

Notice of Meeting



CABINET

Tuesday, 21 May 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

Date of publication: 13 May 2013

Graham Farrant
Chief Executive

Contact Officer: Alan Dawson
Tel. 020 8227 2348
E-mail: alan.dawson@lbbd.gov.uk

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 16 April 2013 (Pages 1 - 4)

4. Revenue and Capital Provisional Outturn 2012/13 (Pages 5 - 42)

5. Manor Road Sports Ground, Manor Road, Dagenham - Grant of New Lease (Pages 43 - 69)

6. Land Appropriation at Goresbrook Village (Pages 71 - 75)

7. Calendar of Meetings 2013/14 (Pages 77 - 80)

8. Barking Riverside - Riverview Secondary School Infrastructure Front Funding (Pages 81 - 100)

Appendices C and D to the report are contained in the private and confidential section of the agenda as they include information exempt under paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972.

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

10. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the Cabinet, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

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

CABINET

Tuesday, 16 April 2013
(5:00 - 5:14 pm)

Present: Councillor J L Alexander (Chair), 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

Apologies: Councillor L A Smith and Councillor R Gill

125. Appointment of Chair

In the absence of the Chair and Deputy Chair, Councillor Alexander was appointed as chair for the meeting.

126. Declaration of Members' Interests

The following declarations of non-pecuniary interests were made:

- Councillor Alexander - item 5 (Demand for School Places - Proposed Investment Strategy) - Council-appointed Governor of Eastbury Comprehensive School;
- Councillor Geddes - item 5 (Demand for School Places - Proposed Investment Strategy) - Council-appointed Governor of Barking Abbey Comprehensive;
- Councillor McCarthy - item 5 (Demand for School Places - Proposed Investment Strategy) and item 6 (Proposed Transfer of Land at Robert Clack School (Gosfield Road site) to All Saints School and Technology College) - Diocese-appointed Governor of All Saints School and Technology College;
- Councillor White - item 5 (Demand for School Places - Proposed Investment Strategy) and item 6 (Proposed Transfer of Land at Robert Clack School (Gosfield Road site) to All Saints School and Technology College) - Council-appointed Governor of Robert Clack Comprehensive;
- Councillor P Waker - item 9 (Award of Contract for Provision of Taxi Services for Children with Special Educational and Complex Needs) - received hospitality in March 2012 from one of the bidders for the contract.

127. Minutes (19 and 26 March 2013)

The minutes of the meetings held on 19 and 26 March were confirmed as correct.

128. Modernisation of Cashiering Services (Phase 2)

Further to Minute 146 (24 April 2012), the Divisional Director of Finance introduced a report on proposals to withdraw face-to-face cashiering services at the Civic Centre by the end of August 2013 under the second phase of the Cashiering Service Modernisation Programme.

The Divisional Director explained that phase one of the programme related to the closure of cashiering services at Barking Learning Centre from 1 June 2012 and he confirmed that the implementation of phase two would be dependent on the alternative arrangements, as described in section 2 of the report, being in place.

In respect of the reduction in staffing levels as a result of the proposals, the Cabinet Member for Adult Services and Human Resources stated that she had been advised earlier in the day that the remaining ten staff had been notified by Elevate East London, who took over the service under the joint venture partnership with the Council, that all ten posts would be deleted. The Divisional Director referred to the statement at paragraph 7.2 of the report that the restructure plans would see the establishment figure reduce to eight but Elevate's Head of Benefits advised that the remaining ten staff would indeed be in a potential redundancy situation.

In view of the uncertainty regarding the staffing position, Cabinet agreed to **defer** consideration of the proposals to its next meeting and asked officers to ensure that the report to that meeting set out the exact position.

129. Demand for School Places - Proposed Investment Strategy

Further to Minute 51 (13 November 2012), the Cabinet Member for Children's Services presented a report on the progress of various school expansion projects aimed at addressing the demand for school places in the Borough, together with potential expansion projects at several secondary schools via funding available under the Department for Education (DfE) Targeted Basic Need Programme and 16 to 19 Demographic Capital Growth Fund.

The Council had received £28.1m under the Basic Need Allocation for 2013 to 2015 and it was noted that a further report would be presented to Cabinet on the schemes to be progressed from that allocation. The Cabinet Member advised that the allocation was approximately £12m below the Council's projection of the cost of creating a sufficient number of new places to meet demand. As a result, it was proposed to bid for additional funding for specific projects at Barking Abbey, Eastbury and Robert Clack Comprehensive Schools via the Government's Targeted Basic Need Programme and a further bid relating to Barking Abbey via the 16 to 19 Demographic Capital Growth Fund. The report also set out proposals in respect of an area of land owned by the Greater London Authority (GLA) which would be required as part of the Robert Clack expansion project.

In respect of the funding already set aside to support current projects, the Corporate Director of Children's Services undertook to provide the Cabinet Member for Environment with confirmation of the precise funding for the All Saints School and Technology College project referred to in paragraph 2.3 of the report.

Cabinet agreed:

- (i) To note the allocation of the Basic Need Grant Funding of £28,104,818 from the DfE to help address the need for additional school places and that a further report would be presented to Cabinet once specific schemes had been identified;
- (ii) The bid programme as set out at paragraph 4 of the report in respect of the Targeted Basic Need Programme, which met with the original strategy approved by Cabinet on 13 November 2012 and was recommended following consultation with all schools;

- (iii) The bid proposal, as set out at paragraph 5 of the report, in respect of the 16 to 19 Demographic Capital Growth Fund 2013-15, and noted that the project for Barking Abbey was included in the original strategy document approved on 13 November 2012 and was recommended following consultation with all Secondary Schools and Trinity School;
- (iv) The purchase of the land known as the Eldonwall site, as shown hatched on plan LOC10 attached as Appendix 1 to the report, to facilitate the expansion of Robert Clack School as detailed in paragraph 2.8 of the report, subject to agreement of terms with the GLA and advice from the Council's asset management and legal services; and
- (v) The inclusion in the 2013/14 Capital Programme of the School Improvement Grant for capitalised repairs from the DfE in the sum of £3,633,262, to support the improvement of condition and modernisation of the Borough's schools and the wider Children's Services property portfolio.

130. Proposed Transfer of Land at Robert Clack School (Gosfield Road site) to All Saints School and Technology College

The Cabinet Member for Children's Services reported on the proposed transfer of an area of land measuring 1714 m² at Robert Clack Comprehensive School, Gosfield Road site, to the Diocese of Brentwood to facilitate the expansion of All Saints School and Technology College from 180 to 240 pupils per year group.

Cabinet agreed:

- (i) The disposal of the freehold interest in the land shown hatched on plan 916 SK14 attached as Appendix 1 to the report, in favour of the Diocese of Brentwood for the sum of £20.00 only, subject to the approval of the Secretary of State for Education; and
- (ii) To authorise the Head of Legal and Democratic Services to enter into all necessary legal documents on behalf of the Council to secure the disposal.

131. Disposal of 89 Axe Street, Barking

The Divisional Director of Finance introduced a report on the proposed sale of 89 Axe Street which was now considered surplus to the Council's requirements as office accommodation.

Cabinet agreed:

- (i) The disposal of 89 Axe Street, Barking, on the terms set out in the report;
- (ii) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services, to negotiate terms for the disposal of the freehold interest in the property; and
- (iii) That a further report be presented setting out the offers received in order for Cabinet to agree a successful purchaser of the property.

132. Adoption of Powers under London Local Authorities Act 2007 - Mail Forwarding Businesses

The Corporate Director of Housing and Environment introduced a report on proposals for the Council to require local mail forwarding businesses to register with the Council.

The Corporate Director explained that a mail forwarding business was one that used a 'P.O. Box' address for the receipt of post and whilst the majority of mail forwarding businesses were legitimate, the anonymity associated with a P.O. Box address was often used by those with criminal intentions.

Cabinet **agreed to recommend the Assembly to resolve:**

- (i) That the Council adopts the provisions of section 75 of the London Local Authorities Act 2007 to require mail forwarding businesses in the Borough to register with the Council from the appointed day;
- (ii) That the appointed day from which the measures would take effect be 16 June 2013; and
- (iii) That the fee for the registration of mail forwarding businesses be set at £110 for 2013/14, to be reviewed annually.

133. Award of Contract for Provision of Taxi Services for Children with Special Educational and Complex Needs

(Councillor Waker advised that in view of his non-pecuniary interest in the matter he would take no part in the discussions and he left the meeting prior to the consideration of the report.)

Further to Minute 83 (22 January 2013), the Cabinet Member for Children's Services presented a report seeking authority for the commissioning Chief Officer to approve the appointment of bidders to the Framework Agreement for the provision of taxi services for children with special educational and complex needs, in order for new contractual arrangements to be in place prior to the expiry of the current contractual arrangements.

Cabinet **agreed** to authorise the Corporate Director of Children's Services, in consultation with the Cabinet Member for Children's Services, the Chief Financial Officer and the Head of Legal and Democratic Services, to approve the appointment of the successful bidders onto the Framework Agreement upon conclusion of the procurement process and to execute all contracts relevant to the procurement.

CABINET

21 May 2013

Title: Revenue and Capital Provisional Outturn 2012/13	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Steve Pearson, Group Accountant, Corporate Finance	Contact Details: Tel: 020 8227 5215 E-mail: steve.pearson@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary</p> <p>The Council's revenue outturn (subject to final accounting entries) is a net spend below budget of £3.1m against a net revenue budget of £177.4m (1.7%). The final position is provisional pending the full closure of the Council's accounts, as the Statement of Accounts is to be drafted and then subject to external audit.</p> <p>The 2012/13 net spend below budget of £3.1m has resulted in the GF balance increasing from £14.3m to £17.4m.</p> <p>This provides an improvement in the Council's financial position beyond the £15m General Fund balance target identified in the report to Assembly in February 2013 on the Budget for 2013/14 by the Divisional Director of Finance</p> <p>The revenue outturn figures have been calculated after taking into account roll forward requests contained in Appendix D of the report.</p> <p>The Housing Revenue Account (HRA) generated a surplus of £0.2m which has been transferred to HRA balances (which are ring-fenced). The surplus increases the reserves position from £8.3m to £8.5m at 31 March 2013.</p> <p>Capital spend of £84.3m was incurred in 2012/13 against the revised capital budget of £110.9m. Underspends on capital projects are requested to be rolled forward and are included in Appendix E of the report. An update and request for approval of further funding is also provided for the Lawns and Wood Lane elderly persons' bungalows.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the provisional outturn position for 2012/13 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.9 of this report and in Appendix A;
- (ii) Note the provisional outturn against the 2012/13 savings targets in paragraph 2.10 of this report and in Appendix B;
- (iii) Note the provisional outturn position for the HRA as detailed in paragraph 2.6 of the report and in Appendix C;
- (iv) Approve the requests to roll forward revenue budgets into 2013/14 and the resulting budget amendments contained in appendix D of the report;
- (v) Note the provisional outturn position for 2012/13 of the Council's capital budget as detailed in paragraph 2.11 of the report and Appendices E and F;
- (vi) Approve the requests to roll forward slippage in capital projects to 2013/14 as contained in Appendix E;
- (vii) Approve an increase in the overall budget for the provision of elderly persons' bungalows on Council-owned sites at The Lawns and former Wood Lane Sports Centre from £5.5m to £8.793m to fund the additional costs referred to in paragraph 2.11, the increase to be funded by additional HRA funding; and
- (viii) Approve the 2013/14 budget adjustments detailed in paragraph 2.12 of the report.

Reason(s)

As a matter of good financial practice, the Cabinet should be informed of the final outturn and performance of the Council's Revenue and Capital resources. Knowledge of the variances from planned budgets will assist members in making sound future decisions.

1 Introduction and Background

- 1.1 This report provides a summary of the Council's General Fund and Housing Revenue Account (HRA) revenue and capital provisional outturn positions for 2012/13. Good financial management has meant that the General Fund balance has increased by £3.1m to £17.4m. This position includes the achievement of £18.5m of in-year savings targets that represented a significant challenge for the Council.
- 1.2 For comparison with 2011/12, the Final Outturn report to Cabinet on 26 June 2012 reported that, as at 31 March 2012, General Fund balances stood at £14.3m. This was an increase of £3.5m on the position at 31 March 2011.
- 1.3 It is important that the Council monitors its revenue and capital budgets regularly to ensure good financial management. This involves monitoring the Council's financial results on a monthly basis through briefings to the Cabinet Member for Finance and monthly monitoring reports to Cabinet. This ensures Members are regularly

updated on the Council's overall financial position and enables the Cabinet to make sound financial and operational decisions.

1.4 The last Budget Monitoring Report for 2012/13 was presented to Cabinet on 19 March 2013 covering the period April 2012 to January 2013. It projected a contribution to the General Fund balance of £2.7m resulting in a projected final balance of £17.0m as at 31 March 2013.

1.5 This report is based upon the core information contained in the Oracle general ledger system supplemented by examination of budgets between the budget holders and the relevant Finance teams. In addition, there is an extensive capital monitoring process to ensure capital outcomes are met. The position in this report may be subject to change as the Council finalises the entries required to produce the statutory Statement of Accounts, and that Statement will be subject to review by external audit over the summer.

2 Overall Outturn Position

2.1 The Directorate revenue outturn is a net spend below budget of £3.1m at the end of the financial year 2012/13. This has resulted in the Council's General Fund (GF) balance increasing beyond the target of £15.0m. The Chief Finance Officer has a responsibility under statute to ensure that the Council maintains appropriate balances.

2.2 In the report to Assembly regarding the setting of the 2013/14 annual budget and Council Tax, the Chief Finance Officer, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003, set a target GF reserves level of £15.0m. The General Fund balance at 31 March 2012 was £14.3m and the current balance for the end of the financial year is £17.4m.

The outturn position for 2012/13 across the Council for the General Fund is shown in the table below.

Council Summary	Net Budget £'000	Provisional Outturn 2012/13 £'000	Over/(under) Budget £'000
<u>Directorate Expenditure</u>			
Adult and Community Services	63,981	63,973	(8)
Children's Services	69,961	69,974	13
Housing and Environment	24,146	24,110	(36)
Finance and Resources	20,140	19,944	(196)
Chief Executive	784	350	(434)
Central Expenses	(1,633)	(4,082)	(2,449)
Total Service Expenditure	177,379	174,269	(3,110)

The GF outturn is shown by Service in Appendix A, and after taking into account roll forwards requested in Appendix D of the report.

The Council's Total Service Expenditure (Net Budget) is unchanged since Month 10. There have been changes between Services primarily due to capital charges adjustments. These changes do not impact on the Services' controllable budgets.

At the 31 March 2013, the HRA had a net spend below budget of £0.2m resulting in an increased HRA reserve of £8.5m.

	Balance 1 April 2012 £'000	Balance 31 March 2013 £'000	Target Balance 31 March 2013 £'000
General Fund	14,346	17,456	15,000
Housing Revenue Account (including Rent Reserve)	8,269	8,461	8,269

The HRA outturn is shown by statutory categories in Appendix C.

2.3 Directorate Performance Summaries

The Directorates' outturn performances are outlined in the paragraphs below.

2.4 Adult and Community Services

	Outturn 2011/12	Budget 2012/13	Outturn 2012/13	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	64,366	63,981	63,973	(8)	(0.1)

The Adult and Community Services directorate has forecasted throughout the year to break-even and has come in slightly under budget at this year-end outturn position.

This has been achieved through robust financial monitoring and successful management of a number of key challenges during the financial year. This includes delivering a challenging savings target of £3,392k (alongside a further £370k of Senior Manager & Policy Team savings) built into the 2012/13 budget. The directorate successfully secured social care grant funding, re-ablement and winter pressures funding following protracted negotiations with the outgoing PCT. Culture and Sport had a busy and challenging year, delivering a range of Olympic events and activities as well as maintaining business as usual. The service also successfully levered in £2.235m of external funding in 2012-13.

2.5 Children's Services

	Outturn 2011/12	Budget 2012/13	Outturn 2012/13	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	69,729	69,961	69,974	13	0.1

The Children's Service has delivered a broadly balanced budget for 2012/13. However it is important to note that this balanced position is masking increasing pressure within the Complex Needs and Social Care divisions. This division has overspent by £13k, an increase of £13k on last year.

Service activity is being tracked monthly and is a clear indicator of increased demand and risk. Referral activity has increased consistently since the end of 2012 and shows no signs of reducing, which suggests more of a trend rather than a one-off spike in demand. There were 1,144 core assessments completed in 2012/13 which was over twice as many as 2011/12. Section 47 child protection investigations increased by 37 %, from 514 in 2011/12 to 706 in 2012/13.

There was some encouraging news however. At the end of 2012/13 the number of children in care was 421 compared to 427 in March 2012. There are a number of factors that have contributed to the fall, but in particular the 'edge of care' initiatives the Service has developed through their Access to Resources team.

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. In 2012/13 DSG of £196.1m was received with £20.4m being retained centrally. Final closure of the schools accounts is underway and the figure shown in Appendix A for transfer to the DSG reserve is likely to change. However, there will be no effect on the overall figure for Children's Services and the Council's overall net spend.

2.6 Housing and Environment

	Outturn 2011/12	Budget 2012/13	Outturn 2012/13	Variance	
	£'000	£'000	£'000	£'000	%
General Fund - net expenditure	23,579	24,146	24,110	(36)	(0.1)
Housing Revenue Account (HRA) net expenditure	(2,351)	0	(192)	(192)	n/a

Housing and Environment General Fund

The Housing and Environment General Fund budget final outturn is an overall net spend below budget of £36k. There was net spend over budget of £250k in the Housing General Fund (GF) which was more than offset by a net spend under budget of £286k within Environmental Services. This is a positive movement of £186k compared to the forecast position as at period 10. However, there still remain significant long term pressures within the Directorate's budget which need to be managed.

In Housing GF the main pressure is in relation to the high numbers of homeless placements in temporary accommodation, specifically within Bed and Breakfast. These placements are a significant cost to the Council, mainly due to the Housing Benefit cap on this type of accommodation. Other factors outside the Service's control have aggravated this position. Examples of these factors are a higher than anticipated increase in demand for homeless placements, and the market conditions prevailing within the private sector rented market.

This pressure has been mitigated in-year by greater use of HRA temporarily void (decant) properties and by taking steps to make the Council more competitive in the private sector market. Due to the nature of the risk, the position continues to be monitored closely to ensure the level of risk is understood and mitigated going forward.

In Environmental Services a pressure of £2m in year has been managed through a combination of many factors: a freeze on non-urgent spend such as road repairs, keeping posts vacant, the strong performance of the street trading account, one-off income generated through facilitating TFL work in Renwick Road, and successfully achieving more grants towards parks events. The Service has also developed action plans to mitigate some pressures permanently and is making progress in implementing them.

