems are felt to be adequate and are meeting the requirements of the service well. In other areas (for example Housing) the line of business systems are comprehensive but require work to ensure that they are operating effectively. In some areas (for example targeted Children’s Services) there are no line of business systems in place and case work is undertaken using manual systems.

The Information and Workplace Strategy also identifies areas (for example Environmental services) where there is significant functional overlap between line of business systems. These systems are candidates for **consolidation**, resulting in a cost savings and simplified data management.

Some of the Council’s line of business systems rely on full client installations (which need to be installed locally on PCs), some make use of the Council’s Citrix infrastructure and others are delivered using a web browser. Increasingly the Council is seeing services being “**cloud based**” (see section 4 above).

During the period of this ICT Strategy it is expected that the trend of movement to **remotely hosted**, web browser based line of business systems will continue. The Council will adopt procurement policies to ensure that these systems provide appropriate data and management information to support the requirements for business intelligence systems.

The Council's line of business systems should ensure that sufficient **equalities data** is held in order to meet Public Sector Equalities Duty obligations.

As the Council **commission services** it may be that the line of business system will be owned by the service provider. There will continue to be a need to access data centrally to support the **business intelligence** needs of the Council and to ensure that data is appropriately shared with partners. The commissioning process will need to take this into account.

A significant opportunity will also exist for line of business systems to be delivered as shared services with neighbouring councils, especially where the same business system is in use.

Enhancements to the Council's line of business systems will be delivered through a number of key projects listed in the following table:

Project	Driver	Sponsor	Schedule
Housing Systems Review (032)	Review suitability of housing system	Housing & Environment	2012/13
Paperless parking (013)	Service improvements to support mobile working in parking service	Housing & Environment	2013/14
Child case work tools integrated to child index (025, 028, 029)	Improved case work tools, service efficiency and business intelligence	Children's	2013/14
Consolidate Environment Applications (030)	Cost savings	Housing & Environment	2013/14

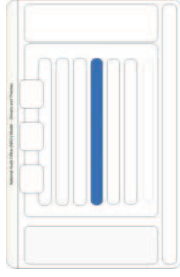
Replace RESPOND (031)	Cost savings	Elevate	2015/16
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**Note:** Project numbers relate to the project list in the ICT Strategy Action Plan.



# Support Systems

# 8



Support systems encompass those systems that are used across the Council to manage resources and provide staff with core tools such as Microsoft Office and the Oracle HR and finance system.

## Design Principles:

- Systems should be “fit for purpose”, not necessarily “best of breed”
- Services should have access to the systems that they need to deliver efficient services
- New back office systems should make use of browser based clients wherever possible
- Opportunities for shared service models of system hosting should always be considered

## Medium term objectives:

- We will have a single enterprise planning system (Oracle R12) that will drive service planning by the business supported by Finance and HR
- We will have office software (i.e. spreadsheets, email and word processing) that maximises existing investment but provides value for money

The Council has to upgrade its **Oracle HR and Finance** system. The upgrade will be carried out under the pan-London programme Athena. This new **Oracle HR and Finance** system will be a significant investment in a cloud based shared service. It will also

involve the use of standardised processes to ensure that the Council maximises the value of its investment.

The Council’s existing office software (currently Microsoft Office 2007) will continue to provide staff with the tools required for a number of years. However, consideration will need to be given to the future use of **cloud based systems** such as Microsoft Office 365 or Google Apps. Cloud based office systems provide opportunities to reduce the Council’s expenditure on Microsoft licensing.

The Council is implementing a new intranet using Microsoft SharePoint 2010. The new intranet will **provide records management tools** to assist teams in the structured management of their records and assist staff in finding the up to date information. The intranet will be based, as much as possible, on the use of standard functionality in order to minimise ongoing support costs.

SharePoint will also replace the Council’s telephone directory, currently held in Oracle. Work will be carried out to automate the flow of staff information between the telephony system, Oracle and SharePoint to ensure accuracy.

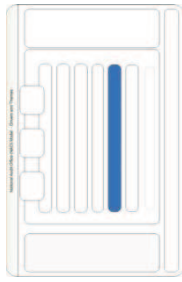
Other support systems, such as document management systems will be investigated for options to consolidate and remove duplication between service areas.

Enhancements to the Council’s support systems will be delivered through a number of key projects listed in the following table:

Project	Driver	Sponsor	Schedule
SharePoint (008, 009)	Service efficiencies, standardisation of applications	Finance & Resources	2012/13
Oracle R12 (007)	Standardisation of applications, shared platform, cost savings	Finance & Resources	2013/14
Document Management Consolidation (033)	Cost savings through application consolidation	Adults	2013/14

**Note:** Project numbers relate to the project list in the ICT Strategy Action Plan.

# Connectivity and Flexible Working 9



The ability of staff to work where they need to; at the office; on the street; at residents' homes; or from their own homes is crucial to the ability of the Council to efficiently deliver services.

Our connection to partners' networks also supports better partnership working.

## Design Principles:

- Systems and devices should be "fit for purpose", not necessarily "best of breed"
- The Council will seek to implement more flexible security models using a managed risk approach and will support "bring your own" devices
- Services should have access to the devices that they need to deliver efficient services
- Support for home working will be enhanced

## Medium Term Objectives:

- We will have a flexible, value for money approach to desktops and laptops, based on business need
- We will allow to bring their own ICT where appropriate, based on business need
- We will have systems that allow flexible working at home or in residents homes/businesses
- We will continue to comply with Government security standards where appropriate

With the Olympic Games in 2012 and continuing work to reduce the number of buildings maintained by the Council (11) the Council is committed to supporting **home working**. In the longer term, this may include provision of systems that will deliver voicemail messages to email; provide information about whether a user is available at their desk and support simple webcam video conferencing.

Significant issues have been identified with the Council's estate of **laptop computers**. These are perceived to be inadequate for the needs of frontline workers; they are heavy with a poor battery life limiting their usefulness. A technical review was conducted as part of the Information and Workplace Strategy that identified that only around 11% of the laptops meet current technical specifications and only 50% are being regularly used.

There will not be a centrally funded laptop replacement programme, but work will be undertaken to ensure that the range of laptops available to service areas more adequately meets their needs.

The Council will investigate the use of new forms of computer equipment, including tablet devices and specialised devices, to support staff when working away from the office.

**Partnership working** with other council's, the NHS, the emergency services and central government all remain core to effective service delivery. The Council will maintain its connections to partner networks through the **London PSN**.

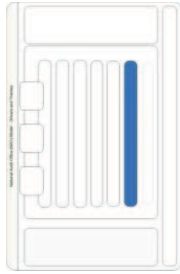
The **rising expectations of ICT** will result in increasing requests from staff to make use of their own equipment (particularly smart phones and tablets) when at work. The Council will work to support these requests through the implementation a new ICT security model and investigation of suitable tools for applying security controls to staff owned equipment.

The support for staff using their own ICT equipment and the ability to allow staff to work more flexibly with mobile devices in general will depend on the provision of **wireless network access** in key areas of the main council buildings.

Enhancements to the Council's systems to support connectivity and flexible working will be delivered through a number of key projects listed in the following table:

<b>Project</b>	<b>Driver</b>	<b>Sponsor</b>	<b>Schedule</b>
Flare SMS messaging (001)	Service efficiencies	Housing & Environment	2012/13
Waste in cab connectivity (002)	Service efficiencies	Housing & Environment	2012/13
Housing mobilisation (014, 015)	Service efficiencies	Housing & Environment	2012/13 – 2014/15
Highways and Grounds Maintenance mobilisation (012)	Service efficiencies	Housing & Environment	2012/13
Wireless LAN implementation (036)	Support for mobile working & "bring your own"	Elevate	2012/13
Network security redesign (035)	Support for mobile working & "bring your own"	Elevate	2012/13

**Note:** Project numbers relate to the project list in the ICT Strategy Action Plan.



The Council's core ICT infrastructure benefited from significant investment from the One B&D Programme. The network and data centre operate well and do not require significant short term investment. However there will be a need to maintain investment in hardware replacement as warranties expire.

### Design Principles:

- Systems and devices should be "fit for purpose", not necessarily "best of breed"
- The Council will seek to implement more flexible security models using a managed risk approach and will support "bring your own" devices
- The Council will seek to reduce the total cost of ownership of the ICT infrastructure through the use of cloud computing and shared services wherever possible

### Medium Term Objectives:

- We will share more infrastructure with other boroughs in the East London Solutions group
- We will reduce the total cost of ownership of the council's ICT infrastructure making use of cloud based technologies where appropriate
- We will continue to invest in our infrastructure to provide resilient and secure environments for our systems where required

In the past the Council has used capital investment to renew its network infrastructure and data centre. The last significant investment was in 2010. Further investments will be required during the period of this strategy. On a like-for-like basis the investment required is likely to be in excess of £3.6 million by 2017. The Council will work with Elevate to reduce this requirement through:

- the adoption of new technologies
- utilisation of cloud computing
- use of shared service models
- taking a risk managed approach to delaying the replacement of older hardware.

The Council's estate of desktop computers received investment under the One B&D programme and is currently operating well. However steps need to be taken to ensure that the desktop computers can be managed as efficiently as possible.

The security measures implemented on the Council's network will be reviewed. Many of these **security controls** were implemented in order to meet technical conditions required when the Council's network was connected to the central government extranet (GCSx). Whilst it is important to maintain the network's security and meet our obligations it is recognised that the "one size fits all" approach to ICT security has resulted in significant burdens for staff. The security model will be redesigned to relax security where it is appropriate to do so (particularly for staff who do not handle sensitive data).

The ending of Microsoft's support for Windows XP in April 2014 (12) will require consideration of how desktop computers are supported in

the future. This work needs to take into account the likely application delivery model (browser based versus client applications); the roadmap of the Council's line of business systems; staff working models; and estate of desktops and laptops in place over the next two years. The Council will investigate the best options for providing desktop systems which will include **Virtual Desktop** models as well as rolling out Windows 7.

A particular challenge for the Council is its use of **data storage**. The amount of electronic data is growing significantly and the Council will need to invest in more storage, or tools to manage this information, in order to continue to provide storage capacity. Between February and December 2011 the amount of data held in the Council's data centre grew by approximately 23%. Steps have already been taken to manage this data more effectively, however charging departments for data storage may need to be considered in order to more effectively manage this risk.

The Council is committed to reducing its carbon footprint through a Carbon Reduction Plan. Significant progress has been made through the implementation of server virtualisation technologies that have significantly reduced energy costs in the Council's data centre.

The Council will investigate the future of the **data centre** currently hosted in the Civic Centre. Options include:

- moving to shared data centres through the East London Solutions group
- using remotely hosted secure data centres
- continuing to invest in the existing data centre

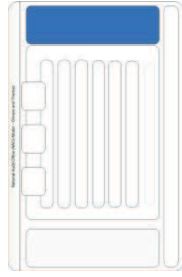
**Disaster recovery** capabilities are crucial to the operation of the Council, providing resiliency in the event of a major system failure.

The Council will review its existing disaster recovery contract and look to find lower cost options for providing this capability.

Enhancements to the Council's ICT infrastructure will be delivered through a number of key projects listed in the following table:

Project	Driver	Sponsor	Schedule
Hosted VDI pilot (041)	Reduced total cost of ownership	Elevate	2012/13
Implement VDI (043)	Reduced total cost of ownership	Elevate	2013/14
Service desk tools enhancements (045)	Reduced cost of support for desktops	Elevate	2013/14
Server and data centre refresh (046)	Maintaining resiliency and reliability of ICT infrastructure	Elevate	Ongoing

**Note:** Project numbers relate to the project list in the ICT Strategy Action Plan.



The Council's Statement of Priorities 2012-13 (3) reiterates that the Council will focus on ensuring that innovative ways of working will be implemented to enable more efficient ways of working for staff.

The ICT Strategy will address these requirements through providing staff with more effective systems to support both service delivery and support functions within the Council. In addition the People Strategy (13) highlights the use of technology to support improved **communication with staff** through the upgraded Intranet.

Page 69 Projects to make better use of **technology to support field based staff** to work more efficiently have been identified, particularly in Housing & Environment.

The Modern Ways of Working programme developed an accommodation strategy (11) that set out a number of work styles and set the expectation that any member of staff would be able to log on to any desktop computer and access all the applications that the needed. The ICT Strategy will review this requirement as part of its work on ICT security models.

Further work will be undertaken to identify the different **work styles** of staff in the Council and the devices that would best support them.

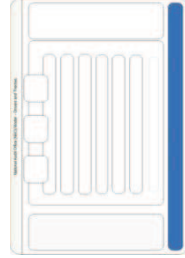
The implementation of new ICT systems will require training to be provided to staff. ICT projects will make a provision for training and

will make use of the Council's existing **online learning tool** as well as other training methods as appropriate.

Work will be undertaken to provide staff with the **analytic skills** necessary to make effective use of the Council's reporting and business intelligence tools. This will apply existing systems as well as new systems that are introduced.

In order to ensure access to work for staff with disability issues appropriate desktop technology will be sourced to address specific needs.

Elevate are responsible for delivery of the ICT service and are responsible for ensuring that the relevant skills are available to the Council when needed.



The delivery of the ICT Strategy will be overseen by a new **ICT Strategy Delivery Group**. This group will be chaired by the Council's ICT client team.

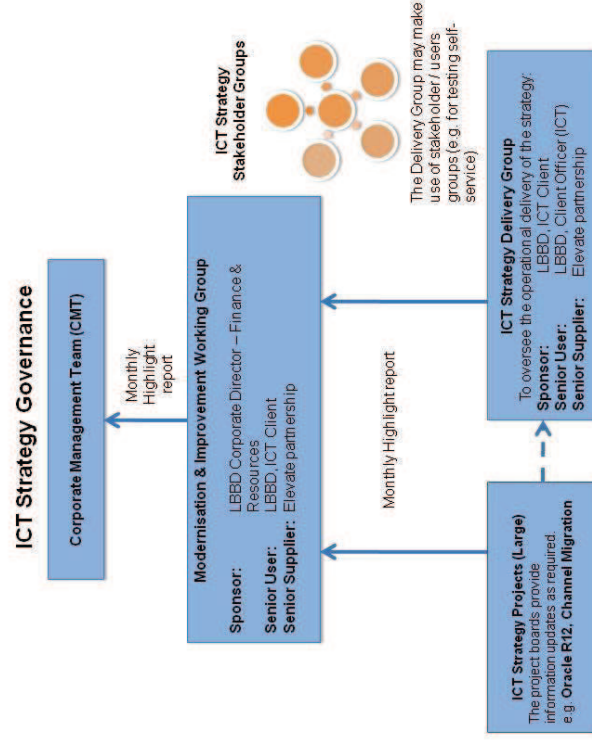
The ICT Strategy Delivery Group will report to the Modernisation and Improvement working group which is chaired by the corporate director of Finance & Resources. The group includes representation from all departments.

The Council's client team has established meetings with departmental representatives to review the projects that have been requested by service areas and to review progress on existing projects. These meetings will continue and will provide departments with input into the future development of the ICT Strategy.

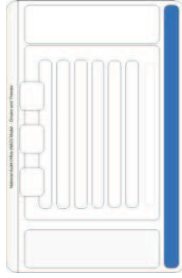
The ICT Strategy will be delivered through a set of projects. These projects will use standard PRINCE2 project management methodologies and will have project boards established with project sponsors appointed. Where a project has a clear link to service delivery the project sponsor will come from the relevant service area. Where a project relates to infrastructure investments that have an impact across the Council the ICT Strategy Delivery Group will act as the project board.

Projects will be prioritised based on the design principles set out in this strategy and on the risks associated with the individual projects.

The ICT Strategy itself will be reviewed on an annual basis and an update will be presented to the Modernisation and Improvement Working Group.







Information Governance forms a key driver for the ICT strategy. The Council has significant obligations to protect the personal information that it holds under the **Data Protection Act**.

These obligations are counter-balanced by the Freedom of Information act which requires the Council to make its non-personal information available to the public on request.

Information governance issues are addressed through an officer board chaired by the Council's ICT Client Officer. Six monthly reports on information governance issues are presented to the Council's Public Accounts and Audit Select Committee.

Protecting the information that the Council holds is a key requirement for the Council's ICT systems. The Information Commissioner in recent monetary penalty notices has made clear that the use of **encryption technologies** electronic tools are often the most appropriate method of taking sensitive information out of the Council's buildings (14).

The ICT Strategy will provide staff with appropriate tools for working with sensitive information. The Council, through its commitment to the **London PSN** network, is committed to ensuring that its ICT systems and infrastructure meet the Government's **Security Policy Framework** (15) as it applies to local government. This guidance sets out how organisations should judge the **Impact Level** of the data they hold and provides guidance on the appropriate security measures that should be taken for each level.

The advice contained in the Security Policy Framework constitutes best practice on securing the Council's infrastructure and systems and helps the Council to ensure that it meets its commitments under the Data Protection Act.

The London PSN network provides onward connections to the **NHS N3** network and the Government Connects Secure Extranet (**GCSx**) both of which are important tools for partnership working.

The Council collects significant amounts of personal data from service users and residents. The Information Governance Board will work with teams to ensure that the **privacy notices** provided when this information is collected are appropriate, especially in the light of the planned enhancements to the Council's business intelligence capabilities.

The Council generates significant amounts of information, much of which would be subject to release under the **Freedom of Information Act**. The ICT Strategy will provide teams with enhanced tools to ensure that the Council's information is more effectively managed.

Over the past year the number of **Freedom of Information requests** has been significantly increasing, with a 50% increase expected in 2011/12 (16) to an estimated total of over 1200 requests. The development of the Council's SharePoint intranet will provide teams with the tools required to manage this increasing demand for Freedom of Information requests.

# Enterprise Architecture

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The Council's enterprise architecture sets out how the line of business systems, support systems and online services should be connected together (2).

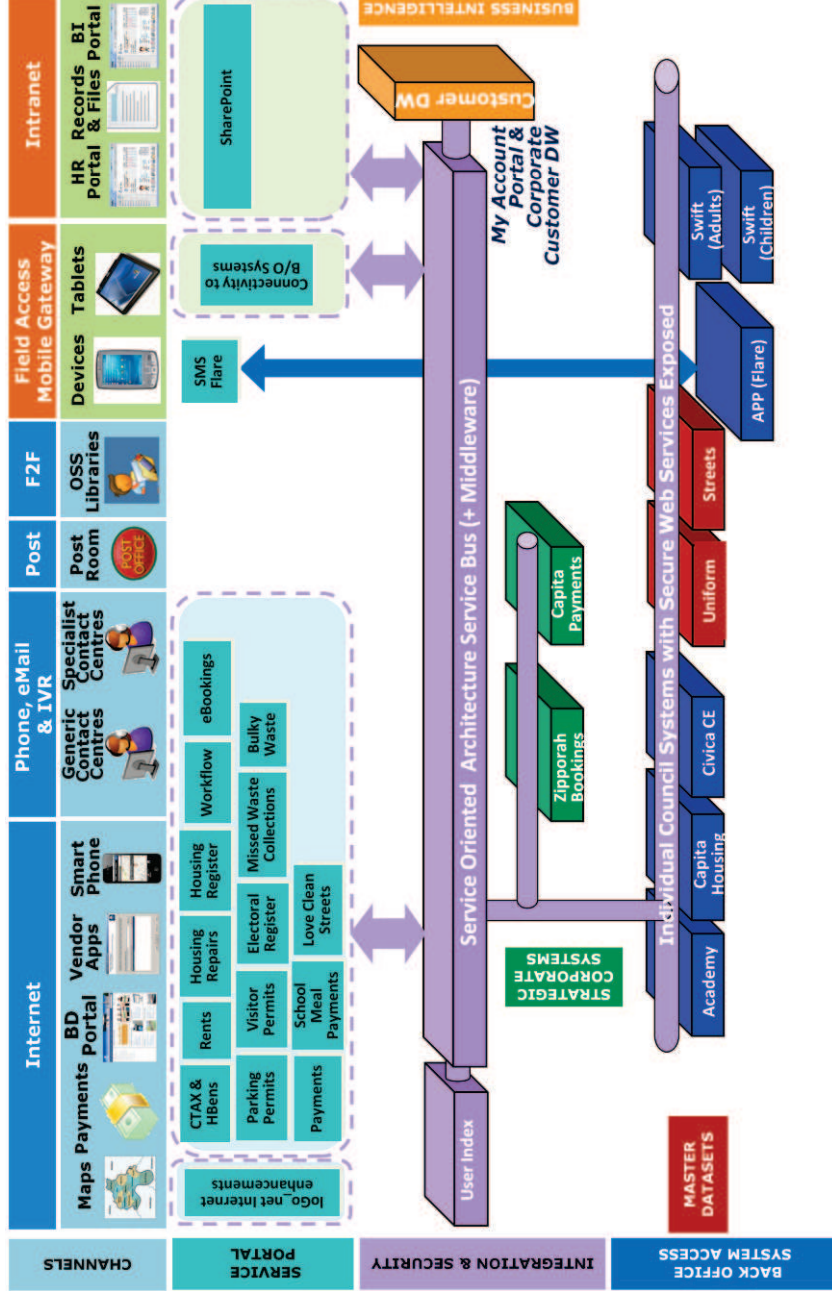
A key aim of the architecture is to ensure that it is simple to connect together the different systems that hold information about residents, service users and children in the borough.

The enterprise architecture describes how systems will be connected together using an "integration hub", this removes the need for multiple integrations to be built between all the different systems. A single integration can be built between the line of business system and the integration hub.

The Council already uses Microsoft Biztalk as a hub as part of the data integration for the CRM system. Expanding the use of this system will be the first step towards building the "integration hub".

The use of an integration hub also ensures that systems can operate (and can be changed) independently of each other.

As further online services are developed they will make use of the integration hub to access the information that they need in the line of business systems.



The enterprise architecture provides the underpinning technology that can be used to implement enhancements to the Council's business intelligence systems.

The architecture will be used to ensure that future projects are compatible with the Council's information management plans and will provide a roadmap for future developments.

ICT Services are delivered through the Council's joint venture company, Elevate East London.



The Elevate joint venture was established in 2010 in partnership with Agilisys. All ICT services including supplier management and project management are procured through Elevate. The joint venture is committed to achieving significant cost savings year on year until 2017.

The Elevate ICT service provides ongoing operation support of the Council's infrastructure, desktops and line of business systems. Provision is also made for some small scale project work under the contract. These projects are carried out using "pre-bought days", which recognise that the old ICT service carried out some project work for departments at no additional cost.

The Council's ICT strategy will be implemented by Elevate following the project commissioning process described in section 17 below.

The Council is committed to the success of the Elevate joint venture and will work with Elevate to explore opportunities to expand Elevate's ICT service through:

- developing shared service offerings to other authorities
- offering additional services to other public sector organisations including Barking & Dagenham's schools
- offering services to the private sector

The ICT strategy will come to an end in 2017 at the same time as the existing Elevate contract. The development of a new ICT strategy covering the period beyond 2017 will take place alongside the Council's strategic decisions about the future of the joint venture.

The Council's ICT client team will carry out further work to ensure that departments are fully aware of the services delivered by Elevate, the contractual arrangement and the recharging policies relating to the ICT service.

East London Solutions (ELS) works to “deliver and commission shared and collaborative services and products to facilitate improvement, efficiency and innovation”. The ELS group consists of six London Boroughs; Barking & Dagenham, Havering; Newham; Redbridge; Tower Hamlets; and Waltham Forest.



The ELS ICT programme has recently started work on developing a 5 to 10 year ICT strategy. This strategy will set out how the six boroughs can work together to ensure that their ICT systems become more closely aligned over the next ten years. This will ensure that opportunities for shared working are maximised in order to achieve greater efficiencies and ensure that all the boroughs can benefit from shared service opportunities.

The ELS ten year ICT strategy, known as the “ELS 2020 Vision” has been divided into five themes:

- **Access and devices** – what computing devices will be used by staff in the ELS boroughs?