The position includes a proposed transfer to earmarked reserves of £70k for the purpose of using DEFRA funding received in year for the preparation of a Flood Risk Strategy.

The Directorate delivered £1,981k of its 2012/13 saving target of £2,331k. This is mainly due to significant pressures facing the Housing GF as mentioned above, which in turn affects the deliverability of the £350k saving for CUS/SAV/10 (see below). Housing has sometimes struggled to compete with neighbouring Councils to secure PSL (private sector lease) accommodation as those authorities had the strategic advantage of being able to offer higher financial incentives. The Service sought to address this during the year and so will be looking to gain back some of the advantage going forward. The £250k adverse variance across all Housing GF services includes this £350k pressure on homelessness.

Housing Revenue Account (HRA)

2012/13 has been a transitional year for the Housing Revenue Account, being the first with the new self-financing regime. A lot of preparatory work has been done towards the implementation of the capital investment programme as well as bringing in-house the repairs function. It has also implanted the localities structure which has allowed more streamlined budgeting.

The HRA has maintained a strong cash balance which it has partly built up by re-using decanted void properties to ease temporary accommodation pressures within the General Fund. Overall the HRA has increased its balances by £192k.

The HRA final outturn is a surplus of £192k in 2012/13, compared to a forecasted £200k surplus as reported in Period 10. There are some areas where budget pressures are being mitigated by additional income generated, or maximising interest income.

Income

There was a favourable net rental surplus of £750k, mainly arising from the short term renting of decanted properties for temporary accommodation. In addition, there was income from higher than anticipated water charges of around £200k, additional Leasehold income of £150k due to higher collection rates by Elevate. There was also £64k primarily from additional right to buy income.

The HRA also benefitted from an estimated additional £548k of interest on cash balances. This unanticipated income has helped to offset a £130k pressure due to delays in implementation of the Garage strategy, and pressure of £350k in respect of service charges not charged to decant properties.

Adding all items together, the net favourable variance in the income budgets was £1.232m.

Expenditure

There was a net pressure of £538k in relation to additional work required to implement the new Repairs & Maintenance (R&M) service contract. This will become an in-house operation and will lead to annualised savings in future greater than any implementation costs. These costs are currently being managed within the overall R&M budget within the HRA.

Other pressures were:

- a one- off charge from the Housing Strategy team for the additional work involved in the implementation of the new HRA Business Plan and asset management strategy of £200k;
- staffing spend above budget of £294k; and
- Increased transport costs of £170k.

Items off-setting these pressures were:

- complementary to the interest earned on improved cash flow due to the extended capital programme, interest of £391k on predicted borrowing in 2012/13 of £8.5m for the Decent Homes capital programme did not need to be paid.
- a reduced estimate for in-year debt write offs by £361k and council tax voids by £410k, reduced the total pressure on HRA expenditure.

A payment was also made to the General Fund of £1m for the transfer of The Lawns and Wood Lane land. Adding all these items together, the net unfavourable variance in the spend budgets was £1.040m.

HRA Balance

When put together with the favourable variance from the income budgets, the overall impact is that the net spend is a surplus of £0.2m. The HRA maintains revenue reserves balance of £8.3m. Currently it is anticipated that this £0.2m surplus would be used to increase the balance to £8.5m.

The budgeted contribution to capital resources of £36.7m has been made without variation.

The detailed HRA is provided in Appendix C.

2.7 Finance and Resources

	Outturn 2011/12	Budget 2012/13	Provisional Outturn	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	24,510	20,140	19,944	(196)	(1)

The Finance & Resources Directorate outturn for 2012/13 is currently showing a £196k net spend below budget.

Various net spends below budget across the different services have mainly been achieved by maintaining vacant posts (partly due to premature delivery of 2013/14 savings) and tight control over non-essential expenditure. These controls enabled the Directorate to deal with pressures which arose due to the under-recovery of court cost income in Revenues & Benefits of £648k, as reported in Period 10.

2.8 Chief Executive

	Outturn 2011/12	Budget 2012/13	Provisional Outturn	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	(216)	784	350	(434)	(55.4)

The Chief Executive Directorate had a net spend below budget of £434k. This was mainly due to services making transitional arrangements to deliver agreed 2013/14 savings e.g. keeping posts vacant which are due to be deleted and over achievement of income targets.

For 2012/13 the Directorate had a total savings target of £2,300k (see appendix B). A shortfall in delivery of £136k occurred in respect of the HR targets but this was managed this year by reductions in other expenditure.

2.9 Central Expenses

	Outturn 2011/12	Budget 2012/13	Provisional Outturn	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	(1,941)	(1,633)	(4,082)	(2,449)	(130.0)

Significant savings were achieved against the budget for interest payments, a refund of previously paid VAT and the centrally held contingency. The outturn position includes budgeted contributions to reserves of £3.0m, including £2m to fund projects that will give future revenue savings. In addition there is £3m contributed towards capital financing.

2.10 2012/13 In-Year Savings Targets

The delivery of the 2012/13 budget was dependent on meeting a savings target of £19.0m. Directorate outturns are summarised in the table below.

Directorate Summary of Savings Targets	Target £'000	Outturn £'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	350
Finance & Resources	2,591	2,591	-
Chief Executive	2,300	2,164	136
Central Expenses	5,000	5,000	-
Total	19,024	18,538	486

The reason for any savings shortfalls have been included in the Directorate outturns set out in sections 2.4 to 2.9 above. A detailed breakdown of savings is provided in Appendix B.

2.11 Capital Programme

The Capital Programme had a £26.6m net spend below budget due largely to slippage on various schemes. The table below shows the summary position:

Directorate Summary of Capital Expenditure	Original Budget £'000	Revised Budget £'000	Outturn 2012/13 £'000	Variance £'000
Adult & Community Services	4,472	6,205	4,163	(2,042)
Children's Services	47,212	37,507	31,779	(5,728)
Housing & Environment	64,931	51,486	38,941	(12,545)
Finance & Resources	25,223	15,739	9,435	(6,304)
Capitalisation directive	3,000	-	-	-
Total	144,838	110,937	84,318	(26,619)

A detailed capital outturn by scheme together with roll forward requests is included in Appendix E. Variances by area are summarised below:

Adult & Community Services

- Community Services, Heritage & Libraries - (£276k) underspend
- Leisure & Olympics - (£1,766k) underspend

Children's Services

- Schools - (£1,891k) underspend
- Other schemes - (£3,837k) underspend

Housing & Environment

- Housing Revenue Account - (£12,426k) underspend
- Housing General Fund - £16k overspend
- Environment & Enforcement - £68k overspend
- Parks and Open Spaces - (£202k) underspend

Finance & Resources

- Asset Strategy - £462k overspend
- ICT - (£4,420k) underspend
- Regeneration - (£2,346k) underspend

Explanations of project variances over £100k are provided in Appendix F.

Lawns and Wood Lane Bungalows

The forecast cost of providing elderly persons' bungalows on Council-owned sites (Lawns & Wood Lane) originally submitted and approved by Cabinet on 26 June 2012 has increased from £5.5m to £8.793m. The increase is to be funded by additional HRA funding.

This increase is due to several reasons. There is £1m in respect of the land value for the Wood Lane development site. In addition, there is the substitution of one 3bed for a 2bed unit, an increase in the number of 2 beds, and a decrease in the number of 1 beds (now 1 x 3bedroom, 22 x 2bedroom & 16 x 1bedroom). The overall impact is a substantial increase in the floorspace of the buildings, although there is one less unit in total. There has also been a number of abnormalities including: site contamination, japanese knotweed, demolition and additional infrastructure to meet the planning requirements.

2.12 2013/14 Budget Amendments

Whilst this report is essentially to advise Members of the outturns for the 2012/13 revenue and capital budgets, this section is a request to Cabinet to approve some relatively minor amendments to the revenue budget for 2013/14.

When the 2013/14 budget was set, £1m was included in Central Expenses to provide for an increase in pension contributions. An agreement with the Council's actuary has now been reached and Cabinet is asked to approve the following allocation and transfer:

Service	£'000
Adult and Community Services	263
Children's Services	284
Housing and Environment	208
Chief Executive	245
TOTAL	1,000

In March 2013 the Department for Education announced the allocations for the Education Services Grant. The allocation was £221k higher than the £4,700k budget and Cabinet are asked to approve an increase of £221k in the Children's Services budget to reflect this increased funding.

2.13 Financial Control

At the end of 2012/13 all key reconciliations have been prepared and reviewed. There were 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 Corporate Directors for review and comment on the elements relating to their Directorates. Individual Directorate elements will be subject to scrutiny and discussion at their respective Directorate Management Team meetings. This will occur between production of this report and the Cabinet meeting.

5 Financial Implications

- 5.1 This report details the financial position of the Council.

6 Legal Issues

- 6.1 There are no legal implications.

Background Papers Used in the Preparation of the Report

- Budget Framework 2013/14; Assembly 25 February 2013.
- Provision of Elderly Persons' Bungalows on Council Owned Sites, Cabinet 26 June 2012

List of Appendices

- **Appendix A** – General Fund Outturn
- **Appendix B** – Savings Targets Outturn
- **Appendix C** – Housing Revenue Account Outturn
- **Appendix D** – Revenue Roll Forward Requests
- **Appendix E** – Capital Outturn
- **Appendix F** – Explanations for Variances on Capital Projects

This page is intentionally left blank

**GENERAL FUND REVENUE MONITORING STATEMENT
PROVISIONAL OUTTURN 2012/13**

Directorate	Outturn 2011/12	Original Budget	Working Budget	Provisional Outturn	Projected Variance
	£'000	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>					
Adult Care & Commissioning	46,070	45,489	45,730	46,123	393
Mental Health	3,770	3,861	3,720	3,736	16
Community Safety & Neighbourhood Services	4,463	4,403	4,407	3,665	(742)
Culture & Sport	9,796	8,067	9,093	9,112	19
Management & Other Services	267	679	1,031	1,337	306
	64,366	62,499	63,981	63,973	(8)
<u>Children's Services</u>					
Education	7,303	3,064	5,467	4,645	(822)
Targeted Support	12,146	10,017	12,725	11,958	(767)
Complex Needs and Social Care	33,402	29,339	33,447	35,312	1,865
Commissioning and Safeguarding	4,292	3,789	4,966	4,531	(435)
Other Management Costs	12,586	22,083	13,356	13,528	172
	69,729	68,292	69,961	69,974	13
<u>Children's Services - DSG</u>					
Schools	(17,739)	(22,358)	(26,750)	(35,138)	(8,388)
Education	4,959	5,953	6,514	6,678	164
Targeted Support	4,032	4,713	4,882	4,725	(157)
Complex Needs and Social Care	5,909	5,763	5,663	5,881	218
Commissioning and Safeguarding	493	1,182	1,141	537	(604)
Other Services	2,346	4,747	8,550	8,371	(179)
Transfer to DSG reserve	-	-	-	8,946	8,946
	-	-	-	-	-
<u>Housing & Environment</u>					
Environment & Enforcement	20,355	19,719	22,214	21,928	(286)
Housing General Fund	3,224	1,611	1,932	2,182	250
	23,579	21,330	24,146	24,110	(36)
<u>Finance & Resources</u>					
F&R Directorate	4,270	4,392	3,325	2,956	(369)
Finance (including Audit & Risk and Subsidy)	(841)	(638)	(430)	(600)	(170)
Regeneration & Economic Development	5,302	4,880	3,935	3,853	(82)
Emergency Planning & Operations	-	563	-	-	-
Customer Services, Contracts & Improvement	14,431	9,950	11,578	12,136	558
Assets & Facilities Management	1,348	1,130	1,732	1,599	(133)
Corporate Client	-	129	-	-	-
	24,510	20,406	20,140	19,944	(196)
<u>Chief Executive Services</u>					
Chief Executive Unit	(228)	-	(156)	(225)	(69)
Marketing & Communications	182	-	31	(50)	(81)
Corporate Policy & Public Affairs	(158)	-	(2)	(102)	(100)
Legal & Democratic Services	127	377	642	469	(173)
Human Resources	(139)	-	269	258	(11)
	(216)	377	784	350	(434)
<u>Other</u>					
Central Expenses	(10,528)	(8,383)	(12,749)	(13,024)	(275)
Contingency	-	3,938	2,196	-	(2,196)
Levies	8,587	8,920	8,920	8,942	22
	(1,941)	4,475	(1,633)	(4,082)	(2,449)
TOTAL	180,027	177,379	177,379	174,269	(3,110)

This page is intentionally left blank

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

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

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Achieved £'000	Shortfall £'000
ACS/SAV/12	Closure of Goresbrook Leisure Centre	Savings achieved	161	161	-
ACS/SAV/13	Olympic unit	Savings achieved	32	32	-
ACS/SAV/14	Reduction to events and education programme	Savings achieved	40	40	-
ACS/SAV/16	Libraries - charging for internet access	Savings achieved	20	20	-
ACS/SAV/17	Expanding commercial opportunities at heritage venues	Savings achieved	10	10	-
ACS/SAV/18	Leisure Centres - Charges	Savings achieved	310	310	-
ACS/SAV/19	Remodeling of crime and disorder services to develop Integrated Offender Management	Savings achieved	112	112	-
ACS/SAV/20	Deletion of 4 Community Safety Co-ordinators	Savings achieved	46	46	-
ACS/SAV/21	Non Staffing Supplies & Services Budgets	Savings achieved	85	85	-
ACS/SAV/22	Libraries review	Savings achieved	212	212	-
Feb 2011 Assembly	Commissioning Contracts & Purchase Savings	Savings achieved	250	250	-
Feb 2011 Assembly	Community halls	Savings achieved	175	175	-
Total			3,392	3,392	-

Children's Services

Reference	Detail	Explanation for Variance Where Applicable	Target	Forecast	Shortfall
			£'000	£'000	£'000
CHS/SAV/01	Alternative delivery method for Independent Review Officer (IROs) - Change the method of delivery of the independent reviewing officers posts	Alternative savings found for 2012-13. Delivery for 13/14 in progress	110	110	-
CHS/SAV/02	Prevention/Crisis Intervention/ Family Group Conferencing Merger of the three preventative services to create efficiencies	Savings achieved	100	100	-
CHS/SAV/03	School Estate/School Investment Team partly funded from DSG	Savings achieved	150	150	-
CHS/SAV/04	Youth and Engagement Team Efficiency	Savings achieved	80	80	-
CHS/SAV/05	Common Assessment Framework (CAF) team reductions- reducing the number of posts in the CAF team	£24k pressure met by under spend on other service areas.	80	80	-
CHS/SAV/06	Catering efficiencies/reductions	Savings achieved	150	150	-
CHS/SAV/07	CAMHS Schools Counselling contract ending that will not be renewed and reduction in primary and emotional team	Savings achieved	60	60	-
CHS/SAV/08	Safeguarding Board Cost Reductions	Alternative savings found for 2012-13. Delivery for 13/14 in progress	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	Savings achieved	50	50	-
CHS/SAV/10	Connexions - Careers Reduction in Contract Value	In 2012/13 the pressure of £117k has been met by under spend on other service area. The risk will be managed in future years.	700	700	-
CHS/SAV/11	Management Re-structure - reducing the number of post in the Assessment Team	Savings achieved	50	50	-
CHS/SAV/12	Reducing Children's to Adults transition costs	Savings achieved	50	50	-
CHS/SAV/13	Service Efficiencies and re-organisation	Savings achieved	100	100	-

Reference	Detail	Explanation for Variance Where Applicable	Target	Forecast	Shortfall
			£'000	£'000	£'000
CHS/SAV/14	Disabled Children's Team - Contribution from short breaks funding on mainstreamed into base budget	Savings achieved	100	100	-
CHS/SAV/17	Education Inclusion/School Improvement - Staffing Review and Reductions	Savings achieved	185	185	-
CHS/SAV/18	School Improvement Income - Raising the SLA income - charging Schools for services/Other Local authorities	Savings achieved	60	60	-
CHS/SAV/19	Training Reductions	Savings achieved	260	260	-
CHS/SAV/20	Reduction of Management costs in the Multi-agency Locality Teams	Savings achieved	150	150	-
CHS/SAV/21	Portage Amalgamation	Savings achieved	35	35	-
CHS/SAV/22	Reduction to Youth Commissioning Fund	Savings achieved	100	100	-
Feb Assembly	Education Psychology Service - Combination of Staffing and increased school SLA income	Savings achieved	100	100	-
Feb Assembly	Childcare Team	Savings achieved	145	145	-
Feb Assembly	Reconfigure & merge Children's Centres, Merging 8 Children's Centres into 4	Savings achieved	520	520	-
Feb Assembly	Family Information Services	Savings achieved	45	45	-
Total			3,410	3,410	-

Housing and Environment

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Shortfall £'000
Feb Assembly	Transport savings from adjustments for affordability and reductions in use of buses	Savings achieved	100	100	-
ACS/SAV/02	Inclusion of Tenancy Sustainment Team in remodel and retender of floating support.	Savings achieved	120	120	-
CUS/SAV/03	Revisions to Domestic Refuse Collection and Recycling Services	Savings achieved	260	260	-
CUS/SAV/04	Relocation of Passenger transport services to a Frizlands depot and realignment of resources to optimise service delivery	Savings achieved	206	206	-
CUS/SAV/05	Replace orange bags with recyclable bins	Savings achieved	200	200	-
CUS/SAV/06	Optimisation of Refuse fleet	Savings achieved	200	200	-
CUS/SAV/07	Management Restructure in Environmental Services	Savings achieved	154	154	-
CUS/SAV/08	Turning down the lights to save energy	Savings achieved	138	138	-
CUS/SAV/09	Increase in cost of permits within Car Parking Zones	Savings achieved	70	70	-
CUS/SAV/10	Converting private sector licence properties from old portfolio to the new contract at lower rates.	Not achieved- 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 is demand led has risen substantially in the last year across all of London.	350	0	350
CUS/SAV/11	Reduced mowing to create naturalised environment	Savings achieved	33	33	-
CUS/SAV/12	Renegotiate Abandoned Vehicle contract	Savings achieved	12	12	-

Appendix B

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Shortfall £'000
CUS/SAV/13	Reduction in Environmental Enforcement	Savings achieved	140	140	-
CUS/SAV/14	Making Parks more commercially sustainable	Savings achieved	98	98	-
Feb Assembly	Housing Advice Restructure	Savings achieved	50	50	-
Feb Assembly	Re procurement of street lighting contract	Savings achieved	200	200	-
Total			2,331	1,981	350

Finance and Resources

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Shortfall £'000
FIN&RES/SA V/01	Transfer of Assets and Commercial Services division to Elevate	Savings achieved	756	756	-
FIN&RES/SA V/02	Reviewing staffing levels within the Capital Programme Monitoring Office(CPMO); Corporate Programmes Team and Business Support	Savings achieved through the deletion of 3 Vacant posts.	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	Savings achieved	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	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	Savings achieved	190	190	-
FIN&RES/SA V/12	Reorganisation of Development Planning team	Savings achieved	90	90	-
FIN&RES/SA V/13	Reorganisation of Employment & Skills team	Savings achieved	80	80	-
FIN&RES/SA V/14	Reduction to staffing in Job Shop and business support	Savings achieved – linked to savings above.	50	50	-
FIN&RES/SA V/15	Reduction of External Audit fees	Savings achieved	30	30	-

Appendix B

Reference	Detail	Explanation for Variance Where Applicable	Target £'000	Forecast £'000	Shortfall £'000
FIN&RES/SA V/16	Reduction in Building Schools for the Future budget	Savings achieved as spend with consultants in the BSF area is now reduced.	50	50	-
Feb Assembly	Re-structuring of Staffing establishment and a reduction in non-employee budgets	Savings achieved.	256	256	-
Feb Assembly	Reduction in accommodation costs through the Modern Ways of Working project	Savings achieved through the closure of Fortis House.	234	234	-
Total			2,591	2,591	-

This page is intentionally left blank

2012-13 HRA PROVISIONAL OUTTURN (£)

HRA Category	Budget	Provisional outturn	Sum of Variance
A. Rents	(83,016,640)	(83,900,838)	(884,198)
B. Non Dwelling Rent	(2,573,900)	(2,488,948)	84,952
C. Other Income	(17,152,460)	(19,784,958)	(2,632,498)
D. Capitalisation of Repairs	(1,000,000)	(2,699,875)	(1,699,875)
E. Repairs and Maintenance	20,522,100	22,960,138	2,438,038
F. Supervision and Management	34,289,500	37,363,120	3,073,620
G. Rent Rates and Other	853,000	443,522	(409,478)
H. Depreciation	10,344,600	10,344,600	0
I. Bad Debt Provision	992,000	631,581	(360,419)
J. Interest Charges	9,684,500	9,293,738	(390,762)
K. Corporate & Democratic Core	811,000	811,000	0
L. Interest Received	(93,400)	(641,798)	(548,398)
M. Revenue Contribution to Capital		1,000,000	1,000,000
N. Repayment of Debt	7,800,000	0	(7,800,000)
O. Transfer to MRR	18,539,700	26,341,700	7,802,000
P. RRSL	0	134,701	134,701
Sub-total	0	(192,316)	(192,316)
R Transfer to HRA Reserves	0.00	192,316	192,316
Grand Total	0.00	0.00	0.00

This page is intentionally left blank

GENERAL FUND REVENUE - ROLL FORWARD INTO 2013/14 REQUESTS

Adult & Community Services		£
Community Safety and Public Protection	Contract variations and additional funding secured from external agencies late in quarter four	373,000
Management & Other Services	Funding secured following negotiations with the outgoing PCT to offset expected increases in service pressures in future years	2,898,100
		3,271,100

Children's Services

Education	Borough Apprenticeship Scheme - An apprenticeship contact lasts for one year. The apprenticeship contracts that started mid way through this financial year will complete their apprenticeship in the financial year of 2013/14.	43,000
Education	Butler Court - this is a traded service and any surplus is required to be carried forward for future refurbishment	38,700
Education	Community Music Service - required for summer term subsidy, instrument purchase, software purchases and site costs for single occupancy	233,500
Education	Trewern outdoor centre - Unable to complete 2012/13 projects due to inclement weather for external and internal refurbishment projects.	10,000
Education	Advisory Service - To pay Voice Project- this is a payment required for Voice visit to primary and Secondary schools commissioned by BAD Youth Forum.	15,000
Commissioning and Safeguarding	Head Of Childrens Policy Trust And Commissioning - This carry forward of PCT Funds is to be used to fund the Child Death Overview Process (CDOP) Co-ordinator post being transferred to the Local Authority from the PCT. This transfer will take place in 2013/14 and is expected to cost somewhere in the region of £60,000, being an approximate two years CDOP contribution.	36,000
Commissioning and Safeguarding	Head Of Childrens Policy Trust And Commissioning - The carry forward will be used to complete the purchase of 3 software systems for the e-Common Assessment Framework, tier 2 case management and Multi-Agency Safeguarding Hub. Completion was delayed in 2012/13 due to technical issues.	150,000
		526,200

Housing & Environment

Environmental Services	DEFRA funding for Flood Risk Management Strategy and Plan	70,000
		70,000

GENERAL FUND REVENUE - ROLL FORWARD INTO 2013/14 REQUESTS

Finance & Resources

Finance	Works on trees and fencing delayed due to customer consultation - to be completed early in 2013/14	60,000
Finance	Oracle R12 upgrade costs to be incurred in 2013/14	150,000
Finance	Balance of unspent grant monies to be used towards the cost of a review of the Housing Register and a data matching exercise	50,700
Customer Services, Contracts & Business Improvement	Earmarked budget for planned improvements to Woodlands House as the new Register Office	166,500
Customer Services, Contracts & Business Improvement	Earmarked provision to support the Taxicard scheme in 2013/14	122,800
Customer Services, Contracts & Business Improvement	Completion of planned Voice over Internet and HR invest to save projects	51,450
Assets and Commercial Services	Earmarked budget for planned refurbishment of the Civic Centre reception	215,000
Assets and Commercial Services	Underspend on Porter's Avenue operational building due to in-year transfer of service, earmarked to manage pressures in general conveniences budget	60,000
Assets and Commercial Services	Earmarked budget for future investment to generate accommodation savings within the corporate	127,100
Assets and Commercial Services	Earmarked budget towards street lighting improvements identified at public offices	51,000
		1,054,550

Chief Executive Services

Legal	Various specific budgets held to fund a children's advocate, fixed term planning lawyer and legal apprentices for 6 months	165,000
Human Resources	Underspent training budgets and earmarked budget for Oracle R12 implementation work	266,200
		431,200

TOTAL		5,353,050
--------------	--	------------------

PROVISIONAL CAPITAL OUTTURN 2012/13

Oracle Code	Scheme	Budget £	Outturn £	Variance £	Roll Forward Request £
Adult & Community Services					
Community Services, Heritage & Libraries					
1654	Ripple Hall (St Georges/Vol Group Relocation)	245,405	59,903	(185,502)	1,500
191	Eastbury House	10,818	7,620	(3,198)	3,198
2233	Valence Site Redevelopment	54,162	35,282	(18,880)	18,880
2872	Fews Lodge Extra Care Scheme	677,029	699,600	22,571	
2913	80 Gascoigne Road Care Home	327,188	129,379	(197,809)	197,809
2888	Direct Pymt Adaptations	380,000	469,317	89,317	
100	Disabled Adaptations (HRA)	493,995	511,093	17,098	
Leisure & Olympics					
2266	Barking Park Restoration & Improvement	808,616	708,369	(100,247)	100,247
2768	Abbey Sports Centre (Wet Side Changing Areas)	8,816	5,812	(3,004)	3,004
2603	Becontree Heath Leisure Centre	248,890	95,235	(153,655)	153,655
2815	Goresbrook Leisure Centre - Olympic Training Venue	19,713	17,202	(2,511)	2,511
2855	Mayesbrook Park Athletics Arena	796,080	544,615	(251,465)	251,465
2870	Barking Leisure Centre 2012-2014	2,134,679	879,820	(1,254,859)	1,254,859
Total For Adult & Community Services		6,205,391	4,163,247	(2,042,144)	1,987,128

PROVISIONAL CAPITAL OUTTURN 2012/13

Oracle Code	Scheme	Budget £	Outturn £	Variance £	Roll Forward Request £
Children's Services					
Primary Schools					
2555	Eastbury	113,218	4,787	(108,431)	108,431
2745	George Carey CE Primary School (formerly Barking Riverside Primary)	940,268	7,568	(932,700)	932,700
2735	Cambell Inf School Expansion		438	438	(438)
2736	Roding Primary School - Cannington Road Annex	215,900	68,961	(146,939)	146,939
2759	Beam Primary Expansion	97,674	16,006	(81,668)	81,668
2799	St Joseph's Primary - expansion	356,023	273,520	(82,503)	82,503
2800	St Peter's Primary - expansion	33,869		(33,869)	33,869
2825	Dagenham Park School		36,277	36,277	(36,277)
2776	Thames View Infants - London TG Agreement	76,071	36,134	(39,937)	39,937
2787	Cambell Junior - Expansion & Refurb	31,367	13,303	(18,064)	18,064
2786	Thames View Juniors - Expansion & Refurb	467,953	101,181	(366,772)	366,772
2784	Manor Longbridge (Former UEL Site)	575,934	605,135	29,201	(29,201)
2789	Westbury - New Primary School	144,210	144,629	419	(419)
2790	St Georges - New Primary School	124,788	132,403	7,615	(7,615)
Other Schemes					
UAC12	New Capital Allocation - Implementation of early education for 2 year olds	889,302		(889,302)	889,302
2793	SMF - School Modernisation Fund	2,407,849	2,195,433	(212,416)	212,416
2742	Youth Access Card	43,168	43,149	(19)	
2751	School's Kitchen Extension/Refurbishment 2010/11	36,410	24,854	(11,556)	11,556
2724	Basic Needs Projects (formerly Additional School Places)2011/12	62,106	(169,120)	(231,226)	231,226
2581	Schools Legionella Works		1	1	
2808	Schools L8 Water Quality Remedial Works 2010/11		1,811	1,811	(1,811)
2809	Schools Reboiler & Repipe Fund		9,730	9,730	(9,730)
2310	William Bellamy Childrens Centre	6,458	(14,474)	(20,932)	20,932
2311	Becontree Childrens Centre		(232,319)	(232,319)	232,319
2217	John Perry Childrens	9,619	(5,079)	(14,698)	14,698
2651	Alibon Childrens Centre	(8,812)		8,812	(8,812)
2739	Gascoigne Community Centre	(8,051)		8,051	(8,051)
2826	512a Heathway - Conversion to a Family Resource	84,482	38,260	(46,222)	46,222
2878	512a Heathway (phase 2)- Conversion to a Family Resource with additional teach	147,036	139,814	(7,222)	7,222
9999	Devolved Capital Formula	2,234,726	1,215,181	(1,019,545)	1,019,545
2818	Sydney Russell - Schools For The Future	11,382,809	12,933,320	1,550,511	(1,550,511)
2859	Robert Clack Expansion	10,890	10,394	(496)	496
2860	Monteagle Primary (Quadrangle Infill)	1,796,585	1,750,889	(45,696)	45,696
2861	Eastbury Primary (Expansion)	750,007	221,995	(528,012)	528,012
2862	Gascoigne Primary (Expansion)		311,037	311,037	(311,037)
2863	Parsloes Primary (Expansion)	1,309,989	1,310,899	910	(910)
2864	Godwin Primary (Expansion)	1,100,000	575,982	(524,018)	524,018
2865	William Bellamy Infants/Juniors (Expansion)	749,702	160,512	(589,190)	589,190
2866	Dagenham Village Rectory Road Library (Expansion)	200,000		(200,000)	200,000
2867	Southwood Primary (Expansion)	1,251,207	1,288,044	36,837	(36,837)
2900	Becontree Primary Expansion	385,548	343,658	(41,890)	41,890
2601	Renewal School Kitchens 2009/10	177	151	(26)	
2753	Cross-Government Co-Location Fund	4		(4)	
2365	Gascoigne Primary	(169)		169	
2924	St Josephs Primary Extn	1,680,000	1,327,908	(352,092)	352,092
2929	SMF 2012/13	784,623	240,211	(544,412)	544,412
2932	Trinity 6th Form Provison	922,250	1,159,495	237,245	(237,245)
Basic Needs					
UAC1	New Schools Places - Primary	503,000		(503,000)	503,000
UAC2	New Schools Places - Various Schools/New Schools (2011/12 funding)	182,635		(182,635)	182,635
UAC4	New Schools Places - Various Schools/New Schools	250,000		(250,000)	250,000
2906	School Expansion SEN Projects	300,000	137,278	(162,722)	162,722
2909	School Expansion Minor Projects	350,000	527,027	177,027	(177,027)
2918	Roding Cannington	90,000	588,849	498,849	(498,849)
2919	Richard Alibon Expansion	75,000	33,867	(41,133)	41,133
2920	Warren/Furze Expansion	90,000	17,175	(72,825)	72,825
2921	Manor Infant Jnr Expansion	100,000	34,370	(65,630)	65,630
2922	Valence Halbutt Expansion	50,000	150,878	100,878	(100,878)
2923	Rush Green Expansion	15,000		(15,000)	15,000
UAC5	Provision of New School Places (Basic Needs) Contingency	752,304		(752,304)	752,304
2953	All Saints Expansion 2013-2015		112,399	112,399	(112,399)
2955	Barking Riverside City Farm		408,617	408,617	(408,617)
Skills, Learning & Enterprise					
2723	Advanced Skills Centre	3,343,671	3,446,707	103,036	(103,036)
Total For Children's Services		37,506,800	31,779,245	(5,727,555)	5,727,676

PROVISIONAL CAPITAL OUTTURN 2012/13

Oracle Code	Scheme	Budget £	Outturn £	Variance £	Roll Forward Request £
Housing and Environment - non HRA					
Non-HRA Housing					
106	Private Sector Households	1,054,112	795,621	(258,491)	258,491
105	Private Sector Households (105)	230,093	515,394	285,301	(285,301)
2570	Housing Modernisation Programme	32,099	21,206	(10,893)	10,893
Environment & Enforcement					
2288	Land Quality Inspection Programme	19,626	2,120	(17,506)	17,506
2764	Street Light Replacing	1,185,514	974,645	(210,869)	210,869
2842	Flats recycling banks scheme		3,800	3,800	(3,800)
2777	SNAPS	46,645		(46,645)	46,645
2873	Environmental Improvements and Enhancements	167,670	217,789	50,119	(50,119)
2894	Road Safety Impv Sch Year 2 (TFL)	96,000	112,800	16,800	(16,800)
2887	Frizlands Workshop Major Wks	175,011	29,564	(145,447)	145,447
2886	Parking Strategy Imp	8,583	351,197	342,614	(342,614)
2907	Leys Road Reconstruction 2012/13	215,000	211,467	(3,533)	3,533
2908	Brown Wheeled Bins Recycling	1,123,237	1,155,660	32,423	(32,423)
2930	Highways Improvement Programme	3,000,000	3,046,506	46,506	(46,506)
PGSS					
2421	Staff Costs 2012 - 2014	38,500	38,784	284	(284)
2423	Pondfield Park	8,321	8,279	(42)	
2567	Abbey Green Park Development	22,205	13,291	(8,914)	8,913
2604	Valence Park Improvements	15,376	14,864	(512)	512
2326	BTC Public Art Project	5,458	3,160	(2,298)	2,298
2817	Mayesbrook Park Improvements (Phase 1)	100,369	32,910	(67,459)	67,459
2911	Quaker Burial Ground	7,500		(7,500)	7,500
2912	Barking Park Tennis Project	150,000	109,469	(40,531)	40,531
2879	Barking Park Light Railway & Rowing Boat Equipment	24,646	24,645	(1)	
2948	Abbey Green- Churchyard Wall	100,000	35,041	(64,959)	64,959
2925	Adizone Project 2012/13	310,000	300,000	(10,000)	10,000
Total For Housing & Environment - General Fund		8,135,965	8,018,212	(117,753)	117,709

PROVISIONAL CAPITAL OUTTURN 2012/13

Oracle Code	Scheme	Budget £	Outturn £	Variance £	Roll Forward Request £
Finance & Resources					
Asset Strategy					
UAC6 Local Implementation Plan (LIP2)					
2741	L8 Control of Legionella Remedial Works	250,000	232,159	(17,841)	17,841
2578	Asbestos (Public Buildings)	53,993	56,867	2,874	
2771	Automatic Meter Reading Equipment	24,982	501	(24,481)	24,481
2542	Backlog Capital Improvements	670,000	362,340	(307,660)	307,660
2565	Implement Corporate Accommodation Strategy	1,001,417	1,896,995	895,578	(895,578)
2587	Energy Efficiency Programme	280,000	193,827	(86,173)	86,173
ICT					
2623	Microsoft Enterprise Agreement	88,794		(88,794)	88,794
2738	Modernisation & Improvement Capital Fund	2,524,051	825,353	(1,698,698)	1,698,698
2877	Oracle R12 Joint Services	3,493,770	861,024	(2,632,746)	2,632,746
Regeneration					
2596	Legi (Local Enterprise Growth Initiative) Business Centres	340,933	78,683	(262,250)	262,250
2458	New Dagenham Library & One Stop Shop	89,657	15,991	(73,666)	73,666
2775	BTC Public Realm - Tsq & Abbey	30,186	5,415	(24,771)	24,771
2821	Shopping Parade Enhancements	341,904	264,563	(77,341)	77,341
2625	Thames View Regen Initiative	25,247	3,748	(21,499)	21,499
2819	London Road/North Street Site Acquisitions	896,947	364,588	(532,359)	(257,359)
2831	Barking Station Forecourt - Phase 2 Implementation (TFL & S106)	240,816	367,336	126,520	
2840	Car Club Expansion (TFL)	5,760		(5,760)	
2841	Biking Borough Initiative (TFL)	115,200	113,343	(1,857)	
2854	Improvements to the rear of The Mall, Dagenham Heathway	173,002	2,993	(170,009)	170,009
2901	Creekmouth Arts & Heritage Trail	50,000		(50,000)	50,000
2902	Short Blue Place (New Market Square Barking - Phase II)	1,088,497	930,028	(158,469)	158,469
2890	Principal Road Resurfacing (TFL)	473,280	310,823	(162,457)	162,457
2891	Merry Fiddlers Jnct Imp Year 2 (TFL)	441,600	456,751	15,151	
2892	Cycling Greenways Year 2 (TFL)	96,000	94,714	(1,286)	
2893	Thames Road Corridor Improvement Scheme (TFL)	240,000	320,392	80,392	
2895	Chadwell Heath Station Impv (TFL)	288,000	290,574	2,574	
2896	Dagenham Heathway & Bcon - Low Carbon Zone (TFL)	48,000	49,411	1,411	
2897	Smarter Travel Plans (TFL)	201,600	(859)	(202,459)	
2898	Local Transport Plans (TFL)	96,000	259,858	163,858	
2899	River Roding Cycle Link / Goresbrook Park Cycle Links	240,000	224,237	(15,763)	
2910	Barking Station Parade Assessment	60,000	0	(60,000)	60,000
2914	Barking Job Shop Relocation	228,863	155,860	(73,003)	73,003
2926	Outer London Fund Round 2	290,000	170,166	(119,834)	119,834
2927	Chequers/Abbey Road Public Realm improvements	430,871	39,194	(391,677)	391,677
2928	Captain Cook Site Acquisition and Public Realm Works (Abbey Leisure Centre)	819,795	488,499	(331,296)	331,296
Total For Finance & Resources		15,739,165	9,435,374	(6,303,791)	5,679,728
GRAND TOTAL GENERAL FUND		67,587,321	53,396,078	(14,191,243)	13,512,241