- **Applications** – what opportunities exist for developing shared service models for delivering effective line of business systems to the ELS boroughs?
- **Cloud and network** – what cloud based services are in use in the ELS boroughs and what is the impact on the Councils’ infrastructure of a move to cloud services?
- **Data centre** – what will be the best way of meeting the needs for a data centre capability for the ELS boroughs in the future and how can that capability be consolidated?
- **People and procurement** – what ICT skills will be needed in the ELS boroughs over the next 5 to 10 years and how can common approaches to ICT procurement be developed?

The London Borough of Barking & Dagenham is committed (17) to the East London Solutions ICT programme and will take responsibility for developing the “Access and devices” theme of the ELS ten year ICT strategy during 2012/13.

When adopted the ELS ten year ICT strategy will inform the implementation of the Council’s ICT strategy. It will also help to define the next ICT strategy in 2017.

Communicating and sharing best practice with our neighbouring councils is also a key part of the ELS model. Barking & Dagenham ICT client team will continue to work with ELS to identify opportunities for shared working and efficiencies that will benefit Barking & Dagenham.

Changes to the Council's ICT systems will be delivered through a series of projects. These will be managed and approved through a defined process that has been agreed between the Council and Elevate.

The approval and management process depends on the project type. **Strategic Projects** are those that are normally larger scale, that will deliver significant changes to the Council's ICT systems and which will implement the ICT Strategy. Strategic projects are normally funded through the Council's ICT infrastructure capital fund, the "invest to save" funding or directly by departments.

**Strategic projects** will only commence after a detailed business case has been completed and signed off by the Modernisation and Improvement working group. The business case will include a consideration of the risks associated with the project and the service risks that the project seeks to address. These projects will normally have a formal project board established to provide governance.

**Small Projects** are those that do not have a strategic impact and that mainly relate to changes to existing systems. These projects will normally be funded through pre-bought days or departmental funds.

There will be ongoing dialogue and meetings between the Council's client team, departmental managers and Elevate to allocate and review priority in order to meet changing needs and to ensure that the smaller projects are on track.

The Information and Workplace strategy (2) identified a number of key strategy projects need to be implemented in order to delivery this ICT Strategy. These projects have been further defined and prioritised through consultation with the Council's departments.

An ICT strategy action plan has been developed that lists the strategic projects that have been identified. This action plan will be subject to frequent review and re-prioritisation throughout the lifetime of the ICT strategy. Prioritisation will be carried out in consultation with departments and will use the principles set out in the ICT strategy.

Strategic Projects	Small Projects
Major changes to council's ICT systems	Minor changes to existing infrastructure and line of business systems
Separate project board established	Project reporting to business sponsor and oversight by ICT client team
Project signoff by Modernisation and Improvement Working Group.	Project signoff by delegated authority of business user

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## CABINET

22 January 2013

<b>Title:</b> New Abbey Leisure Centre - Contract Award	
<b>Report of the Leader of the Council</b>	
<b>Open report</b>	<b>For Decision</b>
<b>Wards Affected:</b> Abbey and Gascoigne	<b>Key Decision:</b> Yes
<b>Report Authors:</b> Paul Hogan, Divisional Director of Culture and Sport  Ian Saxby, Group Manager Corporate Client	<b>Contact Details:</b> Tel: 020 8227 3576 E-mail: <a href="mailto:paul.hogan@lbbd.gov.uk">paul.hogan@lbbd.gov.uk</a> Tel: 020 8227 3496 E-mail: <a href="mailto:ian.saxby@lbbd.gov.uk">ian.saxby@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Paul Hogan, Divisional Director of Culture and Sport	
<b>Accountable Director:</b> Anne Bristow, Corporate Director of Adult & Community Services	
<b>Summary</b>	
<p>Members have previously agreed that a new leisure centre should be provided within Barking Town Centre. In August 2011 (23 August 2011, minute 28 refers) Members agreed to the further development of the project by the appointment of S&amp;P Architects, from the Council's Professional Services Framework Agreement, to undertake the design (and appointment of sub consultants) and also for the appointment of a constructor to deliver the leisure centre via a single stage tender process through the Council's Construction Framework Agreement.</p> <p>Since that time a great deal of work has taken place to progress the scheme which has resulted in the following:</p> <ol style="list-style-type: none"> <li>a) Appointment of Design Team and Sub-Consultants;</li> <li>b) Presentation of the design proposals to officers and cabinet members;</li> <li>c) Planning approval obtained for the project;</li> <li>d) Building control application submitted;</li> <li>e) Design development up to RIBA Stage F1;</li> <li>f) Tender of the project and formulation of a contract sum; and</li> <li>g) Consultation with service users and local residents.</li> </ol> <p>The recommendations detailed in this report outline the decisions that are needed to progress the project to the next stage.</p>	
<b>Recommendation(s)</b>	
Cabinet is recommended to agree:	
(i) to the placing of an order in the sum of £10,493,937 (excluding public realm works) with Willmott Dixon Construction Limited to construct a leisure centre as detailed in	

this report;

- (ii) to the placing of an order in the sum of £345,000 with Willmott Dixon Construction Limited to implement the public realm works surrounding the new leisure centre;
- (iii) that the total cost of preparing the site, building the leisure centre and equipping it (up to £12,980,000) will be funded as set out in section 5 of this report;
- (iv) to continue the appointment of the existing Design Team and Project Manager through to the completion of this project, as set out in section 2 of this report;
- (v) to the design and development parameters for the Leisure Centre as set out in section 2 of this report;
- (vi) to the naming of the new centre as Abbey Leisure Centre;
- (vii) that the costs associated with maintaining and securing the Goresbrook Leisure Centre site, from 1 January 2013 until its disposal will be met from the capital receipt from the sale of that site; and
- (viii) to authorise the Chief Executive to market the Abbey Sports Centre site with immediate effect with a view to completing the disposal on or around the opening of the new centre and, in consultation with the Head of Legal and Democratic Services, to agree terms regarding the disposal.

#### **Reason(s)**

To assist the Council in achieving its Policy House objective of 'Better Health and Wellbeing' through the provision of new and improved leisure facilities.

## **1. Introduction and Background**

- 1.1 In August 2011 (23 August 2011, minute 28 refers) Cabinet agreed to close Goresbrook Leisure Centre and Abbey Sports Centre and to replace them with a new centre to be located in Barking town centre.
- 1.2 Cabinet enabled the further development of the project by agreeing to the appointment of S&P architects to undertake the design (and appointment of sub consultants) and also via the Council's Construction Framework Agreement a single stage tender process for the appointment of a contractor to deliver the new leisure centre, within the agreed budget of £12.980m.

## **2. Proposals and Issues**

- 2.1 Since the time of the last Cabinet report in August 2011, a great deal of work has taken place, resulting in the following:

## **Site/contract enabling works**

Tender of the project and formulation of a contract sum; and

- a) Appointment of Design Team and Sub-Consultants  
A full design team has been appointed in order to progress the scheme to RIBA Stage F1.
- b) Presentation of the design proposals to officers, Cabinet and Ward members  
Presentations have taken place in order to agree the scheme design with members and officers.
- c) Planning approval obtained  
Formal planning approval was granted on 23 July 2012.
- d) Building control application submitted  
Dialogue is well underway with the Council's Building Control service. Meetings have been held with the Fire Officer and his comments are being incorporated into the scheme.
- e) Design Development  
The design has been developed to RIBA Stage F1 (Production of Detailed Information for Construction) by the Council's appointed design team. Each stage of the design has been approved and signed-off by the leisure client.
- f) Selection of main contractor  
Following a competitive selection process through the use of the Borough's Construction Framework Agreement, the Council has selected a contractor, in order to construct the new leisure centre. Further details of the contractor and selection process are contained within the main body of this report.

## **Tender Process and Award of Contract**

- 2.2 Tenders were sought through the Borough's Construction Framework Agreement. All seven contractors on the framework agreement were asked to provide expressions of interest. Following this stage of the tender process, four contractors were asked to tender for this project.
- 2.3 Tenders were sought for this project under a single stage tender Design and Build Contract JCT 2011 (without the novation of the design team). Following a tender selection process, Willmott Dixon Construction Limited has been selected as the preferred contractor for the project.
- 2.4 Willmott Dixon Construction Limited have been developing quality, high performing leisure and culture facilities for over 25 years. In the last 10 years, they have completed over 100 pools and 70 leisure facilities for private, public and educational sector clients. Table 1 below shows a small selection of projects that Willmott Dixon has delivered:

<b>Table 1</b>		
Elmbridge Excel Leisure Centre Complex	Value £15m	Completed 2006
Corby East Midlands International Pool	Value £18m	Completed 2009
Surry Sports Park	Value £35m	Completed 2010
Northolt Leisure Centre	Value £15m	Completed 2012
Blaydon Leisure Centre	Value £17m	Completed 2012

- 2.5 The order value that is to be placed with Willmott Dixon Construction Limited is in the amount of £10,493,937 (excluding public realm works).

#### **Timescale for delivery**

- 2.6 On appointment of the contractor for the main contract works, Willmott Dixon Construction Limited will complete any outstanding design work prior to commencing the main contract on site which will start on 18 March 2013. Completion of the leisure centre, ready for final fit-out, is scheduled for 14 March 2014 with the centre anticipated to open in early summer 2014.
- 2.7 It is proposed that the existing Abbey Sports Centre will remain operational until the week before the opening of the new centre; however, there will be some service disruption to enable staff to be released for training and to support the equipment fit out for the new centre.

#### **Continuation of Current Design Team and Project Manager**

- 2.8 This report recommends to Cabinet that to help ensure the project is delivered to the agreed specification, cost and timescale that the existing design team and project manager are maintained through to the completion of the scheme. The design team's initial appointment was via the Council's Professional Services Framework Agreement, as detailed in a previous report to Cabinet (23 August 2011; minute 28 refers). The terms of this appointment were that the design team would design the project up to detailed design stage (RIBA stage F1) and that they would remain with the Council through to the completion of the project.
- 2.9 The role of the Council's retained design team and project manager will be to review the contractor's design proposals to ensure compliance with the approved brief with on-going monitoring throughout the construction phase activities. They will also provide technical, contractual, programming and cost advice throughout this work stage.
- 2.10 Although the contractor will be responsible for the project's ongoing design, it is vital that the Council continue to robustly monitor and supervise the project in order to ensure that the Council's interests are protected.

#### **Final Design Proposals**

- 2.11 The design has progressed through to RIBA stage F1, which is the closing design stage. Only the detailed component packages remain to be designed by the contractor.

2.12 Facilities to be provided within the Abbey Leisure Centre are summarised in table 2 below.

1.	25 metre x 6 lane swimming pool
2.	Learner pool
3.	120 station gym
4.	Three large studios (one of which can accommodate martial arts)
5.	Soft play facility for children
6.	Café (primarily to service the soft play facility)
7.	Health spa including steam, sauna, spa and treatment rooms
8.	Changing rooms to serve the health spa and gym
9.	'Village' style family friendly changing rooms to the pool including a Changing Places standard changing facility for disabled people.

2.13 Plans and elevations of the new leisure centre are attached at **Appendix A**.

2.14 It is considered that the new leisure centre provides the best possible facility mix within the space and financial resources available.

2.15 Currently 94% of visits to Abbey Sports Centre are for swimming, aerobics, gym or martial arts. The priority for the facility mix for the new centre has been to improve the quality, size and accessibility for these types of activity.

2.16 Experience from Becontree Heath Leisure Centre indicates that investment in these facilities will maximise the health benefits from the new centre by getting many more people to become and stay physically active as well as minimising running costs.

2.17 The soft play facility at Becontree Heath Leisure Centre, the Jolly Jungle, has proved to be hugely popular with families and is averaging about 1,000 visits each week. It is also proving to be a useful gateway to encourage children and adults to use other facilities in the centre. The soft play facility in the new centre will be similar in size but different in design to the one at Becontree Heath Leisure Centre.

2.18 The health spa and treatment rooms will be an important facility in the Borough and are expected to both generate an operating financial surplus as well as providing valuable health benefits, which are not otherwise available.

2.19 The main swimming pool has six lanes and is 25 metres long. The main focus for the new centre will be casual swimming, school swimming and learn to swim programmes with limited use for club training. There will be separate changing room provision for school swimming sessions,

2.20 The proposed learner pool is larger than the one at Becontree Heath Leisure Centre so it can accommodate more of the swimming lesson programme and parent and toddler sessions than is currently the case at that facility. This will enable more of the main pool time to be made available for casual swimming, which was one of the key recommendations that came out of the consultation process for the development of the Borough's Aquatics Strategy.

2.21 The facility mix does not include a sports hall or squash courts, which are currently provided at Abbey Sports Centre and were also available at the Goresbrook Leisure

Centre. This is a pragmatic decision based on the current use made of these facilities and the level of alternative provision that is nearby.

- 2.22 With the building of the SportHouse, which has a sports hall that is about 16 times the size of the one at Abbey Sports Centre, as well as local school leisure centres, Becontree Heath Leisure Centre and other facilities within easy reach of the new centre, like the SportsDock in Newham, it is considered that there is adequate provision of this type of facility available to local residents. Details of alternative squash courts and sports hall provision is set out at **Appendix B**.

### **3. Options Appraisal**

- 3.1 Members had previously agreed (Cabinet - 23 August 2011, minute 28 refers) to replace Abbey Sports Centre and Goresbrook Leisure Centre with a new facility to be located in Barking town centre. As a result an options appraisal is not relevant for this report.

### **4. Consultation**

- 4.1 A programme of consultation regarding the layout, facilities and programme for the new leisure centre is being implemented.
- 4.2 To date this has included meetings with clubs, staff, local residents, and other stakeholders. Public consultation events about the new centre were programmed at Abbey Sports Centre and Goresbrook Leisure Centre; however, nobody attended the event at Abbey Sports Centre.
- 4.3 As part of the planning application process, the proposal was publicised by way of a press advert in 'The News', a number of site notices were posted in the vicinity and neighbouring addresses were directly written to.
- 4.4 Ward Councilors and Cabinet Members have been consulted with over the proposed facility mix as well as the Children's Trust, the local residents planning advisory group and Sport England.
- 4.5 Overall the response to the proposals for the new centre have been overwhelmingly positive with only very limited adverse reaction from service users, which unsurprisingly has solely focused on the issue of sports hall and squash courts re-provision.
- 4.6 The issue of the loss of the sports hall was raised by a member of the Elderberries group, which provides physical activity programmes for the over 50s, and a member of the public spoke against the proposal on these grounds at the Development Control Board meeting, which gave planning approval for the scheme.
- 4.7 Members should note that the Council set up the Elderberries and continues to manage and subsidise activities in different locations across the Borough. Officers expect that the Elderberries will thrive at the new centre albeit with a different menu of activities being provided.
- 4.8 Specific consultation in relation to the traffic management arrangements will be required prior to the opening of the centre.

## 5. Financial implications

Implications verified by: Martin Henwood, Deputy Chief Financial Officer

- 5.1 At its meeting on 23 August 2011, the Cabinet agreed to the proposal to create the new Abbey Leisure Centre. A key part of this was to fund the development by earmarking the receipts from the existing sites at Goresbrook and the current Abbey Sports Centre. The current position is that the Goresbrook sale has been agreed in principle, but is not yet exchanged at the time of writing. It is recommended, as part of this report, that the process for disposing of the existing Abbey Sports Centre site is started immediately following this meeting with a view to a completion occurring by the time the existing centre is decommissioned.
- 5.2 It is recognised that capital receipts are normally identified for corporate use. In this case, the first call on the receipts from the sales will be to offset the costs of this new build. This will enable the Council to meet its strategic aims, delivering another site to complement the Becontree Heath Leisure Centre in Dagenham.
- 5.3 There is an opportunity cost for the Council in following this course of action. The capital receipts could be used to reduce the overall debt the Council holds. There are two elements to be considered: the revenue gain on the indicative receipts of c£13m for both sites, plus the cost of provision for capital that would need to be recovered over the life of the facility. This is summarised in table 3 below:

<b>Table 3 - Abbey Leisure Centre – Capital – revenue opportunity cost</b>	
<b>Opportunity cost elements</b>	<b>£,000 per annum</b>
Interest cost - £13m at 4% pool rate	520
Minimum revenue provision (over 50 years = 2% )	260
<b>Total</b>	<b>780</b>

- 5.4 The capital expenditure associated with the scheme is outlined in table 4 below.

<b>Table 4 - Abbey Leisure Centre – Capital Budget</b>	
<b>Work element</b>	<b>£,000</b>
Leisure Centre Building works	10,494
Demolition of Axe Street Drugs Project	60
Professional fees/investigation reports	1,396
Soft play facility and café furniture (provisional sum)	80
Planning and Building Control Fees	31
Community Infrastructure Levy (CIL)	84
Kitchen and other FF&E	85
Fitness Suite Equipment	250
Project Contingency (1.9%)	500
<b>Estimated out turn project cost</b>	<b>12,980</b>
<b>Approved budget (requested)</b>	<b>12,980</b>
Public Realm Works ( Funded Separately through S106)	345

- 5.5 As identified at the bottom of table 4, there is an additional £345,000 which relates to works to the public realm outside of the envelope of the new leisure centre.

These works will ensure uniformity and compliance with the Barking Code, which has already been adopted in the rest of the town centre. These works are being funded outside of the main scheme budget via Section 106 funding, and can be undertaken as part of or separately to this scheme.

- 5.6 Budget savings agreed by Members for the leisure centres for 2012/13 and future years were predicated on the sale of the Goresbrook Leisure Centre site by end December 2012. As a result there will be revenue costs of c. £35,000 per month associated with business rates and site security for Goresbrook Leisure Centre, which are not budgeted for and could not be contained within existing revenue budgets. Actions are in hand to mitigate these costs. This report recommends that Members agree that from 1 January 2013 these costs should be met from the capital receipt for the sale of the site, which is expected to be completed during 2013.
- 5.7 The revenue costs associated with the operation of the existing and new facilities are set out in table 5 below.

<b>Table 5 - Abbey Leisure Centre project – Revenue Budget</b>			
	<b>Original Budget £,000</b>	<b>2012/13 Budget £,000</b>	<b>New Budget £,000</b>
	<b>Goresbrook and Abbey SC</b>	<b>Abbey SC</b>	<b>Abbey LC</b>
<b>CONTROLLABLE BUDGET</b>			
<b>EXPENDITURE</b>			
Employee expenses	1,125	410	1,504
Premises related expenses	767	197	257
Supplies and Services	188	46	180
Third party payments	41	0	0
<b>Total Direct cost</b>	<b>2,121</b>	<b>653</b>	<b>1,941</b>
<b>INCOME</b>			
Income from sales	(1,853)	(726)	(2,046)
<b>Net Controllable Cost (a) (note 1)</b>	<b>268</b>	<b>(73)</b>	<b>(105)</b>
<b>UNCONTROLLABLE BUDGET</b>			
<b>EXPENDITURE</b>			
Third party recharges	31	9	9
Recharges for support services (note 2)	288	130	130
Interest charged on debt (note 3)	0	0	0
<b>Total Gross Expenditure</b>	<b>319</b>	<b>139</b>	<b>139</b>
<b>INCOME</b>			
Lower income at Axe St Car park	n/a	n/a	100
<b>NET COST (a+b)</b>	<b>587</b>	<b>66</b>	<b>134</b>

Notes:

- (1) The 2012/13 budget column reflects all costs and income relating to the Abbey SC. This has been reduced by a net saving of £341,000 previously agreed by Members



(following the closure of Goresbrook Leisure Centre) and is reflected in the controllable costs.

- (2) The support service recharge is based on the original budget figure for 2012/13 for Abbey Sports Centre. However, this could go up or down in future years, which will have a corresponding impact on the net cost figure.
- (3) It has been assumed that there will be no borrowing required to fund the building of the new Leisure Centre.

5.8 A summary of the anticipated income streams in the first full year of operation of the centre are set out in table 6 below:

<b>Table 6 - Abbey Leisure Centre - income streams in Year 1</b>	
<b>Description</b>	<b>Income (£,000)</b>
Fitness memberships	653
Swimming Lessons	376
Casual swimming	250
Schools swimming	140
Soft play	140
Spa	281
Catering/Vending	161
Items for resale	50
Studio Hire	8
Aerobic Classes (1)	17
<b>Total income</b>	<b>2,046</b>

Notes:

(1) This income stream relates solely to casual 'pay and play' participation in aerobics classes. Aerobics classes are included in the Fitness membership.

5.9 The key income streams for the new centre will be swimming lessons (excluding school swimming) and health and fitness. The assumptions in terms of demand for these activities are as follows:

- Fitness memberships - Abbey Sports Centre number of members at closure = 1,200; Abbey Leisure Centre = 1,876 at end of year 1, rising to 3,000 at end of year 3.
- Swimming lessons - Abbey Sports Centre number of participants at closure = 1,000; Abbey Leisure Centre = 2,160 at end of year 1, rising to 3,060 at end of year 3.

5.10 An indicative whole life costing for the centre has been produced, based on a previous detailed exercise undertaken by Davis Langdon on the recently completed Becontree Leisure Centre. This will need to be incorporated into the Council's Capital and Asset Management Strategy. The result of this exercise indicates that the average annual expenditure, taking into account the replacement of items such as gym equipment will be in the order of £130,000 per annum. It is expected that anticipated growth in net income in future years will be used to meet the cyclical maintenance costs and the cost of purchasing/leasing new equipment.

5.11 It is intended that the completion of existing Abbey Sports Centre site sale will occur promptly after the new centre opens. This report therefore recommends approval to market the site with immediate effect. Experience with Goresbrook Leisure Centre

and Wood Lane Sports Centre suggest that this prompt sale may not be achieved, and there is a risk of an annual revenue cost of £110,000 to meet business rates (NNDR) and keeping the site safe and secure until it is sold. These costs will be met from the sales receipt.

- 5.12 Section 7 of this report identifies changes to travel and parking arrangements. The intended new car park at Axe Street is significantly smaller, and a proportionate income stream to current levels would lead to an ongoing reduction in income of £100,000 per annum. There is also potentially some further short term reduction in income due to disruption to the retained parking spaces during the leisure centre's construction period.
- 5.13 There are numerous other facilities within walking distance and income at those car parks could rise to mitigate some of the potential losses relating to the Axe Street car park, although this is not possible to quantify at this stage.
- 5.14 There will inevitably be some one-off implementation and transition costs during the first year of operation. It is difficult to put a figure on this, but it is unlikely this will be less than £75k or more than £125k.
- 5.15 The financial implications are summarised in table 7 below for 2014/15 to 2016/17 – the first three years of the new Abbey Leisure Centre:

<b>Table Seven</b>				
<b>Abbey Leisure Centre - Summary MTFS implications</b>				
		<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
	<b>REVENUE</b>	<b>£,000's</b>	<b>£,000's</b>	<b>£,000's</b>
Income	3	2,046	2,251	2,476
Controllable costs	4	1,941	2,087	2,243
Support services and third party charges		139	139	139
Axe St car park loss of income		100	100	100
Provision for equipment renewal	5	-	137	137
	subtotal	2,180	2,463	2,619
Forecast net cost to Council subtotal		134	212	143
less				
Current budget		66	66	66
	<b>TOTAL ADDITIONAL REVENUE COST TO MTFS</b>	<b>6</b>	<b>68</b>	<b>146</b>
	<b>CAPITAL - revenue effects</b>			
Opportunity cost - Minimum revenue provision (MRP)	7	260	260	260
Opportunity cost - interest still payable on £13m	8	520	520	520
	<b>Additional capital opportunity cost - revenue effect</b>	<b>780</b>	<b>780</b>	<b>780</b>
	<b>TOTAL REVENUE OPPORTUNITY AND MTFS COST</b>	<b>848</b>	<b>926</b>	<b>857</b>

## Assumptions

1. Abbey LC complete and open 1 April 2014
2. Goresbrook LC and Abbey SC sold by 1 April 2014
3. Income increases by 10% each year
4. Controllable costs increase by 7.5% each year
5. Sinking fund started at end of 2nd year of operation
6. This amount currently not in the MTFS
7. MRP applied for a 50 year asset (2%)
8. Interest rate reflects LBBB pool rate 4%

- 5.16 Details are not included for 2013/14 as the costs will depend on timing of the sales and development. The current working assumption is that costs of holding and disposal of the existing sites will be offset against the capital receipts, up to a total of 4% of the receipt. There will be revenue transition/implementation costs during 2013/14 estimated to be between £75k and £125k, which will be met from the wider H&E budgets.