PROVISIONAL CAPITAL OUTTURN 2012/13

Oracle Code	Scheme	Budget £	Outturn £	Variance £	Roll Forward Request £
Housing and Environment - HRA					
UAC11	HRA - Business Plan to be allocated	4,101,635		(4,101,635)	963,635
2820	Boroughwide Estate Renewal - Gascoigne Decants	485,000	429,459	(55,541)	55,541
2828	Boroughwide Estate Renewal - Leys Decants	255,000	336,385	81,385	(81,385)
2829	Boroughwide Estate Renewal - Goresbrook Village Decants	560,000	590,287	30,287	(30,287)
2856	Boroughwide Est Renewal - Leaseholders Buybacks (all)	8,685,151	7,303,336	(1,381,815)	1,381,815
2857	Boroughwide Est Renewal - Demolition (remainder)	713,227	431,461	(281,766)	281,766
2858	Boroughwide Est Renewal - Demolition (Goresbrook)	1,652,730	681,283	(971,447)	971,447
2915	Boroughwide Estate Renewal - Althorne Way	55,000	19,889	(35,111)	35,111
104	Housing Futures	1,469,175		(1,469,175)	1,469,175
2729	Lifts replacement		5,000	5,000	(5,000)
2734	SAMS formerly remote concierge	70,000	17,704	(52,296)	52,296
2637	DH works Framework contracts	5,000	4,916	(84)	
2640	MAJOR WORKS (ENTERPRISE) PROJ.	1,000,000	1,000,000	0	
2641	Heating works (Thaxted, Maxey & Humphries Houses)	65,000	63,121	(1,879)	1,879
2645	Planning and Contingencies	750,000	699,916	(50,084)	50,084
2727	CHP Programme	24,425	134	(24,291)	24,291
2728	Electrical Switchgear Project	270,546	172,861	(97,685)	97,685
2725	Extensions and deconve		(12,917)	(12,917)	12,917
2822	Communal Lighting and Electrical Switchgear	510,305	422,375	(87,930)	87,930
2726	External Enveloping Work	251,244	(14,995)	(266,239)	266,239
2730	Sheltered Alarms Upgrade	10,662	148,536	137,874	(137,874)
2731	Colne & Mersea Blocks	1,344,215	1,380,083	35,868	(35,868)
2811	Capitalised Improvement Works	147,014	112,272	(34,742)	34,742
2813	Estate Improvement Project	900,000	929,718	29,718	(29,718)
2824	Oldmead & Bartlett Remedial Works	103,071	83,107	(19,964)	19,964
2844	Door Entry Project 2011/12	1,533,050	910,826	(622,224)	622,224
2845	External Enveloping & Fire proofing project (including walkways)	2,453,705	1,613,697	(840,008)	840,008
2846	Defective Overflow Works	14,894		(14,894)	14,894
2847	Central Heating Installation inc. Communal Boiler Replacement	1,871,173	1,568,434	(302,739)	302,739
2848	Kitchen & Bathroom Replacement Project	1,675,533	1,571,704	(103,829)	103,829
2849	High Rise Surveys	250,000	308,862	58,862	(58,862)
2850	Capitalised Improvement works (Estates)	250,000	42,000	(208,000)	208,000
2853	Estate Improvements	684,206	890,155	205,949	(205,949)
2852	Adaptations - Housing	128,665	121,445	(7,220)	7,220
2880	Central Heating Installation Phase 2 (Enhanced)	100,529	86,290	(14,239)	14,239
2881	Kitchen , Bathroom, Central Heating and Re-wiring (Enh)	1,883,564	1,809,725	(73,839)	73,839
2882	Electrical Rewiring (Enhanced)	325,671	91,800	(233,871)	233,871
2933	Voids 2012 -2014	100,000	823,750	723,750	(723,750)
2772	King William St Qtr	80,000	2,930	(77,070)	77,070
2773	New Build phase 2 & 3	1,400,000	1,174,635	(225,365)	225,365
2757	Council Housing - New Builds	236,612	1,134	(235,478)	235,478
2823	New Council Housing Phase 3	1,569,000	264,126	(1,304,874)	1,304,874
2931	Leys New Build Dev (HRA)	500,000	127,212	(372,788)	372,788
2916	Lawns & Wood Lane Dvlpmnt	300,000	1,241,987	941,987	(941,987)
2917	Abbey Road CIQ	500,000	6,750	(493,250)	493,250
2934	Roof Replacement Project	260,000	63,404	(196,596)	196,596
2935	Internal Works (Kitchens bathrooms & rewiring elements)	100,000	531,868	431,868	(431,868)
2936	Rewiring (incl Smoke Alarms)		22,376	22,376	(22,376)
2937	CCTV/SAMS Phase 2	15,000		(15,000)	15,000
2938	Fire Safety Works	150,000	11,940	(138,060)	138,060
2939	Riverside House Refurb	100,000	4,500	(95,500)	95,500
2940	Door Entry Project 2012/13 Phase 3	50,000	19,350	(30,650)	30,650
2941	Renewables (PVs) & CESP's additional External Enveloping Works	100,000	73,268	(26,732)	26,732
2942	Travellers Site Refurbishment	50,000	13,318	(36,682)	36,682
2943	Asbestos Removal (Communal Areas only)	30,000		(30,000)	30,000
2944	R & M Set up Costs	2,000,000	1,870,532	(129,468)	129,468
2945	Street Properties Acquisition	500,000	233,061	(266,939)	266,939
2947	External & Internal Lobby Refurb Programme PP	500,000	467,390	(32,610)	32,610
2949	External Enveloping incl. Walkways Phase II	100,000	77,137	(22,863)	22,863
2950	Central Heating Installation Inc. Communal Boiler Replacement Phase II	60,000	57,126	(2,874)	2,874
2951	Electrical Switchgear inc. Communal & Emergency Lighting Phase II	50,000	16,842	(33,158)	33,158
GRAND TOTAL HRA		43,350,002	30,923,505	(12,426,497)	9,288,413
TOTAL CAPITAL PROGRAMME		110,937,323	84,319,583	(26,617,740)	22,800,654

This page is intentionally left blank

Explanations for Variances over £100k on Capital Projects

Adults & Community Services

- Ripple Hall (£186k underspend) – these savings were identified by project sponsor and achieved through reduced fit out costs.
- 80 Gascoigne Rd Care Home (£198k slippage underspend) – scheme behind programme due to starting two months later than anticipated due to delay in completion of 1st Phase (Fews Lodge). This is now anticipated to complete by end of May 2013.
- Barking Park Restoration & Improvement (£100k underspend) – final account being agreed with contractor (Kier). The remaining payment is to be made in 2013/14.
- Becontree Heath Leisure Centre (£154k underspend) – possible underspend on retentions. Sponsor is liaising with Contractor over design and deliverable issues. The Council is contesting payment.
- Mayesbrook Park Athletics Arena (£251k underspend) – final account being agreed. The remaining payment to be made in 2013/14.
- Barking (Abbey) Leisure Centre (£1.25m underspend) – tenders agreed and reported to Cabinet in January 2013. The budget will be utilised in 2013/14.

Children's Services

- Eastbury Primary School Expansion – (£108k underspend) – Retention due in first quarter of 2013/14.
- George Carey CofE Primary school (£933k underspend) – payment of retention delayed to 2013/14. The project is now anticipated to underspend by £500k, which will be reduce the call on the overall Basic Needs (central government) funding source, leaving funds for schemes to provide additional places at other schools.
- Roding Primary (Cannington Road Annexe) (£147k underspend) – payment of retention due in first quarter of 2013/14.
- Thames View Juniors – Expansion & Refurb (£367k underspend) – staff room works are not affordable so project has been cancelled. The underspend will be re-profiled back to Basic Needs funding source.
- New Capital Allocation – Implementation of early education (£889k underspend) – new works are being scoped for delivery in 2013/14.
- SMF School Modernisation Fund (£212k underspend) – works planned for during summer holidays. The budget will be utilised by the second quarter of 2013/14.
- Basic Needs Projects (£231k underspend) – programme earmarked for 2013/14. The budget will be utilised in second quarter of 2013/14.
- Becontree Children's Centre (£232k underspend) – payment is being contested pending resolution of dispute with contractors
- Devolved Capital Formula (£1,020k underspend) – some school allocations are being transferred to schools in 2013/14.
- Sydney Russell BSF (£1,551k overspend) – additional works are being undertaken. The school is providing a contribution of c.£700k towards these costs.
- Eastbury Primary expansion (£528k underspend) – phase 2 works being developed. Spend anticipated in 2013/14.
- Gascoigne Primary expansion (£311k overspend) – budget to be increased, to cover overspend, following CPMO approval. Funding to come from Basic Needs funding source.

- Godwin Primary expansion (£524k underspend) – delay in scope and tenders being agreed; underspend to be rolled forward to 2013/14.
- William Bellamy Primary expansion (£589k underspend) – slippage. Scheme will be delivered in 2013/14 now that amalgamation of schools has been agreed.
- Dagenham Village Rectory Road (£200k underspend) – scheme on hold pending decision by School Board.
- St Josephs Primary Extension (£352k underspend) – scheme is being delivered by the Diocese. This will be completed in 2013/14.
- School Modernisation Fund 2012/13 (£544k underspend) – some remedial works have been delayed so that they can be carried out during Easter and summer holidays.
- Trinity 6th Form (£237k overspend) – reprofiling of funds from School Modernisation Fund and a school contribution will absorb cost of increased scope of works and avoid the projected overspend.
- New School Places (Primary) – (£503k underspend) – scope for further works being developed. Funds to be utilised in 2013/14.
- New School Places (Various Schools/New Schools 2011/12) – (£183k underspend) – scope for further works being developed. Funds to be utilised in 2013/14.
- New School Places (Various Schools/New Schools) – (£250k underspend) – scope for further works being developed. Funds to be utilised in 2013/14
- School Expansion SEN projects (£163k underspend) – scope for further works being developed. Funds to be utilised in 2013/14.
- Schools Expansion Minor projects (£177k overspend) – works ahead of schedule. Overspend to be absorbed by 2013/14 budget.
- Roding Cannington Expansion (£499k overspend) – budget to be increased, to cover overspend, following CPMO approval. Funding to come from Basic Needs funding source.
- Valence Halbutt Expansion (£101k overspend) – 2013/14 budget to be utilised to cover overspend.
- Provision of New School Places Contingency (£752k underspend) – budget earmarked for anticipated claim settlement with contractors.
- All Saints Expansion (£112k overspend) – budget to be increased to cover overspend following CPMO approval. Funding to come from Basic Needs funding source.
- Barking Riverside City Farm (£409k overspend) – budget to be increased to cover overspend following CPMO approval. Funding to come from Basic Needs funding source.
- Advanced Skills Centre (£103k overspend) – budget to be increased with contribution from B&D college.

Housing & Environment (General Fund)

- Street Lighting Replacement (£211k underspend) – works are committed but due to be invoiced in 2013/14.
- Frizlands Workshop Major Works (£145k underspend) – works being scoped for agreement. The remaining budget is likely to be utilised in 2013/14.
- Parking Strategy Implementation (£343k overspend) – various projects within phase one of the strategy have been delivered which will generate savings. Cabinet report to be prepared re costs of phase one and future phases.

Finance & Resources

- Backlog Capital Improvements (£308k underspend) – c. £200k of this will be utilised towards the Corporate Accommodation Strategy.
- Implement Corporate Accommodation Strategy (£896k overspend) – c. £200k will be utilised from Backlog Capital Improvements code with remainder from 2013/14 budget.
- ICT Modernisation & Improvement (£1,699k underspend) – the remainder of this fund will be spent on projects proposed within the IT Strategy.
- Oracle R12 (£2,633k underspend) – funds to be re-profiled into 2013/14 because of changes in the date for the project going live.
- LEGI business centres (£262k underspend) – scope of works have been tendered out and due to be delivered from June 2013 onwards.
- London Road/North Street Acquisitions (£532k underspend) – c. £275k earmarked towards savings/reduced project cost, with remainder to be paid out in first quarter of 2013/14.
- Barking Station Forecourt Phase 2 (£127k overspend) – budget to be increased by £107k from Transport for London (TfL) and £20k from departmental revenue budget to absorb overspend.
- Improvements to the rear of the Mall (£170k underspend) – slippage due to works being scoped and agreed which will be delivered in 2013/14.
- Short Blue Place – New Market Square Phase II (£158k underspend) – this includes final account & retention payments due in 2013/14.
- Principal Road Resurfacing Transport for London (TfL) (£162k underspend) – works completed and awaiting payments of invoices.
- Smarter Travel Plans TfL (£202k underspend) – work involved was of a revenue, not capital, nature. Budget and spend removed.
- Local Transport Plans TfL (£163k overspend) – additional scope of works carried out. The remaining funds on the balance sheet will be used to absorb overspend.
- Outer London Fund Round 2 (£120k underspend) – some mini projects will be delivered in 2013/14 to utilise the underspend.
- Abbey Road / Chequers Lane public realm works (£392k underspend) – delays have been caused by finalising designs and scheduling of works by term contractor. The scheme is now anticipated to complete by end of 2013/14.
- Captain Cook Site Acquisition and public realm works (£331k underspend) – acquisition has completed however works are delayed by two months due to medieval archaeological find. Potential cost impact of this find is being assessed.

HRA

- HRA Business Plan (£4,102k underspend) - this is the amount originally held that was not allocated to projects. The roll forward is a reduced sum to reflect initial outlay of £3,138k on Boroughwide Estate Renewal, reflecting the approved HRA Business Plan.
- Boroughwide Estate Renewal Leaseholder Buybacks, Demolition (remainder), Demolition (Goresbrook) (£2,635k underspend) – delays on decants and leasehold buy backs which will be completed by end of May 2013.
- Housing Futures (£1,469k underspend) – projects under this scheme are under development, budget will be allocated in 2013/14

- External Enveloping Works (£266k underspend) – final account due. Retention to be paid in 2013/14.
- Sheltered Alarms Upgrade (£138K overspend) – overspend to be met from Housing Futures budget
- Door Entry Project 2011/12 (£622k underspend) – delays in getting access to properties to carry out works. To be completed in 2013/14.
- External Enveloping & Fire Proofing Project (£840k underspend) – delays in commencement of different aspects of various schemes within the whole project.
- Central Heating Installation including Communal Boiler Replacement (£303k underspend) – remaining budget for final account & retention payment in 2013/14.
- Kitchen & Bathroom Replacement Project (£104k underspend) – final account and retention being agreed. Payment to be made in first quarter of 2013/14.
- Capitalised Improvement Works Estates (£208k underspend) – works on garages due to complete in quarter two of 2013/14.
- Estate Improvements (£206k underspend) – final account due in 2013/14.
- Electrical Rewiring Enhanced (£234k underspend) – final account & retention outstanding. Payments to be made in quarter one of 2013/14.
- Voids 2012-2014 (£724k over spend this year) – budget over whole programme is £5m including 2013/14 which covers this variance in 2012/13.
- New Build Phase 2 & 3 (£225k underspend) – final account & retention outstanding. Payments to be made in quarter one of 2013/14.
- Council Housing New Builds (£235k underspend) – final account & retention outstanding. Payments to be made in quarter one of 2013/14.
- New Council House Building - Phase 3 (£1,305k slippage underspend) - new works are being scoped for delivery next year.
- Leys New Builds Development (£373k underspend) – new schemes in early development.
- Lawns & Wood Lane Development (£942k overspend this year) - scheme is now on site and will complete in next financial year. There is sufficient budget for the project as a whole.
- Abbey Road CIQ (£493k underspend) - the budget relates to feasibility studies to develop proposals on the major development, which will be delivered from 2013/14 onwards.
- Roof Replacement Project (£197k underspend) - to be delivered in 2013/14.
- Internal Works Kitchens, Bathrooms & Rewiring (£432k overspend) – scheme now approved by CPMO. Budget to be increased in-line with spend and funded from HRA resources.
- Fire Safety Works (£138k underspend) – Works underway and the scheme is scheduled to complete in second quarter of 2013/14.
- R&M Set up costs (£129k underspend) – works completed; awaiting invoices for payment.
- Street Properties Acquisitions (£267k underspend) – Awaiting invoice for payment of purchase of properties. This will now be completed in quarter one of 2013/14.

CABINET

21 May 2013

Title: Manor Road Sports Ground, Manor Road, Dagenham - Grant of New Lease	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: Village	Key Decision: Yes
Report Author: David Lee, Estates Surveyor	Contact Details: Tel: 020 8724 8125 E-mail: david.lee@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director - Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>The site is currently leased to Dagenham United Football Club (DUFC) for a term of 15 years from 19 December 2003. The passing rent is £6,011 per annum set at review with effect from 19 December 2008.</p> <p>Authority is sought to take a surrender of the current lease and grant an Agreement for Lease to Academy of Dreams plc (AOD) to enable them to develop the site as a sports facility in accordance with the planning permission granted in December 2010.</p> <p>The proposal would provide substantial investment to the site that would significantly enhance the facilities at the sports ground. The new facilities would include a new floodlit full size all weather artificial pitch, a new floodlit 7 a side artificial pitch and a new clubhouse and pavilion. The total construction costs are estimated at £915,000, to be borne exclusively by AOD at no cost to the Council or DUFC.</p> <p>Thereafter AOD would be granted a new lease for a term of 35 years at an initial base rent of £12,500 per annum or 5% of gross turnover if greater. The base rent would be subject to upwards only rent reviews at five-year intervals in accordance with movements in the Retail Prices Index. The site would be sub let to the current lessees, DUFC, for the full term.</p> <p>The Council would receive a minimum rental income in excess of twice the current income. Furthermore, based upon AOD's financial forecasts the total rental income that the Council would receive, including the turnover rent, would be four times the current rent received.</p> <p>There are substantial community benefits to be gained from these proposals. AOD are an established sports development company that are committed to providing sports opportunities for the local community. AOD and DUFC would form a partnership to provide sports opportunities for the local community.</p>	

Recommendation(s)

The Cabinet is recommended to agree:

- (i) To take a surrender of the current lease and grant an Agreement for Lease to Academy of Dreams plc to enable them to develop the site as a sports facility in accordance with the planning permission granted in December 2010 followed by the grant of a new lease, on the terms set out in the report;
- (ii) That the site be sub let to the current lessees, DUFC, for the full period on the terms set out in the report;
- (iii) That the lease require the lessees to have appropriately trained first aiders on site at all times of activity, and that all activities are adequately insured; and
- (iv) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services and Divisional Director of Finance, to negotiate, agree and complete the legal documentation to facilitate this transaction.

Reason(s)

The proposal will assist the Council in making better use of its resources and assets and links to the overall priority and vision for better health and wellbeing.

1. Introduction and Background

- 1.1 The site is leased to Dagenham United Football Club (DUFC) for a term of 15 years from 19 December 2003. The passing rent is £6,011 per annum set at review with effect from 19 December 2008. They are a community club established in 1961.
- 1.2 The site is located to the south of Manor Road in Dagenham in a predominantly residential area, set back from any major arterial roads. It extends to approximately 3.33 hectares (8.25 acres) and comprises three fairly low quality football pitches of different sizes, an unsurfaced car park and various portacabins used as an office, changing rooms and for storage. Planning permission on the site is restricted to sports use. It is located in the Green belt (Dagenham Corridor). A location plan of the site is attached as Appendix 1 and photographs of the existing facilities are attached as Appendix 2.
- 1.3 In December 2010 DUFC were granted planning permission to erect a new clubhouse and pavilion with changing rooms, a new floodlit 11v11 FIFA and RFU accredited all weather artificial turf pitch that can be sub divided into smaller pitches, a new floodlit 7v7 pitch with the same surface, with associated fencing and CCTV. One full size turf pitch will be retained but upgraded. Terms were also provisionally agreed to grant a new lease to DUFC for a period of 25 years at an initial rent of £8,250 per annum with rent reviews at five-year intervals.
- 1.4 DUFC were subsequently approached by Academy of Dreams plc (AOD), who are very interested in this project and are keen to invest in it. They are an established sports development company with key aims and objectives to create and develop training and game facilities for grass root sports across the UK. They are currently

involved in projects in Walthamstow, Harrow, Nottingham and mid Wales. Their main interest is football but they are also involved in other field sports as well, including both codes of rugby, hockey and Lacrosse. Their chairman is Terry Venables and he is keen to give something back to the community where it all started for him, leading to their particular interest in this project. A photograph of AOD's Walthamstow site, after redevelopment, is attached as Appendix 5. DUFC are equally keen to enter into this partnership as it will provide them with the investment required for the site.

- 1.5 The original paper relating to this transaction was presented to the Council's Property Asset Group (PAG) in December 2012. However, PAG recommendation was deferred due to queries, among other things, about AOD, the proposed floodlighting and the possible impact of the proposals on local residents. These concerns were assuaged by a site visit with Councillors R Gill and P Waker on 23 January and a subsequent meeting with DUFC and AOD on 11 February.
- 1.6 There are substantial community benefits to be gained from these proposals and a document setting out AOD's vision for the site is attached as Appendix 3. AOD and DUFC will form a partnership to deliver coaching workshops, school sessions, weekend clubs and holiday courses. AOD are also willing to undertake some additional projects on a Borough wide basis.

2. Proposal and Issues

- 2.1 Terms have provisionally been agreed to grant a lease of the site to Academy of Dreams for a term of 35 years at an initial base rent of £12,500 per or 5% of gross turnover if greater. The base rent will be subject to upwards only rent reviews at five-year intervals in accordance with movements in the Retail Prices Index.
- 2.2 AOD has provided details of their financial projections for the site. Based upon these projections, by Year 5 their gross turnover would be circa £500,000 and therefore the annual rent payable to the Council would be circa £25,000.
- 2.3 AOD will develop the site as per the planning permission granted, building the new all weather pitches and pavilion. Three directors of the company will stand as guarantor for the period of the construction works. The total construction costs are £915,000 and these will be borne by AOD at no cost to the Council or DUFC. A plan showing the proposals for the sports ground is attached as Appendix 4. A sub lease will be granted to DUFC for the full term.

3. Options Appraisal

- 3.1 Option A - Decline the proposal to grant a new lease to AOD on the proposed basis. This option is not recommended as it does not provide any inward investment to the site, any improvement to the community facilities or any significant increase in rental income to the Council.
- 3.2 Option B - Accept the proposal to grant a new lease to AOD on the proposed basis. This is the recommended option for the following reasons:-
 - It will provide substantial investment to the site (circa £915,000) that will significantly enhance the facilities at the sports ground.

- The Council will receive a minimum rental income in excess of twice the current income. Furthermore, based upon AOD's financial forecasts the total rental income that the Council will receive including the turnover rent will be four times the current rent received.
- There are substantial community benefits to be gained from these proposals. AOD are an established sports development company that are committed to providing sports opportunities for the local community. They will form a partnership with DUFC in order to achieve these goals. The substantial investment, management and support of local grassroots football will provide significant community benefits and enhance the local football development plan.

4. Consultation

- 4.1 Consultation has taken place internally with the Council's finance and legal teams. Local Ward Council's have been consulted.

5. Financial Implications

Implications completed by: Martin Henwood, Deputy Chief Financial Officer

- 5.1 The direct financial implications for the Council in this proposal are limited. The proposal will increase income from the site from c£6,000 per annum to more than £12,000 per annum. This is a required amount which may rise to £25,000 p.a. if the forecasts in the AOD Business Plan are fully realised. Any financial risks around running the facility will rest with AOD, who are experienced providers with other sites around the country, and not the Council.
- 5.2 The most significant risks to the Council surround the period when the facilities are being developed. The approach of AOD of using a sophisticated prefabricated pavilion means that the risk of a partially developed building is avoided. The income and cost stream for AOD will depend on the quality of the artificial surfaces and other facilities so there is a strong mitigation for any risk related to these.
- 5.3 Key to the success of the new facilities will be the partnership between DUFC and AOD, and ensuring this is sufficiently robust to allow for any significant changes that might occur. The major risk here is a change of ownership or financial structure relating to AOD. It will be crucial that DUFC obtain their own independent financial and legal advice prior to the lease being granted and formal partnership established.
- 5.4 The recommendation relating to first aid and insurance is included mainly for the benefit of any users. This is not an onerous requirement for AOD as a company underpinned by experienced operators, and it will provide assurance to Members that site is more likely to be run properly.

6. Legal Implications

Implications completed by: Alison Stuart, Principal Solicitor

- 6.1 Local Authorities have disposal powers pursuant to Section 123 Local Government Act 1972 and are required to achieve the best consideration reasonably obtainable when disposing of land. The report details indicate market rent will be payable.

6.2 The proposed transaction based on the terms of this report would appear to satisfy statutory requirements and Council's constitutional rules to secure best consideration in land transactions.

7. Other Implications

- 7.1 **Risk Management** – The main risk to the Council will be during the period when the facilities are being developed. However the pavilion will be developed off site and then delivered to the site in flat pack form, so the risk of a partially developed building is avoided. The risk is also minimised by three directors of the company standing as guarantor during the period of the construction works. The success of the project will be largely dependent on there being a strong partnership between AOD and DUFC. Both parties will seek their own independent legal advice prior to the lease being granted and the partnership being established, to ensure that a robust partnership and understanding is established.
- 7.2 **Contractual Issues** – The Legal Implications section sets out the Council's powers in relation to this transaction. Legal Services will be fully consulted and will prepare all the necessary legal documentation.
- 7.3 **Staffing Issues** – There are no staffing implications arising from this report.
- 7.4 **Customer Impact** – There are substantial community benefits to be gained from these proposals, which will provide sports opportunities for the local community.
- 7.5 **Safeguarding Children** – The proposals will provide sporting opportunities for schools and children in the Borough.
- 7.6 **Health Issues** – All programmes and interventions delivered through new facilities are consistent with our Health and Wellbeing Strategy to improve the health and well-being of individuals and build community cohesion through increased participation of children, young people and adults. In particular there is a need to ensure increasing opportunities through better access to more and better quality facilities in particular for under-represented groups such as young people, people with a disability, women and girls, ethnic minority communities.

Additional benefits are:

- Contributing to improved mental health, weight management; and
- Developing capacity through coach and volunteer education programmes

- 7.7 **Crime and Disorder Issues** – Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals. These will have been considered when planning permission was granted for the new facilities. The new sports facilities will provide new opportunities for young people, directing them away from crime.

Community facilities such as these can impact positively on crime and disorder and the report and proposals as detailed gives evidence of how this project will enhance community provision and seek to contribute to a reduction in crime and disorder.

Whilst the proposal will deliver positive outcomes it should be noted that substantial building work will be required to undertake both the demolition and rebuild and that therefore any planning conditions should include robust site security measures, both through demolition of current buildings and the duration of the building project and furthermore that they are including in the long-term plans for the site once it is operational. It should be noted that floodlighting often causes considerable concern for local residents and the use and positioning of these should ensure that they do not impact adversely on local residents. The plans should also be referred to the Police for consideration in terms of secure by design outcomes.

It is good to note that the proposal makes reference to work with both NACRO and the Youth Offending Service, as such good quality provision will enhance the enforcement and support work which can be given to offenders on orders and those who are deemed to be at risk of offending. It is further noted that the provision would also be attractive to girls, where many such sporting activities tend to be more male orientated.

The proposal also details pathways to support participants into training and employment and again research shows that such programmes can have a positive impact on offending behaviour.

In general the proposal is likely to have a positive impact on crime and disorder though it will be important to ensure that pathways for referral for both Probation and YOS, as well as other programmes such as Troubled Families are in place and are robust prior to commencement.

- 7.8 **Property / Asset Issues** – The transaction will provide substantial investment to the site (£915,000) that will significantly enhance the facilities at the sports ground. The Council will receive a minimum rental income of £12,500 per annum, which is more than twice the current income. Furthermore, based upon AOD's financial forecasts the total rental income that the Council will receive including the turnover rent will be approximately £25,000 per annum.

Background Papers Used in the Preparation of the Report:

None

List of appendices:

- Appendix 1 – Location Plan
- Appendix 2 – Photographs of the site
- Appendix 3 – Academy of Dreams 'Manor Road Vision'
- Appendix 4 – Plan of Proposals for Manor Road Sports Ground
- Appendix 5 – Photo of Wadham Lodge Sports Ground, Walthamstow, after redevelopment



Manor Road Football Club



(c) Crown copyright. All rights reserved.
Licence number - 100019280 (2009)

Town Hall, Barking,
Essex, IG11 7LU
Tel: - 020 8215 3000

Scale - 1:1,250
Produced By:- Penny Taberman
Date - 02/09/11

This page is intentionally left blank





Manor Road Vision



The Dagenham Football Development Centre

Introduction

The Academy of Dreams (AOD) is an established company designed specifically to develop outdoor sports facilities at community sites, with a management team who between them possess over 20 years' experience of managing and developing private sports centres across the UK. We feel we have a unique product and ethos which will be of major benefit to local people.

The mission of AOD is to provide comprehensive sports training, leagues, tournaments, clinics, camps, recreation, education, research and facilities that serve the year-round needs of local people, in a positive and supportive environment, staffed by well-trained local individuals who will welcome participants without regard to skill level, ancestry, ethnicity or gender.

AOD is committed to ensure local individuals, families and clubs gain:

- Access to sports opportunities
- Wellness and lifelong physical activity
- Access to a positive learning environment which will develop and build self esteem



Aims & Objectives

- 1) To enhance the playing experience of grass roots sports participants in a safe, professionally managed environment and at an affordable rate.
- 2) Encourage participation from all social, religious and gender groups to use the facilities. By increasing participation in the sport we can help people to maintain a healthy lifestyle.
- 3) To create a sustainable business by offering subsidised sport as part of a structured commercial business plan.
- 4) To offer provision for all field sports to include, football, hockey, both codes of Rugby and La Crosse. We will develop working partnerships with the sport's governing bodies to incorporate site specific and national development plans.
- 5) To invest a percentage of profits back into the facility and equipment to ensure best service at all times. An on-going sinking fund will be introduced to cover the re-laying of the pitches at the end of their natural life span.
- 6) We will work with local development officers, professional clubs and governing bodies to ensure that the provision is fulfilling local strategy and so players, coaches and referees who are showing promise of developing to a higher level can do so through the right channels.
- 7) Finally to ensure sport is played and enjoyed in the spirit of the game.



Management Team

Richard Hipkiss

Having completed a BA Honours degree in Leisure Management, Richard has wealth of experience designing and operating leisure facilities across the UK. During a twenty year period in the leisure market, Richard has operated over thirty private leisure venues, each with a variety of facilities including all-weather and grass sports pitches, sports halls, treatment clinics, licensed bars, function halls, soft play areas, fitness clubs and conference rooms. A key player in the private football operator market, having worked at senior and director level for Powerleague, JJB Soccerdomes, Skylark Leisure, Complete Football and Match Day Centres.

Richard is a passionate supporter of local, professional and grassroots sport.

Additional Staff

A dedicated team of local staff will be employed covering the following roles:

- Duty Managers
- Administrators
- Qualified Coaches
- Qualified Officials
- Grounds Staff



The Proposal

We see this project as a fantastic opportunity to work in partnership with a well-respected local football club, to enhance the existing facilities and to invigorate and create a stronger field sports development project for the club and the local community.

Project Description

Phase 1

- Construct a new full size all-weather pitch with an approved FIFA 2 star playing surface. This accredited surface allows for local, regional and national competitions to be played for both football and rugby. Provide pitch markings for 7v7, 9v9 and 11v11 affiliated competition and training. The pitch dimensions will provide a player pathway from juniors to seniors.
- Upgrade the site generally with removal of old buildings and improve access and security.
- Provide a sports pavilion, housing a reception, foyer, meeting/classroom, café bar, changing rooms and toilets. The pavilion will provide management and first aid support.

Phase 2

- Construct a new 7-a-side all-weather pitch with an approved FIFA 2 star playing surface. Provide pitch markings for 5v5 and 7v7 affiliated competition and training. The pitch dimensions will extend the player pathway provision at site, assisting both the all-weather and grass pitch provision on site.



Maintenance

AOD trained staff would be responsible for the everyday maintenance and cleanliness of the pitches and surrounding areas. Annual maintenance packages will be incorporated for the pitches and building to ensure the facility remains at premier standard. A sinking fund will be delivered to ensure the pitches are maintained to required specification for years to come. The pitches will be maintained, litter picked and given a full H&S check on a daily basis.

Security

AOD would combine CCTV security on the pitches with a booking system and coaching aid facility.

Equipment

To cover every aspect of the games development we will provide safe goalposts for all forms of the game from 5v5 to 11v11.



Facility Provision

Small-Sided Leagues

Small-sided football is one of the fastest growing participation sports in the UK; we will introduce FA affiliated leagues for adults and juniors to play in. This aspect of the business is a commercial element which enables us to subsidise other products. Through experience in the market we identify that players who compete at a good level of football are not always keen to play the conventional 5-a-side football, so we have developed a 6-a-side game which has a larger playing area and goals and can also operate the conventional 5-a-side game.

Mini Soccer

We would work with the local FA and leagues to centralise weekend mini soccer matches to Manor Road. We have had experience of this around the country and this makes the leagues easier to administer and also helps local professional clubs to monitor the development of potential local talent by using the leagues as scouting hubs. We can offer a fixture and results service and provide referees to alleviate costs to the clubs. The flexible pitch structure will create a player pathway through the various age groups.

Training

At present, Dagenham has a severe deficiency of suitable training pitches. Those that are available are either too small, too expensive or have inadequate playing surfaces. AOD can provide high quality turf and floodlighting, built with training needs pitch dimensions in mind, whilst maintaining the ability to incorporate full team drills. The provision for training will be suitable for both football and rugby clubs.

Social Football

The pitches will be available to the public for block and casual bookings.

Youth Football & Rugby

We will be developing a range of programs focusing on the fun aspect of sports, to run throughout the year and during school holidays.

Events and Tournaments

We would look for the site to become a venue for regional, national and international sports events, clubs and camps. This could be combined with educational programs such as coaching and language awards. Local students could be provided with opportunities to participate in European exchanges linked to the management team.

Football Development

We would build relationships with Professional Football Clubs on the delivery of their aspects toward the local football development plan. We would also engage the local F.A. to hold F.A. learning packages and to affiliate our small-sided leagues to them.

AOD will offer all versions of the game from 5v5 – 11v11. This is core to the FA's development strategy having conducted extensive research into the grass roots football community. The FA's website stated:

"Small Sided Football is the most popular and fastest growing area of adult football. With over 1.5m adults playing Small Sided Football every week and with 30,000 teams playing in organised and competitive small sided leagues, this format of football has increasingly become an integral part of the football family.

The FA recognises the important role that Small Sided Football plays in encouraging people to continue playing football and enjoying all aspects of the 'beautiful game.'

Small Sided Football is an all encompassing term that covers the following formats:-

- 5v5
- 6v6
- 7v7

FA Shareholders voted in new Youth Development proposals by an overwhelming 87 per cent majority.

The Shareholders, present at today's AGM at Wembley, voted to bring in a new player pathway for football to include a mandatory 5v5 format of football for U7s and U8s and a 9v9 format for U11 and U12s to be phased in by season 2014-15.

The changes passed have been developed over a number of years, with research and over two years of consultation across the game.

Nick Levett, National Development Manager, said: "After 138 road shows nationwide it was fantastic to get the endorsement of the majority of the grassroots football community.

"These changes are a massive step forward for the future of children's football in this country."

Introducing 5v5 for U7s and U8s, with progression to 7v7 and then 9v9, allows the children to play on appropriate size pitches and with appropriate size goals.

The smaller pitch and number of players allows greater number of touches of the ball and involvement in the game, helping develop greater technical skills at a lower age.

The move will also bring a more child friendly approach to competition, breaking up the eight-month long adult based season into smaller periods of competition which encourage increased learning".

AOD share the same vision for football development as the FA and intends to facilitate this player pathway.

Centres of Excellence

We feel it is important that, as well as providing a sporting hub for the whole community, that young players with exceptional talent should be recognised. We work with our professional club partners to deliver both boys and girls development classes.

Sports Development

We will be looking to install a football/ rugby turf onto the full size all-weather pitch to ensure best use of the facility. This philosophy will assist the goal of creating a community hub. We will work with both the governing bodies to incorporate development schemes and fun sessions in to the sports delivery programme for the site.

Community and Educational Partnership

It is a key element to ensure the facilities are offered to schools and community groups. We would create a strong partnership with the local Council to offer the school vast opportunities for its pupil's sports, educational and work experience opportunities. At the start of each academic year we will work together to produce a timetable of use for physical education lessons, community inclusion classes, competitive school matches and tournaments. In addition we will provide 20 hours of community pitch use midweek between the hours of 8:30am and 4:30pm to local schools and qualifying community groups such as concessionary Council leisure pass holders. Within this free of charge provision we could run an after school club to channel energies into a positive healthy environment and reduce the risk of anti-social behaviour.