## 6. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager  
(Partnerships & Strategic Procurement)

- 6.1 The Council has power to enter into a works contract for the design and build of a new leisure centre under section 1 of the Local Government (Contracts) Act 1997 on the basis that such works are properly required for the discharge of the Council's duties.
- 6.2 It is anticipated that the estimated value of the works contract will be above £10,000,000, in excess of the threshold for application of the Public Contracts Regulations 2006 (the Regulations) of £4,348,350 and therefore subject to the full application of the Regulations.
- 6.3 The report recommends that the Council enters into contractual arrangements under an existing construction framework agreement established by the Council, negating the need for a full procurement exercise (i.e. OJEU tender notice and pre-qualification process).
- 6.4 Regulation 19.7(b) allows the selection of a contractor from a framework agreement by way of mini-competition. The report confirms that a mini-competition exercise has been instigated by the procuring Department, inviting the panel of contractors from the construction framework agreement to tender under a single stage tender process using a JCT 2011 Design and Build Contract (without novation of the design team).
- 6.5 The Council must comply with the principles of administrative law in deciding whether to award a contract, including taking into account all relevant considerations, the outcome of the valuation of each of the tenders and their financial implications. In particular in order to comply with the Council's fiduciary duty and duty to ensure Best Value, the Council must be satisfied that the tenders represent value for money for the Council

## **7. Other implications**

### **Travel and Parking implications**

- 7.1 These proposals will remove a large part of the available paid for parking at Axe Street. The final plan will leave nine disabled bays and the remainder will need to accommodate a number of red bays. Based on current run rates the impact has been judged by the parking section to be a net loss of approximately £100,000/annum, taking into account the smaller re-provision of car parking spaces as a result of this development. It should also be noted that during the construction period, there will also be a loss of the retained parking spaces and therefore the overall loss in income will be greater during this period. This will depend on how long these parking spaces are out of action; however it is estimated that this will have a further reduction in car parking revenue for the first year of approximately £25,000. In addition to this there will also be a loss of disabled and red permit spaces during this period.
- 7.2 The loss of income will be mitigated if users relocate to London Road, but actions in place and planned are already resulting in higher usage of London Road. At present the Axe Street car park seems to favour shorter stay parking as it is the Council's most expensive tariff for long stay.
- 7.3 The net impact is therefore not just a level of income but the loss of our premium short stay parking space. This will potentially impact on visiting behaviours for Barking and could lead to some displacement of parking and traffic to surrounding locations. Businesses could be affected including the market and those visiting the Barking Learning Centre and Town Hall will be inconvenienced to an extent. Over 300 new spaces will be provided as the ASDA development due to open in September 2015 but there could be some short term parking pressures as a result of this.
- 7.4 This lower general provision reflects that there are numerous other spaces available within a short walk of the new Abbey Leisure Centre. This is coupled with a travel plan which will encourage greater visibility and use of the streetcar scheme.

### **Risk Management**

- 7.5 A Risk management matrix has been developed for the project to monitor financial, technical and high level construction risks. This matrix is regularly reviewed by the established Project Board to manage both risks and issues as they occur.
- 7.6 In addition monthly risk reports/ updates are made via the PMD and Mask form reporting formats and the project is also subject to CPMO Gateway reviews.

### **Customer Impact**

- 7.7 It is expected that there will be a marked increase in the number and range of people who will be able to access sport and physical activity programmes at the new centre compared to the current Abbey Leisure Centre. The provision of a modern, fit for purpose facility should also realise improvements in customer satisfaction.

- 7.8 94% of services users visit the Abbey Sports Centre to use the gym, have a swim, go to a class or attend a martial arts session. The new leisure centre will have significantly improved facilities for these activities. As a result it is anticipated that many more people will become and stay physically active than is the case now.
- 7.9 The new centre will also have new facilities that are not currently available like a cafe, learner pool, soft play area for children and a health spa. The same high accessibility standards at Becontree Heath Leisure Centre will also be provided in the new centre.
- 7.10 Also learning from the first year's operation of Becontree Heath Leisure Centre as well as new industry developments have been incorporated, for example, newly available access pods will make it easier for disabled people to get into and out of the pool compared to the hoists that are currently provided at Becontree Heath Leisure Centre.
- 7.11 Following other consultation, steps have been taken to ensure that the facilities will be accessible to a wide range of people, including those with disabilities, parents with young children and mothers who may need to access breast feeding facilities. Part of this overall concept is the incorporation of a 'village' style family friendly changing area.
- 7.12 Consultation has also been undertaken with local clubs, employees and local residents and an Equality Impact Assessment has been completed, which have informed the facility mix to be provided.

### **Safeguarding Vulnerable Adults and Children**

- 7.13 The new centre will replace the existing Abbey Sports Centre and Goresbrook Leisure Centre. It will provide a much improved service to children in particular through the health and fitness offer as well as healthy weight and learn to swim programmes.
- 7.14 The new centre will provide an extensive programme of positive and diversionary activities for young people.
- 7.15 Current safeguarding standards adopted across the Council's leisure centres will be implemented at the new centre.

### **Crime and Disorder**

- 7.16 As part of the consultation and planning process, appropriate advice has been sought and will be implemented to minimise the likelihood and impact of vandalism, other types of crime and anti social behaviour both during and following the building of the centre.
- 7.17 The Council has a statutory duty to consider crime and disorder implications in all its decision making. In building this facility and providing a wide range of activities, the Council will be providing quality facilities which will provide positive activities for all residents. At the same time the proposed centre will also provide opportunities for families to enjoy their leisure time together.

## Property/Assets

- 7.18 The new centre will replace a life expired and energy inefficient building. There have been regular failures of key plant and equipment that have caused and continue to cause service disruption, in particular with the operation of the swimming pool.
- 7.19 This report recommends that Cabinet agrees to the completed disposal of the existing Abbey Sports Centre prior to the opening of the new centre.

## Health issues

### The health benefits of physical activity

- 7.20 It is well known that a lack of physical activity is one of the main risk factors for heart disease and diabetes. But less well known is the fact that a lack of physical activity can increase risk factors in a range of other health areas, including mental health.
- 7.21 People of all ages benefit from physical activity:
- For the under 5s, floor based and water based play encourages infants to use their muscles and develop motor skills. It also provides valuable opportunities to build social and emotional bonds;
  - For children and young people, being active improves cardio vascular health, maintains a healthy weight, improves bone health, improves self confidence and helps develop new social skills;
  - For adults, physical activity reduces risk of a range of diseases e.g. coronary heart disease, stroke, and type two diabetes, helps maintain a healthy weight, helps maintain ability to perform everyday tasks with ease, improves self esteem, and reduces symptoms of stress and anxiety;.
  - And for older people, it can help to maintain cognitive function, reduce cardiovascular risk, helps maintain ability to carry out daily living activities, improves mood and self esteem, and perhaps most importantly it can reduce the risk of falls
- 7.22 Physical activity not only prevents illness but can also treat it. New evidence suggests that all patients newly diagnosed with cancer should become more, not less, active to prevent cancer recurrence and increase survival. Hypertension, diabetes and arthritis are amongst those diseases that can be also treated with physical activity.
- 7.23 NHS London has stated that: *'if physical activity was a drug it would be our greatest discovery in medicine, successfully preventing and treating the long term conditions we see every day , making people happier, yet with virtually no side effects'*.

### The cost of physical inactivity

- 7.24 NHS London has estimated that if every GP in London managed to get two inactive patients active every month, the NHS would save £7.8 million each year. Using the Cabinet Office cost of inactivity, which includes social care and time off work, then the savings in London would increase to £60 million.

### The local picture

- 7.25 The Borough Health profile for 2011 indicates that the percentage of physically active children is below the national average and that the Borough has one of the lowest levels of physically active adults in the country: 14.8% of adults in the Borough take part in sport and physical activity compared to the national average of 22%; also, 58% of adult residents do no sport or physical activity at all; however, on a more positive note, 60% of adult residents want to start playing sport or do a bit more.
- 7.26 According to Sport England's Active People survey, the most popular sporting related activities for adults in the Borough are swimming, going to the gym, football, athletics (primarily jogging), and aerobics. Three of these activities will be available at the new leisure centre.

### Policy context

- 7.27 The provision of a modern, accessible and fit for purpose leisure centre will make a significant contribution to the achievement of several key policy objectives relating to health and well being for the Council and its partners.
- 7.28 The new centre will play a key role in achieving the priority targets in the Barking and Dagenham Joint Health and Well Being Strategy (2012 -15). These are set out in table 8 below.

<b>Theme</b>	<b>Priority</b>
Theme 1 Prevention	Priority 2 - To get more people participating in the recommended levels of physical activity for health.  Priority 4 - To support more people to achieve and maintain a healthy weight.
Theme 3 Improvement	Priority 4 - To improve in general practice the early identification and management of patients with long term conditions (those with heart failure, asthma, diabetes, COPD, epilepsy, angina and hypertension).

- 7.29 The leisure centres are the sole or main provider of the Borough's GP exercise referral scheme, healthy weight programmes for children, young people and adults, as well cardio - rehabilitation and 60+ physical activity programmes.
- 7.30 Similarly the new centre will contribute to the achievement of several of the Council's priority outcomes:
- A borough where people's health and fitness are improving, with fewer smokers, with more people taking exercise and where people take better care of their diet.

- A borough with excellent leisure and health facilities, in which people can exercise, relax and play.
- A borough which meets the need of disabled children, young people and adults.
- A borough with a range of positive activities for young people.
- A borough with a thriving voluntary sector

7.31 As well as improvement targets set out in the Borough's Regeneration Strategy (2008 -13), Children and Young People's Plan (2011 – 16), the Older People's Strategy (2010 – 13), and the Borough's Sport and Physical Activity Strategy (2012 – 15)

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

- Cabinet report 23 August 2011 (minute number 28)

**List of appendices:**

- **Appendix A** - Proposed design/layout of the Leisure Centre and design/layout of car parking and external works.
- **Appendix B** - Sports hall and squash court facilities within easy reach of Abbey Sports Centre.

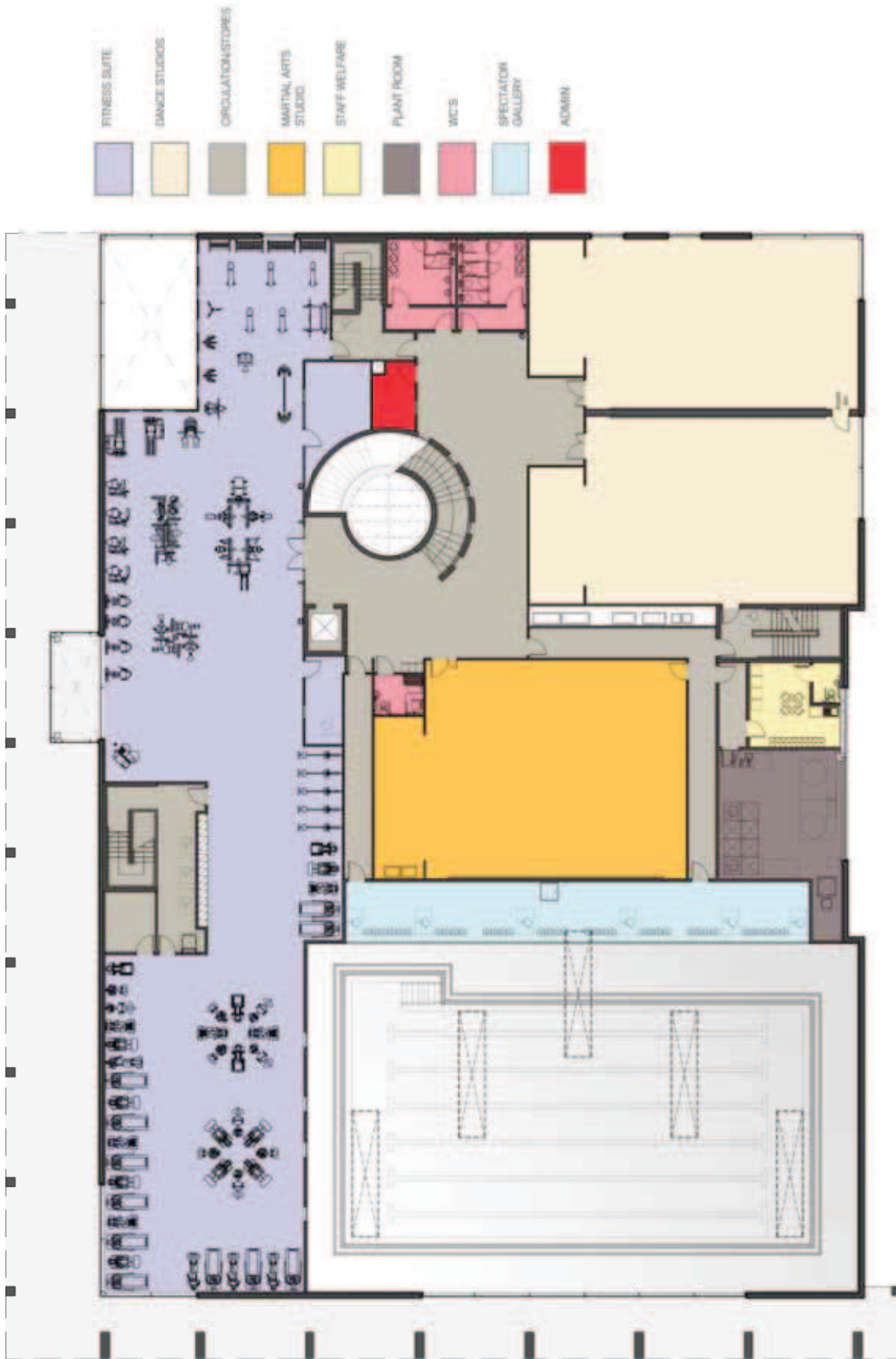


APPENDIX A



PROPOSED GROUND FLOOR PLAN

APPENDIX A



PROPOSED FIRST FLOOR PLAN



EXTERIOR VISUALISATION FROM THE BROADWAY – SOUTH WEST CORNER



EXTERIOR VISUALISATION FROM THE BROADWAY – NORTH WEST CORNER

**APPENDIX A**



**EXTERIOR EVENING VISUALISATION FROM THE BROADWAY – NORTH WEST CORNER**



EXTERIOR VISUALISATION FROM THE TOWN SQUARE – SOUTH WEST CORNER

# APPENDIX A



## PUBLIC REALM AND EXTERNAL WORKS

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**Availability of sports hall and squash courts  
within seven miles of Abbey Sports Centre**

**Sports hall provision**

<b>Venue</b>	<b>Location</b>	<b>No. of Badminton Courts</b>	<b>Distance from Barking (miles)</b>
East Ham Leisure Centre	Newham	4	1.5
UEL Sports Dock	Newham	20	2.6
Newham Leisure Centre	Newham	4	3.1
Castle Green	LBBB	4	3.1
Sports house	LBBB	Up to 55	3.3
Sydney Russell	LBBB	4	3.6
Becontree Heath Leisure Centre	LBBB	4	3.6
Redbridge Sports and Leisure	Redbridge	5	4
Robert Clack	LBBB	4	5
Warren Sports Centre	LBBB	4	5.7
Hornchurch Leisure Centre	Havering	8	5.7

**The following facilities have sports halls but do not provide community use at this time**

<b>Venue</b>	<b>Location</b>	<b>No. of Badminton Courts</b>	<b>Distance from Barking (miles)</b>
Barking Abbey School	LBBB	4	2.1
Riverside School	LBBB	2	2.6
Dagenham Park School	LBBB	4	4.4

## Squash Provision

Venue	Location	No. Courts	Distance from Barking (Miles)
Ford Sports and Social Club	Ilford	2	2.8
Wanstead Leisure Centre	Redbridge	4	3.1
Waterfront Leisure Centre	Woolwich	4	3.2
Cathall Leisure Centre	Waltham Forrest	2	3.5
M&B Social Club	Dagenham	1	3.8
Redbridge Sport and Social club	Redbridge	7	4
Walthamstow Cricket, tennis and squash	Waltham Forrest	3	4.7
Blackheath Squash and Rackets club	Greenwich	2	4.9
Rectory Fields	Greenwich	3	4.9
YMCA	Romford	1	4.9
Kelmscott Leisure Centre	Waltham Forrest	2	5.3
Q Motion H&F	Tower Hamlets	1	5.3
Woodford Wells Club	Woodford Green	3	5.6
Hornchurch Leisure Centre	Hornchurch	2	5.7
Met Police	Chigwell	2	5.9
Bethnal Green Centre for Sports	Tower Hamlets	2	6.4
David Lloyds Gidea Park	Hornchurch	3	6.7
Britannia H&F	Hackney	4	7
Connaught Club	Chingford	4	7.1
Clissold Leisure Centre	Hackney	2	7.2

All information was taken from the England squash and rackets website [www.englishsquashandracketball.com](http://www.englishsquashandracketball.com)

## CABINET

22 January 2013

<b>Title:</b> Disposal of Former Mayesbrook Nursing Home, Bevan Avenue, Barking	
<b>Report of the Cabinet Member for Finance</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> Eastbury Ward, Mayesbrook Ward	<b>Key Decision:</b> Yes
<b>Report Author:</b> Adam Wright, Estates Surveyor	<b>Contact Details:</b> Tel: 020 8227 5952 E-mail: adam.wright@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Jonathan Bunt, Divisional Director – Finance	
<b>Accountable Director:</b> Graham Farrant, Chief Executive	
<p><b>Summary:</b></p> <p>This report sets out the proposal for the disposal of the Mayesbrook former residential care home, Bevan Avenue.</p> <p>The Council is the freeholder of the property known as Mayesbrook former residential care home, shown for identification purposes on the plan at <b>Appendix 1</b> to this report. The property was previously an operational property with Adult Services, it was used as a care home for the elderly, and has been vacant for approximately five years. The property requires ongoing expenditure by the Council, and is considered surplus to the Council's operational requirements.</p> <p>It is anticipated that the site will support a new housing development. The sale of the property will provide the Council with either a capital receipt, or the provision of housing units to the Council, with no capital receipt, in exchange for the property. The disposal will enable efficiency savings by the cessation of the costs associated to the property, and should enable transformation of the site from a derelict property to a site that is developed to provide new housing within the Borough, in line with Members policy agenda for increasing housing availability.</p>	
<b>Recommendation(s)</b>	
The Cabinet is recommended to agree:	
<ul style="list-style-type: none"> <li>(i) The disposal of the Council's freehold interest in Mayesbrook former care home, Bevan Avenue, Barking, shown at <b>Appendix 1</b> to this report;</li> <li>(ii) To authorise the Chief Executive, in consultation with the Divisional Director of Finance and the Head of Legal and Democratic Services, to negotiate terms for disposal of the freehold interest in the property shown at <b>Appendix 1</b> to this report, for either a capital receipt at the maximum price that can reasonably be negotiated (subject to the proposed sale being at open market value) or the provision of</li> </ul>	

housing units to the Council, with no capital receipt, in exchange for the property

- (iii) That the decision to dispose of the property be the subject of a further report to the Cabinet in the light of the offers received.

### **Reason(s)**

Disposal of the property will provide the Council with either a significant capital receipt, or a number of new housing units.

The Council incurs a number of costs from holding the property, and receives no benefit from the property as it is surplus to operational requirements. The proposal will enable efficiency savings in respect of all costs currently paid by the Council that are associated to the property.

The proposal will assist the Council in achieving its Policy House Agenda for a “Better Future” and “make better use of our resources and assets.”

## **1. Introduction and Background**

- 1.1 The Council is the owner of the Mayesbrook former care home, Bevan Avenue shown on the plan at **Appendix 1** to this report. Photographs of the property are shown for Members’ information at **Appendix 2** to this report.
- 1.2 The property was used as a residential care home for the elderly, which ceased at the property in September 2007. The Council has been unable to find a use for the property, and it has remained vacant and surplus to operational requirements from the aforementioned date.
- 1.3 Maintaining the ownership of the property burdens the Council with a number of costs; those costs include maintenance of the property and its grounds and boundaries, security, Council Tax, and utilities. The annual costs to the Council, excluding Council Tax, total £18,300 per annum. The property is band H for Council Tax purposes, and the current annual Council Tax charge is £2,646 for 2012/13. The total costs of ownership of the property are therefore circa £21,000 per annum. The property is considered to be a vulnerable site. Since the property became vacant, the building has deteriorated and has been subject to a number of acts of vandalism, theft, and criminal damage resulting in the building becoming uninhabitable.
- 1.4 Following a site visit with the relevant Cabinet Members, it was expressed that the Council’s freehold interest in the property should be disposed of and that Cabinet authorisation to do so should be sought.
- 1.5 Property Services surveyors have consulted an architect and a surveyor to inform the options for disposal and prepare a marketing strategy with the objective of achieving the best sale price.
- 1.6 Three options for disposal of the site have been identified:
1. To dispose of the site with its existing Planning consent;

2. To dispose of the site with outline Planning consent for residential development;
3. To dispose of the site with full Planning consent for residential development.

To undertake a full planning application would delay the process by approximately six to twelve months. It is recommended that the site should be sold with its existing Planning consent and to be considered suitable for residential development.

- 1.7 Property Services in consultation with Officers of Regeneration, Planning, and Asset Management drafted the '*Brief for the disposal of Mayesbrook (former residential care home), Bevan Avenue – Terms and Conditions*'. This is included at **Appendix 3** of this report.

## **2. Proposal and Issues**

- 2.1 It is proposed that the Mayesbrook former care home, Bevan Avenue is disposed of to enable the Council to obtain either the maximum price that can reasonably be negotiated, subject to the proposed sale being at open market value, or the provision of housing units to the Council, with no capital receipt. It is therefore proposed that the site should be disposed of for a residential scheme (subject to Planning), and that bids are to be invited including three options for the Council to consider;
  - (i). a capital receipt to the Council based on the market value of the site supporting a residential scheme that does not include affordable housing;
  - (ii). a capital receipt to the Council based on the market value of the site supporting a residential scheme that does include affordable housing;
  - (ii). the provision of housing units to the Council, with no capital receipt.
- 2.2 As discussed elsewhere in the report, the sale of the property will enable the Council to make efficiency savings through the cessation of the costs associated with owning the property as identified in the report. The proposal will enable transformation of a site that presently features a derelict building, into a residential development, providing a mixture of dwelling types.

## **3. Options Appraisal**

- 3.1 If Members are in favour of the proposal, the Council has the option to obtain either a capital receipt, or the provision of housing units, with no capital receipt. The Council can reduce its costs by those associated with owning the property (as identified earlier in this report), and enable extra housing provision within the Borough.
- 3.2 The alternative option is for the Council to continue to own the property. This option ensures that the Council continues to incur a number of costs and management liabilities, and as the property is surplus to operational requirements, this option has no real advantages.

## **4. Consultation**

- 4.1 The Cabinet Members for Finance, Housing and Regeneration have been consulted as part of a review of the future options for the site.

4.2 Officers within Regeneration, Asset Management and Planning have been consulted in the drafting of this report.

## **5. Financial Implications**

Implications completed by: Martin Henwood, Deputy Chief Financial Officer.

5.1 The former Mayesbrook Care Home has no further purpose for the Council as an operational property. As a closed property, it is currently costing the Council almost £21,000 per annum and is at risk from squatters and vandalism.