We feel we can enhance aspects of extra-curricular activities such as holding subsidised FA learning courses for pupils and staff and developing partnerships with the Princes Trust and other social inclusion charities to enhance the opportunities of young people.

As partnerships progress we would like to offer employment and work experience opportunities to local pupils, such as days where they can shadow our staff to gain insight into how the centre operates.

As part of our commitment to the community we will be working with organisations such as NACRO and The Youth Offending Team to develop courses to improve social inclusion and improve young people's lives and skill sets.

We would also look to introduce a college vocational course where football is the driver for young people to engage in educational programmes.

Employment Opportunities

AOD will invest directly into the community through the provision of employment opportunities, looking to recruit staff from the local area. AOD is an equal opportunities employer.

The concept has been devised by an experienced leisure operator for local residents and clubs. The long-term vision is to increase the number of people participating in sport at all levels, to reduce anti-social behaviour, to use sport as a force for good and to create a

strong community-led environment for everyone to enjoy. In addition we hope to assist local talent with support and links to professional sport and provide other career opportunities via strong educational and development projects.

The existing facilities provided at the Manor Ground are in desperate need of considerable investment. The focus of AOD is to add to the existing infrastructure with specialised and experienced management, with local knowledge and relationships in conjunction with good investment. The site in its current format is of little value. The location would not attract health clubs or retailers and the sports use requirement reduces any residential property potential value. The site and local residents need management, investment and a facility that provides for the local community. This community hub concept is key to the success of AOD and needs to be reflected within lease terms and tenure.

The business plan attached proposes a base rent of £10,000 or 5% of gross profit. In addition an annual community use provision of up to £26,000 is offered. This gives a very good return for the restrictive nature of the site.

In addition to this proposal AOD is happy to review management or refurbishment opportunities that may open up at other venues across the Borough. Such facilities could satellite from the sporting community hub provided at Manor Road which provides the solid infrastructure and foundation to efficiently manage other pitches across the Borough.



ACTIVE IN WALES & HARROW COLLEGE

The Cambrian Village Trust was established by AOD in 2000 with the aim of promoting sporting opportunities for young people in the Mid-Rhondda area, irrespective of age or ability.

The project has and continues to prove a truly remarkable success delivering schools soccer coaching for primary, secondary and disability school pupils. With the development of new floodlit grass and all weather football pitches alongside educational facilities, the trust employs a number of full time qualified coaches operating a variety of courses and qualifications for the local community.

The Trust is building a continuous momentum of more and more qualified coaches, better players, healthier participants, giving all corners the chance to develop themselves physically, mentally, improving knowledge, qualifications, confidence and providing a distraction from anti-social behaviour.

The Trusts delivery includes the following programs:

- Primary school provision
- Disability program
- Holiday program
- Coach education
- Secondary school provision
- Academy
- Academy development hubs

The Game On Program

A program devised for grassroots encouraging participation and motivation to change lives for the better with community involvement for the community the participants live in. The program objectives are in line with the AOD mission statement, increasing confidence and participation, engaging with disadvantaged people, diverting people from anti-social behaviour, increasing community cohesion through time banking, encouraging a healthy lifestyle and heightening educational and personal goals.

The Cambrian Trust is a good working example of the achievements that the Academy of Dreams can replicate with partnerships with schools.

Academy of Dreams - BTEC Level 3

Diploma in Sport (Football) - 16-18 only

Who is the course for?

Boys aged 16-18 years with proven football playing ability selected by trial who seek a first class education and have predicted grades A to C at GCSE level. This is the first year of a two year course that will help you to develop skills and knowledge required for employment within a variety of sectors of the sport industry.

This course is for 16-18 year old boys

What can it lead to?

Students who are successful can progress to employment in the sports industry. Students can also progress to University to take degrees or HND in Sports, Fitness and Health related courses.

Entry Requirements

Successfully selected from trials.

GCSE Grades A*-C including English and/or Maths and Science. A Merit at BTEC Level 2 qualification plus C grade in GCSE English and/or Maths preferably.

Please note, you will be required to wear sportswear, which you will need to purchase. Further details will be given at enrolment.

What will I study?

BTEC Level 3 Diploma in Sport (Performance & Excellence)

YEAR 1

Unit 1: Principles of Anatomy and Physiology in Sport

Unit 2: The Physiology of Fitness

Unit 3: Assessing Risk in Sport

Unit 4: Fitness Training and Programming

Unit 7: Fitness Testing for Sport and Exercise

Unit 11: Sports Nutrition

Unit 17: Psychology for Sports Performance

YEAR 2

Unit 27: Technical and Tactical Skills in Sport

Unit 28: The Athlete's Lifestyle

Unit 5: Sports Coaching

Unit 8: Practical Team Sports

Unit 19: Analysis of Sports Performance

Unit 22: Rules, Regulations and Officiating in Sport

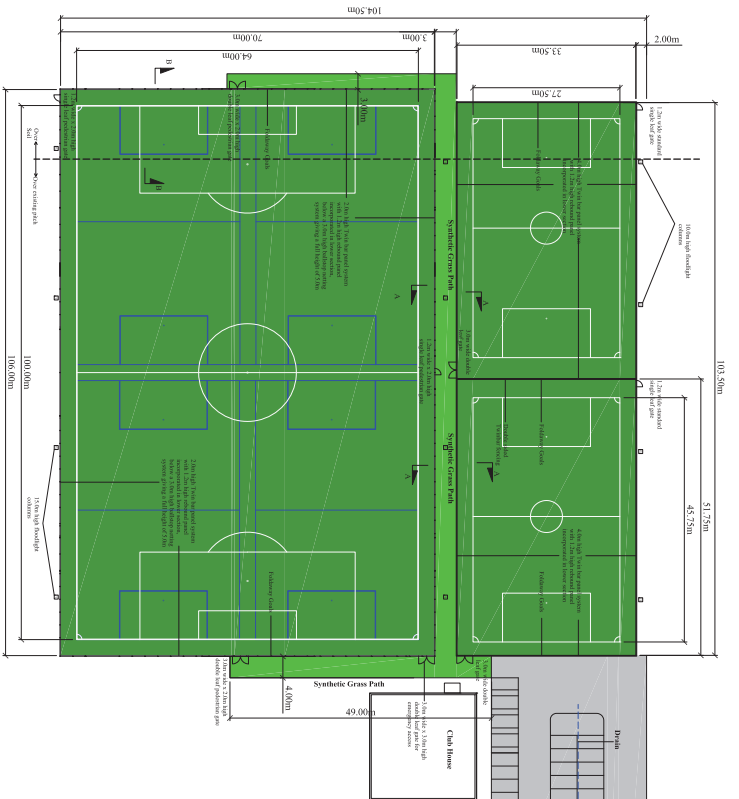
How will I be taught?

Training is mapped out over a five day period with games played on a Wednesday or Sunday. College classes will take place over the same five day period and classes will consist of a variety of lectures, videos, outside speakers, research, student presentations, online interactive sessions.

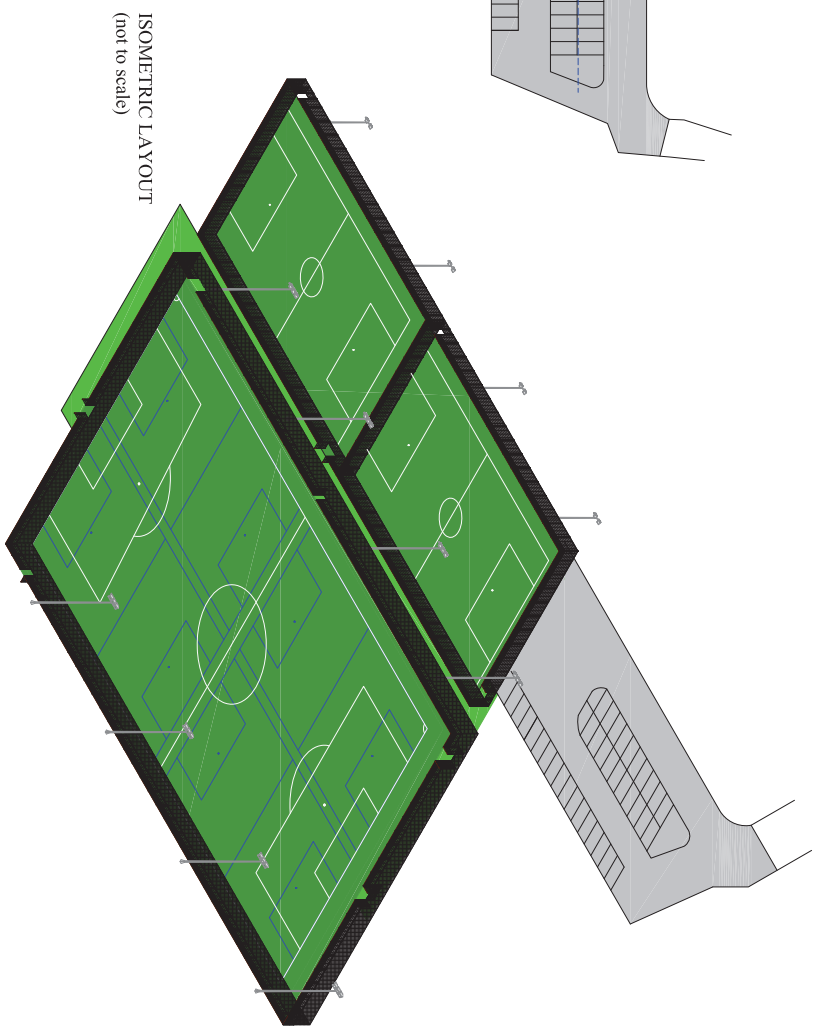
How will I be assessed?

You will be assessed through a combination of written assignments, presentations and practical assessments.

This page is intentionally left blank

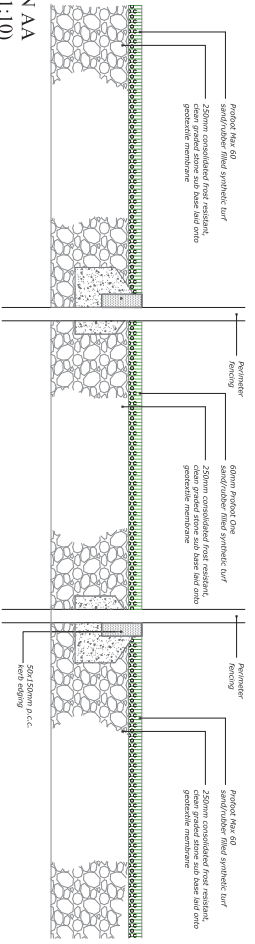


GENERAL LAYOUT
(SCALE 1:500)

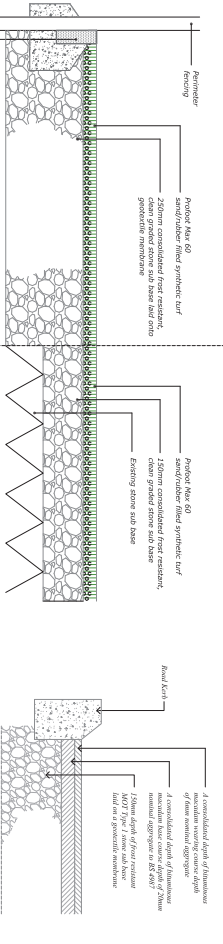


ISOMETRIC LAYOUT
(not to scale)

SECTION AA
(SCALE 1:10)



SECTION BB
(SCALE 1:10)



SECTION THROUGH CAR PARK
(SCALE 1:10)



PROJECT TITLE:		CLIENT:	
PROPOSED SYNTHETIC PITCH & MUGA - DAGENHAM UNITED FC		ACADEMY OF DREAMS	
DRAWING TITLE:		DRAWING NUMBER:	
GENERAL LAYOUT & SECTION AA		CLS/12/24706/01	
DATE: 05/10/2012		DRAWN BY: B	
CHECKED BY: AT		DATE: 31/07/2012	
SCALE: 1:500		SCALE: 1:10	
PROJECT NO: 08/10/12		PROJECT NO: 08/10/12	

Head Office: London Road, Havant, Hampshire, PO9 1EX, UK. Tel: +44 (0)1329 419911. Fax: +44 (0)1329 419912. Email: info@charleslawrence.co.uk Website: www.charleslawrence.co.uk

© Charles Lawrence Stadiums Ltd. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, without the prior written permission of Charles Lawrence Stadiums Ltd.

This page is intentionally left blank



This page is intentionally left blank

CABINET

21 May 2013

Title: Land Appropriation at Goresbrook Village, Dagenham	
Joint Report of the Cabinet Members for Regeneration and Housing	
Open Report	For Decision
Wards Affected: Thames	Key Decision: no
Report Author: Jennie Coombs, Regeneration Manager - Major Housing Projects	Contact Details: Tel: 020 8227 5736 E-mail: jennie.coombs@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director of Regeneration	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>Goresbrook Village (“the Site”) forms part of the Estate Renewal Programme and is shown edged red on plan attached at Appendix 1. Developer Countryside Properties has been appointed to replace the existing tower blocks and concierge buildings with high quality low rise housing to include; 108 houses and 41 flats, retail space, a new linear park, general landscaping, car parking and associated works (“the Scheme”). The Scheme planning application (12/00854/FUL) was approved in January 2013, demolition is due to commence in May 2013, and completion is expected in Spring 2015.</p> <p>Part of the land is affected by restrictive covenant (“the Covenant”) and possibly private rights of way that could impact on the proposed development. The Covenant restricts that the part of land affected should only be used as a public park and recreation ground pursuant to the provisions of the Public Health Acts 1875 to 1925 or any statutory amendments or re-enactment thereof from time to time in force and shall be used for no other purposes whatsoever.</p> <p>The Covenant is now obsolete as the land has ceased to be used for such purposes for many years. The Scheme will provide the new housing units with private open space, and the Site is adjacent to Castle Green which is an area of open space land.</p> <p>The majority of the Site was acquired from London County Council in 1936 for use as a Public Parks and Recreation Grounds. The Site was developed in the 1960’s for housing. It has not been possible to confirm if the Site or part of it was appropriated for planning purposes to housing land. The site is currently partly within the ownership of the HRA and partly within the General Fund. Through appropriation, the entire site will be transferred to the General Fund.</p> <p>At its meeting on 13 November 2012, the Cabinet supported the appropriation and authorised the Chief Executive to progress the proposals and commence the formal public consultation. This report seeks the final approval to the appropriation from the statutory purpose of acquisition as a public park and recreation ground to planning purposes for housing re-development.</p>	

Recommendation(s)

The Cabinet is recommended to agree that the area of land at Goresbrook Village shown edged red on the plan attached at Appendix 1 be appropriated to planning purposes pursuant to section 226 (1) of the Town and Country Planning Act 1990 and section 122 of the Local Government Act 1972.

Reason(s)

To assist the Council in achieving its Community Outcome of more houses which are affordable for local people.

1. Introduction and Background

- 1.1 Part of the site shown edged yellow on the attached plan is affected by a restriction on title which states: 'A Deed affecting the land edged yellow on the filed plan dated 9 July 1936 made between 1) The London County Council and 2) The Mayor Alderman and Burgesses of the Borough of Barking contains the following covenants:-

"That the said land hereby conveyed shall at all times hereafter be maintained by the Corporation as a Public Park and Recreation Ground under the provisions of the Public Health Acts 1875 to 1925 or in any statutory amendments or re-enactment thereof from time to time in force and shall be used for no other purposes whatsoever."

- 1.2 This area of land affected by the Covenant includes the vehicle entrance into Goresbrook Village, and the majority of the car park as well as a portion of green space along the northern and eastern edges. The master plan shows the construction of approximately 50 of the 149 units within the area affected by the Covenant. In order for the development to proceed and houses to be sold and occupied, the Council is seeking to appropriate this land for planning purposes to housing land.
- 1.3 Furthermore, the Council intends to close the footpath shown hatched blue on the Plan and is seeking to extinguish any private rights of way that may exist over the footpath resulting from long use by appropriating the site for planning purposes.
- 1.4 After considering a report dated 13 November 2012 the Cabinet agreed:
- (i) The appropriation of land, shown edged red on the plan at Appendix 1 to the report, to planning purposes to facilitate housing redevelopment as part of the Goresbrook Village Estate Renewal Programme; and
 - (ii) To authorise the Chief Executive, in consultation with the Head of Legal and Democratic Services, to commence the land appropriation process and place public advertisements to seek public opinion and responses to the proposed appropriation of the land currently used for housing, footpath, car park and vehicle access.

2. Proposal and Issues

- 2.1 The period for public response to these advertisements has now ended, with the result that there were no written responses/objections.
- 2.2 In summary it is considered that the appropriation of The Site will assist the Council in achieving its Community Outcome of more houses which are affordable for local people. The 13 November 2012 report and the Scheme planning application (12/00854) demonstrate how the Goresbrook Village estate renewal development will provide a higher standard of living for the residents, providing private open space, safer walking routes and play for all 149 units. The proposed development will also provide dwellings of a scale and type that is sympathetic to the surrounding area and meet Secured by Design standards.
- 2.3 It is recognised that pursuant to section 122 of the Local Government Act 1972, the Council must be satisfied before appropriating the land that the land is “no longer required for the purposes for which it is held immediately before appropriation”. The land is presently held as a car park/vehicle access/pedestrian access. The Covenant restricts that the part of land affected should only be used as a public park and recreation ground. The Covenant is therefore considered to be arguably obsolete as the land has ceased to be used for such purposes for many years. The requirements for appropriation are therefore considered to have been met.
- 2.4 Having regards to the considerations set out in the report dated 13 November 2012 and for the reasons set out in this report, it is now recommended that the Cabinet authorise the appropriation of the Site to Planning Purposes under section.226(1) of the Town and Country Planning Act 1990. The power to appropriate the land is derived from section 122 of the Local Government Act 1972.

3. Options Appraisal

- 3.1 An options appraisal was set out in the report to Cabinet on 13 November 2012.

4. Consultation

- 4.1 This report outlines the consultation that has taken place.

5. Financial Implications

- 5.1 There are no further implications to those referred to in the report to Cabinet on 13 November 2012.

6. Legal Implications

- 6.1 There are no further implications to those referred to in the report to Cabinet on 13 November 2012.

7. Other Implications

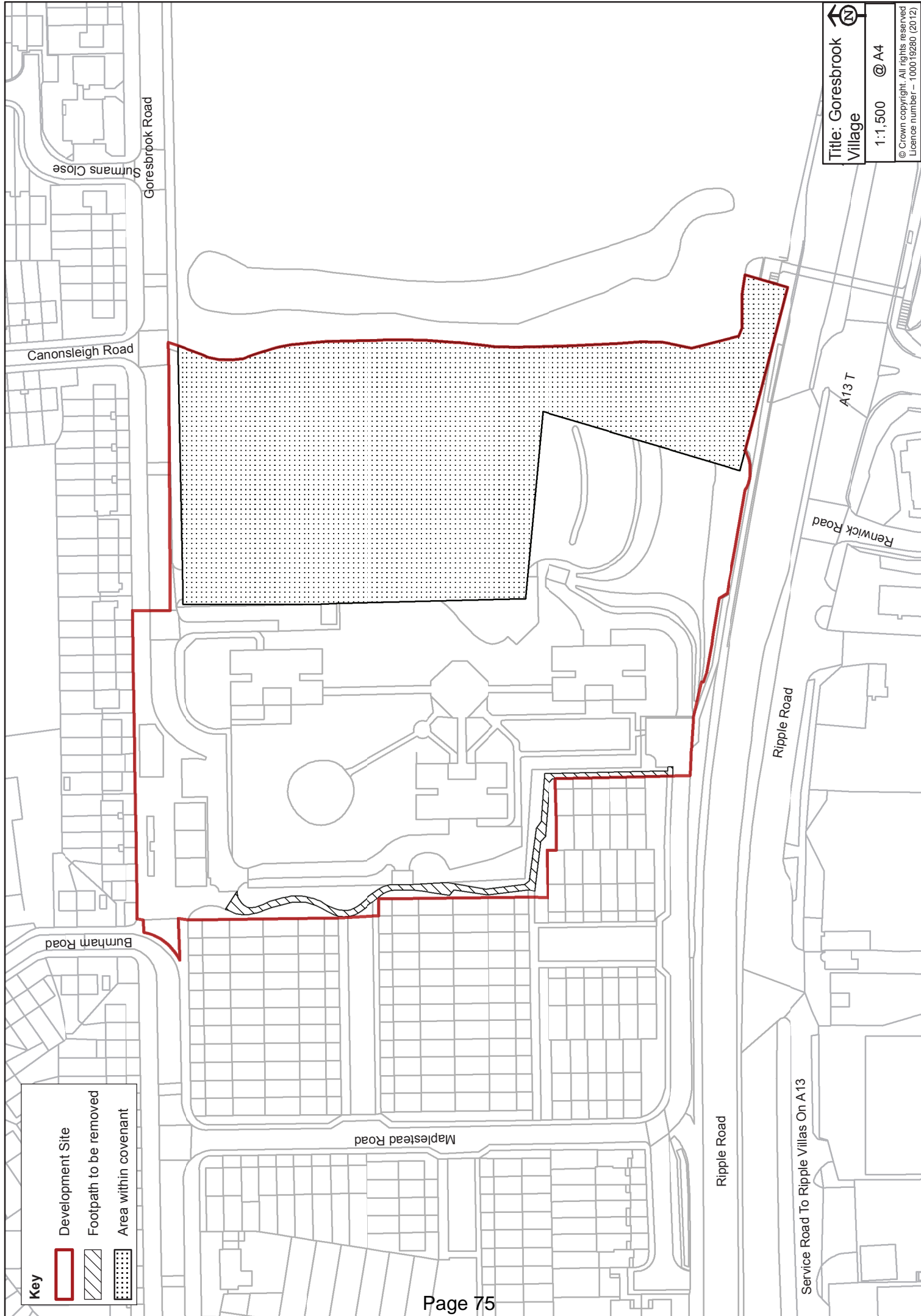
- 7.1 There are no further implications to those referred to in the report to Cabinet on 13 November 2012.

Background Papers Used in the Preparation of the Report:

- Report and Minutes entitled “Land Appropriation at Goresbrook Village, Dagenham”
- Cabinet, 13 November 2012

List of Appendices:

Appendix 1: Certificate of Title, with map attached.



Key

- Development Site
- Footpath to be removed
- Area within covenant

This page is intentionally left blank

CABINET**21 May 2013**

Title: Calendar of Meetings 2013/14	
Report of the Leader of the Council	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Alan Dawson, Democratic Services Manager	Contact Details: Tel: 020 8227 2348 E-mail: alan.dawson@lbbd.gov.uk
Accountable Divisional Director: Fiona Taylor, Head of Legal and Democratic Services	
Accountable Director: Graham Farrant, Chief Executive	
Summary: This report sets out the proposed principles for the calendar of meetings for the forthcoming municipal year 2013/14 and seeks the Cabinet's confirmation to those principles.	
Recommendation(s) The Cabinet is recommended to agree the basis of the calendar of meetings for 2013/14 as detailed in the report.	
Reason(s) To accord with the requirements of the Council Constitution.	

1. Introduction and Background

- 1.1 The annual programme of meetings covers all scheduled Council meetings and typically relates to the 12 month period from mid May each year.
- 1.2 The date of the 2014 Local Elections is likely to be influenced by the timing of the 2014 European Elections, the date for which has yet to be confirmed by the European Union. The timing of the Local Elections has a direct bearing on the Council's programme of meetings because of 'purdah' requirements. As a general rule, the purdah period begins six weeks before the date of an election and local authorities are prohibited from undertaking certain activities during that period. As a consequence, the Council has typically kept to a minimum the number of meetings held during the purdah period, holding only those meetings that are required.

- 1.3 With that in mind, the full programme for April and May 2014 will be set once the date of the Local Elections is known and in the context of the election period.
- 1.4 The proposed programme for 2013/14 can be viewed at <http://moderngov.barking-dagenham.gov.uk/mgCalendarMonthView.aspx?GL=1>.

2. Proposal and Issues

- 2.1 The general principles underpinning the annual calendar of meetings are well established and the proposals for the 2013/14 municipal year largely follow those principles.
- 2.2 Wherever possible clashes between meetings have been avoided and meetings scheduled outside of school holiday periods, although certain statutory deadlines and/or other legitimate reasons mean that this has not always been possible.
- 2.3 Set out below are the proposals in respect of the Council's main meetings:

Assembly

The Assembly has been scheduled to meet on five occasions during the 2013/14 municipal year. There are two key dates during the year, namely the end of February for the budget / Council Tax setting and mid May for the Annual Meeting (although the date of the Annual Meeting in 2014 will be set in the light of the date of the Local Elections). The proposed scheduling avoids school holidays and means that the Assembly would meet approximately every 10 weeks, which is considered sufficient.

Cabinet

There are 11 meetings of the Cabinet proposed for the 2013/14 municipal year, typically on a four-weekly schedule (no meeting during August).

Licensing and Regulatory Board

These have been scheduled fortnightly in order to ensure that applications are considered within statutory timescales. Where there are no applications to consider, the meetings would be cancelled.

Development Control Board

These have been scheduled four-weekly in order to ensure that applications are considered within statutory timescales.

Personnel Board

These have been scheduled fortnightly but where there are no cases to consider, the meetings would be cancelled.

Standards Committee

In the light of changes to the Standards Committee regime as a consequence of the Localism Act 2011, it is considered sufficient for the Committee to now meet on a quarterly basis rather than every two months as was the case under the former, more complex legislative arrangements. In addition, the scheduling of the meeting has been changed so that meetings now take place on either a Tuesday or

Wednesday at 5.00pm, as opposed to Thursday at 3pm, to better suit the needs of the membership which now consists entirely of Councillors.

Select Committees

The Constitution refers to Select Committees meeting approximately every six weeks (eight times a year). Up to the end of February 2014, six meetings of each Select Committee are scheduled. The programme allows for a further meeting to be scheduled in late March / April 2014 (subject to the timing of the Local Elections) and also allows for an additional meeting to be added if necessary towards the end of 2013 to deal with any budget-related issues.

Health and Wellbeing Board

Meetings of the new Health and Wellbeing Board have been scheduled on an approximate six-weekly basis.

2.4 Meetings of the Pensions Panel, Employee Joint Consultative Committee, Employee Joint Health Safety and Wellbeing Committee have been scheduled quarterly, in line with normal arrangements.

2.5 There are a number of other meetings, such as those associated with the Local Strategic Partnership, the Housing Forums and school governing bodies, which are also included in the full Council calendar. The scheduling of these meetings is determined by the bodies themselves but they are asked to have regard to the Council's programme when setting their respective schedules.

3. Options Appraisal

3.1 The proposals within this report generally reflect the standard approach to the annual calendar. There is always some flexibility within the calendar to allow for in-year changes.

4. Consultation

4.1 The key principles which underpin this report have been agreed in consultation with the Chief Executive, Leader, Labour Group Secretary and relevant officers. Once the Cabinet has approved them, the full programme of meetings will be made widely available.

5. Financial Implications

Implications verified by: Jon Bunt, Divisional Director of Finance

5.1 There are no financial implications associated with this report.

6. Legal Implications

Implications verified by: Fiona Taylor, Head of Legal and Democratic Services

6.1 There are no legal implications associated with this report.

7. Other Implications

7.1 **Customer Impact** - The arrangements for the 2013/14 municipal year follow the same general pattern as previous years and are therefore not considered to have any material impact on customers.

7.2 **Property / Asset Issues** - The Council's meetings are typically held in the Civic Centre or Town Hall due to their accessibility and to minimise costs.

Background Papers Used in the Preparation of the Report:

- Council Constitution

List of appendices: None

CABINET

21 May 2013

Title: Barking Riverside - Riverview Secondary School Infrastructure Front Funding	
Report of the Cabinet Members for Children's Services and Regeneration	
Part exempt - Appendices C and D contain information relating to the financial / business affairs of a particular company in the form of details of the proposed commercial terms and financial arrangement.	For Decision
Wards Affected: Thames	Key Decision: Yes
Report Author: Peter Remedios, Principal Regeneration Officer	Contact Details: Tel: 020 8227 3019 E-mail: peter.remedios@lbbd.gov.uk
Accountable Divisional Director: Jane Hargreaves Divisional Director of Education, and Jeremy Grint, Divisional Director of Regeneration	
Accountable Director: Graham Farrant, Chief Executive, and Helen Jenner, Corporate Director of Children's Services	
<p>Summary:</p> <p>On 12 February 2013 (Minute 98), Cabinet agreed to act as the agent for the construction of the Riverview Free School Trust Secondary School on behalf of the Education Funding Agency. The terms of the funding will require the Council to deliver a new 10 FE secondary school with a minimum floor space of 13,188m² for no more than £26m by September 2015. It is crucial that the numbers of additional secondary school places are provided by September 2015. In addition to this, a bid has been made for a special school to be accommodated on this site. These additional places are also critical to cope with the increasing need for Special School places.</p> <p>The school site is safeguarded in Barking Riverside within the s106 (planning) agreement. The land is to be made available for a peppercorn by Barking Riverside Limited (BRL is owned 51% by Bellway Homes and 49% by the Greater London Authority) however, there are a number of site preparation works such as cable diversions, groundworks and access required in order to make the site ready for occupation, without which the school could not be opened.</p> <p>Under the terms of the S106 agreement BRL is not obliged to provide a serviced site for the school until 1500 homes have been built and occupied. Currently, 228 homes have been built and occupied. A further 458 are under construction. It is unlikely that BRL will get to the 1500 figure before 2018. As a result BRL is unwilling to fund the site preparations.</p> <p>The following report sets out a proposal for the Council to seek agreement from the Greater London Authority (GLA) to front-fund up to £5.5m of site preparation works which would enable the early delivery of the new secondary and special school. The argument</p>	

for GLA funding is strong however if an agreement is not forthcoming, it is proposed that the Council provides the front funding via a short term loan to BRL which does not financially disadvantage the Council. This report sets out the terms of the loan which would facilitate the delivery of new secondary school in advance of when it would otherwise become available, along with a new special school and primary school subject to funding being obtained.

Recommendations

The Cabinet is recommended to:

- (i) Authorise officers to liaise with the GLA in order to obtain funds to pay for the requisite works;
- (ii) Subject to no GLA funding being forthcoming, agree in principle to provide a short term loan of up to £5.5m to Barking Riverside Limited on the terms set out in this report, which do not financially disadvantage the Council; and
- (iii) Subject to no GLA funding being forthcoming, delegate authority to the Chief Executive, in consultation with the Head of Legal and Democratic Services and Divisional Director of Finance, to negotiate and conclude loan terms and complete the necessary legal agreements.

Reason(s)

In order to assist the Council to achieve its Community Priorities around the themes of being fair and respectful, healthy and where young people are inspired and successful.

1. Background

- 1.1 The Riverside Secondary School was established as a Foundation Trust School as a result of a School Competition held in 2010, in which the Council acted as Adjudicator. The first year's intake of four forms of entry (FE) or 120 students joined the school in September 2012. It currently shares premises with George Carey Church of England Primary School. By September 2013 the Riverside Secondary School will require new premises reflecting the increasing demand for school places and insufficient space available in existing schools. Due to the length of time it would take to build the permanent school, Cabinet agreed on 12 February 2013 (Minute 98) to develop the City Farm site as a temporary secondary school site until a purpose-built site alongside the new District Centre of Barking Riverside could be delivered. Upon relocation, the school building on the City Farm site would then be converted to a permanent, three FE Primary School with the opportunity to expand to five FE.
- 1.2 £26m of funding has been successfully awarded from the Government for the construction of a purpose-built Free School (Secondary) in Barking Riverside. This is made up of £21.5m for construction, £2.5m for furniture, fixtures and fittings (FFE) and £2m for Information and Communications Technology (ICT). The secondary school is intended to provide places for 10 FE or 1500 students and employ 180-190 staff. Following a request by Free School Trust, Cabinet agreed on 12 February 2013 (Minute 98) to manage the building project, subject to formal agreements being finalised between the Education Funding Agency (EFA), the Free

School Trust and the Council. There is an expectation for the new secondary school being open by September 2015, meaning that construction would have to start no later than December 2013.

- 1.3 The Free School Trustees for the Riverview Secondary School: the Partnership Learning Trust (which has the support of all Secondary School and Special School Head Teachers, as well as UEL, Barking and Dagenham FE college and local groups) and the Education Funding Agency (EFA) are in the process of finalising the Free School funding agreement and to be agreed by Summer 2013. In addition, the Partnership Learning Trust has made a Free School bid for an SEN School adjacent to and integrated with the secondary school. The bid is well advanced in the assessment process and it seems highly likely that it will succeed. This is in line with the Council's own former BSF plans.
- 1.4 The permanent school is to be located on land owned by Barking Riverside Limited (BRL), sitting adjacent to the new district centre (see plan at Appendix A). The site is safeguarded for educational purposes in the section 106 (planning) agreement between the Council and BRL. BRL are required to provide by the occupation of 1500 homes the site in a condition that is 'serviced' which means that the site is remediated and that site access, incoming services and outgoing connections to various utilities and surface water drainage are provided to the boundary of the site. Altogether these measures would allow the school and site to be ready for occupation once completed. However at this point in time only 228 units have been occupied and only 900 homes are currently expected to be complete by the end of 2015.
- 1.5 BRL have assessed the site and estimated that it would cost up to £5.5m in order to make the site ready for occupation. A schedule of the works is set out at Appendix C along with its associated plan at Appendix D (the documents are in the private and confidential section of the agenda). The enabling works include earthworks to create appropriate ground levels, flood mitigation measures, cable diversions, the delivery of construction and permanent access roads, foul sewer connections, electricity, water and telecoms connections and various ancillary works and fees.
- 1.6 Under the terms of this agreement, BRL is obliged to provide a 'serviced site', however, these obligations only become live when 1500 dwellings are built and sold which is likely to be at least 5 years time at present rates of building and selling. BRL is therefore not required to undertake these enabling works now since it will not have developed and sold the requisite number of dwellings to finance them, as envisaged under the section 106 Agreement. The availability of finance is contingent on the sales of homes. BRL is providing the site in advance of its obligations under the section 106 agreement and upon completion will grant a 999 years lease to the Council for a peppercorn on which the Council will in turn grant a 125 years sublease to the Free School Trust for a peppercorn in respect of the permanent school.

2 Proposal and Issues

- 2.1 In order to overcome this challenge and secure the EFA funding to build the school, it is proposed that the Council makes a short term loan to BRL of up to £5.5m to enable BRL to carry out its section 106 obligations and deliver the requisite site preparation works in advance of the date they would otherwise become due. The

terms of the loan will require BRL to repay the premium by 2018 or before the occupation of 1500 homes in Barking Riverside, whichever is sooner.

- 2.2 BRL have stated that they would not be willing to fund 'interest payments'. However, an additional payment should be sought from BRL which would be equivalent to the total savings from construction inflation by undertaking works 5 years in advance of when they would otherwise be due. This could be equivalent to £970k.
- 2.3 It is important to note that the enabling works could also facilitate the early delivery of two further schools as the site for the secondary school is also intended to house a new 3 FE primary free school (630 students and 170 staff) and a new 176 student Special School (176 staff) that is currently subject to an additional funding bid to the Government. Land for these additional schools is safeguarded in the section 106 (planning) agreement for the site.
- 2.4 A significant part of the Council's plan for schools is the provision of a Special School to be partnered with Trinity Special School in Dagenham. The cancellation of the Building Schools for the Future (BSF) meant that the proposed funding for this school was withdrawn. With lapse of time, there is an emerging shortfall of school places for special needs children, in line with the increase in the school population generally. In 2011/12 there were 137 children placed out of the borough in SEN schools. If all of these school places could be provided in the borough there could be a saving of £20k minimally per place excluding transport costs that is to say c£2.74m annually. With the increase in child population, this shortfall will become especially evident in September 2013. If no new provision is made the likely outcome would be further increases in high cost out of borough placements. These placements also present difficulties for local families. For this reason the Council has encouraged the Partnership Learning Trust to bid for a new Free School for Special Needs children, so that the necessary funding would be found. The bid is led by the Head Teacher of Trinity Special School. Trinity School has been rated twice as 'outstanding' by OfStEd. This application has been well received so far: a decision by the DfE is expected in May 2013. If successful, as seems likely, this will provide further urgency as well as an opportunity to make savings, to finding a funding solution to pay for the strategic infrastructure and environmental improvements in order make the site ready for this additional school.
- 2.5 Finding an alternative site for the schools is not feasible as there are no readily available sites in the Borough which would provide sufficient space for up to three new schools. Further, an alternative site would generally require purchase or leasing costs to the Council of up to £7m which has not been identified in the capital budget and would place the Government grant of £26m at risk. The inability to deliver this site for schools would mean the loss of primary and secondary school places for the Council against forecast need. There would be a continued short fall of special school places and high cost of out of borough placements
- 2.6 As previously stated, BRL is a joint venture vehicle consisting of Bellway and the Greater London Authority (GLA). Members should note that the Mayor of London has gone on record saying he would enable 10 Free Schools to be provided during his term in office. A letter has been sent to the Mayor requesting that the requisite funds be provided by the Mayor for the following reasons –

- The need for school places in London is extremely pressing and Barking and Dagenham in particular has seen a 50% increase in 0 – 4 year olds in the past ten years - the highest in England and Wales and we also have the highest percentage of residents aged 1-19 (at 31%);
- The Barking Riverside development offers an opportunity to deliver an already funded (£26m) Free secondary school by 2015 together with a Special Educational Needs school (currently in the final stage in the bidding process for a Free School) by 2016 and potentially (subject to a future Education Funding Agency bid) a further new Free primary school;
- This site is ideal, identified for a school and well positioned to deliver school places in a location where demand is going to increase;
- There are no costly land and property acquisition costs;
- The GLA holds a 49% stake so can strongly influence when BRL undertake such works;
- There are no viable alternative sites for such schools that are readily available in Barking and Dagenham;
- The GLA has sufficient funds to front-fund such infrastructure works and this could be recaptured from any cost savings expected from construction inflation increases expected if works were to be undertaken in the future;
- The Mayor clearly has stated commitments to supporting the delivery of free schools and has highlighted that he would be willing to offer up land and some of the property portfolio owned by the GLA to deliver new schools. As stated above, the land is provided for the schools at no cost as part of the S106 obligations for the development and has the benefit of a Government grant; and
- The GLA has a vested interest in the delivery of school places and the regeneration of Barking Riverside as part of the London Riverside Opportunity Area and this would support housing potential for Barking Riverside and London.