5.2 Disposal of the property will create a capital receipt towards the current capital programme, and remove the current revenue costs. Additional capital receipts will enable the Council to reduce its level borrowing and related charges i.e. interest on borrowing.

5.3 Disposal costs, including the marketing strategy, will be included in the final business case options appraisal preceding an agreed sale. Disposal costs of up to 4% can be charged against the capital receipt.

5.4 The options appraisal undertaken after bids are received will establish the optimal overall value for money for the Council / taxpayer, consistent with best consideration requirements.

## **6. Legal Implications**

Implications completed by: Evonne Obasuyi, Senior Lawyer

6.1 The report is seeking approval for the disposal of the property. The Council is required to obtain best consideration in the disposal of its assets.

6.2 The Council has the power to enter into the proposed transaction but must do so in compliance with law and the Council's acquisition and land disposal rules.

6.3 The Council's disposal powers are contained in section 123 of the Local Government Act 1972, and Section 1 of the Localism Act 2011 also provides local authorities with a general power of competence.

6.4 There are covenants affecting the property and expressed to be for the benefit of the Becontree Estate which restrict use to elderly accommodation purposes and give the London County Council right to first offer of the property in the event of a disposal. It is considered that the benefit of the covenants have passed to this Council as statutory successor to the LCC for housing purposes. The covenants should therefore not prevent disposal.

6.5 The Legal Practice should be consulted for advice as to how the land should be disposed of and assistance with the preparation and completion of the necessary legal agreements.

## **7. Other Implications**

7.1 **Contractual Issues** - The transaction is a disposal of the Council's freehold interest in a property.

- 7.2 **Safeguarding Children** - A residential development would increase the child population, and will have an impact on school places, health resources, and the number of children referred to social care. Residential development impacts school provision and some provision for new school places should be made.
- 7.3 **Crime and Disorder Issues** - Vacant properties are considered to be vulnerable to vandalism, and illegal occupation.
- 7.4 **Property / Asset Issues** - The property is surplus to operational requirements. The Council has the option to dispose of the property by way of sale of the freehold.

**Background Papers Used in the Preparation of the Report:** None.

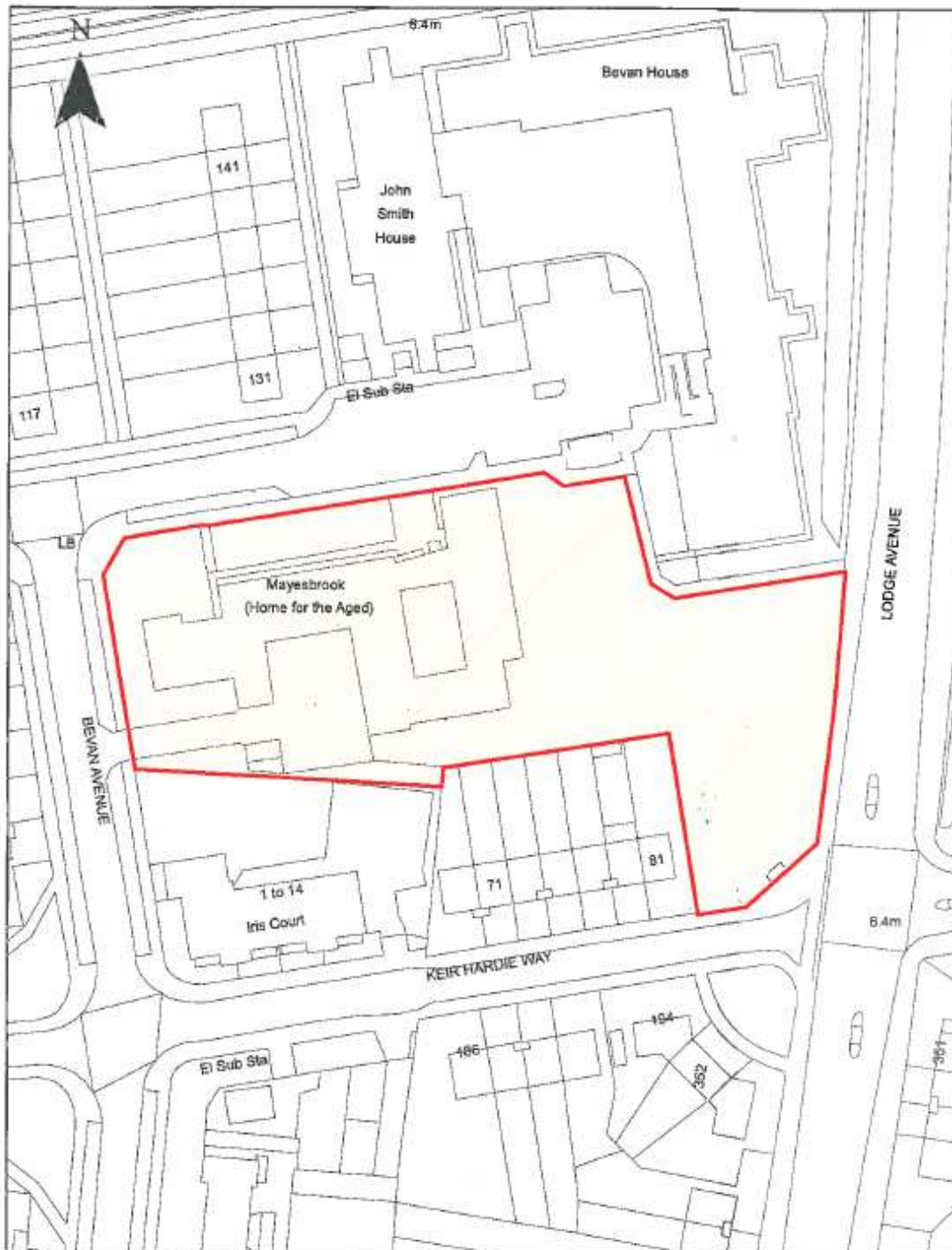
**List of appendices:**

- **Appendix 1** - Location Plan
- **Appendix 2** - Photographs of Property
- **Appendix 3** - Brief for the disposal of Mayesbrook (former residential care home), Bevan Avenue – Terms and Conditions

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**Appendix 1  
(Disposal of Mayesbrook, Bevan Avenue)**



**Mayesbrook former Residential Home**



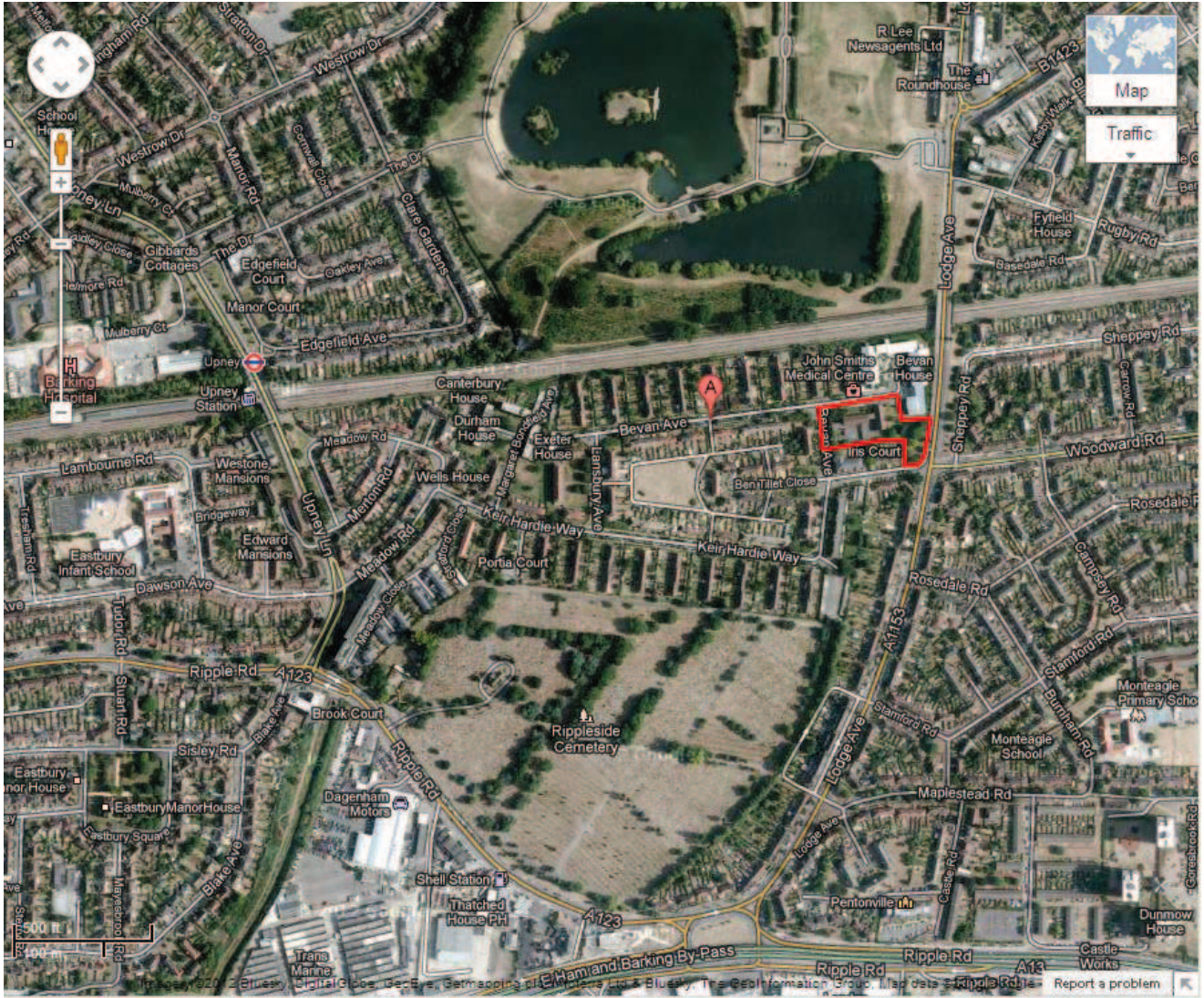
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Scale:- 1:1,800  
Produced By:- Penny Taberman  
Date - 24/07/12

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## Appendix 2 (Disposal of Mayesbook, Bevan Avenue)





### **Brief for the disposal of Mayesbrook (former residential care home), Bevan Avenue – Terms and Conditions**

- 1 To be sold for residential purposes with 'potential' for sheltered housing accommodation.
- 2 40% of the development to have family accommodation; that is homes with three or more bedrooms.
- 3 Potentially up to 3 – 4 storey development (subject to planning).
- 4 Development potential for houses, or a combination of houses and flats.
- 5 Landscaped area at south east of site needs to be dealt with sensitively.
- 6 Development to commence 9 months from planning approval.
- 7 Sale to be subject to 10% of the sale price payable on exchange and balance payable on completion;
- 8 A S106 payment of £6,000 per new home will be expected additionally the Mayor of London's community infrastructure levy (£20.00 per square meter) applies.
- 9 Any affordable housing provided should not be at the expense of the S106 payment.
- 10 The development should be designed to minimise the loss of trees, where appropriate any trees removed need to be replaced with trees of equivalent quality and maturity elsewhere within the site.
- 11 Development should complement neighbouring housing which is predominantly of red brick and on streets which are well landscaped.
- 12 1 car parking space per unit (within the demised development).
- 13 Purchaser to demolish the existing buildings on the site.
- 14 Site to be transferred to purchaser.
- 15 Responsibility for property to transfer to the purchaser on exchange.
- 16 All terms and conditions are subject to the purchaser obtaining the appropriate planning consents through the local planning authority.
- 17 LBBDD retain the right to accept or reject any/all bids.
- 18 Bids are to be invited to include three options for the Council to consider;

- (i). a capital receipt to the Council based on the market value of the site supporting a residential scheme that does not include affordable housing;
- (ii). a capital receipt to the Council based on the market value of the site supporting a residential scheme that does include affordable housing;
- (ii). the provision of housing units to the Council, with no capital receipt.

19 All bids are subject to final board/Members approval.

## CABINET

22 January 2013

<b>Title:</b> Community Infrastructure Levy Draft Charging Schedule	
<b>Report of the Cabinet Member for Regeneration</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Claire Adams, Principal Planning Policy Officer	<b>Contact Details:</b> Tel: 020 8227 5274 E-mail: <a href="mailto:claire.adams@lbbd.gov.uk">claire.adams@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Jeremy Grint, Divisional Director Regeneration and Economic Development	
<b>Accountable Director:</b> Graham Farrant, Chief Executive	
<p><b>Summary:</b></p> <p>At its meeting on the 14 February 2012, the Cabinet recommended to approve the Community Infrastructure Levy Preliminary Draft Charging schedule for consultation (Minute 114 refers). Responses were received from eleven respondents. In response it is proposed to change the proposed charges for retail uses.</p> <p>Originally a nil charge for small retail (under 370 square metres) and £10 for all other retail (shops, banks, estate agents, cafes, takeaways, restaurants and pubs) was set with the exception of supermarkets/superstores over 1500 square metres which were set a charge of £300 per square metre. Officers are now proposing to reduce this to £175 per square metre but to apply it to supermarkets and superstores <u>of any size</u> with all other retail uses paying £10 per square metre.</p> <p>These changes have been made first of all to address uncertainty about the legality of having different charges for different sizes of shops and to ensure that the charge for supermarkets/superstores is viable under the terms of the Community Infrastructure Regulations.</p> <p>Officers have also reduced the charge for business uses (Use Class B1b – Research and Development, Use Class B1c - Light Industrial, Use Class B2 - General Industrial and Use Class B8 - Storage and Distribution). After further scrutiny it is considered that the proposed levy for some of these uses, at £10 per square metre, was on the margins of viability and as such the charge has been reduced to £5 per square metre. No other changes are proposed.</p> <p>If members agree these changes the Council can proceed to the next stage of statutory consultation which is to consult on the Draft Charging Schedule and then submit it for examination. The Draft Charging Schedule is attached as Appendix 1 to this report. The responses and the Council's suggested response to these are attached as Appendix 2 to this report.</p>	

**Recommendation(s)**

The Cabinet is asked to recommend the Assembly to agree the Borough's Community Infrastructure Levy Draft Charging Schedule for consultation and for submission for examination.

**Reason(s)**

The Community Infrastructure Levy will help deliver two key priorities in the Council's Policy House; school and post 16 education and housing and estate renewal.

**1. Introduction and Background**

- 1.1 At its meeting on the 14 February 2012, the Cabinet recommended to approve the Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule for consultation (Minute 114 refers). A six week consultation took place between 27 February and 10 April 2012. This report sets out the responses received and recommends a revision to the proposed CIL charge following responses to the consultation process and further consideration of the representations and assessment of the potential effect of charges on the viability of development.

**2. Proposal and Issues**

- 2.1 Responses to the consultation were received from eleven bodies. These are summarised below along with the suggested Council response, this is provided in full in Appendix 2.
- 2.2 Four responses did not raise any objections so are not covered here.
- 2.3 English Heritage were concerned that CIL should be spent on investment in heritage. It is suggested that no changes are necessary. The consultation was on the proposed charges not on what the proceeds of CIL would be spent on.
- 2.4 The London Fire and Emergency Planning Authority (LFEPA) advocated that new fire stations should be exempt from the levy and that consideration be given to spending CIL on investment in them. In response to this observation it is observed that no changes are necessary because again the consultation was not about what CIL should be spent on. Furthermore the LFEPA provided no evidence that fire station development would not be viable if they were subject to the proposed £10 per square metre CIL. It is important to note that the Mayor of London's CIL applies to fire stations and is set at £20 per square metre.
- 2.5 Peacock and Smith acting on behalf of Morrison's supermarket strongly objected to the proposed CIL rate of £300 per square metre for large convenience retail (>1500 square metres). They consider that supermarket operators are being used as a scapegoat. They think that the charge will put undue additional risk on the delivery of foodstore proposals. They compare the Council's proposed charge to Lewisham, Merton and Croydon which are set between £80 and £120 per square metre.
- 2.6 Across the country the charges set for retail are proving the most controversial. The focus of objectors, particularly the big four supermarkets, is the varying of charges



on the basis of the size of a premises. Whilst the CIL regulations do not expressly allow this, neither do they expressly disallow it. Undoubtedly until a national and regional picture emerges there will be uncertainty and a charging base at variance will present a risk of Judicial Review particularly if there is not robust evidence to back up a CIL figure. It is the threat of a High Court challenge which has led some authorities to remove their differential retail charges, equally others have opted to proceed with them.

- 2.7 The CIL regulations do expressly allow different charges to be applied to different uses or the same uses in different locations. For this reason officers recommend substituting the initial proposed charge for large convenience retail (£300 per square metre for large convenience stores over 1500 square metres). Whilst in viability terms there is a justification for a higher charge for large convenience stores this is clearly a differentiation on the basis of the size of a premises not its use. Therefore if a charge is levied on convenience stores it has to apply to all stores regardless of size. The Council has undertaken further viability testing to understand the level to set the charge on this basis. In this regard it is important to note that in setting rates regard has to be had to the potential effects (taken as a whole) of the imposition of CIL on the economic viability of development across its area. On this basis the testing has established that a charge of £175 per square metre is more in keeping with the borough circumstances. Therefore officers recommend a charge of £175 per square metre for supermarkets and superstores of any size these being self service stores, usually with car parking mainly selling food or food and non-food goods.
- 2.8 Previously the Cabinet had agreed a nil charge for small retail so that all shops, cafes, restaurants and pubs below 370 square metres would not pay CIL. Any such uses above this size would pay £10 per square metre except for large supermarkets/superstores over 1500 per square metres which would pay £300 per square metre. Officers recommend that the nil charge for small retail is revised because this is a charge based on the size of a premises. This means that apart from supermarkets/superstores, all other shops, cafés, takeaways, restaurants and pubs would pay £10 per square metre. Please note that since the Council adopted the Supplementary Planning Document “Saturation Point – Addressing the health impacts of hot food takeaways” in July 2010, only one takeaway has been permitted and that was on appeal by the Planning Inspectorate. As it involves a change of use and not new floorspace it would not be liable for CIL in any event.
- 2.9 Officers do not consider that the £175 per square metre charge will impact on the viability of small supermarkets whether these are small independent grocers or the more recent trend for metro supermarkets as these tend to be established through changes of use to existing premises. The CIL charge only applies to new build floorspace over 100 square metres.
- 2.10 Turning back to Morrisons’ actual objection that supermarket operators are being used, as they choose to call, as a “scapegoat”, this observation is rejected. The meaning of scapegoat is an object for which the blame for all the ills of a community is attached. The CIL can only be set on the basis of viability and the Council’s latest viability evidence, evidences that a charge of £175 per square metre can be supported. Moreover no evidence was provided by the respondent on the issue of viability.

- 2.11 The Agents for Sanofi (Savills) also expressed concern about the original £300 per square metre proposal charge for large convenience retail. Notwithstanding that the recently approved Sanofi development is not liable for CIL they are concerned about the impact of CIL on new planning applications and its impact on the viability of the entire proposal. They suggested that a nil charge should apply to the Sanofi site at Dagenham East. In response to this objection it is suggested that no change is necessary apart from the changes to the retail charges as detailed previously. No evidence has been provided by the respondent that this charge is not viable.
- 2.12 Gerald Eve acting on behalf of Freshwharf Developments Limited note that if the CIL is set at too high a level it will put further pressure on an already weakened property market and stifle development. They query the charge of £70 per square metre for Barking Town Centre and how this has been arrived at, they query the specification of the GVA appraisal model and finally they query the evidence which supports the residential land value benchmarks which they consider are too low. In response to this objection it is suggested that no changes are necessary. The Council's Economic Viability Report demonstrates that the £70 per square metre charge for housing in Barking Town Centre is viable. The report also clearly details the methodology of the viability testing and it explains that the benchmark land values reflect prevailing development values sourced from analysis of the current situation in Barking and Dagenham and corroborated through Valuation Office Agency data, GVA's own Agency Team knowledge of transactions in the Borough and local stakeholder discussions.
- 2.13 Icenl acting on behalf of Estates and Agency Properties Limited made representations that the Council's CIL is a *one size fits all* approach and provides no flexibility and therefore does not respond to the commercial realities of development and could undermine schemes that help meet the borough's regeneration aims. They want the CIL to be amended so it takes account of the provision of on-site facilities and benefits. They consider that the CIL should prioritise investment and incentivise developers in Barking Town Centre by applying a discounted rate to retail and residential floorspace in this location. They consider the charge for residential and large convenience retail in Barking Town Centre is disproportionate to developers reasonable expectations of a financial return. Therefore they want three changes, removal of paragraph 3.1 of the Preliminary Draft Charging Schedule, a lowering of the charge on large retail development with the costs spread more evenly over the use classes, and lowering the charge on residential development within town centre areas to improve flexibility and viability. In response to this objection it is suggested that no changes are necessary other than the changes to the retail charges as previously detailed. Unlike the Mayor of London the Council has chosen to offer Discretionary Relief for Exceptional Circumstances, so the Council is being flexible. Removing paragraph 3.1 would remove this mechanism. The regulations do provide for charging authorities to accept transfers of land as a payment "in kind" for the whole or part of a CIL payment. Again it is important to stress that CIL can only be set on the basis of viability. The Council is not allowed to set CIL to achieve regeneration objectives. Finally no evidence has been presented that large convenience retail developments or residential in Barking Town Centre cannot afford to pay the charge that has been set.
- 2.14 CGMS on behalf of the Mayor's Office for Policing and Crime (MoPC) and the Metropolitan Police Service (MPS) advocate that new policing facilities should be exempt from the levy as otherwise this will impact upon the Council's ability to

deliver a safe and secure environment. In response to this objection it is suggested that no changes are necessary because the levy can only be set on the basis of viability. No evidence has been presented that new policing facilities cannot afford to pay the modest charge of £10 per square metre that has been set. It is also relevant to note that whilst the Mayor of London is responsible for supervising the Metropolitan Police the Mayor of London's CIL does apply to new policing floorspace. The Mayor of London's CIL is £20 per square metre. Therefore the Council's CIL would only represent 33% of the overall CIL charge for new policing facilities.

Timetable for adopting the Community Infrastructure Levy

2.15 The table below sets out the timetable for implementing the Barking and Dagenham Community Infrastructure Levy.

<b>Task</b>	<b>Progress</b>
1. Approval of Draft Charging Schedule	Cabinet 22 January 2013 Assembly 25 February 2013
2. Publish Draft Charging Schedule (advert required Reg 16 a (d))	March 2013
3. Public Consultation on Draft Charging Schedule (4 + weeks)	March/April 2013
4. Submit the Draft Charging Schedule to the examiner plus also to PINs.	May 2013
5. Charging Schedule Examination	August 2013
6. Adoption and Publication	
- Report to Cabinet and Assembly for approval of Charging Schedule	October 2013
- Publish Charging Schedule	
7. CIL comes into effect	October 2013

**3. Draft Community Infrastructure Levy Charges**

3.1 Proposed Level of Residential CIL (per sq.m) – NO CHANGE

	<b>0% Affordable Housing</b>
Barking Town Centre Key Regeneration Area and Leftley and Faircross Estates	£70
Barking Riverside Key Regeneration Area	£25
Rest of Borough	£10

## Proposed Level of Commercial CIL (per sq.m) – CHANGES TO RETAIL CHARGES

<b>ORIGINAL CHARGES</b>	<b>CIL</b>	<b>PROPOSED NEW CHARGES</b>	<b>CIL</b>
Large Convenience Retail (>1,500sqm)	£300	Supermarkets/Superstores	£175
Small Retail (A1-A5 <370 sqm)	Nil	Office (B1a)	Nil
Office (B1a)	Nil	Municipal Leisure	Nil
Municipal Leisure	Nil	Health <sup>1</sup>	Nil
Health <sup>1</sup>	Nil	Education <sup>2</sup>	Nil
Education <sup>2</sup>	Nil	Business (Research and Development - B1b, Light Industry - B1c, General Industrial - B2 and Storage and Distribution - B8)	£5
All other non-residential uses	£10	All other non-residential uses including all other retail	£10

3.2 Benchmark data with other Authorities (see below) indicates that the proposed charges for LBBD are on the whole low / competitive in comparison. This reflects land values and development viability within the Borough. Please note that for London Boroughs the Mayor of London CIL charge applies on top of the authorities charges. The Mayoral charge for each of the London Borough's is detailed in row 1 of the table below. Since Thurrock is outside London the Mayor of London's CIL does not apply.

£ / sq.m	Newham Draft	Waltham Forest Prelim-Draft	Redbridge Adopted	Thurrock Prelim-Draft	Tower Hamlets Prelim-Draft	Islington Prelim-Draft	Southwark Prelim-Draft	LBBD
Mayoral CIL /sqm	20	20	35	NA	35	50	35	35
Residential	40-80	70	70	0-38	35-200	300	50-400	10-70
Retail	30	0-150	70	0-150	0-200	200-300	0-250	10-175
Business	0	0	70	0-25	0	0	0-100	5
Hotel	120	20	70	0	425	450	125-250	10
Leisure	0	0	70	0	0	80	50	10

## 4. Options Appraisal

4.1 Two other options were considered.

- Option 1: No CIL and maximum affordable housing via S106
- Option 2: CIL and 10% indicative affordable housing target

These were detailed in the report to 14 February Cabinet (Minute 114 refers) and are not repeated here.

<sup>1</sup> Development used wholly or mainly for the provision of any publicly funded medical or health services except the use of premises attached to the residence of the consultant or practitioner

<sup>2</sup> Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education

## **5. Consultation**

- 5.1 The CIL Preliminary Draft Charging Schedule was consulted on between 27 February 2012 and 10 April 2012. The consultation was in accordance with the Community Infrastructure Levy Regulations 2010, the Community Infrastructure Levy (Amendment) Regulations 2011 and the Council's adopted Statement of Community Involvement.
- 5.2 Letters were sent out to the Local Development Framework database and stakeholders involved in earlier stakeholder workshops. Consultation material regarding the CIL Preliminary Draft Charging Schedule was also made available in various locations and formats including on the Council website, in the borough Libraries, and the Civic Centre and Town Hall Receptions for the entire consultation period.
- 5.3 Section 2 of this report details the feedback received.
- 5.4 In line with the Community Infrastructure Regulations 2010 as amended representations will be invited on the Draft Charging Schedule for a minimum period of four weeks. The Draft Charging Schedule, the representations and the other documentation stipulated by the regulations will then be sent to an examiner for an independent examination.

## **6. Financial Implications**

Implications completed by: Philip Horner, Principal Accountant

- 6.1 The report follows up on the report of 14 February 2012 in which Cabinet gave approval to consult on the proposed CIL charges.
- 6.2 The CIL is expected to generate funding for the infrastructure needed to support new development. Section 106 payments will still exist but only for site specific infrastructure.
- 6.3 The main significant difference in controlling S106 and CIL proceeds is that with S106 contributions there is a legal requirement that any payment should be directly related to the development whereas with CIL the payment will go to an accumulated fund to finance infrastructure projects generally (as defined in legislation and regulation). S106 contributions are negotiated on a development-by-development basis and therefore it is not possible to say at present whether the introduction of the CIL will impose greater costs for developers. However, as the CIL is based on a charging schedule, developers will have much greater certainty in calculating their likely costs.
- 6.4 From 1 April 2012 a Mayoral CIL has applied to all qualifying developments, meaning the Council collects £20 per net additional square metre of new development from the developer and passes it on to the Mayor of London. Subject to approval, the Authority's own CIL element will be added to the amounts collected from August 2013. The total CIL charge (comprising the Mayoral and Authority's own CIL) will be collected as one payment, and the mayoral element will then be forwarded on. After 2019 it is anticipated that the mayoral CIL will cease.

- 6.5 The Council will be required to exercise proper governance and monitoring arrangements to be able to demonstrate what monies have been received and how they have been spent in line with existing reporting and accounting procedures.
- 6.6 The incremental cost of producing and consulting on the CIL have been incurred over the past 18 months and met from within the current Regeneration & Economic Development revenue budget, which are summarised below (some figures are approximate / ongoing):

Viability study (consultants)	£22,640
Adverts	£2,100
Printing and postage	£1,000
Inspectors fees	£20,000
Room hire	<u>£1,000</u>
TOTAL	£46,740

- 6.7 There is also a cost in terms of the time spent by current staff. The cost of administering and collecting the CIL and setting up the systems to do this is allowed to be met from the CIL proceeds provided this does not exceed over 5% of the total CIL collected in the first three years. In year four, and each subsequent year, the total amount of CIL that may be applied to administrative expenses incurred during that year shall not exceed five per cent of CIL collected in that year.

## 7. Legal Implications

Implications completed by: Paul Field, Senior Lawyer

- 7.1 Development of land or change of use inevitably has an effect on the community. A balance has to be struck between allowing land use and mitigating negative effects of development. The historical basis for ensuring developments did not have a cost on the community was by the granting of planning permission subject to an agreement which might involve payment or works that is to say that a development would not be agreed without a contribution from the Developer. This is referred to as S.106 Town and Country Planning Act Agreements or “S.106 Agreements” for short. The problem with that approach was that it could be seen as arbitrary in nature and, as it were; putting a price on the grant. As the developers circumstances and the viability of the scheme varied so did the contribution. In reality it meant that some developments were charged different amounts under S.106 agreements or not at all.
- 7.2 To address concerns about the S.106 payments the Planning Act 2008 introduced the Community Infrastructure Levy, the application is set out in the Community Infrastructure Regulations 2010. Unlike the Section 106 arrangements most new developments will be liable to pay the levy. This includes from 6 April 2013 new buildings that are granted permission by way of a general consent, such as via the General Permitted Development Order or through a Local Development Order.
- 7.3 The CIL regime is designed to be transparent and while it will still reflect local planning considerations the charges will be open for all to see. This report has set out the process and suggests a potential charging framework. It is important that the schedule for the CIL is backed by an evidential basis. Further there needs to be evidence as to what infrastructure is needed and how the CIL would contribute, though it does not need to be the only source

- 7.4 There are a broad range of measures that can be taken to ensure recovery of payment. Furthermore late payments will incur a surcharge. Prosecution can follow if the commitment to pay is breached as effectively it will be as if a condition has not been met which means that resort can be made to stop notices and if necessary an injunction.
- 7.5 Finally the CIL regime does not affect contributions secured for highway work or improvements under Section 278 Highways Act 1980 such agreements will continue.

## 8. Other Implications

### 8.1 Risk Management

<b>Risk</b>	<b>Probability</b>	<b>Impact</b>	<b>Priority</b>	<b>Action</b>
Proposed charges are challenged by developers and landowners	Medium	Medium	High	Developers and landowners were consulted in the early stages of developing the draft charging schedule to ensure that it was based on local evidence. A number of objections as detailed in this report have been received during the first stage of consultation and changes have been made to the retail charges to ensure that they are legal and therefore to reduce the risk of High Court challenge.
Draft charging schedule is rejected by the Examiner	Low	Medium	High	The Council has followed the relevant legislation and Government guidance in arriving at the charges proposed in the Draft Charging Schedule
Levy stops development coming forward	Low	High	High	In line with the CIL regulations 2010 the Council has not set charges at the margins of viability
Neighbouring Council's set Levy at lower rate	High	Medium	Low	The CIL charge can only be set on the basis of development viability. It is the responsibility of neighbouring boroughs to do likewise. The only neighbouring Council to have an adopted CIL is Redbridge and with the exception of the charge for supermarket/superstores their charges are significantly higher than LBBDs.

8.2 **Staffing Issues** - The proposals will not necessitate the need for additional staff. The Council has been collecting the Mayor of London's CIL from 1 April 2012. The Council can recover its administration costs from CIL.

8.3 **Customer Impact** - In line with the CIL regulations the charge has been set based on development viability. The charge cannot be varied to achieve policy objectives. However it is relevant to note that a nil charge will apply to public health, schools and municipal leisure centres and residential extensions and alterations below 100 square metres. In addition affordable housing and charitable development is exempt from the charge.

The CIL will have a positive impact on the local community as it will help maximise developer contributions to meet the costs of new infrastructure generated by new development. The Council will have increased flexibility to ensure that funds from CIL are spent where they are most needed in the borough; this will enable the Council to ensure that the needs of residents from different areas, age groups, incomes and equality groups can be taken into account in deciding which infrastructure developments to support.

8.4 **Safeguarding Children** - The proposal will have a positive impact on the wellbeing of children as it will help provide funding for the Council's Capital Strategy which includes extensions to existing schools and new schools to meet the needs generated by new development. Monies generated by CIL can also be used to fund Children's Centres and community services which are important for family welfare, and also to provide places for young people to help reduce anti-social behaviour. Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education will not pay the levy.

8.5 **Health Issues** - Developments used wholly or mainly for the provision of any publicly funded medical or health services will not pay the levy.

8.6 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 requires local authorities to consider the crime and disorder implications of any proposals. New developments can often raise issues of concern around crime and disorder both within the development phase but also long term if due crime design advice is not given or adhered to. This proposal may therefore have a positive impact if CIL is spent on community safety initiatives which will mitigate any impact either directly on the development, or on the surrounding area, eg CCTV provision or better lighting. Whilst CIL is payable on new policing facilities the Council's CIL is half that of the Mayor of London's and therefore it is not considered that the Council's CIL will adversely impact on the provision of these.

8.7 **Property / Asset Issues** - The Council, as a landowner and developer, will be liable to pay CIL on qualifying developments. The Asset Management service is concerned about the impact on small retail businesses and considers that the charges could lead to more shops within the borough closing. It is important to clarify that the charge is only on net new development and therefore will only apply to new retail floorspace. Therefore existing shops, or new shops taking existing space will not be affected by this charge.



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

- Cabinet 14 February 2012: Community Infrastructure Levy (Minute 114 - 14/02/12).
- CLG March 2010, Community Infrastructure Levy Guidance: Charge Setting and charging schedule procedures.
- CLG May 2011, Community Infrastructure Levy: An overview
- CLG May 2011, Community Infrastructure Levy Relief.
- National Planning Policy Framework

**List of appendices:**

- Appendix 1: LBBD Draft Charging Schedule
- Appendix 2: Responses to the Council's Preliminary Draft Charging Schedule

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**London Borough of Barking and Dagenham  
Community Infrastructure Levy  
Draft Charging Schedule  
January 2013**

**1. The Charging Authority**

- 1.1 This Community Infrastructure Levy (CIL) Draft Charging Schedule has been published by the London Borough of Barking and Dagenham. The Council will be both a Charging Authority and a Collecting Authority.

**2. The date on which the charging schedule was approved**

To be completed

**3. The date on which the charging schedule takes effect; and**

To be completed

**4. Statutory Compliance**

- 4.1 The Draft Charging Schedule has been approved for publication at a meeting of the Council's Assembly on (to be completed). It is published in accordance with Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011), and the Community Infrastructure Levy Regulations 2010 (as amended by the Community Infrastructure Levy (Amendment) Regulations 2011 and 2012).

**5. Who will pay CIL?**

- 5.1 The charge will be levied on development of more than 100 sq.m of new floor space and those creating 1 or more dwellings even where the floor space is less than 100 sq.m. In principle, this affects all types of development that involve buildings 'into which people normally go'.
- 5.2 Subject to caveats the levy will not be charged on developments that do not involve a net increase in floor space. Therefore sub-divisions of existing dwellings to form other dwellings will not be charged. Structures which are not buildings, or which people do not regularly go into to use will not be liable, in accordance with the CIL regulations as amended. Affordable housing development and development for charitable purposes will also be exempt in accordance with the regulations.

**6 Relief for Exceptional Circumstances**

- 6.1 The London Borough of Barking and Dagenham will make relief available for exceptional circumstances in its area. The power to do this will be activated following the adoption of the Charging Schedule. The regulations on this matter make clear that relief should only be granted in truly 'exceptional circumstances'. The fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an 'exceptional circumstance' in relation to the CIL Regulations as amended.

## **7 When will the levy be collected?**

- 7.1 The levy will become due from the date that a chargeable development is commenced in accordance with the terms of the relevant planning permission.
- 7.2 When planning permission is granted, LBBD will issue a liability notice setting out the amount of the levy that will be due for payment when the development is commenced, the payment procedure and the possible consequences of not following this procedure.
- 7.3 The levy's payment procedures encourage someone to assume liability to pay the levy before development commences. Payments must be made in accordance with the instalment policy published by the Mayor of London or in the case of the Council adopting one, in accordance with the Council's instalment policy. In the absence of no instalment policy being in place by the Mayor of London or the Council, parties liable to pay the levy will always benefit from a 60 day payment window beginning with the commencement date.
- 7.4 The responsibility to pay the levy runs with the ownership of land on which the liable development will be situated. That benefit is transferred when the land is sold with planning consent, which also runs with the land. Although ultimate liability rests with the landowner, the regulations recognise that others involved in a development may wish to pay. To allow this, anyone can come forward and assume liability for the development.
- 7.5 There may be circumstances where it will be more desirable for a charging authority to receive land instead of monies. The regulations provide for charging authorities to accept transfers of land as a payment in kind for the whole or part of the levy. This will be subject to negotiation with the Council.

## **8 Evidence for Draft Charging Schedule**

- 8.1 The regulations require the 'Charging Authority' (LBBD) to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential effect of the imposition of CIL on the economic viability of development across the area.
- 8.2 Charging authorities are therefore required to prepare evidence about the effect of the levy on economic viability in their area to demonstrate to an independent examiner that their proposed rates strike an appropriate balance.
- 8.3 The development of the Draft Charging Schedule has been informed by the following pieces of evidence:
- Barking and Dagenham Local Development Framework
  - LBBD Community Infrastructure Plan 2012/13 – 2025/26
  - Affordable Housing and Community Infrastructure Levy/S106 Economic Viability Assessment 2011
  - CIL Economic Viability Study: Addendum on Retail

## Community Infrastructure Plan

8.4 The Barking and Dagenham Community Infrastructure Plan (CIP) outlines community infrastructure provision across the borough. It is based on the London Plan housing monitoring target of 1,065 homes per year which equates to 14,910 new homes and 36,082 new residents (based on a yield of 2.42 persons per new home). The CIP looks at the impact of growth on education, transport, health, public realm, open space, allotments, leisure, play, children's centres, cemeteries, libraries, flood defences and mitigation measures, employment and local labour and emergency and essential services

8.5 For each of these it examines:

- Current provision of facilities
- Existing shortfall or surplus
- Projected shortfall or surplus based on the demand from an additional 36,082 residents
- New facilities required to meet new demand
- Costs of meeting new demand
- Potential available funding sources

8.6 The table below summarises the overall requirement for new community infrastructure facilities to 2025, estimated costs and the responsible delivery agencies.

<b>Cost of Community Infrastructure to support growth in Barking and Dagenham to 2025.</b>	
Type of Facility	Existing shortfall
<b>Council's and Local Education Authority's Responsibilities</b>	
Education (incl. land for 4 additional primary schools and 2 additional 8FE secondary schools all on confined sites. Also includes 6398 primary school places and 4,570 primary school places)	£147,613,529
Transport (incl. £500m for DLR Extension, £70m for Renwick Road Junction Improvements)	£633,511,000
Public Realm (incl. London Road/North Street Market Square, A406 roundabout, BTC East Street, Street Scene Enhancement, Becontree Station Improvements, Creekmouth Industrial Area)	£2,660,000
Open Space (incl. Abbey Green, Mayesbrook Park)	£7,540,000
Allotments (maintenance and creation of allotment space)	£649,476
Leisure (Indoor) (Build and land costs for 2 additional 4 court leisure centres. This assumes Barking Riverside will provide land and building for 8 lane swimming pool)	£4,032,900
Leisure (Outdoor) (additional 17.76 hectares of playing pitches, 1.5 tennis courts, 1 bowling green and upgrading of sports pavilion in eight strategic parks)	£6,814,140
Play (play provision for 5-9 year olds. Under 5s to be provided through S106 agreements (doorstep play)).	£1,049,920

Children's Centres	£5,600,000
Cemeteries	No information
Libraries (Revenue costs for Barking Riverside Library, Ongoing maintenance costs of existing estate)	£3,600,000
Flood Defences (Measures to manage surface water flooding in LBBDD. Does not include fluvial or tidal flooding)	£56,310,823
Employment and Local Labour (Revenue requirements for Barking Business Centre. Local Labour agreements to be provided through S106 agreements)	£2,600,000
Emergency Services	None.
<b>NHS Outer North East London's responsibilities</b>	
Health (capital requirements for 36,082 people)	£22,144,757
<b>Further Education Provider's Responsibilities</b>	
Further Education	Tbc
<b>Total</b>	<b>£894,126,545</b>

### CIL Economic Viability Assessment 2011

8.7 The Council appointed GVA Grimley in September 2011 to undertake three pieces of work:

- Preparation of a construction cost schedule
- Preparation of a land value appraisal study
- Preparation of an economic viability assessment

In September 2012 further testing was undertaken by GVA on retail development.

8.8 GVA has drawn on both primary and secondary evidence sources in order to test the viability of CIL/S106 and affordable housing delivery in Barking and Dagenham.

8.9 The work has taken the form of quantitative viability testing of a series of possible housing splits, tenure variations and CIL/S106 charging options for a range of types of development in order to identify the levels of viability for future development. Work has also included extensive discussions with stakeholders including local authority planning officers, local landowners, developers and agents.

8.10 GVAs analysis suggests that Barking and Dagenham should adopt three different residential charging zones – a higher one for Barking Town Centre Leftley and Faircross (£70) a medium one for Barking Riverside (£25) and a lower charge for the rest of the borough (£10).

8.11 For commercial developments, the viability findings are more varied. Office schemes are unable to make any contribution, whilst retail, private leisure, industrial and waste uses can afford to contribute more. Supermarkets and superstores can afford to make a significant CIL/S106 contribution.

8.12 GVAs analysis shows that public health, education and municipal leisure development cannot afford any level of CIL/S106 tariff contribution.

8.13 These charges have been set on the basis of the Council continuing without an affordable housing target.

## 9. Proposed CIL Rates and Charging Areas

9.1 Having examined the findings of the evidence base, the Council consider that the most appropriate approach is to have variable rates of CIL by area and use. The proposed areas and charges per square metre are set out in the plans and tables below.

### LBBB Charging Zones – Residential

Zone	LBBB Area	Rates (£ per sq. m.)
1	Barking Town Centre, Leftley and Faircross <sup>1</sup>	£70
2	Barking Riverside <sup>2</sup>	£25
3	Rest of borough <sup>3</sup>	£10

### Differential Rates: intended uses

Use	Rates (£ per sq. m.)
Supermarkets and Superstores of any size <sup>4</sup>	£175
Office (B1a)	Nil
Business (Research and Development - B1b, Light Industry - B1c, General Industrial - B2 and Storage and Distribution - B8)	£5
Municipal Leisure	Nil
Health Development used wholly or mainly for the provision of any publicly funded medical or health services except the use of premises attached to the residence of the consultant or practitioner	Nil

<sup>1</sup> The area covered by the Barking Town Centre Area Action Plan plus the area bounded by the District Line, Mayesbrook Park and the London Borough of Redbridge including the former University of East London site.

<sup>2</sup> The area covered by the Barking Riverside Key Regeneration Area as shown on the adopted Local Development Framework Proposals Map

<sup>3</sup> The London Borough of Barking and Dagenham excluding Barking Town Centre and Barking Riverside

<sup>4</sup> Supermarkets: Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.

Superstores: Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.

Education Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education	Nil
All other non-residential uses	£10

## 10. How will CIL rates be calculated?

- 10.1 CIL will be levied in pounds per square metre of the net additional increase in floor space of any given development. The rate will be calculated based on Regulation 40 - Calculation of chargeable amount, as set out within 'The Community Infrastructure Levy Regulations 2010 and (Amendment) Regulations 2011'.
- 10.2 The chargeable rate will be indexed linked. The index referred to in the calculation formula is the national All-in Tender Price Index published from time to time by the Building Cost Information Service of the Royal Institution of Chartered Surveyors; and the figure for a given year is the figure for November of the preceding year.

## 11. Mayor of London's Crossrail CIL

11.1 London Boroughs are also required to collect the CIL charged by the Mayor of London. This was implemented 1<sup>st</sup> April 2012. At present the Mayor proposes a CIL of **£20 per sq.m** in Barking and Dagenham.

11.2 The following types of development are exempt:

- Development used wholly or mainly for the provision of any medical or health services except the use of premises attached to the residence of the consultant or practitioner
- Development used wholly or mainly for the provision of education as a school or college under the Education Acts or as an institution of higher education

## 12. Commenting on the Draft Charging Schedule

12.1 This consultation is the Council's second step in preparing a CIL Charging Schedule.

12.2 Any person may make representations about the draft charging schedule and that person must be heard before the examiner at the CIL examination if they have requested to do so.

12.3 There are a number of ways in which you can make a representation on the Draft Charging Schedule:

**Email:** [planningpolicy@lbbd.gov.uk](mailto:planningpolicy@lbbd.gov.uk)

**Telephone:** 020 8724 5274

**Fax:** 020 8227 3490

**Post:** Planning Policy Team, London Borough of Barking and Dagenham, Room 106, Barking Town Hall, 1 Town Square, Barking, IG11 7LU



Your comments should arrive no later than ????? 2013.  
Please note that your comments will be made available as public documents.

### **13. Next Steps**

- 13.1** When the consultation period has ended the Council will send the Draft Charging Schedule, the representations and the other documentation stipulated by the regulations to an examiner for an independent examination. It is anticipated that this will take place in June 2013.

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## Appendix 2

# London Borough of Barking and Dagenham Community Infrastructure Levy Preliminary Draft Charging Schedule Summary of Comments and Responses January 2013



		<p>saying that the borough's fire stations are not in need of investment Barking Station is in need of investment and Dagenham Station is part of a PFI project to provide nine new fire stations across London. With this in mind together with the increase in growth in the area LFEPA will be under increased financial pressure in providing the essential services that are required of them. It is therefore requested that consideration should be given to the provision of funding for LFEPA community facilities, from the CIL payments which are collected.</p>	<p>months in the last twelve months. This is relevant to the LFEPA if they plan to invest in existing stations.</p> <p>It is also important to clarify that the consultation is on the proposed charges not on what the proceeds of the levy will be spent on. The LFEPA comments are noted and will be considered when the Council publishes its Regulation 123 list which lists the infrastructure types to be funded by CIL.</p>	
4	Highways Agency	No comment	None	None
5	Joint Nature Conservation Committee	No comment	None	None
6	Natural England	<p>Approach seems reasonable and in line with relevant legislation, therefore Natural England does not wish to offer any substantive comments in respect of the Community Infrastructure Levy rate.</p> <p>Natural England is pleased to see the inclusion of Open Space provision within the document especially section 3.5.2 which refers to the provision of new open space and links to the east London Green Grid. This is welcomed and to be encouraged.</p>	None	None

7	Peacock and Smith representing Morrison's Supermarket	<p>Strongly object to proposed CIL rate of £300 sqm for large convenience retail floorspace (&gt;1500 sqm)</p> <p>It is acknowledged that the charge has been informed by viability assessments prepared by GVA Grimley, our client is gravely concerned that the suggested 'abnormal' charge will have a significant adverse impact on the overall viability of future (large) convenience retail development in the borough. A balance has not been found between infrastructure funding requirements and viability. Effectively, supermarket operators are being used as a scapegoat.</p> <p>Morrisons raises concerns that the viability analysis does not take into account all likely costs associated with developing a new foodstore. For example the potential costs associated with developing a brownfield site (e.g. site remediation and preparation) can be extortionate.</p> <p>The draft charge will put undue additional risk on the delivery of foodstore proposals and will be an 'unrealistic' financial burden. This, in turn, poses a significant threat to</p>	<p>The levy can only be set on the basis of viability. Page 226 of the Council's Economic Viability Report demonstrates that large convenience retail developments (&gt;1500 sqm) can afford a levy of up to £1500 per square metre. However the Council has decided to remove the large convenience threshold and instead has tested the viability of supermarkets/superstores in general. This has evidenced that supermarkets and superstores can afford a charge of £175 per square metre.</p>	
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		<p>potential new investment and job creation in the borough, especially in regeneration areas, at a time of economic recession and low levels of development activity.</p> <p>Furthermore, it is important to note that the proposed £300/sq m levy for convenience retail development is disproportionately higher than those being proposed by other London boroughs. By way of example, the boroughs of Lewisham, Merton and Croydon are proposing rates of £80/sq m, £100/sq m and £120/sq m respectively which, on average, are a third of the charge being proposed by LB Barking and Dagenham.</p>		
8	Savills acting on behalf of Sanofi	<p>Extremely concerned about the proposed blanket charge across the borough of £300 per square metre for 'large convenience retail' and the consequences that this would have for the viability of the recently approved Sanofi scheme. Acknowledge that approved scheme and subsequent reserved matters would not be liable to charge but are concerned about impact on any fresh applications. Sanofi consider that a charge of this level could</p>	<p>The Council accepts that the permitted Sanofi developed matters any subsequent reserved matters are not liable for Mayor of London CIL as it was permitted before 1 April 2012 and therefore neither is it liable for the Council's CIL.</p> <p>Therefore Sanofi's concerns are only relevant to an entirely new planning application.</p>	

	<p>undermine the entire proposal and would almost certainly prevent it being built. The Charging Schedule should be updated to take into account site location and other factors including:</p> <ul style="list-style-type: none"> <li>• high remediation costs associated with a development</li> <li>• where retail and other uses subsidises less valuable uses on a scheme which delivers important community benefits, including job creation and facilities such as health care</li> </ul> <p>The Charging Schedule should take these matters into account and should allow for a lower, if not 'nil', rate.</p> <p>The draft Residential charge takes into account the different areas within the Borough and recognises that variable rates should apply dependent on viability considerations. Our site falls within the 'Rest of the borough' which has the lowest rate. We can not understand why the same approach has not been applied for the other uses. Furthermore, we note that the charge for B1a and health uses</p>	<p>Notwithstanding that the site already has the benefit of permission for a supermarket, no evidence has been provided that an entirely new planning permission for a supermarket could not afford the levy being proposed.</p> <p>All the employment and training uses on the sites would pay between £5 - £10 per square metre in comparison to the Mayor of London's charge of £20 per square metre. This is not considered unreasonable and again no evidence has been provided that this is not viable.</p> <p>The Council's viability work shows that whilst there is a significant difference in the viability of residential uses across the borough this is not true for non-residential uses.</p>	
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		<p>is Nil and it is our view that the rates for retail and other non-residential uses should also be nil in certain circumstances as set out above.</p> <p>Unless changes are made to the charging schedule developments such as this, which will secure important benefits for the community, will be unviable.</p>		
9	Gerald Eve acting on behalf of Fresh Wharf Developments limited	<p>The level at which the LBBB CIL is set must have careful regard to the area's market context. There is little development activity in the borough at the moment and the market remains in a weak condition. If the CIL is set at too high a level it will put further pressure on an already weakened property market and stifle future development.</p> <p>It is not clear from the documentation provided how the Council have set the final rates set out in the PDCS. These</p>	<p>Tables 31 and 32 of the Economic Viability Report, model development viability in Barking Town Centre on the basis of 0% affordable housing. This shows that a LBBB CIL (Mayoral CIL is included as a cost) varying from £122-154 per sqm can be supported in Barking Town Centre on schemes of 250 units and below. However for a scheme of 1000 units CIL is more marginal due to the extra cost of building to Code Level 5. However Local Plan policy does not demand Code Level 5 for schemes of this size and therefore development costs should be comparable to smaller schemes and consequently similar CIL levels should be supported.</p> <p>The Council is proposing a CIL of</p>	

		<p>are not in line with the recommendations by GVA, in particular with regard to the Barking Town Centre, Leftley and Faircross residential rate of £70 sqm. Note that the GVA recommendation is made with the assumption of 10% affordable housing delivery, but it is not clear if this is either carried over to the PDCS, or increase or indeed decreased simply the document states “without an affordable housing target”.</p> <p>GVA have used a non-specified appraisal model. We assume that this is a bespoke appraisal as there is no specific explanation of it or software which has been used. We note that there are a number of standard models for appraising residential development including Argus Developer, the GLA Three Dragons Toolkit and the HCA model in addition to bespoke models some of which are referenced. Whilst these adopt to varying degrees standard development appraisal principles, the detailed methodology does vary in some cases considerably. We have no objection to advocating a bespoke model approach, particularly given the limitation of the GLA Toolkit, but this needs to be transparent in order to be able to examine the appropriateness in the</p>	<p>£70 so this is not at the margins of viability. This is on the basis of 0% affordable housing.</p> <p>The approach and methodology of the viability testing is explained in Chapter 2 of the Economic Viability Report. A market value rather than existing use value approach has been applied.</p>	
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		<p>circumstances.</p> <p>The methodology assumes that the land value is the Net Residual Land Value once all planning contributions, including affordable housing have been taken into account and this has been cross checked with benchmark land values for this area. However, there is no evidence of comparable information provided and therefore this does not conform with the recommendations of the exposure draft RICS Guidance Note on Viability in Planning. We consider that at the benchmark land value of £625,000 per acre for Barking Town Centre residential land value is low to our experience of the local property market.</p>	<p>Paragraph 2.17 of the Economic Viability Report explains that the benchmark land values reflect prevailing development values. These are sourced from analysis of the current situation in Barking and Dagenham and corroborated through Valuation Office Agency data, GVA's own Agency Team knowledge of transactions in the Borough and local stakeholder discussions.</p>	
10	Iceni Projects acting on behalf of Estates and Agency Properties Limited	<p>CIL charging regime is a one size fits all approach and provides no flexibility in the application of the identified charging regime. It must demonstrate an appropriate level of flexibility to respond to the commercial realities of development. With regard to Relief for Exceptional Circumstances the PDCS states</p> <p>"... the fact that a development might be unviable at the time a planning application is considered is unlikely to constitute an 'exceptional circumstance'</p>	<p>Unlike the Mayor of London the Council has chosen to offer Discretionary Relief for Exceptional Circumstances. So the Council is being flexible. However it is important to clarify that in exercising this relief the Council will have to comply with the provisions set out in the Community Infrastructure Regulations 2010 as amended when determining whether discretionary relief can be provided.</p>	

		<p>in relation to the CIL Regulations” .</p> <p>Such an approach is considered to be overly restrictive and contrary to directions from Central Government in particular the ministerial statement title “Planning for Growth” and the CLG CIL summary document.</p> <p>The PDCS does not offer any flexibility in charging where it can be demonstrated that a development would be unviable as a consequence of the requirements of a CIL. Accordingly the adoption of an onerous and overly restrictive approach to CIL has the potential to undermine schemes which could otherwise be delivered in the short term and help to meet wider regeneration aims and objectives within the Borough.</p> <p>The PDCS should be amended to reflect a degree of flexibility where issues of viability would cause undue delay to the achievement of wider regeneration aims through otherwise appropriate development. It should recognise that in certain instances the provision of on-site facilities and benefits will make the same – if not a greater – contribution to the Borough’s infrastructure provision.</p>	<p>The regulations do provide for charging authorities to accept transfers of land as a payment ‘in kind’ for the whole or a part of a CIL payment, but only if this is done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the charging authority’s area.</p> <p>The levy can only be set on the basis of viability. The CIL regulations do not allow the Council to set the levy to achieve regeneration objectives.</p> <p>No evidence has been presented that large convenience retail developments (&gt;1500 sqm) or residential in Barking Town Centre cannot afford to pay the charge that has been set. However the Council has altered the retail charges, and on the basis of further testing proposes to charge £175 per square metre for supermarkets and superstores of any size.</p>	
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		<p>It is noted that there is a large disparity between the level of charging for certain uses over others and the geographical areas to which these relate.</p> <p>As acknowledged in the LDF the focus of future retail and residential development in the Borough will largely be upon Barking Town Centre with the aim of fulfilling wider regeneration aims and objectives on identified key sites. E&amp;A considers that the PDSC for convenience retail floorspace combined with the lack of flexibility proposed within the charging regime would in combination have a significant effect on development values in Barking Town Centre. This could render schemes unviable and stifle the opportunity to realise wider regeneration aims and objectives as identified in adopted policy.</p> <p>The PDSC should prioritise investment within Barking Town Centre by adopting a charging regime in the Town Centre equating to 25% of the overall charge for comparable developments in locations beyond the BTCAAP boundary. This discounted rate should apply to retail and residential floorspace on the basis that the regeneration and revitalisation of the Town Centre should be the priority</p>	<p>Please see response to Gerald Eve for justification of levy for residential in Barking Town Centre.</p>	
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		<p>within the Borough. The application of such a discounted rate would increase the viability of existing stalled schemes making it more no less likely that such schemes will materialise and would incentivise developers to pursue potentially more expensive and difficult sites over easier options beyond the Town Centre boundary.</p> <p>Having reviewed the PDCS there is a very real concern that the proposed level of contributions for both large retail development and residential development within town centres is disproportionate to developers reasonable expectations of a financial return and has the potential to impact upon the viability of such developments impacting upon the achievement of wider regeneration goals.</p> <p>Combined with the lack of flexibility of the proposed charging schedule, it is considered that the rigidity of the document as presented has the potential to stifle development on key sites in the short to medium term.</p> <p>In respect of the above it is considered that the proposed charging schedule would be improved with the following</p>		
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11	CGMS on behalf of the Mayor's Office for Policing and Crime (MoPC) and the Metropolitan Police Service (MPS)	<p>changes:</p> <ul style="list-style-type: none"> <li>• The removal of paragraph 3.1 to improve flexibility in the application of charges</li> <li>• Lowering the charge on large retail development, and spreading costs more evenly over the use classes; and,</li> <li>• Lowering the charge on residential development within town centre areas to improve flexibility and viability</li> </ul>	<p>The provision of effective policing is of crucial importance across London to ensure safe places to live are created as part of a sustainable community, consistent with planning policy at all levels. The MoPC and MPS provide a vital community service to Barking and Dagenham and it is essential that the required community infrastructure such as policing comes forward in line with development in order to maintain safety and security in the borough.</p> <p>It is noted the Council do not intend to impose a charge for new small retail, offices, leisure, health and education floorspace. This should be extended to include all new community infrastructure floorspace, in particular that proposed by</p>	<p>The levy can only be set on the basis of viability. No evidence has been presented that police stations cannot afford to pay the modest charge of £10 per square metre that has been set. It is also relevant to note that whilst the Mayor of London is responsible for supervising the Metropolitan Police the Mayor of London's CIL does apply to new policing floorspace. The Mayor of London's CIL is £20 per square metre. Therefore the Council's CIL would only represent 33% of the overall CIL charge for new policing facilities.</p>	
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		<p>the Metropolitan Police.</p> <p>By being subject to a CIL payment, community uses including policing are prejudiced in being able to provide essential policing facilities which will impact upon the Council's ability to deliver a safe and secure environment contrary to the aims of the NPPF, London Plan and Core Strategy. It is therefore essential that CIL is not payable for new policing floorspace in the Borough.</p> <p>It should be further noted that, in providing a community infrastructure (i.e. new policing facilities) which would attract a CIL liability, the MPS contribution to infrastructure would effectively be double-counted. Therefore the MOPC/MPS strongly recommend that the draft charging schedule provides an exemption from CIL for community uses including policing facilities in addition to small retail, offices, leisure, health and education uses.</p>	
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## CABINET

22 January 2013

<b>Title:</b> Proposed Amalgamation of Rush Green Infant and Junior Schools	
<b>Report of the Cabinet Member for Children's Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> Eastbrook Ward	<b>Key Decision:</b> Yes
<b>Report Author:</b> Mike Freeman, Group Manager – Schools Estate and Admissions	<b>Contact Details:</b> Tel: 020 8227 3492 E-mail: <a href="mailto:mike.freeman@lbbd.gov.uk">mike.freeman@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Jane Hargreaves, Divisional Director Education	
<b>Accountable Director:</b> Helen Jenner, Corporate Director of Children's Services	
<p><b>Summary:</b></p> <p>This report presents a proposal for the amalgamation of Rush Green Infant School with Rush Green Junior School to form an all through Primary school with effect from 1 April 2013.</p> <p>This proposal has been initiated for the following main reasons:</p> <ul style="list-style-type: none"> <li>• educationally, a single school is able to ensure a more consistent approach to teaching and learning for the children than two separate schools;</li> <li>• a single school can look at its management structure with a view to ensuring the best use of staff across the whole school. The combined expertise of the staff would be greater than in the two separate schools;</li> <li>• a single school would have a combined budget and would benefit from greater flexibility;</li> <li>• a single school would be able to rationalise the use of all resources and gain efficiencies including the benefits from the combination of funding from the individual school budgets.</li> </ul> <p>The consultation process regarding this proposed amalgamation is due to conclude on Friday, 18 January 2013 and any changes to the proposals following this will be presented at the meeting.</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to agree the amalgamation of Rush Green Infant School and Rush Green Junior School to create an all through Primary School from 1 April 2013, by the closure of the existing infant school and expanding the premises and age range of the existing junior school.</p>	

## **Reason(s)**

To assist the Council achieve its aim to provide a Better Future and a Well Run Organisation.

Council policy is to consider the amalgamation of linked infant and junior schools where possible, for example, when a headship is vacant, and over time to amalgamate linked infant and junior schools. For this infant and junior school, there are clear benefits of amalgamation.

### **1. Introduction and Background**

1.1 Management arrangements at Rush Green Junior School are going through a process of change and there is currently an Acting Head Teacher at the School. This has therefore created an opportunity to examine the existing arrangements of organisation at the Schools. Further, Rush Green Infant School and Rush Green Junior School are suitable for amalgamation owing to their size and their location on a shared site.

#### **1.2 Rush Green Junior School**

1.2.1 Rush Green Junior is a school which has caused the local authority concern and which has been highly vulnerable to an Ofsted category of concern over the last year. In its Ofsted inspection in May 2010 the school was judged Grade 3 Satisfactory. Two key areas for improvement were identified. These were:

- Improve the quality of teaching so that at least 80% of lessons are good by May 2011, and,
- Strengthen leadership and management.

1.2.2 The follow up Ofsted monitoring visit in November 2011 found 'the school had made inadequate progress in demonstrating a better capacity for sustained improvement'. The Head Teacher retired in July 2012 and an experienced interim head teacher was appointed from 1 September 2012. Under his leadership the school has made rapid progress and achieved a Grade 3, avoiding a category of concern judgement in the October 2012 inspection. Ofsted recognised the impact of the new head teacher in its report. However, the school needs to continue to improve at this pace over the coming year and beyond.

#### **1.3 Rush Green Infant School**

1.3.1 The school's head-teacher was appointed from 1 September 2011 on the retirement of the previous post holder.

1.3.2 The school received a Grade 3 for its last Ofsted inspection carried out in September 2011. The three areas for improvement that Ofsted Inspectors highlighted were:

- To improve teaching and the use of assessment to support learning across the school;
- To improve the curriculum;
- To ensure that leaders and managers at all levels work to improve the quality of teaching and learning.

1.3.3 Under the new tougher Ofsted framework Rush Green Infants is still vulnerable and there are significant challenges for the school's leadership to make the rapid progress required.

## **2. Proposal and Issues**

2.1 Technically, the proposal to amalgamate involves five things:

- Closing, or discontinuing, the infant school with effect from 31 March 2013,
- Enlarging the premises of the existing junior school by including the buildings previously used by the infant school,
- Making an alteration to the current junior school by lowering the age range of the pupils there, from 7 to 11 years to age 3 to 11 years,
- Adding nursery provision, with effect from 1 April 2013, and
- Admission number of 120.

All pupils on the school roll of the infant and junior schools as at the end of the Spring Term 2013 will transfer onto the roll of the primary school. The alternative to this technical process is to create a new school, for which there are different processes. This could take longer and require the involvement of the Secretary of State, and could be a completely different type of school.

2.2 There are different types of school within the local authority maintained sector and most are community schools. Both Rush Green Infant and Junior Schools are community schools. In these schools the Local Authority is responsible for employees, land, funding and admissions. It employs all staff at the schools directly.

2.3 This proposal will set a uniform standard number of 120 pupils per year group and will give a consistent provision across all the age ranges.

2.4 This proposal is in line with the Council's Policy House whereby we want a Borough that believes in opportunity and one that recognises and champions' success, where people can look to the future with confidence, assured that their Council will do what it can to provide the educational, academic and vocational opportunities they need. Further, there is the potential to improve value for money across the proposed amalgamated schools.

- 2.5 The benefits seen in this proposal include:
- the present technical barrier which exists at age 7, when pupils are admitted to the junior school would be lifted. Pupils would automatically move from Year 2 to Year 3, if this was their parents' wish;
  - an amalgamated school will ensure approaches to teaching, learning and planning the curriculum are consistent and coherent;
  - the primary school will be able to rationalise the management structure to ensure the best use of staff across the school. The combined expertise of the staff would be greater than in the two separate schools.
  - the primary school will have a combined budget and would benefit from greater flexibility;
- 2.6 On amalgamation of the schools, any current extended school services offered by the infant and junior schools will continue in the same way, unless the primary school decides otherwise.
- 2.7 This proposal meets with the key principles of the Education Strategy:
- for raising of the expected standards and shared ambition for all the children who live in the Borough;
  - for a commitment to sustain and refresh the partnership between schools and the Council which has been a critical factor in the improved outcomes for children and young people.
- 2.8 In particular, the Education Strategy sets out the agreement for a programme for developing school places; subject to the proviso that it may need revision in the light of changed demand for places and resources available.
- 2.9 All staff, those currently working at the Infants and the Junior School, are employed by the London Borough of Barking and Dagenham. Those who currently work at Rush Green Infants School will mostly continue in the same positions as previously, but within years Reception, One and Two of the newly formed primary school. They will remain employed by the Borough and their terms and conditions will remain as before. If there are structural changes to the management of the school involved in the amalgamation, these will include staff from both current schools, and these will be the subject of consultation with the relevant parties.
- 2.10 If the amalgamation is approved a commitment is sought to bring certain aspects of the school physically together. There was a similar commitment in recent amalgamations and this may involve a modest capital investment to be met from existing grants.
- 2.11 The two schools have previously discussed the amalgamation proposals at meetings of separate governing body discussions and have agreed in principle with the amalgamation proposals.

2.12 Both governing bodies have agreed that it is in the best interests of the primary school to go out to national advertisement to recruit a head teacher. They recognise the challenges for both of the existing schools and are seeking to recruit an experienced candidate to take the school forward. The governing bodies are committed to protecting posts and minimising turbulence for staff. They have agreed to maintain a post of Head of Infant School within the new primary school senior structure.

### 2.13 **Governance**

The Governing Body of a school is dissolved when the school is discontinued. A temporary Governing Body will be formed before this happens, that will include Governors from both the Infants and the Junior Schools. This will determine a new Instrument of Government to take effect from 1 April 2013, in accordance with the School Governance (Constitution) (England) Regulations 2012. In the case of Rush Green the Governors of both existing schools are engaged in establishing a temporary governing body to start the process and facilitate discussion.

## 3. **Options Appraisal**

3.1 Realistically there are three options to be considered in respect of the future arrangements for Rush Green Infants and Rush Green Junior schools. First would be to amalgamate the two schools forming a single school under one governing body. Secondly, to make no change and leave the schools separate. The third option would be to develop two primary schools. These options are explored further below.

3.2 **Option 1** - The Council has a policy which requires a review of linked or adjoining infant and junior schools to consider the possibilities of amalgamation when there is an appropriate opportunity. Rush Green Junior School does not currently have a head teacher and so this presents an opportunity for the schools to amalgamate.

3.3 **Option 2** - An alternative is to make no change at this time and allow the schools to continue separately. This would be contrary to the Council's intended policy and would mean the opportunity with no current head teacher for Rush Green Junior School will pass.

3.4 **Option 3** - The possibility of developing both schools into primary schools. This would mean an additional nursery being provided. Both schools currently admit up to four forms of entry. It would not be possible on the current site to allow each school to become a four form of entry primary school. It would mean that some of the benefits, particularly of organisation of the school and budget management, would not be achieved.

3.5 The current recommendation on balance would, therefore, be to proceed with the amalgamation proposal, although this is subject to the consultation which ended on 18 January 2013.

## 4. **Consultation**

4.1 Governing Bodies of all infant and junior schools in the Borough were presented with a report in the Spring Term of 2011 that included information on the Local

Authority's policy to amalgamate all separate infant and junior schools over time, where governors were invited to discuss and comment. This was repeated to all governing bodies in the following (summer) term.

4.2 A series of meetings have been held to consult with Head Teachers, Chairs of Governors and / or Governors including:

- Meetings held on 15 May and 11 June with the Chair and Vice Chair of the Junior School and the Vice Chair of the Infant School (who is also on the Junior School Governing Body).
- A meeting on 25 September with the Principal Advisor from the Local Authority and the Chair of Governors and the two Vice Chair of Governors;
- A meeting on 16 November between Local Authority representatives and the Chair of Governors.
- A meeting on 27 November with the Head Teacher of Rush Green Infant School and Local Authority representatives including Human Resources.
- Also, a first meeting of the Rush Green Primary School Temporary Governing Body was held on 9 October at which Local Authority representatives were also present.

4.3 A consultation letter regarding the proposed amalgamation was sent to parents, carers, guardians of pupils, staff and governors of both Rush Green Infant School and Rush Green Junior School on 22 October 2012. This letter was also sent to Trades Unions of both teaching staff and support staff.

4.4 A notice was published in The News on 8 December 2012 to begin a formal consultation process which ended on 18 January 2013. The Notice has been displayed at the main public library in Barking and Dagenham and on both the infant and junior school notice boards.

4.5 Any issues raised after this report was written will be brought to the attention of Members of Cabinet.

## **5. Financial Implications**

Implications verified by: Dawn Calvert, Finance Group Manager

5.1 Schools receive their funding from the Dedicated Schools Grant (DSG). In 2012/13, the school budget is calculated using the Local Authorities existing funding formula. As this amalgamation is proposed to take place from 1 April 2013, there will be no change to the revenue budgets for the two schools in the current financial year.

5.2 From 2013/14, revenue costs for the new school will be calculated using the new Schools Funding Formula as proposed by DfE as part of their School Funding Reforms. The funding formula for 2013/14 was developed agreed by Cabinet on 19 December 2012.

5.3 The principles of the reform mean that the main driver of future funding will be pupil numbers. The proposed amalgamation should not affect this funding factor as pupils numbers are not expected to differ significantly. Other funding factors should not be affected with the exception of:

- **Lump sum factor** – Under the new funding formula each individual school will receive lump sum funding of £0 - £200,000. A Primary school will receive 1x the lump sum, two separate schools would receive 2x the lump sum. The proposed lump sum is £150,000 (subject to Cabinet approval). The impact of the amalgamated school receiving one lump sum payment could be partly mitigated by;
- **Minimum Funding Guarantee / Capping** – These factors provide some stability to funding. In 2013/14 losses are protected by the Minimum Funding Guarantee as each school is guaranteed 98.5% of prior year funding on a per pupil basis. Gains in funding from one year to the next are also capped at a certain level. Early modelling for the 2013-14 financial year (which is subject to Cabinet approval) indicates that in the case of the Rush Green schools a reduction in the lump sum factor should be compensated for by a lower capping factor. This should mean that the loss of a lump sum will have little material impact on 2013/14 funding.

## 6. Legal Implications

Implications completed by Lucinda Bell, Safeguarding Lawyer

6.1 The steps to be taken to bring about the amalgamation of these two schools are described in paragraph 2.1 above. The process for discontinuing a school is prescribed in the School Organisation (Establishment and Discontinuance of Schools)(England) Regulations 2007, as amended. The process for the remaining steps is prescribed by the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007, as amended. Under these Regulations it is for the Local Authority to make each of the proposals. The Regulations require consultation prior to the publication of proposals, in a manner that is not specified, but that should last for at least six weeks, not including school holidays, and that in consulting proposers have regard to the Secretary of State's Guidance. The publication of proposals must be in accordance with the relevant Regulations.

## 7. Other Implications

7.1 **Risk Management** - These proposals effectively close the infant school and expand the junior school to a primary school covering the age range 3 to 11 years. Both schools were judged 'Satisfactory' in their last Ofsted inspections as detailed in Section 1.1 above. The Local Authority is working closely with both schools and the governing bodies to bring about rapid improvements for the schools. The amalgamation of the infant and junior schools will enable some of these changes to be made more rapidly and will bring additional leadership capacity to the schools.

7.2 **Staffing Issues** - Staff at both infant and junior schools will be informed that their employment will be at the primary school with effect from 1 April 2013. The

employer for all staff at the newly formed primary school will remain the London Borough of Barking and Dagenham. TUPE does not apply. The post of Head Teacher at Rush Green Infants School will be deleted when that school is discontinued. Both current schools agree to advertise nationally for a suitably experienced new Head Teacher for the all through primary school. A new position, that of Head of the Infants Department of the all through school will be created and recruitment to this post will be ring-fenced to the current Headteacher of Rush Green Infants. There may be changes in line management for some staff, but the general terms and conditions for all staff will remain the same.

- 7.3 **Property / Asset Issues** - The amalgamation of the schools will allow for a pooling of asset related revenue budgets, and the ability to manage property costs over both buildings, which will support a better maintenance regime.

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

- Regulations made under the Education and Inspections Act 2006 as cited in the legal implications paragraph
- DFE Guidance – Expanding a Maintained Mainstream School by Enlargement or Adding a Sixth Form and Closing a Maintained Mainstream School  
[www.education.gov.uk/schools/leadership/schoolorganisation](http://www.education.gov.uk/schools/leadership/schoolorganisation)
- Council Policy House
- Children and Young People Plan
- Consultation letter dated 22 October 2012
- Notice published 8 December 2012

**List of appendices:** None



## CABINET

22 January 2013

<b>Title:</b> Contract for the Provision of Personal Protective Equipment (PPE) and Uniform	
<b>Report of the Cabinet Member for Finance</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> Yes
<b>Report Author:</b> Euan Beales, Procurement Category Manager, Elevate East London	<b>Contact Details:</b> Tel: 020 8227 5226 E-mail: <a href="mailto:euan.beales@lbbd.gov.uk">euan.beales@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Robin Payne, Divisional Director of Environment	
<b>Accountable Director:</b> Darren Henaghan, Corporate Director of Housing and Environment	
<p><b>Summary:</b></p> <p>This report asks the Cabinet for approval to enter into a procurement exercise for the award of a new Term Contract for PPE and Uniform for a term of three years from 1 May 2013 to 30 April 2016, with the possibility of a one year extension subject to satisfactory performance of the appointed contractor to 30 April 2017. This contract is to provide PPE and Uniform to the Council's staff to meet its obligations under the Health and Safety Act (1974) and to satisfy the Council's own due diligence to ensure the well being of its staff.</p> <p>The key benefits of the contract will be:</p> <ul style="list-style-type: none"> <li>• Provide good quality and cost effective PPE</li> <li>• Provide good quality and cost effective Uniform</li> <li>• Cost efficiencies through economies of scale</li> <li>• Amalgamation of the current seven suppliers to a maximum of three.</li> <li>• Cross Council collaboration</li> </ul>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to:</p> <ol style="list-style-type: none"> <li>(i) Agree the procurement of the three-year term contract for supply of PPE and Uniform commencing 1 May 2013, with the possibility of a one year extension to 30 April 2017 subject to satisfactory performance of the appointed contractor, on the terms detailed in the report; and</li> <li>(ii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content for the commissioning Chief Officer, in consultation with the Head of Legal and Democratic Services, to award the contract.</li> </ol>	

## **Reason(s)**

To ensure the Council fulfils its obligations under the Health and Safety at Work Act (1974) and the Councils own due diligence in maintaining the wellbeing of its staff.

### **1. Introduction and Background**

- 1.1 The Council has a statutory responsibility to comply with the Health and Safety at Work Act (1974). There are currently no contracted suppliers for the provision of PPE and Uniform. However the service can be accessed through the Cleaning materials and consumables contract via Greenhams, but this is not deemed to be the most cost beneficial route due to the goods being classed as non-core within the contract.
- 1.2 The current annual spend for PPE and Uniform is £109,000 per annum for the Council (£328,000 based on a three year contract and £437,000 for the full four year term which includes the one year extension). The spend has been calculated from management information provided by suppliers for the 2011/12 financial year.
- 1.3 The London Borough of Newham's spend is circa £184,000 per annum (£552,000 based on a three year contract and £736,000 for the full four year term which includes the one year extension).
- 1.4 On 31 March 2013 the current Housing repairs and Maintenance contract will expire with the service being transferred in-house from Enterprise (as agreed by Cabinet on 23 August 2011). The service will require PPE and Uniform, and it is envisaged that this will be covered by the proposed corporate contract. An indicative annual spend of £40,000 has been assumed for the purposes of this report.

### **2. Proposal and Issues**

- 2.1 To mitigate the Council's commercial and financial risk it is recommended that a new Term Contract is awarded for the provision of PPE and Uniform. This will provide the Council with a cost effective and high quality service for the provision of PPE and Uniform, through leveraging economies of scale by reviewing the range of products purchased and with a view to reduce the number of suppliers used. A collaborative procurement with neighbouring ELS members will also increase the volumes and spend available to approach the market.
- 2.2 Tenders will be sought through an open ITT Procedure following an advertisement in the Official Journal of the European Union (OJEU) with the Council being the lead authority (LB Newham has agreed to procure under our process). The proposal is to use a lot approach (Lot 1 – Footwear, Lot 2 – Uniform, Lot 3 – Clothing and Equipment). The maximum suppliers awarded per lot will be one (bidders can apply for one or all lots).
- 2.3 The contract will be awarded through a scoring matrix on the basis of 40% price and 60% quality. The process will include full quality testing of the proposed goods and an e-auction to ensure competitive pricing is achieved.

- 2.4 It is proposed that this contract will be let as a London Borough of Barking and Dagenham Term Contract, which is appropriate for use by employees who have a requirement for PPE and/or uniform.
- 2.5 It is anticipated that the new contract will commence on 1 May 2013 for a period of three years with the possibility of a one year extensions at an estimated value of approximately £328,000 over the initial three year period to £437,000 for the full four year period (including the possible one year extensions) for LBBB alone (ELS Council's spend will be in addition to this.)
- 2.6 The estimated contract value comprises a combination of PPE and Uniform across the Council. The precise contract value will be dependent upon client budgets and the number of ELS councils who choose to utilise the contract. This will give the Council the benefits of economies of scale and will enable the council to standardise equipment and uniform used.
- 2.7 The contract will work on a "call off" basis for a number of departments within the Council, including but not limited to; Parks, Building Cleaning, Building Services, Security, Facilities Officers, Castle Green, Landlord Services, Repairs and Maintenance Housing, Culture and Sport Services and Adult Social Care. The "call off" arrangements will not commit the Council to guaranteed payments to the contractor by way of any stand-by arrangements, but will ensure continued supply of important goods during the contract term.
- 2.8 The applicants will be assessed on their economic and financial standing, health and safety standards, technical capability, prices and references, as well as a qualitative assessment of performance targets and method statements on a range of criteria relevant to the contract. All goods should meet the standard EU health and safety levels required.
- 2.9 Applicants who have policies and methods in place to measure quality and performance and are able to provide this information to the Council will be considered as suitable tenderers.
- 2.10 The successful contractor will be expected to maintain a full electronic set of Management Information of the goods provided to the Council and this data must be accessible to LBBB officers in the form of Management Information when requested.

### **3. Options Appraisal**

- 3.1 **Option 1** - Tender a three year term contract, with the possibility of a one year extension with the preferred service provider(s). This is the preferred option as it gives the benefits listed in Section 2 of this report.
- 3.2 **Option 2** - Access an open framework/collaboration

An EU compliant route to market would be to utilise an open framework or an accessible collaboration contract which is available to us.

<b>Organisation</b>	<b>Framework/Contract Available</b>
GPS (Government Procurement Service)	No
ESPO (Eastern Shires Purchasing Organisation)	Yes, Contract 144 - this expires May 2013 but has option to extend for two years.
LCSG (London Contracts and Supplies Group)	No

At the time of submitting this paper, there was one active open framework available to LBBB to enter; this framework will expire within the next 12 months, unless extended. We are awaiting confirmation if this will be extended with a view to benchmarking the Council's requirements. This route ensures a back up process can be conducted to enable a compliant procurement.

- 3.4 **Option 3** - Do nothing – This option was considered but due to the levels of annual spend on the goods; to do nothing would be direct non compliance with the Council's and EU Procurement rules. This option has therefore been discounted.

#### **4. Consultation**

- 4.1 The proposals within this report have been the subject of detailed consultation throughout the Council and with colleagues at the London Borough of Newham.

#### **5. Financial Implications**

Implications completed by: Jahangir Mannan, Group Accountant

- 5.1 The total expenditure on protective clothes and equipment has been in the region of £109,000, in last financial year, and is assumed to reflect the demand for an average year. Given that the amount is substantial and ongoing, it is in accordance with council procurement rules to tender a contract for this service, as there is no current explicit contract in place.
- 5.2 Any saving to the Council will be subject to 'gainshare' under the contract arrangement with the joint venture. The amount of which will be based on the new supply cost versus the average cost with current suppliers.
- 5.3 Participating in the ESPO Framework instead, will give benefits in terms of savings on tender costs, but however, it will limit the number of suppliers available. Hence may not be the most beneficial option in terms of value for money.

#### **6. Legal Implications**

Implications completed by: Wendy Wingad, Procurement Lawyer

- 6.1 Due to the value of the proposed contract and subject matter the Public Procurement Regulations 2006 will apply and a number of requirements/rules in relation to the procurement process will need to be complied with. Legal Services have consulted with procurement on this proposal and it has confirmed that the

proposed procurement and contracts should be compliant provided the rules are followed.

## **7. Other Implications**

### **7.1 Risk Management**

#### **Current Risks**

1. Disaggregation of spend could leave the Council open to challenge through Freedom of Information (FOI) requests or internal audit.
2. Non standardisation of quality could lead to complaints by staff, union representatives as the goods may be deemed as not fit for purpose and the Council has a duty of care under the Health and Safety at Work Act (1974).
3. The procurement process needs to commence to ensure the goods and services can be supplied to the DLO, which is due to commence on the 1 May 2013. In the event of delays, fragmented and non contractual spend will occur leaving the Council open to challenge.
4. Divisional budgetary overspend due to non contracted activity (costs can increase without prior agreement), which may result in cheaper goods being purchased (possibly not fit for purpose).

#### **How these risks are managed**

1. The contract will be managed in accordance with the Councils requirements and maintaining our obligations under the Health and Safety at Work Act (1974).
2. The use of the proposed contract will enable the Council to accurately manage and forecast all of the associated costs in providing PPE and Uniform to its staff. Full auditable data will be produced to enable Divisions to keep an eye on their budgetary positions.
3. Standardisation of products will be more manageable and will give a collaborative view of our services by residents and visiting public.
4. Stringent performance monitoring will ensure all goods are delivered on time, at the right quality and correct cost. This will also negate the issue of non approved price increases.
5. Contractual terms will be set for the operation of this service to ensure all parties adhere to their obligations.

**7.2 Contractual Issues** - The contractual implications are detailed within this report.

**7.3 Health Issues** - The Council has an obligation to its staff under the Health and Safety at Work Act (1974) to provide fit for purpose equipment in order for their role to be carried out safely. The Council has a duty of care to its staff.

**Background Papers Used in the Preparation of the Report:** None

**List of appendices:** None

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## CABINET

22 January 2013

<b>Title:</b> Contract for Provision of Taxi Services for Children with Special Educational and Complex Needs	
<b>Report of the Cabinet Member for Children's Services</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Chris Bush, Commissioning and Projects Manager, Strategic Commissioning and Safeguarding	<b>Contact Details:</b> Tel: 0208 227 3188 E-mail: <a href="mailto:christopher.bush@lbbd.gov.uk">christopher.bush@lbbd.gov.uk</a>
<b>Accountable Divisional Director:</b> Meena Kishinani; Divisional Director Strategic Commissioning and Safeguarding	
<b>Accountable Director:</b> Helen Jenner; Corporate Director of Children's Services	
<p><b>Summary:</b></p> <p>This report seeks authority from Cabinet to commence a procurement exercise to appoint providers to a Framework Agreement for the provision of taxi services for children with special educational and complex needs.</p> <p>The contracts awarded will be for a period of four years and are likely to be awarded to multiple providers. Forecasts indicate that total expenditure in this area over the four year period will be approximately £4.5m.</p> <p>There is no financial commitment involved with this proposed arrangements.</p> <p>The current contractual arrangements in place for this provision expire on the 31 December 2013. A waiver has been secured for the period 1 January 2013 to 30 April 2013 to allow a full and formal procurement exercise to be completed.</p> <p>The need for this action has arisen as a result of the decision to withdraw from the London Borough of Newham led procurement exercise following a second unsuccessful procurement.</p>	
<b>Recommendation(s)</b>	
The Cabinet is recommended to :	
<p>(i) Approve the procurement of a four year Framework Agreement for the provision of taxi services for children with special educational and complex needs, as detailed in this report;</p> <p>(ii) Agree that a further report be presented on the outcome of the procurement exercise in order for the Cabinet to appoint the successful tenderer(s) to the Framework Agreement.</p>	

**Reason(s)**

To support the Council's key theme of "Better Health & Well-being" and helping to deliver the following Children and Young People Plan strategic priorities (2011-16):

- Priority 1: Ensure children and young people in our borough are safe
- Priority 4: Improve support and fully integrate services for vulnerable children, young people and families (particularly children in care and children with disabilities)

**1. Introduction and Background**

1.1 The Council has a duty to provide reasonable assistance in transporting children with special educational and complex needs. Children may require transport for a number of reasons, including but not limited to:

- transportation to their appropriate schools,
- attending family contact with birth families, and
- facilitating other activities that have been identified as important and necessary to the child's well being.

1.2 The initial procurement exercise for the provision of a Supplementary Passenger Support (Taxis) Framework Contract, led through East London Solutions (ELS) by London Borough of Newham (LBN), was originally initiated in July 2009. This procurement exercise was on behalf of the London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge. This procurement exercise was unsuccessful.

1.3 In June 2012, it was agreed to restart the procurement exercise within the existing arrangements; a cross-borough exercise lead by LBN, who provided assurance that the process would be completed by 31 December 2012, with an operational Framework Contract in place for 4 January 2013.

1.4 LBBD subsequently secured a waiver, for the maximum allowable amount, to ensure contracts were in place underpinning existing arrangements. These contracts were arranged to run concurrently with the above procurement exercise, expiring as they do on 31 December 2012.

1.5 The tender evaluation element of that process was completed in late October 2012 and presented a significant problem. Only one organisation passed all the stipulated tender evaluation criteria. This would have meant that continuing with the procurement process in the current format would have been unsustainable, as this organisation would not have sufficient capacity to meet the needs of all boroughs concerned.

1.6 There were 4 options available to LBBD as a result of the tender submission evaluations.

- 1) Continue with the existing process and create a framework with a single provider;
- 2) Alter the originally specified evaluation criteria, allowing more organisations to 'qualify';



- 3) Treat the procurement process as unsuccessful and re-tender as a collective under a new OJEU notice; and
- 4) Treat the procurement process as failed with each borough making its own future arrangements. If this option is accepted due to the EU regulations a new OJEU procurement exercise would be required. In the meantime LBBB would need to secure a waiver to ensure contracts are in place for this service. These contracts will be arranged to run concurrently with the new procurement exercise, expiring 30 April 2013.

1.7 Option 1 was, clearly not viable. Legal advice from LBN suggests that option 2 would be sustainable, but would pose a risk. Legal advice from LBBB also identified this as a risk, and further stated that it was not a risk that it would be recommended for LBBB to take (particularly as one of the proposed revisions to the criteria was to remove financial checks). Options 3 and 4 were agreed by legal departments from both authorities to be legally compliant.

1.8 With option 1 unfeasible and legal advice suggesting that option 2 presented a risk that would not be recommended, the available alternatives were limited and hinged, largely, upon whether a decision was taken to commit once more to the LBN lead exercise, or to make alternative arrangements that would culminate in a single-borough procurement exercise for LBBB.

1.9 It was unlikely that there would be an operational Framework Agreement in place for 4 January 2013 and therefore LBBB must ensure that arrangements are made for the continuation of the existing provision for a period beyond this date. This is the reason for the waiver that has been secured.

1.10 Following discussions with the Corporate Director of Children's Services, Elevate procurement colleagues; Legal Services and the lead member for Children's Services, option 4 was considered the most favourable and therefore notice to withdraw from the LBN lead joint-procurement exercise was given. This report is, therefore, seeking approval to commence a procurement exercise to appoint providers to a Framework Agreement for the provision of taxi services for children with special educational and complex needs.

## **2. Proposal and Issues**

2.1 It is proposed that Cabinet agrees to the commencement of a procurement exercise to appoint providers to a Framework Agreement for the provision of taxi services for children with special educational and complex needs.

2.2 The contracts awarded will be for a period of four years and are likely to be awarded to multiple providers. Forecasts indicate that total expenditure in this area over the four year period will be approximately £4.5m.

2.3 There is no financial commitment involved with this proposed arrangement as the nature of a Framework Agreement is such that it does not oblige the local authority to purchase any particular volume from any provider.

2.4 The single tender action will be managed by Elevate East London. The principle stakeholder is Children's Complex Needs and Social Care, who will assume the responsibility for contract managing the service if approval is granted.

- 2.5 The contract terms and conditions which would be used would be the London Borough of Barking and Dagenham standard short terms and conditions. In the event that any variations are recommended, the Councils Legal Department will be required to approve prior to issue to the supplier.

### **3. Options Appraisal**

- 3.1 **Operate this service without a contract:** London Borough of Barking and Dagenham could purchase this service from their current suppliers without having contractual cover in place. This option would fail to be compliant with EU procurement legislation as well as the Council's own Policies. There would also be a high degree of risk associated with this option. This exposes the Council to potential price increases and deficit budgetary positions. Without contracts in place we cannot enforce CRB checks being mandatory, and that taxi companies hold appropriate licences, this is critical as the taxi companies will be transporting vulnerable children.
- 3.2 **Proceed with a single action tender:** This is the recommended option for the reasons outlined in the 'Reasons' section and discussed throughout this report.

### **4. Consultation**

- 4.1 This report has been circulated to key stakeholders whose comments have been incorporated within the report.

### **5. Financial Implications**

Implications completed by: Dawn Calvert, Group Manager (Finance)

- 5.1 There is no financial commitment involved with this proposed arrangements, though the tendering arrangements must not preclude any future efficiency arrangements.
- 5.2 There would, however, be a significant degree of risk associated with operating these services without contractual arrangements in place. This would expose the Council to potential price increases and potential deficit budgetary positions.

### **6. Legal Implications**

Implications completed by: Daniel Toohey, Senior Lawyer

- 6.1 The provision of transport services is a Part A service under the Public Contracts Regulations 2006, and therefore the full requirements of the EU procurement regulations will apply, and contracts will need to be procured by a competitive tendering process, or via a framework agreement. The procedure set out in section 7.2 of the report by the Council's procurement adviser is a procedure that is compliant with the requirements of the regulations; Legal Services and procurement officers will provide advice and assistance during the course of the process.
- 6.2 The report author has stated that a waiver has been granted for short term contracts of no longer than three months; Legal are advised that the value of these are within the threshold of the scheme of delegation for the relevant Director to sign

off, and are below the threshold to which the EU regulations will apply, such that the requirement of competitive tendering may be waived.

## 7. Other Implications

7.1 **Risk Management** - There are no inherent risks with regard to this contract as it commits the Council to no expenditure with any particular provider. There are, however, risks of operating these services with no contractual arrangements in place, as follows:

- Purchasing these services outside of contract would result in non-contracted spend, potentially non-licensed taxis providing a service to vulnerable children and young people;
- Absence of contractual arrangements would make it difficult to mandate that transport providers have valid insurances in place;
- Similarly, it would be difficult to enforce mandatory Criminal Records Bureau (CRB) checks upon providers;
- Cost of services would be much more likely to suffer from fluctuation in the absence of contracted rates.

A suitable and safe taxi service provision for children, young people and adults with special needs would, however, mitigate these risks. Formal contractual arrangements would tie providers into contractual obligations that would better ensure continuity of provision, as well as service quality for young people:

- vehicles will carry a first aid kit, at least one appropriate fire extinguisher, a kit adequate to deal with any spillages (including bodily fluids), safely and without hazard to the driver, or other passengers
- contractors will provide Passenger Assistants as required by the Council
- contractors must arrive at the specified collection and drop-off points by the times stated in the Schedule of Journeys
- all taxi drivers and passenger assistants will be CRB checked (for work with adults and children)

7.2 **Contractual Issues** - The current contracts which were secured through approval of a waiver will run concurrently with the new procurement exercise, expiring 30 April 2013. The new procurement exercise will be an OJEU Open ITT process, commencing 1 February 2013. LBBD will commence the new framework with the successful suppliers on 1 May 2013.

The contract will be awarded for the maximum duration of a framework agreement (4 years). Given the nature of the service it is classified as a "Part A" service under the Public Contract Regulations 2006.

The opportunity to tender for this contract will be advertised on the Council Website and Contract Finder (a government portal aimed at small businesses and the voluntary and community sector groups). In addition officers will proactively target known providers of this service to alert them to the contract opportunity.

Tenders will be evaluated against a set criteria comprising of 50% for quality (20% mandatory and 30% technical questions) and 50% for price. Once providers have

been appointed to the framework calling off from this framework will take the form of a mini-competition each time a provision is required.

LBBD must ensure all taxi suppliers are signed up to and adhere to;

- the required level of insurances,
- the appropriate level of CRB checks,
- the required licences,
- all suppliers must be VAT registered.

The procurement will be overseen by the Elevate East London Procurement Team.

### 7.3 **Safeguarding Children**

Wellbeing of children in the borough – ensuring that potentially vulnerable children and young people are safely transported and, where appropriate, escorted, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.

Integrated service provision – the ability for children and young people to be safeguarded while transported to school allows them to experience services within the community in a safe way, thereby contributing to positive life chances, educational and social development.

**Background Papers Used in the Preparation of the Report: None**

**List of appendices: None**

## CABINET

22 January 2013

<b>Title:</b> Contract for Provision of Community Alcohol Services	
<b>Report of the Cabinet Member for Crime, Justice and Communities</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Jenny Beasley, Group Manager Commissioning	<b>Contact Details:</b> Tel: 020 8227 8423 E-mail: jenny.beasley@lbbd.gov.uk
<b>Accountable Divisional Director:</b> Karen Ahmed, Divisional Director Adult Commissioning	
<b>Accountable Director:</b> Anne Bristow, Corporate Director of Adult and Community Services.	
<p><b>Summary:</b></p> <p>The Community Alcohol Service provides interventions for vulnerable residents with alcohol support needs and their family members and carers. The Community Alcohol Service assists individuals experiencing problems with alcohol to fully recover from these problems to enable them to lead healthy, alcohol free lifestyles and improve their health and wellbeing that will increase their opportunities to make a positive contribution to society.</p> <p>The Health and Wellbeing Strategy and the Joint Strategic Needs Assessment (JSNA) are two of the key statutory documents that are produced by the Health and Wellbeing Board under the Health &amp; Social Care Act 2012<sup>1</sup>. The proposed Health and Wellbeing Strategy along with The Government's Alcohol Strategy and its implementation at a local level will encourage Local Authorities, NHS, Police and Crime Commissioners and other stakeholders to work together to improve the health and wellbeing of residents and reduce health and social inequalities. These new strategies and acts will also enable the partnership to use new powers and responsibilities to address local alcohol issues and reduce alcohol related health harms.</p> <p>In Barking and Dagenham residents are not as healthy as they could be; alcohol plays a significant part in ill health for many residents. Alcohol misuse is a sizable problem in the borough and is contributing to hospital emergency admissions, domestic violence as well as poor mental and physical health.<sup>2</sup></p> <p>The Borough's latest Joint Strategic Needs Assessment (JSNA) and local alcohol strategy successfully raises awareness of inter-dependant alcohol related harms throughout the partnership. The Health and Wellbeing Board and local Alcohol strategies will directly enable a unified strategy to take alcohol related problems forward. Utilising the JSNA will identify the health and wellbeing needs of the Borough, providing an evidence base for the planning and funding of local alcohol services and the required action to be taken by local</p>	

<sup>1</sup> HM Government (2012). Health and Social Care Act. 2012. London. <http://www.legislation.gov.uk/ukpga/2012/7/contents/enacted>

<sup>2</sup> LBBB Health & Wellbeing Strategy 2012 – 2015.

partners working together.

A key principle within the health and wellbeing strategy is the attainment and maintenance of good health is a team effort. This principle applies in reducing alcohol related harms within the Borough. It is essential that a partnership approach is taken in addressing the needs of the Borough's alcohol problems.

It is a reality that some people misuse alcohol; which has an adverse impact on their health and wellbeing and on the community in which they live. The JSNA in 2011 estimated that 26,646 (20.15% of adult population in B&D) were hazardous drinkers; with 5,708 (4.14% of adult population in B&D) estimated as harmful drinkers and 27,030 (19.7% of adult population in B&D) estimated binge drinkers. Barking and Dagenham has 17 wards, six of which have been identified as particular binge drinking hotspot areas and is ranked the twelfth highest in London for binge drinking.

Barking and Dagenham is also significantly higher than the national averages for alcohol attributable and related hospital admissions for both males and females; being ranked 260 and 273 respectively in the country.<sup>3</sup> The rate of hospital admissions by residents from Barking and Dagenham has been increasing above the London and England average since 2002.

There has been a 136% increase in the amount of people accessing alcohol treatment in Barking and Dagenham over the last three years, from 273 in 2009/10 to 643 in 2011/12, (JSNA 2011).

From 1 April 2010 to 31 March 2012 there were 1,181 referrals and 723 assessments carried out at the alcohol service. Between 1 April 2010 and 31 March 2012 there were 908 Barking & Dagenham residents in treatment for alcohol problems. Of this 908, 515 (75%) successfully completed treatment.

The current community alcohol service contract has reached its end. This report seeks agreement to re-tender the community alcohol service. The current contract expires on 31 May 2013 and has an annual value of £446,617.

### **Recommendation(s)**

The Cabinet is recommended to:

- (i) Approve the procurement of Community Alcohol Services, for a period of three years, with an option to extend for a further period of up to two years (dependent upon satisfactory performance and availability of funding) to a maximum value of £2,233,085, as detailed in the report; and
- (ii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content for the Corporate Director of Adult and Community Services, in consultation with the Head of Legal and Democratic Services and Divisional Director of Finance, to award the contract upon conclusion of the procurement process.

<sup>3</sup> The rank of the local indicator value among all 326 local authorities in England. A rank of 1 is the best local authority in England and a rank of 326 is the worst. For indicators 20 to 24, a rank of 1 is the highest and a rank of 326 is the lowest. Local Alcohol Profiles for England (2012). North West Public Health Observatory., Liverpool John Moores University.

## Reason(s)

To assist the Council and partners to deliver the priorities within the Health and Wellbeing Strategy:

- To reduce health inequalities.
- To promote choice, control and independence.
- To improve the quality and delivery of services provided by all partner agencies.

To assist the Council to deliver the following Policy House themes:

- Better together: through reducing criminal and anti-social behaviour and safeguarding children.
- Better health and well-being: through treatment and abstinence from alcohol misuse.
- Better future: through accessing prevention, education, training and employment opportunities as a holistic approach to alcohol misuse treatment.

## 1. Introduction and Background

- 1.1 Substance misuse is defined by the National Institute for Health and Clinical Excellence (NICE), as intoxication by, or regular excessive consumption of and/or dependence on psychoactive substances, leading to social, psychological, physical or legal problems. This definition relates to both legal and illegal substances.
- 1.2 There are an estimated 9 million people who drink above the levels of NHS guidelines, of which approximately 1.6 million have an alcohol dependence. There were 1million alcohol related violent crimes and 1.2 million alcohol related hospital admissions in 2010/11 costing society an estimate £21 billion annually<sup>4</sup>.
- 1.3 Locally the Borough is ranked 316 out of 326 Local Authorities for alcohol related recorded crimes<sup>5</sup>. The partnerships Crime & Disorder Strategic Assessment 2011 found that alcohol is a key driver of crime and disorder in the Borough.
- 1.4 The Government has estimated 645 troubled families in Barking and Dagenham who require tailored interventions; many of these are likely to have some level of alcohol and or substance misuse within the family.
- 1.5 Local Authorities and the new Health and Wellbeing Boards will be required to use the ring-fenced public health grant to address local public health problems, including reducing alcohol related health harms. Accordingly the proposed Health and Wellbeing Strategy aims to prevent fewer adolescents, young adults, adults and older people who problematically use alcohol. Prevention and treatment for young people are covered under a separate contract.
- 1.6 Research shows that along with higher unemployment and bankruptcy, an economic recession brings increased drinking of alcohol with heavy drinking and alcohol dependence significantly increasing as macroeconomic conditions

<sup>4</sup> HM Government (2012). The Governments Alcohol Strategy. London: Home Office. <http://www.homeoffice.gov.uk/publications/alcohol-drugs/alcohol/alcohol-strategy?view=Binary>

<sup>5</sup> Local Alcohol Profiles for England (2012). North West Public Health Observatory. Liverpool John Moores University.

deteriorate<sup>6</sup>. This will place more demand for alcohol treatment services in the borough during an economic downturn.

- 1.7 The community alcohol service contract is currently funded through a range of funding streams, with a total contract value of £446,617. The majority of the funding comes from the Public Health grant which is currently managed through the PCT. The Council also contributes towards the funding of the service. See para 2.13.
- 1.8 From April 2013 funding for alcohol services to reduce alcohol related harms and offending will be decided at a local level through Health and Wellbeing Boards from the ring-fenced public health grant. Barking and Dagenham are awaiting confirmation of the allocation of the Public Health grant for the Borough which was anticipated would be announced in December 2012.
- 1.9 The current community alcohol service provides a specialist alcohol misuse service to problem drinkers, their families and professionals working with such residents. This service includes advice, information, assessments, counselling, community detoxification, outreach, day programme, and interventions on reducing harm, family / carer services and Accident and Emergency and hospital liaison.

#### 1.10 **Outcomes**

The key outcomes for the joint Health and Wellbeing Strategy are:

- To increase the life expectancy of people living in Barking and Dagenham.
- To close the gap between the life expectancy in Barking and Dagenham with the London average.
- To improve health and social care outcomes through integrated services.

#### 1.11 The key outcomes for Barking and Dagenham Council forthcoming Alcohol Strategy are:

- Reduction in Alcohol related harm.
- Improved health outcomes for people misusing alcohol.
- A safer community with a reduction in victims of alcohol related crime.
- Preventing young people from drinking alcohol.
- Strong and resilient families that are able to meet their individual needs.

## 2. **Proposal and Issues**

- 2.1 To support local people to make lifestyle choices at an individual level which will positively improve the quality and length of their life and overall increase the health of the population.
- 2.2 A Borough where residents and visitors choose to drink alcohol in a safe and responsible manner and where harm from its effects are responded to quickly.
- 2.3 The community alcohol service contract will expire on the 31 May 2013. It is proposed that a new contract will be tendered and procured which will continue to

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<sup>6</sup> French, M.T., et al. Macroeconomic Conditions and Alcohol Consumption: When the Economy is Down, Alcohol Consumption Goes Up," Science Daily - October 13, 2011. <http://www.sciencedaily.com/releases/2011/10/111013091350.htm>



provide structured community alcohol recovery services, to commence on the 1 June 2013.

- 2.4 Barking and Dagenham ranks the 12<sup>th</sup> highest borough in London in terms of binge drinking. Synthetic estimates from 2007/2008 data show that there was a 49% increase from 2003-2005 estimates. This put the borough at the 10<sup>th</sup> lowest; however, prevalence still remains lower than the national average.
- 2.5 Alcohol related hospital admissions are highest among young couples with prosperous lifestyles. Young married couples in former council housing (4.30%), poor pensioners (5.92%) and middle income married couples (8.42%) had the lowest alcohol related admissions in the borough. Young couples with prosperous lifestyles as a whole constitute 11% of the households in the borough, whereas group1 (Younger married couples, council housing) and 8 (poorer pensioners, reliant on benefits) constitute 20% and 5.3% of the households respectively.
- 2.6 Residents who are alcohol dependent require clinical detoxification services, which are offered both in the community and on an in-patient basis. In 2010/11 107 residents completed a community detoxification (63 men and 44 women). In 2011/12 there were 11 alcohol in-patient detoxifications carried out and these 11 went onto residential rehabilitation to address their alcohol problems.
- 2.7 Since the 2001 Census the total borough population has increased by 22,000 residents, estimated population of 185,900. This represents a 13.4% increase. The Borough has the highest population percentage of those aged 0 to 19 at 31% in England and Wales. The greatest increase has been in the 0-4 year age group, which has risen by almost 50% from 12,500 in 2001 to 18,700 in 2011. This is the highest growth for this age group of any local authority in England and Wales. There has been a 20% decrease in the 65+ age group in the borough, which is the biggest decrease in London; however, life expectancy has increased from 77 to 79 years for males and 81.1 to 83.3 years for females.
- 2.8 The most significant changes in the Borough have been the increase in the Black African community from 4.4% in 2001 to 15.3% in 2011 and amongst the White Other cohort with an increase from 2.6% to 12.3% over the same period.
- 2.9 The emerging population growth and diversity within the Borough will place future demands on the alcohol service to meet residents' needs who will be from various international ethnicities and religions.
- 2.10 Future service provision will look to increase the number of residents engaged in alcohol treatment services from non white British backgrounds; making the service more reflective of the wider population.
- 2.11 The procurement of this service will achieve improved outcomes for residents focusing on reducing alcohol related harm by providing evidence based Information and Brief Interventions (IBA) in line with the Public Health Outcomes Framework and Barking and Dagenham Health and Wellbeing and Alcohol Strategies.

## Finance

- 2.12 From 1 April 2013, Public Health will be led by Local Authorities using the ring fenced Public Health Grant to improve health and tackle inequalities in their local area in line with the Public Health Outcomes Framework. The Council will have a new duty to take steps to improve the health and wellbeing of their population. The new responsibilities of local authorities will include commissioning local activity on Public Health which includes alcohol and drug misuse treatment and recovery services. In 2013/14 the Government will set public health ring fenced grants using a process that includes estimating the long term aim for the most efficient use of resources based on a formula set by an independent group of NHS managers, GPs and academics - currently the Advisory Committee on Resource Allocation (ACRA). From 1 April 2013, this grant will be passed directly to the Council via Public Health England.
- 2.13 Decisions of Local Authority & local NHS mainstream funding for alcohol provision will be agreed at local Health and Wellbeing boards. Indicative funding for 2013/14 is detailed below:

<b>Funding Source 2013/14</b>	<b>Value (£)</b>
Public Health Grant	£341,131
LB Barking and Dagenham mainstream	£105,486
<b>Total Value</b>	<b>£446,617</b>

- 2.14 The Public Health Grant for 2013/14 and 2014/15 was announced on 10 January 2013 and there is sufficient funding for this contract. In June 2012, the Department for Health published interim recommendations from the Advisory Committee on Resource Allocation (ACRA) which recommended allocating public health funding to Local Authorities based on a formula rather than baseline estimates of spending. The introduction of the formula is recommended for 2015/16 onwards and this could impact on the value of Barking and Dagenham's Public Health grant.

To alleviate the financial risk to the Council in future years the contract will have a break clause with a three month notice period.

- 2.15 Officers are currently drafting the alcohol service tender specification based on local needs analysis, evidence based interventions and best practice models provided by NICE, The Alcohol Learning Centre and Public Health England.

### 2.16 **Procurement Process**

This contract falls under the EU procurement category of health and social care and will be procured under Part B of the EU procurement process and in line with the Council's Contract Rules. This contract is also outside of the Elevate procurement arrangements.

The contract will be advertised on the Council's website at <http://www.lbbd.gov.uk/BUSINESS/CURRENTTENDERS/Pages/Tenders.aspx> and the Contracts Finder website: <http://www.contractsfinder.businesslink.gov.uk>.

## 2.17 **Tender Evaluation**

The evaluation of tender submissions will be based on a quality: cost matrix of 70:30.

2.18 Prospective tender candidates will be advised of these weightings beforehand. This will enable a fair and even handed approach to be taken. Prior to award of the contract an evaluation of the price will be carried out to ensure that provider organisations tendering for the contract provide value for money and fair and competitive prices that are consistent with the service specification and the services required to be delivered.

2.19 In addition, tenders will be designed to ensure compliance with grant funding conditions from all agencies and the Public Health England and local Health and Wellbeing Outcomes Framework.

## 2.20 **Tender Timetable**

Outline tender timetable for the Community Alcohol service (all dates are provisional and subject to change).

<b>Action</b>	<b>Date</b>
Cabinet approval	22 January 2013
Advertise	28 January 2013
Expressions of interest to be returned	11 February 2013
Evaluate returns	15 February 2013
Invitation to Tender to be sent out	18 February 2013
Tenders to be returned	18 March 2013
Interviews to be conducted	29 March 2013
Approval from Chief Officer and 10 day standstill period	5 April 2013
Contract Award	15 April 2013

2.21 Contracts will be awarded to the successful provider for a period of three years, with an option to extend for a further period of up to two years dependent upon satisfactory performance and availability of funding. The total contract value for the Community Alcohol service over five years is estimated up to a value of £2,233,085. If the contract is not extended beyond the initial three years period, then the total contract value over this period is estimated up to a value of £1,339,851. These contract values are dependent on allocations received from Public Health England (PHE) through the Public Health Grant.

## 3. **Options Appraisal**

3.1 **Option1** - Tender for a three year term contract; with the option of up to a two year extension subject to satisfactory performance. This is the preferred option to provide the community alcohol service.

3.3 **Option 2** - Do nothing/disinvest in community alcohol treatment services – if the contract is not tendered these services will cease and customer needs will not be met. This is vitally important as the demand for alcohol services has increased year on year since 2009/10. Not having these services will accordingly impact beyond individual alcohol misusers themselves and onto the local community, increasing multiple disadvantages amongst residents with alcohol problems, for example in

relation to poor health and wellbeing, alcohol related crime, alcohol related hospital admissions, public health and opportunity losses in employment and education.

#### **4. Consultation**

- 4.1 There is a commitment to working with all members of LBBDD diverse communities and understanding the prevalence and impacts of alcohol on specific groups. We will use a range of communication approaches to ensure all groups are offered equal access to alcohol services. This will be carried out through the commissioning cycle process and include service user involvement. Consultation with service users through the community alcohol service annual review (October 2012) reported that residents would like more information about the options of alcohol treatment available to them and more communication about reducing alcohol related harm to individuals and family members.

#### **5. Financial Implications**

Implications completed by: Dawn Calvert, Finance Group Manager

- 5.1 Due to financial constraints it is necessary to tender within the budgets and funding the Council receives, as there is no additional capacity available. Members should be aware that agencies may choose to reduce or stop these funding streams.
- 5.2 The contract for provision of Community Alcohol Services is jointly funded between the Council's General Fund and the Public Health Grant. The Public Health Grant for 2013/14 and 2014/15 was announced on 10 January 2013 and there is sufficient funding for this contract. The Public Health Grant is a ring fenced grant and expenditure will have to be accounted for on an annual basis.

#### **6. Legal Implications**

Implications completed by: Bimpe Onafuwa, Solicitor – Contracts and Procurement

- 6.1 This report is seeking Cabinet's permission to tender the contract for community alcohol services which provides alcohol services and interventions for vulnerable residents with alcohol support needs and their family members and carers. It is proposed that the contract will be for a three year period, but with an option to extend for a further period of up to two years.
- 6.2 The Public Contracts Regulations allows local authorities to enter into a contract with a service provider, following a competitive tendering process.
- 6.3 The particular service to be procured in this report is classified as a Part B service and therefore not subject to the strict tendering rules in the Public Contract Regulations. However, due of the value of the contract which is stated to be approximately £1,338,000 over the initial three years contract term, the Council, in conducting the procurement, still has a legal obligation to comply with the relevant provisions of Rule 3 of the Council's Contract Rules and with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in procuring the contracts.
- 6.4 The report sets out in paragraph 2.20 the tender timetable for the procurement of

this service. The contract is to be advertised in January 2013 with the expectation that expressions of interest will be returned by potential bidders in February 2013. Following the evaluation of these, relevant bidders will be invited to tender for the contract, with a view to appointing a preferred bidder and awarding the contract in April 2013.

- 6.5 The report also states that the tender is also to be advertised on a few websites, including the Council's website. In keeping with the EU Treaty principles noted above it is appropriate that the Council publicises the contract in a manner that would allow any providers likely to be interested in bidding for the contracts identify the opportunity and bid for the contracts should they wish to do so. The EU Treaty principles noted above generally encourage the advertisement of contracts in a manner that would allow any providers likely to be interested in bidding for the contracts identify the opportunity and bid for the contracts, should they wish to do so.
- 6.6 In deciding whether or not to approve the proposed procurement of the contract, Cabinet must satisfy itself that the procurement will represent value for money for the Council.
- 6.7 Contract Rule 13.3 provides delegated authority to the commissioning Corporate Director, in consultation with the Section 151 Officer, to approve the award of a contract upon conclusion of a duly conducted procurement exercise, in the absence of direction to the contrary from Cabinet.
- 6.8 The Legal Practice confirms that there are no legal reasons preventing Cabinet from approving the recommendations of this report.

## **7. Other Implications**

- 7.1 **Risk Management** - The commissioning of the alcohol treatment services is based on a sound needs assessment, national and local alcohol strategies thereby reducing the risks associated with commissioning.

Risks associated with the procurement process will be mitigated by ensuring European Union, (EU), rules and Council procedures are followed in commissioning this service.

All potential providers will be assessed for financial viability before progressing to the tender stage. The procurement process and the 70:30 balance between quality and price in the evaluation of tenders are designed to ensure that only competent providers progress to the final stage.

Formal quarterly performance and contract monitoring meetings of the service will take place once it is in place. This includes start up reviews, annual reviews, audits, service user and professional's consultation and informal reviews by Adult and Community Services and the Community Safety Partnership.

Not commissioning the service carries significant risk in terms of outcomes for residents and the borough as outlined above at Option 2 and below in 7.4.

- 7.2 **Contractual Issues** - The existing contract is due to finish on the 31 May 2013 with the new contract in place on the 1 June 2013. EU and Council procurement procedures will be followed to enable to a fair competitive tendering process.
- 7.3 **Staffing Issues** - There are no TUPE implications for LBB staff; however, there are potential contractor to contractor TUPE implications.
- 7.4 **Customer Impact** – An annual service review and needs analysis has been carried out on community alcohol service treatment and provision that will feed into the procurement of the community alcohol service. The review and needs analysis has shown a year on year increase in the demand for alcohol treatment and services. Through the analysis of data and the annual review it is known that there has been good work done in engaging with the white male population. Areas that need improvement are engaging with the black and minority ethnic groups and groups that have disabilities along with working with GP's in the borough.
- 7.5 **Safeguarding Vulnerable Adults and Children** - Robust safeguarding policies and procedures will be evidenced as part of the procurement process including compliance with local safeguarding procedures. The community alcohol service is a specialist service that is an integral element of the local suite of services available to residents and connects strongly with the priorities within the Health and Wellbeing Strategy and the work of the Barking & Dagenham Adults Safeguarding Team, as well as the corporate priorities of the council as listed within the policy house. There are robust referral pathways between substance misuse services and the local adults safeguarding team and social services. All staff in adult substance misuse treatment services are qualified to recognise child protection issues. Whilst staff have a duty to respect and protect the confidentiality of service users which is both professional and a legal responsibility; complete confidentiality cannot be guaranteed. There may be cases when it is lawful to break confidence, there are situations that might arise where confidential information may need to be shared; for example in an emergency where there is a risk to the client or others.

All commissioned voluntary and statutory sector organisations must have their own safeguarding and child protection policies in place. Evidence of these is gathered at tender stage and then through contract monitoring and auditing processes. Case files are audited by commissioners to ensure best practice is routinely undertaken.

All agencies commissioned to work with adults and young people are aware of LBBD safeguarding procedures and must adhere to incident reporting as part of their contractual obligations.

- 7.6 **Health Issues** – Reducing alcohol related harm at all levels is important for individuals, communities and society. Lost productivity due to alcohol costs the country about £7.3 billion, with alcohol harm costing the NHS about £3.5 billion per year<sup>7</sup>. Furthermore addressing alcohol consumption amongst adults and young people will reduce chronic health problems in the future for example liver disease. The Joint Strategic Needs assessment highlighted that there were particular local issues relating to alcohol misuse including alcohol related hospital admissions. There is a body of evidence which demonstrates the connection between alcohol

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<sup>7</sup> National Treatment Agency. Making Recovery Real: the public health future of drug and alcohol treatment conference: 15.10.12

and increased likelihood of chronic liver disease, coronary heart disease as well as the increased accidental injuries and increased frequency of domestic violence.

- 7.7 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 requires local authorities to take account of the crime and disorder impact of all their functions, decisions and policies. The Act was revised in 2006 and a new provision was made under Section 17. This directly relates to the harm caused by drug and alcohol misuse.

Substance misuse has a high correlation to anti-social and criminal behaviour. The borough has one of the highest rates of alcohol related crime in London and England. Criminal records acquired by both adults and young people act as a barrier for future employment thereby contributing to cycles of offending behaviour and welfare costs for the Local Authority. Therefore the provision of community alcohol services will make a positive contribution to community safety within the borough. It will achieve this through providing brief interventions, education and prevention, treatment and support that will reduce offending and enable residents to lead healthy alcohol free lifestyles and improve their health and wellbeing that will increase their opportunities to make a positive contribution to the Borough and society.

- 7.8 **Property / Asset Issues** - The current provider currently operates from the community alcohol service in Linton Road, Barking. These premises are on a lease arrangement with the current provider who is responsible for the lease. There is the potential for a shared use of the building and negotiated change of leaseholder and this will be detailed in the service specification with details of rental costs.

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

- Improving outcomes and supporting transparency: a public health outcomes framework for England, 2013-2016 (DoH, 2012)
- Healthy Lives, Healthy people: Our strategy for public health England (Department of Health white paper, 2010)
- HM Government (2012). The Government's Alcohol Strategy. London: Home Office. <http://www.homeoffice.gov.uk/publications/alcohol-drugs/alcohol/alcohol-strategy?view=Binary>
- Local Alcohol Profiles for England (2012). North West Public Health Observatory. Liverpool John Moores University.
- Barking and Dagenham Joint Strategic Needs Assessment 2011
- Children and Young People's Plan 2011 – 2016 (LBBD)
- Barking and Dagenham Alcohol Strategy 2013 – 2016 (Unpublished until 2013)

**List of appendices:** None

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