2.7 The school place shortage is reaching a tipping point and in order to satisfy the demand for school places and realise the regeneration potential for Barking Riverside and London, the early delivery of this site is crucial. The letter sent to the Mayor of London is attached as Appendix B which requests that the GLA reassess the role it can play in addressing this short term funding issue.

3. Options Appraisal

3.1. There are four options potentially available:

1. Do nothing;
2. Delay the project;
3. Find another site;
4. Make the loan.

3.2. These are explored further in the table below.

Option	Site factors	EFA funding	Quality of provision	Impact on school places
1. Do nothing	Secondary School would remain on the City farm site	Loss of or restrictions on funding; liability falls on the Council to provide a Secondary School and there would still be a need to provide special school places	The City Farm site could not accommodate 10 Forms of Entry , as well as an special school	Loss of primary and secondary school places against forecast need. There would be a continued short fall of special school places and high cost out of borough placements
2. Delay the project until 1500 homes are occupied and when BRL are required to fund	Secondary School would remain on City farm site though on a much smaller scale	Loss of or restrictions on funding; liability falls on the Council to provide a Secondary School an special school in borough would still be needed	The City Farm site could not accommodate 10 Forms of Entry , as well as a special school	Loss of primary and secondary school places against forecast need. There would be a continued short fall of special school places and high cost out of borough placements
3. Find another site	All other sites generally require purchase or leasing costs of up to £7m	Funding available for building would be severely restricted: EFA may question value for money; liability falls on the Council , and there would still be a need to provide special school places	Quality of provision would be low due to less funding available; fewer school places procured , and a special school would still need to be provided	Fewer secondary school places than planned; Loss of Primary School places as City Farm would not become available in 2015. There would be a continued short fall of special school places and high cost out of borough placements
4. Make the loan to facilitate proposed plans	The site would be delivered as planned for Barking Riverside City Farm	EFA funding would be secured. Reduction in liability for the Council and costs. A site would be available for the projected special school	Good quality facilities would be built, satisfying both mainstream and special school needs	School places would be available to meet anticipated need. There would be more special school places in borough and high cost out of borough placements would be lessened

- 3.3. The table shows that all other options other than making a short term loan results in loss of funds from the EFA to be applied to school places, and a concomitant increase in funding liability for the Local Authority (LA), either in terms of funding directly or indirectly in finding a replacement site delivering school places especially those for special school students. Nor can the school be funded from the EFA grant without compromising the ability deliver the pedagogical requirements of the school. On this analysis, the optimum solution is to make a loan to facilitate the provision of the Riverview School site.

4. **Consultation**

- 4.1. Consultation has taken place with Barking Riverside Limited, representatives of the LEP, members of Children's services, legal services and finance departments at the Council and the Education Funding Agency.

5. **Financial Implications**

Implications completed by: Martin Henwood, Deputy Chief Financial Officer

- 5.1. The key financial consideration in this report is that whilst funding has been secured from the government towards the build cost of the new school, it does not provide funding towards site acquisition or site preparation. In this case, the need for the Council to meet its statutory obligation of providing school places will be at risk of not being met.
- 5.2. The site acquisition is set out in the s106 (planning) agreement and BRL are required to provide the Council with a 999 year lease for a peppercorn. The acquisition is currently being finalised.
- 5.3. This report therefore deals only with the costs of site preparation. It was originally anticipated that these costs would be met by BRL as need arose. However, this is no longer the case for two reasons. Firstly, the continuing flat economy has delayed build and sales, pushing back the date when the requirement on BRL will need to be met. Secondly, the population increase has proven to be faster than originally anticipated so the need to provide additional school places has increased faster than anticipated as a result.
- 5.4. These factors have led to a situation where there is a need for the school in September 2015 but it is probable that BRL's requirement to provide a fully services site will not occur until 2018 at the earliest. Therefore the phasing, which was geared towards meeting the needs of the Council for school places at the same time as the wider development occurred, needs to be adjusted. There is a need for the works to occur now and funding for this change of circumstances to be determined.
- 5.5. The cost assumptions associated with the schedule of enabling works (up to £5.5m) were provided by Barking Riverside Limited (BRL). It would be reasonable to assume that the works incurred will be completed by end of July 2015. This assumes a start on site date for the school being December 2013, with site preparation works associated with the loan being able to commence as early as July 2013.
- 5.6. Given the strength of argument, it is anticipated that the front funding of the infrastructure will be made by the GLA.
- 5.7. If the GLA does not provide front funding, it would be possible for the Council to provide the funding at a commercial rate. The working assumption is that funding would be provided on production of invoices, and would be repaid in full by BRL on 1 April 2018 or on completion of the sale of the 1,500th property, whichever is earlier.

- 5.8. The indicative cost that would be borne by BRL relates to the cash flow cost, and at base rate (currently 0.5%) plus 3% p.a. this will be

	£
2013/14	96,000
2014/15	193,000
2015/16	193,000
2016/17	193,000
2017/18	193,000
Total cost	868,000

Note: the above assumes that base rate will remain unchanged during the period. It is currently the consensus view that base rate will increase towards the end of the period, but by how much and when is open to debate.

- 5.9 Deciding which interest rate to use is a matter of debate. The base rate plus 3% used above is considered a reasonable commercial rate in these circumstances. It is worth noting that these costs would be recouped by BRL avoiding any construction inflation (BCIS all in Tender price index) cost savings by undertaking works five years in advance of when they would otherwise become due. This cost is forecast by the relevant expert to be 17.7% between September 2013 to March 2018 - £970k. The gap between this and the £868k above would be narrowed by any increases in base rate during the period.
- 5.10 The total impact is therefore identified to be both a commercial loan, overcoming any potential state aid issues, and cost neutral for BRL if GLA decide not to support the front funding.

6. Legal Implications

Implications completed by: Assaf Chaudry, Major Projects Solicitor

- 6.1. There are essentially two elements to this commercial transaction. Firstly, whether or not the Council has the power to enter into such a transaction. Secondly, whether this commercial arrangement amounts to State Aid.
- 6.2. On the first question of the Council powers, the assumption is that the Council will fund this loan from its own resources rather than borrowing under the Local Government Act 2003. It is also noted that a substantial part of the consideration of extending this loan to BRL is to carry out the enabling works which would facilitate the early construction of the two further schools which, apart from serving the residents of the Borough, will also enable the Council to fulfil its educational functions. Finally that the loan is to be offered on a commercial basis and will be repayable to the Council by 2018. In the above circumstances the Council can, under section 1 of the Localism Act 2011, have the power to provide a commercial loan to BRL. Section 1 is the new "general power of competence" and it gives the Council the "power to do anything that individual generally may do". This provision seems to be sufficient to justify use of this power. However this power is subject to a power existing prior to the coming into effect of the 2011 Act.

6.3. On the second question of whether this commercial arrangement amounts to State Aid .This is slightly more complex question and requires some consideration of general principles of State Aid .The purpose of State aid regulation is in place to control direct and indirect aid given by Member States of the European Union to companies, under Article 107 of the Treaty on the Functioning of the European Union. To determine if an action constitutes state aid, the following four criteria must apply:

- It is granted by the State or through State resources;
- It favours certain undertakings or production of certain goods;
An undertaking is defined as an entity which is engaged in an economic activity. In turn an economic activity is an activity which involves the placing of goods and services in a given market. Arguably BRL are involved in an economic activity (BRL is owned 51% by Bellway Homes and 49% by the Greater London Authority) this has been set up purely with the view to regenerate the Barking Riverview site and in due course build housing on part of that site.
- It distorts or threatens to distort competition; this criterion is interpreted liberally and the guidance is that the potential to distort competition is sufficient to satisfy this criteria. If the loan that is being offered to BRL is on non commercial terms that is likely to strengthen BRL's position of the recipient relative to the other competitors in the housing market ;
- It affects trade between Member States. This element is interpreted by the Commission's very broadly – the guidance states” It is sufficient that a product or service is tradable between member states, even if the recipient of support does not itself export to other EU markets....”

6.4. In the light of the above, the Council can assume that the State Aid rules are likely to apply to this transaction. The Council then needs to consider if it can rely upon any exemptions available. One such exemption, the General Block Exemption Regulations (the GBER) may be available which will exempt the Council from the obligation to notify the Commission. However to rely upon such an exemption the terms of loans the Council provides must fulfil of the following conditions

- a) **The borrower is not in financial difficulty** – this should be easily established from the accounts.
- b) **The extent of the guarantee can be properly measured when it is granted. This means that the guarantee must be linked to a specific financial transaction, for a fixed maximum amount and limited in time** - as I understand it this transaction will be a formal loan which will contain provisions for the terms of return of the loan within a prescribed time. So this should be easily be satisfied.
- c) **The guarantee does not cover more than 80 % of the outstanding loan or other financial obligation; this limitation does not apply to guarantees covering debt securities** - The information below is the guidance from the commission itself:

The Commission considers that if a financial obligation is wholly covered by a State guarantee, the Lender has less incentive to properly assess, secure and minimise the risk arising from the lending operation, and in particular to properly assess the borrower's creditworthiness. Such risk assessment might, due to lack

of means, not always be taken over by the State guarantor. This lack of incentive to minimise the risk of non-repayment of the loan might encourage lenders to contract loans with a greater than normal commercial risk and could thus increase the amount of higher-risk guarantees in the State's portfolio.

In order to ensure that the lender effectively bears part of the risk, due attention must be given to the following two aspects:

- when the size of the loan or of the financial obligation decreases over time, for instance because the loan starts to be reimbursed, the guaranteed amount has to decrease proportionally, in such a way that at each moment in time the guarantee does not cover more than 80 % of the outstanding loan or financial obligation,
- Losses have to be sustained proportionally and in the same way by the lender and the guarantor. In the same manner, net recoveries (i.e. revenues excluding costs for claim handling) generated from the recuperation of the debt from the securities given by the borrower have to reduce proportionally the losses borne by the lender and the guarantor. First-loss guarantees, where losses are first attributed to the guarantor and only then to the lender, will be regarded as possibly involving aid.

If a Member State wishes to provide a guarantee above the 80 % threshold and claims that it does not constitute aid, it should duly substantiate the claim, for instance on the basis of the arrangement of the whole transaction, and notify it to the Commission so that the guarantee can be properly assessed with regards to its possible State aid character.

- d) A market-oriented price is paid for the guarantee** - As indicated under point (c), risk-carrying should normally be remunerated by an appropriate premium on the guaranteed or counter-guaranteed amount. When the price paid for the guarantee is at least as high as the corresponding guarantee premium benchmark that can be found on the financial markets, the guarantee does not contain aid. If no corresponding guarantee premium benchmark can be found on the financial markets, the total financial cost of the guaranteed loan, including the interest rate of the loan and the guarantee premium, has to be compared to the market price of a similar non-guaranteed loan.

If the Council wishes to ensure that the loan is given to BRL at commercial rates, it should use the methodology set out by the Commission below:
http://ec.europa.eu/comm/competition/state_aid/legislation/reference_rates.html

- 6.5. The Legal Practice should be consulted to assist with the preparation and completion of the necessary legal agreements.

7. Other Implications

- 7.1. **Risk Management** – There is the possibility that the construction of the school may not be complete by September 2015. However, preliminary agreement with the Education Funding Agency indicates that in the event that the school is not available, the students could remain on the City Farm Site (the temporary site) for a further year. However, if this occurred, there would be an equivalent delay to the provision of a new 3 FE Primary School on the City Farm site.

The risk for delivery of the new purpose built secondary school would rest with the Council and delivery may be managed by the Local Education Partnership (LEP). The LEP represent the potential partner for the development and discussions have been ongoing in order to reach a start on site date by no later than December 2013. Discussions with BRL have indicated that they would be able to deliver the strategic infrastructure works by September 2015, in anticipation of the schools completion and further discussions are required in order to determine whether the LEP or BRL would be most able to deliver the infrastructure works at the lowest cost.

The Council is also lobbying TFL and Network Rail in relation to the extension of the Gospel Oak rail line from Barking Town Centre to Barking Riverside. Early indication is that this line would run through the eastern portion of the site. This would effectively require the school site to be pushed slightly eastward. Nevertheless, discussions have been occurring with designers, BRL and TFL/Network Rail in order to confirm the route and any knock-on impacts of relocating the site to the east. BRL have indicated that the scope of infrastructure improvements would remain largely unaffected by any change to the school's site boundary though this cannot be fully assessed until the rail track routes and widths are confirmed, which is expected in May 2013.

- 7.2. **Contractual Issues** - In order to ensure that loan repayment is guaranteed and minimise the risk of non-repayment (i.e. if BRL goes bankrupt), the loan should be secured against land owned by BRL. It could also require a parent company guarantee meaning that Bellway Homes and the Greater London Authority would be party to the loan agreement. It is proposed that loan terms are delegated to the Chief Executive in consultation with the Head of Legal and Democratic Services and be completed in due course.

A development agreement and funding agreement with the EFA is currently being finalised in order for the Council to deliver the school. A building contract will need to be finalised between the Council and the preferred development partner. The agreement for the short term loan to deliver the works will need to identify who will be delivering the scope of enabling works and deadlines when they will be complete in order to meet the September 2015 school opening date. All these agreements will need to be linked. Other relevant issues are set out in 7.1

- 7.3. **Staffing Issues** - There are no direct implications but there will be new opportunities for employment and creating jobs as the school grows taking in additional pupils.
- 7.4. **Customer Impact** - The impact on customers should be positive in relation to the delivery of a significant amount of additional school places: see 7.12 below
- 7.5. **Safeguarding Children** - This proposal will indirectly enhance well being, lead to a reduction of inequalities, improve safeguarding, by providing a local school place for local parents and children
- 7.6. **Health Issues** - The proposals are likely to have an indirect positive impact on the health of children and families via the delivery of a site for new schools

7.7. **Property / Asset Issues** - There are no specific property issues related to the short term loan as it relates to land not owned by the Council. Though the Council will need to agree when and by whom the site preparation works are implemented should the loan be made in order to ensure the secondary school opening by September 2015. Discussions are ongoing between BRL and the Council's proposed development partner, the LEP in relation to the planning and implementation of such site preparation works.

Background Papers Used in the Preparation of the Report:

- Cabinet report and minutes "Riverside Secondary School: Temporary and Permanent School Sites" 12 February 2013

List of appendices:

- Appendix A – Site Plan
- Appendix B – Letter to the GLA
- Appendix C – Schedule of Enabling Works (private and confidential)
- Appendix D – Enabling Works Plan (private and confidential)

MASTERPLAN



This page is intentionally left blank

Boris Johnson
Mayor of London
City Hall
The Queen's Walk
More London
London SE1 2AA

9 May 2013

Dear Boris

Barking Riverside –Site Infrastructure Front-Funding to deliver Free Schools

A request has been made by Barking Riverside Ltd (49% owned by the GLA) for the Council to front fund the infrastructure required for the new Free School at Barking Riverside.

As you are aware the need for school places in London is extremely pressing and Barking and Dagenham in particular has seen a 50% increase in 0 – 4 year olds in the past ten years - the highest in England and Wales and we also have the highest percentage of residents aged 1-19 (at 31%). The Barking Riverside development offers an opportunity to deliver an already funded (£26m) Free secondary school by 2015 together with a Special Educational Needs school (currently in the final stage in the bidding process for a Free School) by 2016 and potentially (subject to a future Education Funding Agency bid) a further new Free primary school.

Through the S106 (planning) agreement, Barking Riverside Ltd (BRL Ltd) is not obliged to provide a serviced site for the school until 1500 homes have been built and occupied. Currently, 228 homes have been built and occupied and a further 458 are under construction. It is unlikely that BRL will get to the 1500 figure much before 2018. The increased birth rate has multiplied need for school places meaning we just cannot wait until 2018. BRL are unwilling to fund the £5.5m costs of site preparations in advance of their obligations.

The £26m of funding awarded from the Government is solely for the construction and fit out of Free School. The Free school is intended to provide places for 10 FE or 1500 students and employ 190 staff. There is an expectation for the new school to be open by September 2015, meaning that construction would have to start no later than December 2013. The Special School would provide places for an additional 170 students along with full time jobs for 170 staff and a new 3FE primary school would provide places for 630 students and jobs for 280 staff. The benefit of helping to deliver this site translates into delivering school places for 2300 students and new jobs for 640 teachers and school related staff. However, without the upfront £5.5m funding towards site preparation works, the delivery of these free schools remains uncertain.

It is very disappointing that BRL Ltd, an organisation which is part owned by the GLA, is threatening to undermine the ability of the Free School to deliver the much needed school places at a time when demand for school places is increasing at an exponential rate and sites are either not available or too costly to acquire. This site is ideal, identified for a school and well positioned to deliver school places in a location where demand is going to increase. It would also add value to the Barking Riverside area and should assist with housing sales in the area.

Given your recently stated commitments to the delivery of free schools and your commitment to housing delivery and utilising GLA assets to deliver these objectives, I would urgently request that you consider what role you could play in addressing this short term funding issue.

There are no costly land and property acquisition costs; the GLA holds a 49% stake so can strongly influence when BRL undertake such works; you have sufficient funds to front-fund such infrastructure works; and, you have clearly stated commitments to supporting the delivery of Free schools. Bearing all this in mind, I hope you would urgently consider funding such infrastructure works now in order to help facilitate the provision of potentially 3 Free schools further supporting the housing potential for Barking Riverside and London.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Liam Smith', written in a cursive style.

Councillor Liam Smith
Leader of the Council

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank