

Notice of Meeting



CABINET

Tuesday, 25 June 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: 17 June 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 21 May 2013 (Pages 1 - 4)**
4. **Revenue and Capital Final Outturn 2012/13 (Pages 5 - 19)**
5. **Treasury Management Annual Report 2012/13 (Pages 21 - 38)**
6. **Performance House for Quarter 4 of 2012/13 and Priority Performance Indicators for 2013/14 (Pages 39 - 63)**
7. **ICT Strategy 2013 - 2017 (Pages 65 - 99)**
8. **Modernisation of Cashiering Services (Pages 101 - 109)**
9. **School Capital Programme Basic Need Allocation 2013 - 2015 (Pages 111 - 117)**
10. **Proposed Expansion of Godwin Primary School and John Perry Primary School from September 2013 (Pages 119 - 125)**

- 11. Establishing a Furniture Bank and Providing Accommodation for the Territorial Army (Pages 127 - 145)**
- 12. Disposal of 89 Axe Street, Barking (Pages 147 - 153)**
- 13. Procurement of Highways Maintenance Services via East London Solutions (Pages 155 - 164)**
- 14. Community Development Activity at Dagenham and Redbridge Football Club (Pages 165 - 174)**
- 15. Debt Management Performance and Write-Offs 2012/13 (Quarter 4) (Pages 175 - 189)**
- 16. Any other public items which the Chair decides are urgent**
- 17. To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

Private Business

The public and press have a legal right to attend Council meetings such as the 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).

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

MINUTES OF CABINET

Tuesday, 21 May 2013
(5:00 - 5:15 pm)

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

Apologies: Councillor M A McCarthy

1. Declaration of Members' Interests

Councillor Geddes declared a non-pecuniary interest in item 8 (Barking Riverside - Riverview Secondary School Infrastructure Front Funding) as he was a Governor at George Carey Church of England Primary School which shared close links with the Secondary School.

2. Minutes (16 April 2013)

The minutes of the meeting held on 16 April 2013 were confirmed as correct.

3. Revenue and Capital Provisional Outturn 2012/13

The Cabinet Member for Finance introduced a report on the Council's provisional revenue and capital outturn position for the 2012/13 financial year.

The provisional outturn position for General Fund budgets showed a net underspend of £3.1m against the net revenue budget of £177.4m. This included a number of revenue roll-forwards into 2013/14 and would result in a year-end projected balance position of £17.4m. The Housing Revenue Account (HRA) had generated a small surplus of £0.2m for the year, increasing the HRA reserve to £8.5m.

In respect of the Capital Programme, the Cabinet Member advised that the projected spend was £84.3m against the revised budget of £110.9m, with a number of underspends proposed to roll-forward into 2013/14. In response to concerns expressed over the number of projects that were not delivered on time and/or budget during 2012/13, the Divisional Director of Finance was asked to prepare a report for Cabinet Members' consideration on the underlying factors for the slippage and the steps to ensure that future years' capital programmes were achievable and deliverable.

The Cabinet Member also referred to additional funding required in respect of the provision of new elderly persons' bungalows at the former sites of The Lawns and Wood Lane Sports Centre (agreed by Minute 17, 26 June 2012), as well as a number of adjustments to revenue budgets for 2013/14.

Cabinet agreed:

- (i) To note the provisional outturn position for 2012/13 of the Council's revenue

- budget as detailed in paragraphs 2.3 to 2.9 and Appendix A of the report;
- (ii) To note the provisional outturn against the 2012/13 savings targets as detailed in paragraph 2.10 and Appendix B of the report;
 - (iii) To note the provisional outturn position for the HRA as detailed in paragraph 2.6 and Appendix C of the report;
 - (iv) The roll forward of revenue budgets into 2013/14 and the resulting budget amendments as detailed in Appendix D of the report;
 - (v) To note the provisional outturn position for 2012/13 of the Council's capital budget as detailed in paragraph 2.11 and Appendices E and F of the report;
 - (vi) The roll forward of slippage in capital projects to 2013/14 as detailed in Appendix E of the report;
 - (vii) 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 of the report, the increase to be met from additional HRA funding; and
 - (viii) Approve the 2013/14 budget adjustments detailed in paragraph 2.12 of the report.

4. Manor Road Sports Ground, Manor Road, Dagenham - Grant of New Lease

The Cabinet Member for Finance presented a report on proposals to greatly enhance the facilities at Manor Road Sports Ground via new lease arrangements with Academy of Dreams plc (AOD), an established company designed specifically to develop outdoor sports facilities at community sites, and Dagenham United Football Club (DUFC), a leading junior football club in the area.

DUFC, the current lessee, had been approached by AOD to develop the site to provide a new clubhouse and pavilion with changing rooms, new floodlit all-weather artificial turf pitches in addition to upgrading the current full size turf pitch, as well as associated fencing and CCTV. The proposals had received planning permission in December 2010 and the intention was for AOD to meet all the costs of the project in return for a 35 year lease of the site at a commercial rent, with a sub-lease in favour of DUFC for the entire period.

Cabinet **agreed**:

- (i) To the surrender of the current lease of the site identified in the plan at Appendix 1 to the report from Dagenham United Football Club (DUFC);
- (ii) To grant an Agreement for Lease to Academy of Dreams plc to enable it 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 for a term of 35 years to Academy of Dreams plc on the terms set out in the report;

- (iii) That the site be sub-let to the current lessees, DUFC, for the full 35 year period on the terms set out in the report;
- (iv) That the lease require the lessees to have appropriately trained first aiders on site at all times of activity and that all activities be adequately insured; and
- (v) 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 the transaction.

5. Land Appropriation at Goresbrook Village

Further to Minute 54 (13 November 2012), the Cabinet Member for Regeneration presented a report on the appropriate of land at Goresbrook Village as part of the major redevelopment of the estate, following a period of public consultation on the proposal.

Cabinet **agreed** that the area of land at Goresbrook Village shown edged red on the plan attached at Appendix 1 to the report 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.

6. Calendar of Meetings 2013/14

The Leader reported on the proposed principles for the calendar of Council meetings for the forthcoming municipal year 2013/14.

Cabinet **agreed** the basis of the calendar of meetings for 2013/14 as detailed in the report.

7. Barking Riverside - Riverview Secondary School Infrastructure Front Funding

Further to Minute 98 (12 February 2013), the Cabinet Member for Children's Services presented a report on funding issues in relation to the preparation works for the permanent site of Riverside Secondary School at Barking Riverside.

The Cabinet Member explained that the site preparation works had been estimated at £5.5m. It had originally been envisaged that Barking Riverside Limited (BRL), the company established to progress the regeneration of the area and jointly owned by Bellway Homes and the Greater London Authority, would fund the works. However, the construction of a lower than expected number of dwellings in the area meant that, under the terms of the Section 106 planning agreement for the area, BRL was not presently obliged to fund the works. It was noted that in order for Riverside Secondary School to be open by September 2015 the construction works would have to start no later than December 2013.

The Cabinet Member presented four options which related to a 'do nothing' approach, delaying the project until such time as BRL were obliged to fund the works, finding an alternative site that would not require front-funding and securing the necessary front-funding. Each option included the implications for school place provision in the Borough as well as the potential consequences for the £26m

funding that had been secured from the Education Funding Agency to meet the cost of construction works, furniture, fixtures and fittings and ICT equipment.

Cabinet agreed:

- (i) To authorise officers to liaise with the Greater London Authority (GLA) in order to obtain front-funding of up to £5.5m for site preparation works to enable the early delivery of the new Secondary and Special Schools at Barking Riverside;
- (ii) Subject to no GLA funding being forthcoming:
 - (a) in principle to provide a short-term loan of up to £5.5m to Barking Riverside Limited on the terms set out in the report which do not financially disadvantage the Council, the loan sum to be met from the Council's Education Funding Allowance; and
 - (b) to delegate authority to the Chief Executive, in consultation with the Cabinet Member for Finance, the Head of Legal and Democratic Services and the Divisional Director of Finance, to negotiate and conclude loan terms and complete the necessary legal agreements.

CABINET

25 June 2013

Title: Revenue and Capital Final Outturn 2012/13	
Report of the Cabinet Member for Finance	
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 for the financial year 2012/13 is a net spend below budget of £3.1m against a net revenue budget of £177.4m (1.7%).</p> <p>The 2012/13 net spend below budget of £3.1m has resulted in the General Fund balance increasing from £14.3m to just under £17.5m.</p> <p>This provides an improvement in the Council's financial position beyond the £15m General Fund balance target, identified in the 2013/14 Budget report to Assembly in February 2013 by the Divisional Director of Finance.</p> <p>The revenue outturn figures have been calculated after taking into account roll forward requests that were included in the Provisional Revenue and Capital Outturn report and agreed by Cabinet at its meeting on 21 May 2013.</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 HRA reserve position from £8.3m to £8.5m at 31 March 2013.</p> <p>Capital spend of £86.3m was incurred in 2012/13 against the revised capital budget of £110.9m; this is an increase in expenditure of £2m compared to the figure included in the provisional outturn report. Revised capital expenditure compared to budget is shown in Appendix C to the report.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Note the final outturn position for 2012/13 of the Council's revenue budget as detailed in paragraphs 2.3 to 2.10 of the report and Appendix A;
- (ii) Note the final outturn position for the HRA as detailed in paragraph 2.7 of the report and Appendix B;
- (iii) Note the final outturn position for 2012/13 of the Council's capital budget as detailed in paragraph 2.12 of the report;
- (iv) Agree the revised capital budget roll forward requests detailed in Appendix C to the report; and
- (v) Note the increased contribution to capital expenditure of £0.6m in the agreed Central Expenses figure as detailed in paragraph 2.10 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, HRA revenue and capital final outturn positions for 2012/13. Good financial management has meant that the General Fund balance has increased by £3.1m to just under £17.5m. This position includes the achievement of £18.5m of in year savings targets that represented a significant challenge for the Council.
- 1.2 It is important that the Council regularly monitors its revenue and capital budgets to ensure good financial management. This is achieved by monitoring the Council's financial results on a monthly basis through briefings to the Cabinet Member for Finance, Revenues and Benefits 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 relevant financial and operational decisions to meet its budgets.
- 1.3 The Provisional Revenue and Capital Outturn report for 2012/13 was presented to Cabinet on 21 May 2013. The revenue outturn for service expenditure indicated a £3.1m underspend, to be added to General Fund balances, giving a final balance of just under £17.5m as at 31 March 2013. This position has remained unchanged.
- 1.4 The position for capital expenditure was spend of £84.3m against a revised budget of £110.9m. Further creditors have been established since the provisional outturn report was written and final capital spend was £86.3m

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 GF balance at 31 March 2012 was £14.3m and the corresponding balance as at 31 March 2013 is just under £17.5m.
- 2.3 The outturn position for 2012/13 across the Council for the General Fund is shown in the table below.

Council Summary	Net Budget £'000	Outturn £'000	Over/(under) Budget £'000
<u>Directorate Expenditure</u>			
Adult and Community Services	60,710	60,701	(9)
Children's Services	69,435	69,448	13
Housing and Environment	24,076	24,040	(36)
Finance and Resources	19,336	19,140	(196)
Chief Executive	353	(81)	(434)
Central Expenses	3,469	1,021	(2,448)
Total Service Expenditure	177,379	174,269	(3,110)

The reported outturn is shown after taking into account roll forwards approved in the Provisional Outturn report of 21 May 2013. Detailed outturn by Service is shown in Appendix A.

Whilst the Council's total net service budget is unchanged since the provisional outturn report, there have been changes between services and the central expenses budget to reflect directorate contributions to reserves. 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. The table below shows the balances on the General Fund and the HRA at year end compared to target:

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

2.3 Directorate Performance Summaries

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

2.4 Adult and Community Services

Directorate Summary	2011/12 Outturn	2012/13 Budget	2012/13 Outturn
	£'000	£'000	£'000
Net Expenditure	64,366	60,710	60,701
Over/(under)spend			(9)

The Adult and Community Services directorate has come in slightly under budget at year-end.

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 £2,235k of external funding in 2012/13.

2.5 Children's Services

Directorate Summary	2011/12 Outturn	2012/13 Budget	2012/13 Outturn
	£'000	£'000	£'000
Net Expenditure	69,729	69,435	69,448
Over/(under)spend			13

The Children's Service has delivered a broadly balanced budget for 2012/13, overspending by £13k (0.02%). However it is important to note that this balanced position is masking increasing pressure within the Complex Needs and Social Care divisions.

Service activity is being tracked monthly and shows both increased demand and associated 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.

2.6 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 £195.1m was received with £20.4m being retained centrally.

2.7 Housing and Environment

Directorate Summary	2011/12 Outturn	2012/13 Budget	2012/13 Outturn
	£'000	£'000	£'000
General Fund - net expenditure	23,579	24,076	24,040
Over/(under)spend			(36)
Housing Revenue Account (HRA) - net expenditure	(2,351)	0	(192)

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. 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 an approved 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, in terms of homeless placements, which affected the deliverability of the £350k saving for converting private sector lease properties from old portfolio to the new contract at lower rates. 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, as reported in the provisional outturn report. 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 additional £548k of interest on cash balances. This unanticipated income 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; and
- lower amounts needed for in-year debt write offs of £361k and council tax voids of £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. This has now been added to the existing HRA balance, which now stands at £8.5m.

The budgeted contribution to capital resources of £36.7m has been made without variation. The detailed HRA is provided in Appendix B. This is included for completeness as the final version of a different account, even though it is unchanged since provisional outturn.

2.8 Finance and Resources

Directorate Summary	2011/12 Outturn	2012/13 Budget	2012/13 Outturn
	£'000	£'000	£'000
Net Expenditure	25,523	19,336	19,140
Over/(under)spend			(196)

The Finance & Resources Directorate outturn for 2012/13 was £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.

2.9 Chief Executive

Directorate Summary	2011/12 Outturn	2012/13 Budget	2012/13 Outturn
	£'000	£'000	£'000
Net Expenditure	122	353	(81)
Over/(under)spend			(434)

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. A shortfall in delivery of £136k occurred in respect of the HR targets but this was managed this year by reductions in other expenditure.

2.10 Central Expenses

Directorate Summary	2011/12 Outturn	2012/13 Budget	2012/13 Outturn
	£'000	£'000	£'000
Net Expenditure	(1,941)	3,469	1,021
Over/(under)spend			(2,448)

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 £3.6m was contributed towards capital financing, which was an increase of £0.6m compared to the figure identified in the Provisional Outturn report.

2.11 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 2.10 above. A detailed breakdown of savings was provided in Appendix B to the Provisional Outturn report. As this is unchanged, it is not included with this report.

2.12 Capital Programme

The Capital Programme had a £24.6m 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	33,562	(3,945)
Housing & Environment	64,931	51,486	39,141	(12,345)
Finance & Resources	25,223	15,739	9,447	(6,292)
Capitalisation directive	3,000	-	-	-
Total	144,838	110,937	86,313	(24,624)

Expenditure increased by approximately £2m compared with the position shown in the provisional outturn report. This was mainly due to invoices relating to 2012/13 being received too late for inclusion in the provisional outturn. A detailed capital outturn by schemes whose variance has changed since Provisional Outturn is included in Appendix C.

Variance changes since Provisional Outturn by area are summarised below, including explanations for amounts over £100k:

Adult & Community Services

- no change

Children's Services

- Schools - £1,531k further net spend:
 - Devolved capital formula - £352k. Additional creditors processed;
 - Sydney Russell – (£307k). An additional contribution was provided by the school to reduce the overspend;
 - Capital works – devolved budgets £1,409k. Further spend relating to monies spent by the schools themselves on capital works.
- Other schemes - £252k further spend on Children's Centres, of which:
 - Becontree Childrens Centre - £232k. Additional creditor processed.

Housing & Environment

- Housing Revenue Account - £136k further spend, of which:
 - Planning & Contingencies £135k. Additional creditors processed;
- Housing General Fund – no change;
- Environment & Enforcement - £63k further spend;
- Parks and Open Spaces - no change.

Finance & Resources

- Asset Strategy - no change;
- ICT - no change;
- Regeneration - £12k further spend.

Explanations for all project variances over £100k in 2012/13 were provided in Appendix F to the Provisional Outturn report.

2.13 Financial Control

At the end of 2012/13 all key reconciliations have been prepared and reviewed and no major reconciling items unexplained.

3 Options Appraisal

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

4 Consultation

This report has not been circulated for consultation as all revenue changes identified have been of a technical nature, and all capital changes have been/will be addressed as part of regular programme and project monitoring. This action is a one-off and not setting a precedent..

5 Financial Implications

This report details the financial position of the Council.

6 Legal Issues

There are no legal implications.

Background Papers Used in the Preparation of the Report

- Provisional Revenue and Capital Outturn 2012/13; Cabinet 21 May 2013;

List of Appendices:

- A – General Fund Outturn
- B – Housing Revenue Account Outturn
- C – Capital Outturn changes to variances (Provisional to Final)

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

Directorate	Outturn 2011/12	Original Budget	Working Budget	Final Outturn	Variance
	£'000	£'000	£'000	£'000	£'000
<u>Adult & Community Services</u>					
Adult Care & Commissioning	46,070	45,489	43,128	43,122	(6)
Mental Health	3,770	3,861	3,419	3,583	164
Community Safety & Neighbourhood Services	4,463	4,403	4,034	3,665	(369)
Culture & Sport	9,796	8,067	9,093	9,112	19
Management & Other Services	267	679	1,036	1,219	183
	64,366	62,499	60,710	60,701	(9)
<u>Children's Services</u>					
Education	7,303	3,064	5,127	4,645	(482)
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	4,780	4,531	(249)
Other Management Costs	12,586	22,083	13,356	13,002	(354)
	69,729	68,292	69,435	69,448	13
<u>Children's Services - DSG</u>					
Schools	(17,739)	(22,358)	(26,669)	(26,192)	477
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	8,469	8,371	(98)
	-	-	-	-	-
	-	-	-	-	-
<u>Housing & Environment</u>					
Environment & Enforcement	20,355	19,719	22,144	21,858	(286)
Housing General Fund	3,224	1,611	1,932	2,182	250
	23,579	21,330	24,076	24,040	(36)
<u>Finance & Resources</u>					
F&R Directorate	4,270	4,392	3,265	2,956	(309)
Finance (including Audit & Risk and Subsidy)	(841)	(638)	(691)	(861)	(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	11,548	12,046	498
Assets & Facilities Management	1,348	1,130	1,279	1,146	(133)
Corporate Client	-	129	-	-	-
	24,510	20,406	19,336	19,140	(196)
<u>Chief Executive Services</u>					
Chief Executive Unit	(228)	-	(156)	(225)	(69)
Marketing & Communications	182	-	31	(51)	(82)
Corporate Policy & Public Affairs	(158)	-	(2)	(103)	(101)
Legal & Democratic Services	127	377	477	305	(172)
Human Resources	(139)	-	3	(7)	(10)
	(216)	377	353	(81)	(434)
<u>Other</u>					
Central Expenses	(10,528)	(8,383)	(7,647)	(7,921)	(274)
Contingency	-	3,938	2,196	-	(2,196)
Levies	8,587	8,920	8,920	8,942	22
	(1,941)	4,475	3,469	1,021	(2,448)
TOTAL	180,027	177,379	177,379	174,269	(3,110)

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2012-13 HRA OUTTURN (£)

HRA Category	Budget	Final 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 Major Repairs Reserve	18,539,700	26,341,700	7,802,000
P. R R Subsidy Limitation	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

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FINAL CAPITAL OUTTURN 2012/13 - SCHEMES WITH VARIANCE TO PROVISIONAL OUTTURN

Scheme	Budget £	Provisional Outturn £	Final Outturn £	Variance £	Original Roll Forward Request £	Revised Roll Forward Request £
Children's Services						
Schools						
Eastbury	113,218	4,787	80,741	75,954	108,431	32,477
Devolved Capital Formula	2,234,726	1,215,181	1,567,355	352,174	1,019,545	667,371
Sydney Russell - Schools For The Future	11,382,809	12,933,320	12,626,685	(306,635)	(1,550,511)	(1,243,876)
Capital Works (Devolved Funds)			1,409,432	1,409,432	0	(1,409,432)
	13,730,753	14,153,288	15,684,213	1,530,925	(422,535)	(1,953,460)
Other Schemes						
William Bellamy Childrens Centre	6,458	(14,474)	0	14,474	20,932	6,458
Becontree Childrens Centre		(232,319)	0	232,319	232,319	0
John Perry Childrens	9,619	(5,079)	0	5,079	14,698	9,619
	16,077	(251,872)	0	251,872	267,949	16,077
Total For Children's Services	13,746,830	13,901,416	15,684,213	1,782,797	(154,586)	(1,937,383)
Housing and Environment - non HRA						
Environment & Enforcement						
Flats recycling banks scheme		3,800	7,600	3,800	(3,800)	(7,600)
Road Safety Impv Sch Year 2 (TFL)	96,000	112,800	172,127	59,327	(16,800)	(76,127)
Total For Housing & Environment - General Fund	96,000	116,600	179,727	63,127	(20,600)	(83,727)
Finance & Resources						
ICT						
Oracle R12 Joint Services	3,493,770	861,024	861,486	462	2,632,746	2,632,284
Regeneration						
Outer London Fund (formerly Retail Premises Improvements)	0	0	11,642	11,642	0	(11,642)
Total For Finance & Resources	3,493,770	861,024	873,128	12,104	2,632,746	2,620,642
Housing and Environment - HRA						
Housing Futures	1,469,175	0	1,163	1,163	1,469,175	1,468,012
Planning and Contingencies	750,000	699,916	834,805	134,889	50,084	(84,805)
Total For HRA	2,219,175	699,916	835,968	136,052	1,519,259	1,383,207
Total Scheme Amendments	19,555,775	15,578,956	17,573,036	1,994,080	3,976,819	1,982,739

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CABINET**25 June 2013**

Title: Treasury Management Annual Report 2012/13	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
Report Author: David Dickinson, Group Manager Pensions and Treasury	Contact Details: Tel: 020 8227 2722 E-mail: david.dickinson@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary</p> <p>Changes in the regulatory environment now place a greater onus on Elected Members for the review and scrutiny of treasury management policy and activities. This report (The Treasury Management Annual Report) is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by the Assembly.</p> <p>This report presents the Council's outturn position in respect of its treasury management activities during 2012/13 financial year. The key points to note are as follows:</p> <ul style="list-style-type: none"> ➤ Investment income for the year was £1.87m (2011/12: £1.2m); ➤ There was no General Fund borrowing in 2012/13 to finance the capital programme as, in line with part of the 2012/13 treasury management strategy, the Council relied on internal borrowing; ➤ A £10m Public Works Loan Board was repaid during the year and was not replaced; ➤ The Council did not breach its 2012/13 authorised borrowing limit of £528m and complied with all other set treasury and prudential limits. 	
<p>Recommendation(s)</p> <p>The Cabinet is asked to recommend the Assembly to:</p> <ul style="list-style-type: none"> (i) Note the Treasury Management Annual Report for 2012/13; (ii) Note that the Council complied with all 2012/13 treasury management indicators; (iii) Note that the Council did not borrow to finance its capital programme in 2012/13 but utilised internal cash in line with its strategy; (iv) Note the change required in the 2013/14 Treasury Management Strategy Statement 	

to the wording for the counterparty limit for Lloyds TSB, as outlined in section 6.3;
and

- (v) Approve the actual Prudential and Treasury Indicators for 2012/13.

Reason(s)

This report is required to be presented to the Assembly in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services.

1. Introduction and Background

- 1.1. The Council is required by regulations issued under the Local Government Act 2003 (as amended 2010) to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2012/13.
- 1.2. The report has been produced in accordance with the Revised CIPFA Code of Practice for Treasury Management in the Public Services 2009 adopted by this Council on 16 February 2010 and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.3. This report also reviews the external cash portfolio manager for the financial year.
- 1.4. During 2012/13 the full Council received the following reports:
- an annual treasury strategy in advance of the year (Council 22/02/2012);
 - a mid-year (minimum) treasury update report (Council 05/12/2012); and
 - an annual review following the end of the year describing the activity compared to the strategy (this report).
- 1.5. This Annual Treasury Report covers:
- The Council's treasury position as at 31 March 2013;
 - Economic Factors and Interest rate in 2012/13;
 - The Strategy for 2012/13;
 - Annual Strategy Statement 2012/13;
 - Changes in strategy during the year;
 - Performance Measurement in 2012/13;
 - Council's Treasury Performance in 2012/13
 - Borrowing Outturn;
 - Treasury Management costs in 2012/13;
 - Compliance with Treasury limits and Prudential indicators;
 - Lending to Commercial and External Organisations; and
 - Prudential Indicators for 2012/13 (Appendix 1)

2. Treasury Position as at 31 March 2013

- 2.1 The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities.
- 2.2 Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.
- 2.3 The Council's treasury position at the start and end of 2012/13 can be found in Table 1:

Table 1: Council's treasury position at the start and end of 2012/13

	31 March 2013 Principal £'000	Rate /Return	Average Life (yrs)	31 March 2012 Principal £'000	Rate /Return	Average Life (yrs)
Fixed Rate Funding:						
PWLB	285,912	3.54%	38.75	295,912	3.55%	39.46
Variable Rate Funding:						
PWLB	0	0	0	0	0	0
Market	40,000	4.02%	55.61	40,000	2.37%	56.39
Total Debt	325,912	3.60%	40.45	335,912	3.41%	41.43
Investments						
In-House*	70,766	2.01%		60,736	1.10%	
External Managers:						
Investec	39,088	1.05%		38,743	1.67%	
Total Investments	109,854	1.67%		99,479	1.28%	

* In-house cash figure excludes a prepayment made to Elevate.

3. The Economy and Interest rate in 2012/13

- 3.1 The original expectation for 2012/13 was that Bank Rate would not rise in 2012/13 or 2013/14 and for it to start gently rising from quarter 4 2014. This forecast rise has now been pushed back to start in quarter 1 2015 at the earliest. Economic growth (GDP) in the UK was virtually flat during 2012/13, due to the UK austerity programme, subdued domestic consumer expenditure, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU).
- 3.2 The weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing (QE) by £50bn in July to a total of £375bn. The Bank Rate, therefore, ended the year unchanged at 0.5%, while CPI inflation has remained stubbornly high and above the 2% target, starting the year at 3.0% and still being at 2.8% in March; however, it is forecast to fall to 2% in three years time.
- 3.3 The EU sovereign debt crisis was an ongoing saga during the year, with an eventual very protracted agreement of a second bailout for Greece in December followed by a second major crisis, this time over Cyprus, towards the end of the year.

- 3.4 Gilt yields oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically low levels.
- 3.5 The Funding for Lending Scheme, announced in July, has resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling drastically in the second half of the year. However, perceptions of counterparty risk have improved after the European Central Bank (ECB) statement in July that it would do “whatever it takes” to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.
- 3.6 The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Moody’s followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget in March.

4. The Strategy for 2012/13

- 4.1 The expectation for interest rates within the strategy for 2012/13 anticipated low but rising Bank Rate (starting in quarter 4 of 2014), with similar gradual rises in medium and longer term fixed borrowing rates over 2012/13. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 4.2 In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.
- 4.3 The actual movement in gilt yields meant that PWLB rates fell during the first quarter of the year to historically low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt, and from shares, as investors became concerned about the potential for a Lehman’s type crisis of financial markets, if the Greek debt crisis were to develop into a precipitous default and exit from the Euro.
- 4.4 During the second and third quarters, rates rose gradually and agreement of a second bail out for Greece in December saw the flight to quality into gilts reverse somewhat, as confidence rose that the Eurozone crisis was finally subsiding.
- 4.5 However, gilt yields then fell back again during February and March as Eurozone concerns returned, with the focus now shifting to Cyprus, and flight to quality flows into gilts resumed. This was a volatile year for PWLB rates, driven by events in the Eurozone which oscillated between crises and remedies.

5. Annual Strategy Statement 2012/13

5.1 The Assembly approved the annual strategy for 2012/13 on the 22 February 2012.

5.2 The key points from that strategy were:

- To set an authorised borrowing limit of £528m for 2012/13;
- That challenging and uncertain economic outlook has several key treasury management implications:
 - The Eurozone sovereign debt difficulties provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
 - Investment returns are likely to remain relatively low during 2012/13;
 - Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;
 - There will remain a cost of capital – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.
- The Council's borrowing strategy will give consideration to the following when deciding to take-up new loans:
 - Use internal cash balances, while the current rate of interest on investments remains at an all-time low, with consideration given to weighing the short term advantage of internal borrowing against potential long term costs if long term borrowing rates begin to increase more than forecast;
 - Using Public Works Loan Board (PWLB) variable rate loans;
 - Using long term fixed rate market loans where rates were significantly less than PWLB rates for the equivalent maturity period;
 - Maintain an appropriate balance between PWLB and market debt in the debt portfolio for the General Fund;
 - Use short dated PWLB fixed rate loans where rates are expected to be significantly lower than rates for longer period;
 - Ensure that new borrowing, if required, is timed at periods when rates are expected to be low; and
 - Consider the issue of stocks and bonds if appropriate.
- That the Council and its cash managers will have regard to the Council's investment priorities being:
 - (a) The **security** of capital;
 - (b) The **liquidity** of its investments; and
 - (c) **Yield** (after ensuring the above are met).

- That the Council and its cash managers adhere to the procedures set for use of different classes of asset (specified and non-specified) and the maximum periods which funds can be committed;
- That the Council and its cash managers adhere to its counterparty limits;
- The Council would operate both borrowing and investment portfolios at short and long term periods and as a consequence reduces the risk of being impacted by a sharp unexpected rise in short-term variable interest rates; and
- That the Council maintain a balance of funding at shorter-term rates to match short-term investments thus maintaining balanced treasury risk.
- The Council during the financial year will carefully consider the difference between borrowing rates and investment rates to ensure that the Council obtain value for money.
- The Council will continue to utilise internal borrowing rather than external borrowing as the opportunity arises.

6. Change in strategy for 2012/13 and 2013/14

6.1 The strategy was revised as part of the 2012/13 Treasury Management Strategy Statement (TMSS) Mid-year Review Report, approved by Council on 5 December 2012.

6.2 The strategy revision was to the Council's Investment Strategy, as detailed below:

- Increase the limit on investment with Lloyds TSB from £30m to a maximum of 40% of the average monthly cash available to invest; and
- Set a fixed investment limit of £40m to be invested with Lloyds TSB after which all additional investment need to be invested in the Lloyds TSB call account.

6.3 Change to 2013/14 TMSS

On 25 February 2013 the 2013/14 TMSS was agreed by full Council. A change is required to be made to the wording for the counterparty limit for Lloyds TSB.

The Counterparty limit read "**Lower** of £40m or 40% of total investable cash". This should read "**Higher** of £40m or 40% of total investable cash". This change will bring the Lloyds investment restrictions in line with the changes outlined in points 6.1 and 6.2 above.

7. Performance Measurement in 2012/13

7.1 Investment Policy

The Council's investment policy is governed by CLG guidance, which was implemented in the annual investment strategy approved by the Assembly on 22 February 2012. The policy sets out the Council's approach for choosing investment counterparties.

7.2 Economic Issues Which Directly Impacted Treasury Management Performance

The difference between investment rates and borrowing rates continued to be a major issue for treasury management throughout 2012/13. Although some attractive rates were available in the first part of 2012/13, rates decreased sharply towards the end of 2012 and continued to decline during the first quarter of 2013.

Security and liquidity continued to be an issue for both the in-house and investment cash managers, with all investments invested in instruments and counterparties which may sometimes have generated lower rates of return but higher security and liquidity.

8. **Council's Treasury Performance in 2012/13**

8.1 **Investment Funds Available**

The level of investments available to the Council as at 1 April 2012 was £99.5m. This figure was made up of a range of balances including, revenue reserves and general operational cash balances. The amount available for investment will vary throughout the financial year depending on:

- Use of investment funds;
- Profile for the receipt of grants;
- Temporary use of internal cash to fund new capital projects rather than borrowing at periods of high borrowing interest rates; and
- Cash flow management.

At 31 March 2013 the level of investments had increased to £109.9m, with £39.1m held by Investec and £70.8m internally managed. This position was anticipated through the regular monitoring and projections of cash flow movement and was in line with projections at the beginning of the year.

8.2 **Management of Investment Funds**

The Council's investments are now managed by two sources being:

- Council In House Team; and
- External Cash manager: Investec Asset Management Limited.

The Council meets quarterly with the external investment manager as well as with its Investment Adviser to discuss financial performance, objectives and targets in relation to the investments and borrowing managed on behalf of the Council.

The Council manages a proportion of its investments in-house. This is invested with institutions of high credit standing listed in the Council's approved lending list and specified limits. The Council invests for a range of periods from overnight to one year and in some cases over one year dependent on the Council's cash flows, its treasury management adviser's view, its interest rate view and the interest rates on offer.

8.3 Overall Performance

The Council earned £1.87million gross of fees in interest from its investments in 2012/13. This represented an average return for the year of 1.45%. This performance is against a back drop of 3 Month LIBID un compounded rate of 0.56% and 7 day LIBID un compounded rate of 0.39%.

8.4 Cash Manager (external)

Throughout 2012/13 approximately £39m of the Council's cash was managed by a cash manager Investec. The performance of the managers against the benchmark return was:

Cash manager	Average Balance Held	Average Gross Return	Council's Average Return
Investec	£38,926,000.00	1.04%	1.62%

The average return achieved is significantly lower than the rate achieved by the Council. However, by investing a portion of the Council's cash in an external cash manager provided the Council with diversification and reduced the risk from concentrating investments in a few counterparties, thereby ensuring security of capital. In addition most instruments used by the cash manager can be traded at short notice thereby ensuring that the Council can maintain liquidity of its funds at short notice. In addition the rate achieved by Investec is higher than the main other options available to the Council, for example Money market Funds, Call Accounts and short-term deposits.

8.5 In-House Team

The majority of the Council's in-house investments were made with the partially nationalised UK banks that offer quasi government risk at interest rates much higher than could be achieved from investing with the UK government itself.

A substantial part of the investment portfolio was held in liquidity accounts with main UK banks. These accounts offered instant access at competitive rates, which enabled the treasury management to maintain a very liquid portfolio at a competitive rate of return.

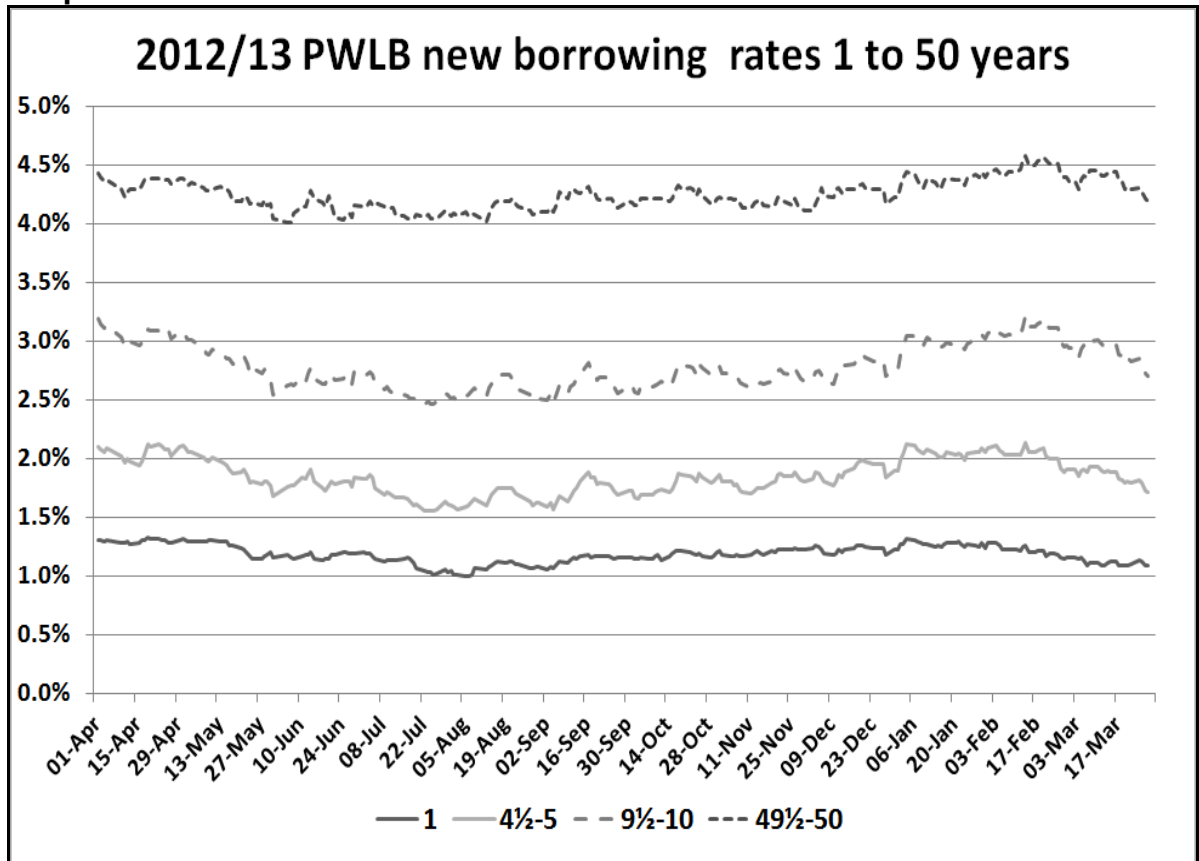
The rate of return for the year was 1.62% (2011/12: 1.1%). Performance was higher compared to 2011/12 due to investments being held for up to a year in higher paying part nationalised banks (Lloyds TSB and the Royal Bank of Scotland).

During the year the in-house team invested in a number of Money Market Funds (MMFs), which were all AAA rated and provided the Council with a very liquid, secure investment option and increased the diversity of the Council's investments.

9. Borrowing Outturn

9.1 **PWLB borrowing rates** - Graph 1 below shows how PWLB rates fell to near historic low levels towards the end of the financial year.

Graph 1: PWLB rates 2012/13



9.2 Debt Performance

The average debt portfolio interest rate, excluding HRA refinancing, increased slightly over the course of the year as the rate of two variable rate loans increased.

No additional borrowing was made for the General Fund, with cash balances used to finance new capital expenditure in order to run down cash balances and minimise counterparty risk incurred on investments. This strategy provided treasury management budget savings as investments rates were on average over 2% lower than new borrowing rates.

This strategy will be continually reviewed throughout 2013/14, with borrowing in-line with the capital financing requirements potentially made if borrowing rates rise.

9.3 Debt Rescheduling, Repayment and New Borrowing

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

On 27 April 2012 a £10m PWLB loan at an average rate of 3.85% was repaid and was not refinanced.

As investment rates remained low during the year and the cash flow forecasts remained strong, the treasury management continued using cash balances rather than

borrowing, which helped to keep borrowing costs low and also meant reduced counterparty risk on the investment portfolio. Consequently no new borrowing took place in 2012/13.

10. Treasury Management Costs

- 10.1 The costs associated with the Treasury Management function comprises of a recharge of a proportion of the internal team's salary and senior officers salary, treasury management advisers fees and external managers fees. Treasury management costs are summarised in table 2 below:

Table 2: Treasury Management costs for 2012/13

Salary Recharge	32,500
Software and other costs	3,810
Sector Treasury Limited	17,000
Investec Asset Management	60,100
	113,410

11. Compliance with Treasury limits and Prudential Indicators

- 11.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordable limits) are included in the approved Treasury Management Strategy
- 11.2 During the financial year to date the Council has operated within and complied with the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The Council's prudential indicators are set out in Appendix A to this report. In 2012/13, the Council did not breach its authorised limit on borrowing of £528m.
- 11.3 The Operational limit set in the 2012/13 Treasury Management Strategy Statement was £431.3m, with the final position of was £325.9m.

12. Lending to commercial and external organisations

- 12.1 As part of the Council's mitigation of risk strategies around delivering and continued value for money services with external organisations, the Council should from time to time have the ability to make loans to external organisations.
- 12.2 Section 2 of the Local Government Act 2000 (power of well-being) gives authorities the power to lend as part of promotion or improvement of economic /social wellbeing of the Borough. The guidance encourages local authorities to use the well-being power as the power of first resort removing the need to look for powers in other legislation. Further the power provides a strong basis on which to deliver many of the priorities identified by local communities and embodies in community strategies. The Chief Finance Officer determines the rates and terms of such loans.

13. Conclusions

- 13.1 The key conclusions to draw from this report are as follows:

- a) That the Council complied with prudential and treasury indicators in 2012/13 financial year;
- b) That the value of investments as at 31 March 2011 totalled £109.9million; and
- c) That value of long term borrowing as at 31 March 2011 totalled £325.9m. This comprised both market and PWLB loans.

14. Options Appraisal

- 14.1 There is no legal requirement to prepare a Treasury Management Annual Report, however, it is good governance to do so and meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

15. Consultation

- 15.1 The Chief Financial Officer has been informed of the approach, data and commentary in this report.

16. Financial Implications

Implications completed by: Jonathan Bunt, Divisional Director of Finance

- 16.1 This report sets out the outturn position on the Council's treasury management position and is concerned with the returns on the Council's investments as well as its short and long term borrowing positions.

17. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

- 17.1 The legal and governance provisions have been incorporated in the body of this report. There are no further legal implications to highlight.

18. Other Implications

- 18.1 **Risk Management** - The whole report concerns itself with the management of risks relating to the Council's cash flow. The report mostly contains information on how the Treasury Management Strategy has been used to maximise income throughout the past year.

Background Papers Used in the Preparation of the Report:

- Treasury Management Strategy Statement - Assembly Report 22 February 2012
- Sector Economic and Interest Rate Report
- CIPFA – Revised Treasury Management in the Public Sector
- CIPFA – Revised Prudential Code for Capital Finance in Local Authorities

List of appendices:

Appendix 1 - Treasury Management Outturn Report 2012/13
Appendix 2 - Glossary of Terms

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The Prudential Code for Capital Investment in Local Authorities

Treasury Management Outturn Report 2012/13

1. Introduction

1.1 There are a number of treasury indicators which previously formed part of the Prudential code, but which are now more appropriately linked to the Revised Treasury Management Code and guidance 2009. Local authorities are still required to “have regard” to these treasury indicators.

1.2 The key treasury indicators which are still part of the Prudential Code are:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt

2. Net borrowing and the Capital Financing Requirement

2.1 To ensure that borrowing levels are prudent over the medium term the Council’s external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure.

2.2 Net borrowing should not therefore, except in the short term, have exceeded the Capital Financing Requirement (“CFR”) for 2012/13 plus the expected changes to the CFR over 2012/13 and 2013/14 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2012/13.

2.3 **The authorised limit** – This sets the maximum level of external borrowing on a gross basis (i.e. Not net of investments) and is the statutory limit determined under Section 3 (1) of the Local Government Act 2003 (referred to in the legislation as Affordable Limit).

2.4 **The operational limit** – This links directly to the Council’s estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limits reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit for future known capital needs now. It should act as a monitor indicator to ensure the authorised limit is not breached.

2.5 The total Capital Financing Requirement as at 31 March 2013 was £491.6m, which is lower than the Approved Authorised Limit of £528m set by the Assembly in February 2012.

2.6 The Operational and Authorised Limit relates to external borrowing only and Council’s CFR has large internal borrowing element. Total external borrowing was £325.9m which was inside the Approved Authorised Limit.

- 2.7 The actual 2012/13 borrowing requirements and estimates for authorised limits and operational boundary limit set out in Table 4.

Table 4: Operational Limit and Authorised Borrowing Limits

	2012/13 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
Capital Programme Borrowing Requirement (Cumulative)	163,934	171,263	166,749	158,514
HRA Self Financing Debt	267,722	267,122	277,649	277,649
Alternative Financing Arrangements:				
Current PFI Schemes on Balance Sheet	56,221	54,992	53,667	52,276
Finance Leases	3,701	2,866	2,031	1,196
Total Alternative Financing Arrangements	59,922	57,858	55,698	53,472
Total Borrowing liability	491,578	496,243	500,096	489,635
External Borrowing (Cumulative)	325,912	315,912	315,912	315,912
Approved Operational Boundary on Borrowing	384,000	429,000	449,000	447,000
Approved Authorised Limit (affordable limit)	528,000	499,000	510,000	499,000

3. Limits for Fixed and Variable Interest Exposure

The following prudential indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

The Council's existing level of fixed interest rate exposure is 100.0% and variable rate exposure is 0.0%. The high fixed interest rate is as a result of locking in low long-term rates for the HRA borrowing.

The table 5 below shows the fixed and variable interest rate exposure.

Table 5: Fixed and variable rate exposure 2011 to 2015

Interest Rate Exposures	2012/13 Actual %	2012/13 Estimate %	2013/14 Estimate %	2014/15 Estimate %
Upper limit for fixed interest rate exposure	100.0	100.0	100.0	100.0
Upper limit for variable interest rate exposure	0.0	70.0	70.0	70.0

4. Maturity Structure of Fixed Rate Borrowing

This prudential indicator deals with projected borrowing over the period and the rates that they will mature over the period, as summarised in table 6.

Table 6: Borrowing as at 31 March 2013

	Actual Position	Upper Limit	Lower Limit
Under 12 months	£10,000,000	20%	0%
	3.07%		
12 months and within 24 months	£10,000,000	40%	0%
	3.07%		
24 months and within 5 years	£0	70%	0%
	0.00%		
5 years and within 10 years	£0	70%	0%
	0.00%		
10 years and above	£265,912,000	100%	0%
	93.86%		

The fixed rate borrowing over 10 years was 93.86%, which is within the limits outlined below:

Table 7: Maturity Structure of Borrowing for 2012/13

	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	70%	0%
5 years and within 10 years	70%	0%
10 years and above	100%	0%

5. Investments over 364 days

- 5.1 The overriding objective of the investment strategy is to ensure that funds are available on a daily basis to meet the Council's liabilities. Taking into account the current level of investments, and future projections of capital expenditure, the following limits will be applied to sums invested:

Maximum principal sums invested > 364 days £'000s	2012/13 £000's Actual	2013/14 £000's Estimate	2014/15 £000's Estimate	2015/16 £000's Estimate
Principal sums invested > 364 days	50,000	50,000	50,000	50,000

6. Summary Assessment

- 6.1 The outturn position is set out above in respect of the Prudential Indicators approved by Assembly in February 2012.
- 6.2 The outturn figures confirm that the limits and controls set for 2012/13 were applied throughout the year, and that the treasury management function adhered to the key principles of the CIPFA Prudential Code of prudence, affordability and sustainability. The treasury management indicators were regularly monitored throughout 2012/13, however the operational limit was breached, this is however not a statutory limit.

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Glossary of Terms

1. **Authorised Limit** –represents the limit beyond which borrowing is prohibited, and needs to be set and revised by the Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable. It is the expected maximum borrowing need, with some headroom for unexpected movements.
2. **Bank Rate** – the rate at which the Bank of England offers loans to the wholesale banks, thereby controlling general interest rates in the economy.
3. **Counterparty** – the other party involved in a borrowing or investment transaction.
4. **Capital Financing Requirement (CFR)** – the level of capital expenditure to be financed from borrowing.
5. **Liquidity** – The ability of an asset to be converted into cash quickly and without any price discount. The more liquid a business is, the better able it is to meet short term financial obligations.
6. **LIBID** – London Interbank Bid Rate - The interest rate at which London banks ask to pay for borrowing Eurocurrencies from other banks. Unlike LIBOR, which is the rate at which banks lend money, LIBID is the rate at which banks ask to borrow. It is not set by anybody or organisation, but is calculated as the average of the interest rates at which London banks bid for borrowed Eurocurrency funds from other banks. It is also the interest rate London banks pay for deposits from other banks.
7. **LOBO** (Lenders Option Borrowers Option) - Long term borrowing deals structured which usually has a short, initial period (anything from 1 year to 7 years), followed by a “step rate” to a higher rate of interest (the “back end” interest rate), which is to be charged for the remainder of the loan period.

The overall length of LOBO’s is usually 50 or 60 years but can be shorter or longer periods. After the “step up” date, and at set intervals thereafter, the lender (the bank) has the option of increasing the “back end” interest rate. Whenever this option is exercised, if the proposed new rate is unacceptable, the borrower (The Council) can redeem the loan without penalty.
8. **Monetary Policy Committee** – independent body which determines the Bank Rate.
9. **Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year. It should act as an early warning indicator to ensure the Authorised Limit is not breached.
10. **Prudential Code** – The Local Government Act 2003 requires the Council to ‘have due regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

11. PWLB – Public Works Loan Board. An institution managed by the Government to provide loans to public bodies at rates which reflect the rates at which the government is able to sell gilts.

CABINET**25 June 2013**

Title: Performance House for Quarter 4 of 2012/13 and Priority Performance Indicators for 2013/14	
Report of the Leader of the Council	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Karen Wheeler, Group Manager Policy and Performance	Contact Details: Tel: 020 8227 2317 E-mail: karen.wheeler@lbbd.gov.uk
Accountable Divisional Director: not applicable	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>This report provides a summary of performance (Appendix A) at Quarter 4 (January 2013 to March 2013) for all quarterly indicators, and in addition:</p> <ul style="list-style-type: none"> • Performance for the 19 key priority indicators (Appendix B) • The Performance House (full set of indicators) (Appendix C) • Complaints and Member enquiries data (Appendix D) <p>In addition , following the agreement at Assembly on 15th May of the Community Strategy and Corporate Plan which sets out the Council's and borough priorities for 2013/14, a revised and updated set of corporate performance indicators have been developed which reflect the new priorities are proposed in this report at paragraph 3.4 and in Appendix E.</p> <p>The corporate priority performance indicators for 2013/14 are intended to provide a collective overview of performance across the Council/borough in order to inform decision making and use of resources, and to provide Members with a clear snap-shot of how priorities are being managed and implemented.</p>	
Recommendation(s)	
Cabinet is recommended to:	
<p>(i) Note the corporate performance information for the final quarter of the 2012/13 financial year and advise on any actions to be taken where performance has dipped; and</p> <p>(ii) Approve the new set of corporate priority performance indicators for 2013/14 as set out at Appendix E to the report.</p>	

Reason(s)

Performance data is reported to enable Members to more easily monitor and challenge performance and delivery of the policy priorities as set out in the Community Strategy and Corporate Plan.

1. Introduction and Background

- 1.1 It is best practice for Councils to regularly review their performance across a range of different indicators. Informal Cabinet agreed the Performance House indicators in December 2011 and a smaller set of 19 key 'top priority' indicators were agreed in April 2012.
- 1.2 The Performance House aims to provide Members with a balanced overview of performance right across the organisation in order to inform decision-making and make the very best use of resources in these times. Performance is regularly monitored and managed across the Council and is reported in a number of ways including in portfolio holder meetings and to partnership boards.
- 1.3 The Performance House was developed in line with the Policy House which set out the Council's priorities and areas of focus in previous years. On 15th May Assembly agreed the Community Strategy 2013-16 and Corporate Plan 2013/14 including the vision and five priorities for the Council and borough. A revised set of performance indicators have therefore been developed which reflect the new priorities.

The **vision** for the borough is:

Encourage growth and unlock the potential of Barking and Dagenham
and its residents

The five **priorities** are:

1. Ensure every child is valued so that they can succeed
 2. Reduce crime and the fear of crime
 3. Improve health and wellbeing through all stages of life
 4. Creating thriving communities by maintaining and investing in high quality homes
 5. Maximise growth opportunities and increase the income of borough residents
- 1.4 This report provides an update on performance for quarter 4 2012/13 and seeks agreement for a revised set of indicators for 2013/14 which reflect the priorities of the Council.

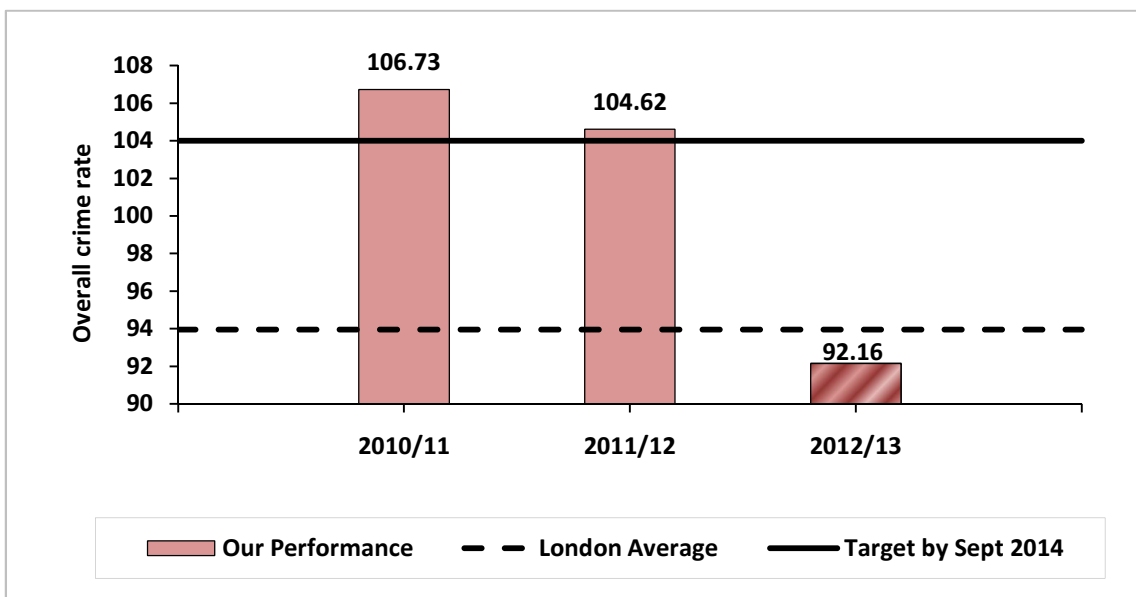
2. Performance House Quarter 4 2012/13

- 2.1 For Quarter 4 performance reporting, focus has been given to a small selection of indicators where performance has either greatly improved or has shown a deterioration.
- 2.2 These selected indicators have been presented in a graphical format in order to provide a clearer picture of our current position, trend, target and performance when

compared to the rest of London, and set out the action being taken.

- 2.3 In summary, 76% of the Performance House indicators either achieved or performed within 10% of the target set for 2012/13. When compared to 2011/12, 67% of indicators showed an improvement in performance for 2012/13, with 33% showing a decline.
- 2.4 A complaints and Member enquiries report for 2011/12 and 2012/13 is available in Appendix D. Although the percentage of responses completed within timescales for all complaints and enquiries have declined in quarter 4, the response rates have increased in 2012/13 overall, except for LGO and MP enquiries.

Ref. 21 Overall crime rate per 1,000 population	↑	G
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Partnership working has further impacted on reducing crime and disorder in the borough. The Community Safety Team have lead a series of crime prevention road shows aimed at educating the public in terms of how to protect themselves and their property. The work of the Serious Youth Violence Partnership and the Youth Offending Service has significantly impacted on violence and robbery levels. Joint tasking of resources such as the Tenant Funded Estates Policing Team and the Safer Parks Team have also significantly impacted on crime levels. One of the most significant influences on the overall crime rate has been the introduction of the tenant funded Estates Policing Team in May 2012. Between April 2012 and March 2013 the Estates Team teams have stopped and searched over 1500 people and made 644 arrests between the two which have included: **Robbery** (29), **Burglary** (26), **Drugs** (131), and **Motor Vehicle Crime** (28).

The Safer Parks Policing Team has in addition made 50 arrests for a wide variety of offences, issued 85 PND's and 195 cannabis warnings. The team made approx 1900 alcohol seizures over the year and were responsible for 239 criminal detections nearly all from proactive policing and stop and search.

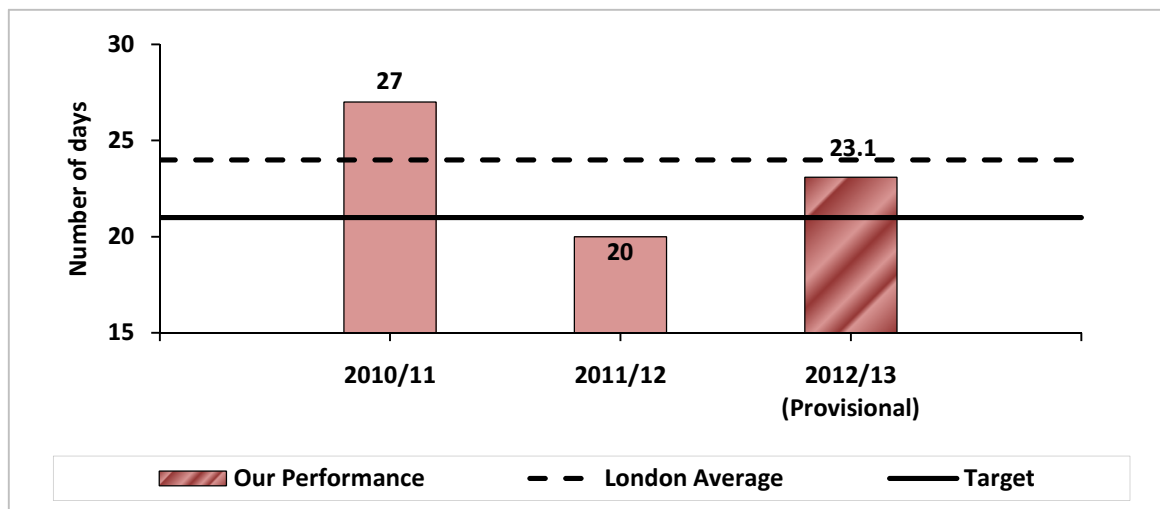
A Total Notifiable Offence (TNO) reduction plan has also been in place since September 2012 with the aim of reducing the borough's top 3 crime generators, all of which are for

making off without payment – theft of petrol. This has certainly had an impact in the last quarter of 12/13:

	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2011/12	56	55	69	54	57	30	35	27	28	55	78	58	602
2012/13	38	27	24	30	12	38	15	19	13	21	13	18	268

Policing on our streets with Safer Transport, Safer Neighbourhoods and Town Centre Teams has also made significant contributions to the reduction in total offences especially around key volume crimes such as motor vehicle crime and the crimes associated with drunkenness and anti-social behaviour. There has also been the launch of three ongoing operations repeated several times a year supported by the Council. These are seizing uninsured vehicles; executing a drugs warrant every day; and a focus on licensing issues in the broadest sense - pubs, clubs, late night refreshment houses and any other licensable activity. Working in partnership has delivered significant success and the intelligence brought back between partnership services has been particularly useful in terms of coordinating our joint resources.

Ref. 41b	The number of days to process Housing Benefit / Council Tax Benefit: New claims	↓	R
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There were various factors that impacted on this performance indicator during 2012/13; the main factor was increased work volumes due to the changing economic climate and the effects of Welfare Reform.

During the months of August and September increased pressures on the Benefits Direct face to face service saw additional officers being allocated to Benefits Direct to reduce queues. This meant there was less resource to deal with claims submitted to the back office and these were dealt with less quickly.

3. Proposed Priority Performance indicators 2013/14

- 3.1 The Community Strategy 2013-2016 and Corporate Plan 2013/14 were agreed at Assembly on 15th May 2013. The Corporate Plan sets out the Council's high level policy priorities for the coming year and how they will be monitored in the context of the Medium Term Financial Strategy. An updated set of performance indicators which provide Members with a clear snap shot of how the Council and community priorities are being managed and implemented is therefore required.
- 3.2 In consultation with CMT, a number of quarterly and annual performance indicators to track progress have been identified. There has been a focus on developing a smaller, more focused set of indicators than in the Performance House, directly linked to the new priorities, high volume front line services and being a 'well run organisation'. This shorter report is hoped enable Members to discuss and challenge performance more effectively. Many of the other indicators from the Performance House will continue to be reported and managed in departments, discussed in portfolio meetings and at partnership boards.
- 3.3 The proposed format for reporting in 2013/14 will include a summary of all performance indicator performance and identification of a small number of indicators for focus each quarter shown graphically with analysis. A summary of the quarterly performance indicators, and any new data released for annual indicators, will be reported in the main body of the report. All annual indicators will be reported at end of year as well as progress on all the actions set out in the Corporate Plan under each of the priorities. Appendices will show detailed performance information for reference.
- 3.4 The following indicators are proposed to be monitored in 2013/14. These are set out alongside the priorities and key areas of activity as set out in the Corporate Plan 2013/14 at Appendix E including whether they are quarterly or annual.

Ensure every child is valued so that they can succeed	Reduced crime and the fear of crime
<ul style="list-style-type: none"> ▪ The percentage of 16 to 18 year olds who are not in education, training or employment (NEET) ▪ The percentage of care leavers in employment, education and training (EET) ▪ Timeliness of statutory Social Care Assessments ▪ Timeliness of children in care placed for adoption following an agency decision that the child should be placed for ▪ The number of CAFs/FCAFs initiated ▪ The percentage of pupils achieving 5 GCSE grades A*-C (including Maths and English) ▪ The percentage of primary / secondary schools rated as outstanding or good ▪ The number of additional school places provided 	<ul style="list-style-type: none"> ▪ The number of domestic violence offences ▪ Repeat incidents of domestic violence ▪ The number of violent crimes ▪ The number of serious youth violence offences ▪ Alcohol-attributable recorded crimes ▪ The number of residential burglaries ▪ The percentage of victims who are satisfied with the way their ASB complaint was dealt with ▪ The percentage of people who believe people from different backgrounds get on well together ▪ The percentage of people who perceive people not treating one another with respect and consideration to be a problem in their area

<ul style="list-style-type: none"> ▪ The percentage of pupils achieving Level 4 or above in both English and Maths at Key Stage 2 ▪ The percentage of school children eligible for Free School Meals (FSM) and take up ▪ Achievement of a Level 3 qualification by the age of 19 	
<p style="text-align: center;">Improve health and wellbeing through all stages of life</p>	<p style="text-align: center;">Create thriving communities by maintaining and investing in new and high quality homes</p>
<ul style="list-style-type: none"> ▪ Uptake of child immunisation ▪ The number of leisure centre visits ▪ The number of Active Age (over 60's) leisure memberships ▪ The number of smoking quitters 19 - 64 ▪ Delayed Transfers of Care that are the fault of adult social care ▪ The percentage of children in Reception / Year 6 recorded as obese ▪ The number of adults participating in regular physical activity 	<ul style="list-style-type: none"> ▪ Average time taken to re-let local authority housing (calendar days) ▪ The number of homeless applications accepted ▪ The number of households living in Temporary Accommodation (Old Portfolio) ▪ The percentage of non-decent council homes ▪ The number of affordable homes delivered
<p style="text-align: center;">Maximise growth opportunities and increase the household income of Borough residents</p>	<p style="text-align: center;">A well run organisation</p>
<ul style="list-style-type: none"> ▪ The percentage of economically active people in employment ▪ The percentage of working age population with no qualifications ▪ The percentage of working age population qualified to at least Level 4 ▪ Median weekly earnings for full-time workers living in the area ▪ The percentage of working age people on out of work benefits 	<ul style="list-style-type: none"> ▪ The percentage of Council Tax collected ▪ The percentage of rent collected ▪ The time taken to process Housing Benefit / Council Tax benefit new claims ▪ The time taken to process Housing Benefit / Council Tax benefit change events ▪ The percentage of land that has unacceptable levels of litter ▪ The percentage of household waste recycled and composted ▪ The average number of days lost due to sickness absence ▪ The percentage of complaints responded to within deadline ▪ The percentage of member enquiries responded to within deadline ▪ The percentage of employees who would recommend the Council as a good employer ▪ The current revenue budget account position (over and under spend) ▪ The percentage of the planned in year capital programme delivered in year

4. Options Appraisal

- 4.1 There is no legal requirement to prepare a performance report, however, it is good governance to do so and provides a collective overview of performance across the Council / borough in order to inform decision making, use of resources and delivery of the priorities.

5. Consultation

- 5.1 Corporate Management Team (CMT) and departments (through Departmental Management Teams) have informed the approach, data and commentary in this report.

6. Financial Implications

Prepared and verified by Steve Pearson, Principal Accountant (Finance and Resources)

- 6.1 There are no specific financial implications, however, some key performance indicators do have quantifiable cost benefits, such as additional income from higher leisure centre usage or improved Council Tax collection rates (note - there is also a gain share for Elevate if they achieve over the agreed Council Tax collection percentage stated in their contract).
- 6.2 Due to the financial constraints of the Council these key performance indicators must be delivered within the existing budgets of the relevant services.
- 6.3 Where external funding is involved there can be financial implications if outcome based targets are not met, as funding may have to be returned to the provider.

7. Legal Implications

Prepared and verified by Eldred Taylor-Camara, Legal Group Manager

- 7.1 The Legal Practice has been consulted in the preparation of this report and confirms there are no legal implications to highlight.

8. Other Implications

- 8.1 **Risk Management** - The identification of clear performance measures to deliver against the priorities is part of a robust approach to risk management.
- 8.2 **Contractual Issues** - Any contractual issues relating to improving performance measures will be addressed as part of the delivery plan for each project or action.
- 8.3 **Staffing Issues** - Any staffing issues relating to improving performance measures will be addressed as part of the delivery plan for each project or action.
- 8.4 **Customer Impact** - Improvements in performance indicators will have a positive impact on customers e.g. increase in visits to leisure centres may impact on obesity and mortality and life expectancy in the long term. Where performance

deteriorates, service or choice for customers may be reduced e.g. percentage of social care clients receiving self directed support.

- 8.5 **Safeguarding Children** - A number of indicators related to safeguarding children are contained within the Performance House. Monitoring and management of these indicators will ensure safeguarding is maintained or improved.
- 8.6 **Health Issues** - A number of health and well being indicators are contained with the Performance House and proposed indicators for 2013/14. Monitoring and management of these indicators will ensure areas related to health can be maintained or improved in line with the Health and Wellbeing Strategy.
- 8.7 **Crime and Disorder Issues** - A number of crime indicators are contained with the Performance House and proposed indicators for 2013/14. Monitoring and management of these indicators will ensure areas related to crime and disorder can be maintained or improved. Consideration of the Council's Section 17 duties and issues arising is part of the mainstream work for this area.

Background Papers Used in the Preparation of the Report:

- Statement of Priorities 2012/13
- Community Strategy 2013-16 and Corporate Plan 2013/14
- Directorate and partnership board performance dashboards/reports

List of appendices:

Appendix A: Summary of performance Quarter 4 2012-13

Appendix B: Key performance indicators Quarter 4 2012-13

Appendix C: All Performance House indicators Quarter 4 2012-13 and annual indicators

Appendix D: Complaints and Member enquiries report 2011-12 and Quarter 4 2012-13

Appendix E: Proposed priority performance indicators for 2013/14

Summary of Performance – End of Year 2012/13

PERFORMANCE REPORT – THEME	PERFORMANCE RAG RATING				TREND							
	Current performance rating of Green, Amber or Red	G		A		R		Direction of Travel from same time last year				
	Number of comparable PIs	%	Number of comparable PIs	%	Number of comparable PIs	%	Number of comparable PIs	%	↑	↔	↓	
Key Performance Indicators	17	41%	5	29.5%	5	29.5%	20	65%	13	5%	6	30%
Better Together	13	77%	2	15%	1	8%	13	54%	7	8%	5	38%
Better Home	7	57%	2	29%	1	14%	7	57%	4	0%	3	43%
Better Health and Wellbeing	8	25%	3	37.5%	3	37.5%	9	67%	6	0%	3	33%
Better Future	11	18%	4	36%	5	46%	11	55%	6	0%	5	45%
Well Run Organisation	7	57%	2	29%	1	14%	10	80%	8	0%	2	20%
TOTAL	63	46%	18	29%	16	25%	70	63%	44	3%	24	34%

The above table summarises end of year performance for all Performance House indicators, which are measured both quarterly and annually.

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Key Performance Indicators – End of Year 2012/13

Ref.	Directorate	Relevant Portfolio Holder	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
										London Average	National Average		
1	CS	Cllr White	London Councils	Percentage of care leavers in employment, education or training (EET)	Monthly	48.98%	40.4%	56.4% (Provisional)	60%	59%	58%	↑	A
2	CS	Cllr White	London Councils	Percentage of 16 to 18 year olds who are not in education, employment or training (NEET)	Quarterly	6.9%	6.5%	5.4% (Provisional)	<6%	4.7%	5.8%	↑	G
3	CS	Cllr White	Convergence	Percentage of pupils achieving 5 GCSE grades A* – C (including Maths and English in maintained schools)	Annual (academic year – published October)	57.2%	58.6% (revised)	Annual (2012/13 academic year – due Autumn 2013)	At national average (70% by 2014)	62.3%	59.4% (revised)	↑	A
4	CS	Cllr White	Local	The percentage of primary schools rated as outstanding or good	Quarterly (Ofsted three year inspection cycle)	55%	59%	64%	>65% (Ofsted threshold)	73.8% (August 2012)	68.8% (August 2012)	↑	A
5a	CS	Cllr White	Local	Percentage of school children eligible for Free School Meals (FSM)	Annual (January schools census)	24.8%	28.7%	27% (Provisional)	N/A	24.2%	16.9%		N/A
5b	CS	Cllr White	Local	Of those eligible, the percentage of children who take up Free School Meals (FSM)	Annual (January schools census)	81.7%	74.5%	78.9% (Provisional)	74.3%	85%	83.2%		N/A
6	F&R	Cllr Geddes	Convergence	Working age population qualified to at least Level 4	Annual (Calendar year)	26.6% (2010)	27.1% (2011)	26% (2012)	3% - 4% gap with London average	47.6%	34.4%	↓	R

Ref.	Directorate	Relevant Portfolio Holder	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
										London Average	National Average		
7	F&R	Cllr Geddes	Convergence	Percentage of economically active people in employment	Rolling year published quarterly	62.0%	64.4%	62.3% (Qtr 3)	2% - 3% gap with London average	68.9%	70.7%	↓	R
8	F&R	Cllr Geddes	Convergence	Median weekly earnings for full-time workers living in the area	Annual (Calendar year)	£496.70 (2010)	£500.80 (2011)	£551.90 (2012)	£25 gap with London average	£613.3	£508.0	↑	A
9	F&R	Cllr Geddes	London Councils	Percentage of working age people on out of work benefits	Snapshot four times a year	17.2% (Feb 2011)	17.7% (Feb 2012)	N/A	N/A	12.6%	12.5%		N/A
10	ACS	Cllr Worby	Convergence	Regular participation in sport and physical activity (30 minutes on 3 or more days a week)	Annual	13.4% (2009-2011)	14.3% (2010-2012)	N/A	<1% gap with London	20.98%	22.63%	↑	R
11	H&E	Cllr P Waker	Convergence	Additional housing units – Number of affordable homes delivered	Annual	144	372	Data to be confirmed	470	544.2	N/A		Awaiting data
12	H&E	Cllr P Waker	London Councils	Percentage of non-decent Council Homes	Annual	42%	33.85%	Data to be confirmed	45%	Data unavailable			Awaiting data
13	H&E	Cllr P Waker	Local	Satisfaction of tenants and residents with landlord services	Annual	N/A	73%	Annual Next survey due in 2013	N/A	Not applicable – Local measure		↔	N/A
14	Elevate	Cllr Geddes / Cllr Waker	Local	Percentage of properties currently empty in the borough (all properties)	Monthly	3.13%	2.60%	1.71%	N/A	Not applicable – Local measure		↑	N/A
15a	H&E	Cllr McCarthy	London Councils	Percentage of land that has unacceptable levels of litter	Three times a year	8%	6%	8%	8%	6.9%	N/A	↓	G
15b	H&E	Cllr McCarthy	London Councils	Percentage of land that has unacceptable levels of detritus	Three times a year	17%	10%	16%	10%	9.7%	N/A	↓	R

Ref.	Directorate	Relevant Portfolio Holder	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
										London Average	National Average		
15c	H&E	Cllr McCarthy	London Councils	Percentage of land that has unacceptable levels of graffiti	Three times a year	7%	5%	3%	4%	4.8%	N/A	↑	G
15d	H&E	Cllr McCarthy	London Councils	Percentage of land that has unacceptable levels of fly-posting	Three times a year	3%	5%	7%	2%	1.9%	N/A	↓	G
16a	ACS	Cllr Alexander	Convergence	Violent crime levels (against the person) per 1,000 population	Monthly cumulative	24.9	19.97	25.0	3% - 4% gap with London average	15.54	N/A	↑	A
16b	ACS	Cllr Alexander	Local	Number of Domestic Violence Offences	Monthly cumulative	1770	1706	1588	N/A	Awaiting data	N/A	↑	G
16c	ACS	Cllr Alexander	Local	Percentage of repeated Domestic Violence incidents	Monthly cumulative	32%	22%	21% (82 of 382)	2% reduction by 2015	N/A	N/A	↑	G
16d	ACS	Cllr Alexander	Local	Serious Youth Violence per 1,000 population ¹	Monthly cumulative	3.76	4.31	2.64	TBC	2.02	N/A	↑	N/A
17	Elevate	Cllr Gill	London Councils	Percentage of Council Tax collected	Monthly cumulative	92.9%	94.1%	94.6%	94.5%	96.3%	97.3%	↑	G
18	F&R	Cllr Gill	Local	Current revenue budget account position (over and under spend)	Monthly (year to date)	£2.8m over spend	£2m under spend	£3.1m under spend (provisional)	N/A	Not applicable – Local measure		N/A	
19	CE's	Cllr Reason	London Councils	Average sickness days per full-time equivalent (FTE) (excludes school staff)	Monthly	9.08 days	9.06 days	9.76 days	6 days by Sept 2014	7.6	N/A	↓	R

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Performance House Indicators – End of Year 2012/13

Theme: Better Together												
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of Year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
									London Average	National Average		
20	ACS	London Councils	Serious acquisitive ² crime rate per 1,000 population	Monthly cumulative	31.8	30.6	26.58	29.0	22.63	N/A	↑	G
21	ACS	London Councils	Overall crime rate per 1,000 population	Monthly cumulative	106.73	104.62	92.16	104.0	93.96	N/A	↑	G
22	ACS	Local	The number of adult safeguarding alerts progressed to referral	Monthly cumulative	539 of 738 (73%)	419 of 1119 (37.4%)	487 of 1139 (42.8%)	TBC	N/A	N/A	↑	G
23	CS	London Councils	Percentage of children's core assessments completed within 35 days	Monthly	64.6%	78.4%	77.4% (provisional)	80%	77.8%	75.5%	↓	G
24	CS	London Councils	Percentage of child protection cases reviewed within required timescales	Monthly	100%	100%	99.4% (provisional)	100%	98.2%	96.7%	↓	G
25	CS	London Councils	Percentage of children having a child protection plan for 2 nd or subsequent time	Monthly	9.27%	9.3%	2.9% (provisional)	10%	11.4%	13.8%	↑	G

Theme: Better Home

Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of Year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
									London Average	National Average		
26	H&E	Local	Average time to re-let local authority housing (days)	Monthly	30 days	29 days	43 days	32 days	Not applicable – Local measure		↓	R
27	H&E	Local	Eyesore Gardens – Percentage of Eyesore Gardens cleared following re-inspection (cases closed) <i>NB: This figure is broken down by the 3 indicators below</i>	Monthly	New for 2011/12	92%	95%	90%	Not applicable – Local measure		↑	G
28a	H&E	Local	Eyesore Gardens – Percentage that were closed without an further action needed	Monthly	New for 2011/12	47%	32%	N/A	Not applicable – Local measure			N/A
28b	H&E	Local	Eyesore Gardens – Percentage of gardens cleared up following a warning letter issued to owner	Monthly	New for 2011/12	37%	47%	N/A	Not applicable – Local measure			N/A
28c	H&E	Local	Eyesore Gardens – Percentage of gardens cleared up once owner has been served with a notice	Monthly	New for 2011/12	8%	16%	N/A	Not applicable – Local measure			N/A
29	H&E	London Councils	Number of homeless applications accepted	Quarterly cumulative	113	246	664	N/A	359.4	N/A		N/A
30	H&E	London Councils	Number of households living in temporary accommodation ³	Quarterly	709	1155	1188	N/A	1189	N/A		N/A
31	H&E	Local	Number of households living in temporary accommodation (Old portfolio) ³	Quarterly	259	167	72	199	Not applicable – Local measure		↑	G
32a	F&R	London Councils	Percentage of 'other' planning applications determined within 8 weeks	Quarterly cumulative	79.5%	78.3%	73%	80%	79%	82%	↓	A
32b	F&R	London Councils	Percentage of 'minor' planning applications determined within 8 weeks	Quarterly cumulative	59.5%	61.25%	59%	65%	68%	71%	↓	A

Theme: Better Health and Wellbeing												
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of Year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
									London Average	National Average		
33	ACS	London Councils	Percentage of social care clients receiving Self Directed Support (Direct payments and individual budgets)	Monthly	40.31%	46.7%	49.07%	75%	48.7%	N/A	↑	A
34	ACS	London Councils	Percentage of carers receiving needs assessment or review	Monthly	26.4%	60%	57.8%	TBC	N/A	N/A	↓	N/A

Theme: Better Future												
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of Year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
									London Average	National Average		
35	ACS	Local	The percentage of adults with a learning disability in paid employment	Monthly	4.77%	2.85%	3.65%	6%	9.6%	7.1%	↑	A
36	ACS	Local	The percentage of adults receiving secondary mental health services in employment	Monthly	6%	7%	4.83%	As the definition of this indicator has changed there is no comparison data currently available.				
37	H&E	London Councils	Kilogram of residual waste per household	Quarterly	824.4kg	807.5kg	863.70kg	820kg	586kg	N/A	↓	A
38	H&E	London Councils	Percentage of waste sent for reuse, recycling and composting	Quarterly	30.9%	29.49%	26.10%	31%	34.4%	N/A	↓	R
39	CS	Local	The percentage of secondary schools rated outstanding or good ⁴	Quarterly	67%	67%	89%	>65%	79.5% (Aug 2012)	66.2% (Aug 2012)	↑	G
40	CS	Local	The number of children without school places	Quarterly	0	0	20* (snapshot as of 9 May 2013)	0	N/A	N/A	↓	R

* Ref. 40 - Please note the 20 children currently without a school place are not of statutory school age and are recent applications. These are being dealt with as quickly as possible and we anticipate by mid next week these children will all have school places.

Theme: Well run organisation

Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2010/11	Actual End of year 2011/12	Current Performance End of Year 2012/13	Target 2012/13	Benchmarking		Trend	Target RAG
									London Average	National Average		
41a	Elevate	London Councils	The number of days to process Housing Benefit / Council Tax Benefit: New claims and change of circumstances ⁵	Monthly cumulative	17 days	14.56 days	12.97 days (provisional)	See individual targets	Combined results unavailable		↑	N/A
41b	Elevate	Local	The number of days to process Housing Benefit / Council Tax Benefit: New claims ⁵	Monthly cumulative	27 days	20 days	23.10 days (provisional)	21 days	24 days		↓	R
41c	Elevate	Local	The number of days to process Housing Benefit / Council Tax Benefit: Change of circumstance ⁵	Monthly cumulative	16 days	14 days	12.10 days (provisional)	15 days (19.18)	11 days		↑	G
42	Elevate	London Councils	The percentage of non-domestic rates collected	Monthly cumulative	94.8%	96.4%	95.1%	97.1%	98.2%		↓	A
43a	F&R	Local	The number of new stage 3 complaints received to date in the year	Monthly cumulative	85	101	80	N/A	Not applicable – Local measure			N/A
43b	F&R	Local	The number of stage 3 complaints processed within deadlines	Monthly cumulative	66 (77.65%)	72 (71.3%)	68 (85%)	80%	Not applicable – Local measure		↑	G
44a	F&R	Local	The number of LGO referrals received to date in the year	Monthly cumulative	68	55	47	N/A	Not applicable – Local measure			N/A
44b	F&R	Local	The number of LGO referrals processed within deadlines	Monthly cumulative	65 (95.59%)	51 (92.73%)	44 (94%)	80%	Not applicable – Local measure		↑	G
45	CE's	Local	The number of grievances reaching stage 3 (new and still open)	Monthly	1	2	1	N/A	Not applicable – Local measure		↑	N/A
46	CE's	Local	The number of new disciplinarys	Monthly	53	68	26	N/A	Not applicable – Local measure		↑	N/A
47	CE's	Local	'I would recommend the Council as a good employer' – The percentage of employees who agree	Quarterly	53%	44.5%	48.6%	50%	Not applicable – Local measure		↑	A
48	CE's	Local	'The Council demonstrates a genuine concern for my well-being' – The percentage of employees who agree	Quarterly	New for year end 2011/12	28.2%	34%	33%	Not applicable – Local measure		↑	G

Performance House Indicators – Annual Indicators

Theme: Better Together													
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2009/10	Actual End of year 2010/11	Actual End of year 2011/12	Actual End of year 2012/13	Target 2012/13	Benchmarking		Trend	RAG
										London Average	National Average		
49	ACS	Convergence	Overall satisfaction with the local area ⁶	Bi-annual	54%	N/A	64%	N/A	N/A	Not applicable – Local measure		↑	G
50	ACS	Convergence	The percentage of people who perceive anti-social behaviour to be a problem ^{6,7}	Bi-annual	39.9%	N/A	30%	N/A	N/A	Not applicable – Local measure		↑	G
51	ACS	Local	The percentage of people who agree that the local area is a place where people from different backgrounds get on well together ⁷	Bi-annual	55%	N/A	52%	N/A	N/A	Not applicable – Local measure		↓	A
52	ACS	Local	The percentage of people who agree that they feel able to influence decisions affecting their local area ⁷	Bi-annual	36%	N/A	38%	N/A	N/A	Not applicable – Local measure		↑	G
53	ACS	Local	The percentage of people who feel safe when outside in the local area after dark ⁶	Bi-annual	36%	N/A	36%	N/A	N/A	Not applicable – Local measure		↔	G
54	ACS	Local	The percentage of people who feel safe when outside in the local area during the day ⁶	Bi-annual	72%	N/A	70%	N/A	N/A	Not applicable – Local measure		↓	A
55	ACS	Local	The proportion of the adult population who participate in regular formal volunteering ⁶	Bi-annual	15%	N/A	13%	N/A	Year on year increase	Not applicable – Local measure		↓	R

⁶From the residents survey (previously the place survey)

⁷Thinking about this local area, how much of a problem do you think each of the following are: Noisy neighbours or loud parties, Teenagers hanging around on the streets, Rubbish and litter lying around, Vandalism, graffiti and other deliberate damage to property or vehicles, People using or dealing drugs, People being drunk or rowdy in public places and Abandoned or burnt out cars?

Theme: Better Home													
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2009/10	Actual End of year 2010/11	Actual End of year 2011/12	Actual End of year 2012/13	Target 2012/13	Benchmarking		Trend	RAG
										London Average	National Average		
56	ACS	Local	The percentage of people satisfied with libraries ⁸	Bi-Annual	71%	N/A	73%	N/A	N/A	Not applicable – Local measure		↑	G
57	ACS	Local	The percentage of people satisfied with parks and open spaces ⁸	Bi-Annual	66%	N/A	70%	N/A	N/A	Not applicable – Local measure		↑	G

⁸From the residents survey (previously the place survey)

Theme: Health and Wellbeing													
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year 2009/10	Actual End of year 2010/11	Actual End of year 2011/12	Actual End of year 2012/13	Target 2012/13	Benchmarking		Trend	RAG
										London Average	National Average		
58	ACS	Convergence	Mortality rate from all circulatory diseases at ages under 75 (per 100,000) ⁹	Annual – Calendar year	97.03 (2009)	84.33 (2010)	Awaiting 2011 data publication		<25 point gap with London average	68.16	64.67	↑	G
59	ACS	Convergence	Mortality from all cancers at ages under 75 (per 100,000) ⁹	Annual – Calendar year	143.57 (2009)	124.03 (2010)	Awaiting 2011 data publication		<10 point gap with London average	102.85	108.05	↑	A
60a	ACS	Convergence	Life expectancy (in years) – Males ⁹	Annual – Calendar 3 year average	76.5 (2007-2009)	77 (2008-2010)	2009-2011 data due July 2013		<2 years gap with London average	79.0	78.58	↑	G
60b	ACS	Convergence	Life expectancy (in years) – Females ⁹	Annual – Calendar 3 year average	81.0 (2007-2009)	81.1 (2008-2010)	2009-2011 data due July 2013		<1.5 years gap with London average	83.3	82.57	↑	A

Theme: Health and Wellbeing													
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Target	Bencharking	Trend	RAG
					2009/10	2010/11	2011/12	2012/13	2012/13	London Average			
61	CS	Convergence / Local	The percentage of children in Year 6 who are obese 6¹⁰	Annual – Academic Year	23.6%	24.2%	26.9%	Data due end of 2013	<1% gap with London average	22.5%	19.2%	↓	R
62	ACS	Convergence	No sport or physical activity (Percentage 0 times 30 minutes per week)¹¹	Annual every October – 3 year average	58.4% (2008-2010)	61.4% (2009-2011)	62.6% (2010-2012)	N/A	<1% gap with London	48.58 %	48.66 %	↓	R
63	CS	Convergence	Percentage of pupils who participate in high quality PE and School Sport	Annual	88%	The survey from which this indicator was captured, has not been conducted by DfE since 2009/10. Local reporting yet to be decided.							
64	CS	Local	The percentage of children in reception who are obese¹⁰	Annual – Academic Year	14.1%	13.8%	13.7%	Data due end of 2013	TBC	11%	9.5%	↑	R

¹⁰ Annual calendar year e.g. 2009 calendar year reported as the 2009/10 end of year result

¹⁰ Academic year e.g. 2009/10 end of year result relates to the 2009/10 Academic Year – September 2009 – August 2010

¹¹ Taken from the Active People Survey.

Theme: Better Future													
Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Target	Bencharking	Trend	RAG
					2009/10	2010/11	2011/12	2012/13	2012/13	London Average			
65	CS	London Councils	Percentage of Looked After Children achieving 5 A*-C GCSEs (including English and Maths)	Annual – Academic Year	12.5%	20%	7.4% (provisional)	Provisional data available Autumn 2013	20.8%	14.4%	12.8%	↓	R

Theme: Better Future

Ref.	Directorate	Type of Indicator	Indicator	Frequency	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Actual End of year	Target 2012/13	Benchmarking		Trend	RAG
					2009/10	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13	London Average	National Average		
66	CS	Convergence / London Councils	Percentage of pupils achieving Level 4 or above in both English and Maths at Key Stage 2 ¹²	Annual – Academic Year	70%	71%	78.3%	Provisional data available August 2013	Achieve convergence	82%	79%		↑	A	
67	CS	Convergence	Young people from low income backgrounds progressing to higher education ^{12, 13}	Annual – Academic Year	2% (2007/08)	Awaiting publication	Awaiting publication	Awaiting publication	TBC	15% (2007/08)	18% (2007/08)		N/A		
68	F&R	Convergence	Percentage of working age population with no qualifications ¹⁴	Annual – Calendar Year	18.9% (2009)	17.0% (2010)	13.8% (2011)	13.9% (2012)	Achieve convergence with London by 2015	9.3%	10.6%		↓	A	
69	CS	Convergence	Achievement of a Level 3 qualification by the age of 19	Annual	40.3%	42.9%	49.2%	Due May 2014	55% by 2013	60.8%	56%		↑	R	
70	CS	Convergence	Proportion of children living in families on key benefits to London average	Annual	36.6% (2009)	34.9% (2010)	Awaiting publication (due)	Due early 2014	<5.6% gap with London	27.5%	20.6%		↑	R	
71	F&R	Local	Percentage of CO ² reduction from Local Authority operations	Annual	24.7%	-5.17%	1.59%	Data due July 2013	3% increase	Not applicable – Local measure			↑	G	

¹² Academic year e.g. 2009/10 end of year result relates to the 2009/10 Academic Year – September 2009 – August 2010

¹³ There is a significant time lag in the publication of data by DfE.

¹⁴ This indicator is not collected across 5 of the 6 Host Boroughs. It may be deleted.

Appendix D

Complaints and Member enquiries report End of Year 2012/13 and 2011/12

BOROUGHWIDE		2011/12							2012/13							OPEN CASES
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	
S1	No. Received	534	491	519	624	2170	625	668	498	550	2341					
	No. Responded Within	289	309	295	408	1301	456	500	394	425	1775					
	% Within	54% (R)	63% (R)	57% (R)	65% (R)	60% (R)	73% (R)	75% (A)	79% (A)	77% (A)	76% (A)					18
	% Agreed	61%	52%	47%	34%	48%	28%	25%	34%	23%	28%					
	% Partly Agreed	13%	14%	17%	31%	20%	37%	40%	28%	40%	37%					
	% Not Agreed	25%	34%	36%	34%	32%	35%	34%	37%	34%	35%					
S2	No. Received	127	149	105	149	530	161	140	101	88	490					
	No. Responded Within	82	94	66	64	306	113	94	67	35	309					
	% Within	65% (R)	63% (R)	63% (R)	43% (R)	58% (R)	70% (R)	67% (R)	66% (R)	40% (R)	63% (R)					34
	% Agreed	43%	42%	46%	48%	45%	32%	36%	45%	18%	33%					
	% Partly Agreed	24%	16%	15%	18%	18%	24%	29%	24%	22%	25%					
	% Not Agreed	33%	42%	39%	34%	37%	45%	36%	28%	24%	33%					
S3	No. Received	28	27	26	20	101	10	31	23	16	80					
	No. Responded Within	21	20	16	15	72	8	27	20	13	68					
	% Within	75% (A)	74% (R)	62% (R)	75% (A)	71% (R)	80% (G)	87% (G)	87% (G)	81% (G)	85% (G)					4
	% Agreed	46%	41%	35%	40%	40%	30%	45%	30%	25%	33%					
	% Partly Agreed	25%	41%	42%	45%	38%	20%	13%	30%	44%	27%					
	% Not Agreed	29%	18%	23%	15%	21%	40%	42%	30%	25%	34%					
LGO	No. Received	20	15	12	8	55	16	14	11	6	47					
	No. Responded Within	19	14	12	7	52	15	13	11	5	44					
	% Within	95% (G)	93% (G)	100% (G)	88% (G)	95% (G)	94% (G)	93% (G)	100% (G)	83% (G)	94% (G)					2
ME	No. Received	557	583	671	763	2574	885	797	825	743	3250					
	No. Responded Within	468	467	541	638	2114	704	658	685	634	2681					
	% Within	84% (G)	80% (G)	81% (G)	84% (G)	82% (G)	80% (G)	83% (G)	83% (G)	85% (G)	83% (G)					14
MP	No. Received	419	411	304	474	1608	410	506	380	370	1666					
	No. Responded Within	309	304	220	347	1180	297	348	268	258	1171					
	% Within	74% (R)	74% (R)	72% (R)	73% (R)	73% (R)	72% (R)	69% (R)	71% (R)	70% (R)	70% (R)					12
FOI	No. Received	256	293	283	327	1159	314	306	278	308	1206					
	No. Responded Within	172	192	216	257	837	235	232	222	232	921					
	% Within	67% (R)	66% (R)	76% (A)	79% (A)	72% (R)	75% (A)	76% (A)	80% (G)	75% (A)	76% (A)					60
DP	No. Received	27	33	11	23	94	34	32	45	52	163					
	No. Responded Within	26	25	9	19	79	30	25	45	39	139					
	% Within	96% (G)	76% (A)	82% (G)	83% (G)	84% (G)	88% (G)	78% (A)	100% (G)	75% (A)	85% (G)					10

Key

S1	Stage 1 complaints
S2	Stage 2 complaints
S3	Stage 3 complaints
LGO	Local Government Ombudsman complaints
ME	Member enquiries
MP	Member of Parliament enquiries
FOI	Freedom of Information requests
DP	Data Protection access requests

Rating and target

(R)	Red 0-74%
(A)	Amber 75-79%
(G)	Green 80%+

Appendix E - Corporate Priorities Performance Reporting 2013/14

Ensure every child is valued so that they can succeed	
Key priorities	
<ul style="list-style-type: none"> Our Council will improve standards in school by investing £75 million over three year in the boroughs primary and secondary schools and other programmes to provide additional places Continued improvement in GCSE results aiming to match national levels for pupils gaining A*-C and maximise the opportunities for post 16 education and training 	
Quarterly indicators	Annual Indicators
<ul style="list-style-type: none"> The percentage of 16 to 18 year olds who are not in education, training or employment (NEET) The percentage of care leavers in employment, education and training (EET) Timeliness of statutory Social Care Assessments Timeliness of children in care placed for adoption following an agency decision that the child should be placed for adoption Number of CAFs/FCAFs initiated The percentage of primary / secondary schools rated as outstanding or good 	<ul style="list-style-type: none"> The percentage of pupils achieving 5 GCSE grades A*-C (including Maths and English) The number of additional school places provided The percentage of pupils achieving Level 4 or above in both English and Maths at Key Stage 2 The percentage of school children eligible for Free School Meals (FSM) and take up Achievement of a Level 3 qualification by the age of 19

Reduced crime and the fear of crime	
Key priorities	
<ul style="list-style-type: none"> Reduce violent crime by tackling domestic violence and addressing the issues of gangs Reduce substance misuse as a driver for crime and disorder through the delivery of the Alcohol, Drugs and Licensing strategies Deliver the priorities identified in the anti-social behaviour strategy and respond to the Anti-Social Behaviour Act 2013 To work with partners to reduce Acquisitive Crime and support victims Build and support a place where people respect one another and enjoy safe and peaceful lives through the delivery of the Cohesion Strategy 	
Quarterly indicators	Annual Indicators
<ul style="list-style-type: none"> The number of domestic violence offences Repeat incidents of domestic violence The number of violent crimes The number of serious youth violence offences Alcohol-attributable recorded crimes The number of residential burglaries 	<ul style="list-style-type: none"> The percentage of victims who are satisfied with the way their ASB complaint was dealt with The percentage of people who believe people from different backgrounds get on well together The percentage of people who perceive people not treating one another with respect and consideration to be a problem in their area

Improve health and wellbeing through all stages of life	
Key priorities	
<ul style="list-style-type: none"> Work with partners to reduce health inequalities and encourage healthy lifestyle choices Work with GPs and local providers to improve joined up services through children's centres and schools to improve children's health and give them the best start in life Promote physical activity including the re-building of Abbey Sport centre by 2014 Support older people to be active and healthy 	
Quarterly indicators	Annual Indicators
<ul style="list-style-type: none"> Uptake of child immunisation The number of leisure centre visits The number of Active Age (over 60's) leisure memberships Number of smoking quitters 19-64 Delayed Transfers of Care that are the fault of adult social care 	<ul style="list-style-type: none"> The proportion of spend on care and support in the home via direct payments The percentage of children in Reception / Year 6 recorded as obese

Create thriving communities by maintaining and investing in new and high quality homes	
Key priorities	
<ul style="list-style-type: none"> Complete the estate renewal programmes to provide 831 new Council and mixed-tenure homes in 2015 Deliver 472 new and affordable homes through the innovative Housing Local Education Partnership by 2014 Deliver a major regeneration programme on key sites such as Academy Central and Lymington Fields by 2016 and there is planning consent for 10,000 new homes on Barking Riverside 	
Quarterly indicators	Annual Indicators
<ul style="list-style-type: none"> Average time taken to re-let local authority housing (calendar days) The number of homeless applications accepted The number of households living in temporary accommodation 	<ul style="list-style-type: none"> The percentage of non-decent council homes The number of affordable homes delivered

Maximise growth opportunities and increase the household income of Borough residents	
Key priorities	
<ul style="list-style-type: none"> Deliver key strategies e.g. the Economic Regeneration Strategy and the Barking Town Centre Strategy to improve Barking Station, add commercial space, develop 4,000 new homes and create 10,000 new jobs by 2026 Provide access to training through the Adult College and work with the borough's other education providers to increase skills amongst the adult population. Redevelop Dagenham Dock as a sustainable industrial area. 	
Quarterly indicators	Annual Indicators
<ul style="list-style-type: none"> The percentage of economically active people in employment 	<ul style="list-style-type: none"> The percentage of working age population with no qualifications The percentage of working age population qualified to at least Level 4 Median weekly earnings for full-time workers living in the area The percentage of working age people on out of work benefits

A well run organisation	
Key priorities	
<ul style="list-style-type: none"> Continue to provide a range of day to day services and effective behind the scenes support to ensure we meet both our legal responsibilities and the needs of the community. Focus on ensuring that we implement innovative ways of working through our IT and customer access strategies enabling quicker and easier access to our services for customers and more efficient ways of working for our staff. Ensure that our workforce are equipped with the skills and knowledge to succeed and are motivated and managed to perform at their best Implement the budget savings agreed for the coming year, completing restructuring in services and management teams. 	
Quarterly indicators	Annual Indicators
<ul style="list-style-type: none"> The percentage of Council Tax collected The percentage of rent collected The time taken to process Housing Benefit / Council Tax benefit new claims The time taken to process Housing Benefit / Council Tax benefit change events The percentage of land that has unacceptable levels of litter The percentage of household waste recycled and composted The average number of days lost due to sickness absence The percentage of complaints responded to within deadline The percentage of member enquiries responded to within deadline The percentage of employees who would recommend the Council as a good employer The current revenue budget account position (over and under spend) The percentage of the planned in year capital programme delivered in year 	

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CABINET

25 June 2013

Title: ICT Strategy 2013-17	
Report of the Cabinet Member for Customer Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Rupert Hay-Campbell ICT and Information Governance Officer	Contact Details: Tel: 020 8227 3190 E-mail: rupert.hay-campbell@lbbd.gov.uk
Accountable Divisional Director: Jon Bunt, Divisional Director of Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>The appended <i>ICT Strategy 2013 – 2017</i> outlines the strategy for using ICT to support delivery of the Council's priorities through the following design principles:</p> <ul style="list-style-type: none"> • Continue to implement channel shift to support online service delivery in order to achieve savings; • Make more effective use of the tools and systems that we already have in place; • Use standard products and processes when implementing new systems; • Provide staff with appropriate tools to carry out their work as effectively as possible; • Make use of shared services, shared platforms and cloud computing whenever possible, using East London Solutions or other appropriate partnerships. <p>This strategy was developed following extensive consultation across the Council over the past year.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ol style="list-style-type: none"> (i) Approve the ICT Strategy for 2013-2017 attached at Appendix 1 to the report; (ii) Endorse the business case approval process set out in the report; and (iii) Confirm that decisions about spending the remaining ICT Capital fund are delegated to the Chief Financial Officer in consultation with the portfolio holder 	
<p>Reason(s)</p> <p>To provide the Council with the strategic principles that will be used to validate ICT investment decisions over the next four years.</p>	

1. Introduction and Background

- 1.1 This paper presents the Council's new ICT Strategy for 2013-17 which aims to provide the Council with the strategic framework to validate ICT investment decisions over the next four years.
- 1.2 The strategy replaces the previous strategy that was approved by Cabinet in July 2007. The previous strategy saw a significant investment in the Council's ICT infrastructure that has led to the current reliable ICT systems.
- 1.3 Significant investment has also been made in web enabling a number of the council's transactions over the past 18 months.
- 1.4 The ending of the period of the old ICT strategy was marked by the transfer of the Council's ICT service to the Elevate East London joint venture. Development of the new ICT Strategy was delayed to ensure that these new arrangements were properly reflected in the strategy.
- 1.5 Extensive consultation was carried out across the Council in 2011/12 and the Strategy itself was finalised in 2012. This delay has also allowed the strategy to properly reflect the challenges produced by the reductions in the Council's funding under the comprehensive spending review.

2. Proposal and Issues

- 2.1 The ICT Strategy for 2013-17 does not seek funding for the necessary projects, as each project will be individually approved and sources of funding identified, but focuses on key aspects such as the design and implementation principles.

Design Principles

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

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

Implementation

- 2.4 The existence of the ICT Strategy does not commit the Council to any spending, however its strategic principles will be used to validate any projects that are proposed by either Elevate or the Council.
- 2.5 All ICT projects will be required to submit a detailed business case. Work will only start once the business case has been accepted by the Chief Financial Officer and the ICT Client.
- 2.6 Business cases will be assessed on the following two main criteria:
- Value for money
 - Alignment with the ICT Strategy
- 2.7 In addition where a business case relates to an infrastructure investment it will be necessary to demonstrate how the proposed solution will address the following points:
- How risks to the corporate IT systems will be reduced
 - How costs are avoided
 - Why existing assets are considered "end of life"
- 2.8 The Council will not adopt a blanket hardware refresh policy. Each investment decision will be made on a case-by-case basis taking into account the risk and impact on the Council of a hardware failure.
- 2.9 Where a business case relates to a new IT system it will be necessary for the solution to address the following points:
- What savings will be realised by the investment (maximum 3 year return on investment)
 - What service improvements will be implemented
 - How the proposal will address residents' expectations or the Council's modern ways of working agenda.

2.10 The selection of projects to be implemented will be continually reviewed during the lifespan of the ICT Strategy. This will allow the Strategy to respond flexibly to changing Council requirements and priorities over the next four years.

Medium term projects

2.11 It is not possible to identify all the projects that will be required over the four years of the ICT Strategy. The Strategy sets out strategic principles that will be used alongside a rigorous business case approval process to ensure that the Council is provided with the ICT systems it needs over the next four years.

2.12 Work has been carried out to identify the projects that will need to be implemented during the first 18 months of the ICT Strategy. These are shown in the table below.

Investment	Value (est.)	Infrastructure			Service modernisation			
		Risk avoidance	Cost avoidance	Asset end of life	Savings	Service Improvement	Residents' expectations	Modern ways of working
IT storage system upgrade	£253,000	✓	✓	✓				
Backup system upgrade	£82,500	✓		✓				
Core network switch upgrade	£27,500	✓		✓				
Network performance enhancements	£22,000		✓					
Corporate WiFi rollout	n/a*					✓		✓
Upgrade secure access system (RSA)	£5,000	✓		✓				
Virtual server infrastructure capacity	£44,000	✓	✓					
Email server capacity	£13,200	✓	✓					
AIX infrastructure upgrade	£22,000	✓	✓	✓				
Mailroom equipment upgrade	£66,000		✓	✓				
My Account	£566,000		✓		✓	✓	✓	
Website enhancements for mobile	£5,000				✓	✓	✓	✓
Pilot Google Apps and related hardware	£9,350		✓		✓			✓
Total	£1,115,550							

* funding for the corporate WiFi rollout will be provided from the corporate accommodation capital funds

Financial position

2.13 The following table shows the ICT capital investments over the past five years:

2738 ICT Modernisation and Improvement Fund	2008 / 2009	2009 / 2010	2010 / 2011	2011 / 2012	2012 / 2013	Totals for 5 year spend
Budget	0	3,969,528	3,977,460	1,370,071	2,524,051	11,841,110
Actuals	0	3,969,528	3,977,460	1,370,071	577,630	9,894,689
Variance	0	0	0	0	1,946,421	1,946,421

Approximately £500,000 of these funds are already committed leaving approximately £1.44 million to fund the projects set out above.

3. Options Appraisal

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

4. Consultation

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

5. Financial Implications

Implications completed by: Martin Henwood, Deputy Chief Financial Officer

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

6. Legal Implications

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

- 6.1 The Strategy puts in place an approach that will help ensure compliance with a number of legal requirements including data protection and secure data sharing together with contributing to cost effective governance options.

6.2 Under the Incremental Services Agreement entered into between the Council and Elevate East London (“Elevate”), it is provided that Elevate works with the Council to develop, publish maintain and review the Council’s ICT Strategy and that in implementing the Strategy, they develop ICT Projects.

6.3 Each Project should be supported by an appropriate Business Case which is to be submitted to and approved by the Council (in most cases by Cabinet) before they are implemented.

7. Other Implications

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

Background Papers Used in the Preparation of the Report:

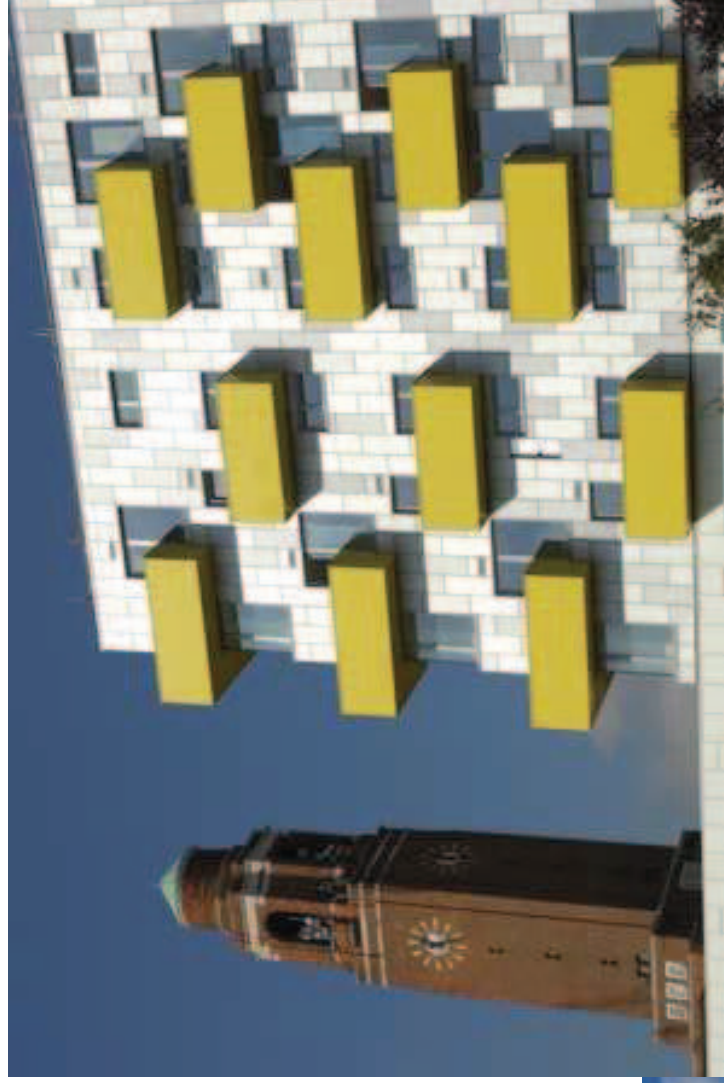
Please see list of references on pages 28 and 29 of the ICT Strategy 2013-17.

List of appendices:

Appendix 1: ICT Strategy 2013-17

London Borough of Barking & Dagenham

ICT Strategy 2013 – 2017



June 2013



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



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

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

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

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

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

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

June 2013

Introduction

2

The ICT Strategy 2013-17 defines how the Council's ICT systems and infrastructure will support the Council's ambition to "build a better life for all".

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

Issues

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

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

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

Design principles

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

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

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

Solutions

The ICT Strategy makes a number of broad recommendations:

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

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

Medium Term Outcomes

3

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

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

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

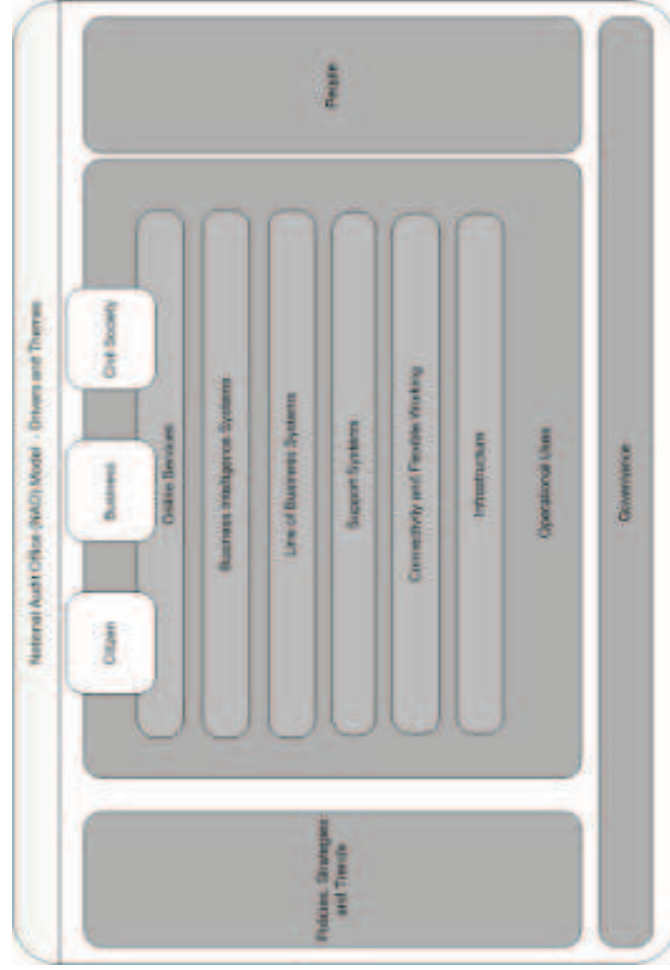
Approach

4

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

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

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



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

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

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

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

Policies, Strategies and Trends 5



The development of the ICT Strategy has been driven by the Council's Corporate Plan for 2013/14 (3). The plan sets out the aims of the Council including the overarching ambition to "encourage growth and unlock the potential of Barking and Dagenham and its residents".

The Corporate Plan sets out five priorities:

- Every child is valued so they can succeed
- Reduced crime and the fear of crime
- Improve health and well-being through all stages of life
- Creating thriving communities by maintaining and investing in new and high quality homes
- Maximise growth opportunities and increase household income of borough residents

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

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

At a time of significant **population growth** in the borough (3) the Council's services are expected to come under significant pressure.

Services must adapt to these growing pressures and will rely on effective ICT systems to meet the challenge.

The ICT Strategy will follow the principles of the Council's transformation roadmap as well as the government's ICT Strategy (4) and the principles set out in the review of central government online services (5) to move towards a "**digital by default**" model of service delivery. This will:

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

Shared services form a key method of delivering ICT services to the Council. This approach is endorsed by both the ICT Strategy for local government published by SOCITM (6) and that of central government (4).

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

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



version of the Oracle system. The Council is committed to using standardised Oracle functions as part of this programme.

Other key areas of work identified in the Council's Corporate Plan (3) are providing innovative working methods to enable quicker and easier access to our services for customers and more efficient ways of working for council staff. The Councils approach to modernising services, set out as the target operating model in the Customer Strategy (7) also identifies the importance of using the information that we hold more effectively to support **knowledge based decision making**. This is an area that the National Audit Office has identified as a common weakness across local government (1).

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

The government has set increasingly higher expectations on local government to publish information. The Code of Recommended Practice for Local Authorities on **Data Transparency** published by the Department of Communities and Local Government (8) sets out the types of data that the Council should be publishing. The Council's line of business systems and business intelligence systems need to reflect these demands.

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

Cloud computing

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

Cloud computing promises a cost reduction as the Council is no longer required to invest in servers held in a data centre on council premises. It should also result in a more flexible computing environment as it is simpler to deliver a browser to the user than installing a range of applications on desktop computers.

Rising expectations of ICT

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

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

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

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

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



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

Strategy (7).

Design Principles:

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

Medium Term Outcomes:

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

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

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

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

Research from Ofcom shows that **smartphones** are increasingly being used to access the Internet and this is reflected in the data collected from the Council's own website (visits using mobile devices has grown from 3% in February 2011 to 25% in December 2012). The Council will ensure that residents and customers can use their **smartphone** to access information and services.

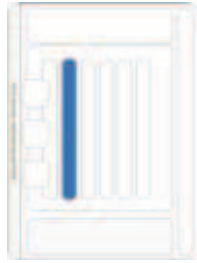
The Council has already started providing residents with the ability to do more online with the launch of the "**My Account**" area of the website in December 2011. The Council will further develop the "My Account" page to provide additional access to some of the following services:

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

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

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

Business Intelligence Systems 7



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

Design Principles:

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

Medium Term Outcomes:

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

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

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

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

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

The **Public Sector Equality Duty** (9) sets out the Council’s obligations to collect and hold sufficient information in order to meet its obligations under the duty. The development of a **customer index** containing equalities data will allow the Council to meet this obligation.

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

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

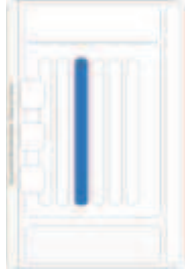
The ICT Strategy recommends that work is undertaken to build a number of central indexes to support the sharing of information between services. These indexes will facilitate the reuse of data about children, adults and property within the borough.

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

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

Line of Business Systems

8



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

Design Principles:

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

Medium Term Outcomes:

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

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

At a time of reductions in funding and increasing population pressures (10) services areas will rely on line of business systems to support efficient service delivery.

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

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

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

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



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

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

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

Support Systems

9



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

Design Principles:

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

Medium term objectives:

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

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

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

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

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

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

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

Connectivity and Flexible Working 10



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

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

Design Principles:

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

Medium Term Objectives:

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

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

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

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

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

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

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

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



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

Design Principles:

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

Medium Term Objectives:

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

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

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

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

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

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

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

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

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

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

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

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

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



The Council's Corporate Plan 2013/14 (3) reiterates that the Council will focus on ensuring that innovative ways of working will be implemented to enable more efficient ways of working for staff.

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

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

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

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

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

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

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

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

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

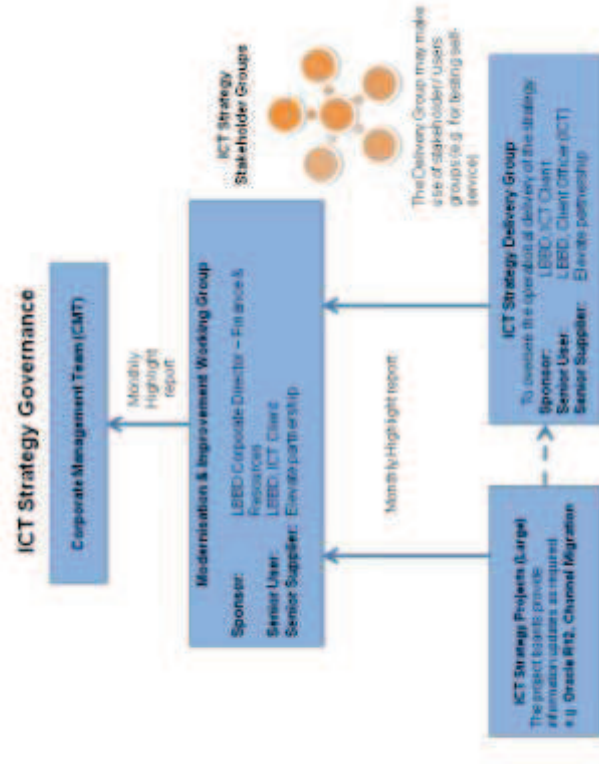


The delivery of the ICT Strategy will be overseen by a new **ICT Strategy Delivery Group**. This group will be chaired by the Council's ICT client team.

The ICT Strategy Delivery Group will report to the Modernisation and Improvement working group which is chaired by the Corporate Director of Finance & Resources. The group includes representation from departments across the council.

Members will be kept up to date with the implementation of the ICT Strategy through monthly briefings of the ICT portfolio holder. Members also sit on the governance boards of Elevate and will be kept informed of projects that are being implemented by Elevate.

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



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

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

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





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

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

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

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

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

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

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

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

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

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



Enterprise Architecture

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

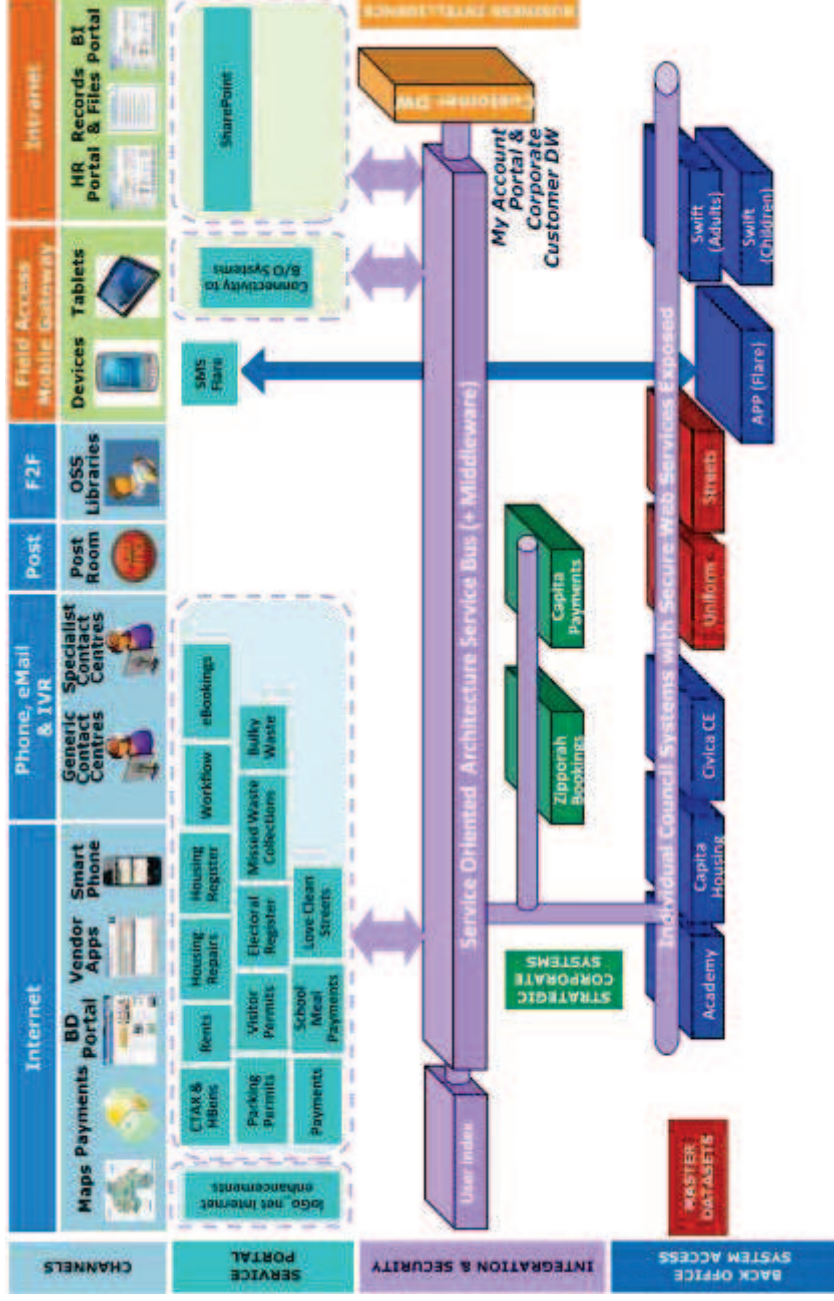
A key aim of the architecture is to ensure that it is simple to connect together the different systems that hold information about residents, service users and children in the borough.

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

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

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

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



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

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



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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

At the start of the strategy it is impractical to set out all the projects that will be implemented under the ICT Strategy through to 2017.. The pace of technological change means that predicting which projects will be required in five years time will always be challenging (by way of example compare the launch dates of iPhones (2007) and iPads (2010) to their current usage).

In order to manage the set of projects that will be required to implement the ICT Strategy an action plan will be maintained listing the projects. This action plan will be subject to frequent review and re-prioritisation throughout the lifetime of the ICT strategy. Prioritisation will be carried out in consultation with departments and will use the principles set out in the ICT strategy.

All projects will require a business case to be approved before implementation. The business case will set out:

- The cost of implementing the project
- The benefits (both financial and business) of the project
- The funding source

Projects that cannot demonstrate value for money and appropriate funding will not be approved.

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

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

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

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

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CABINET

25 June 2013

Title: Modernisation of Cashiering Services (Phase 2)	
Report of the Cabinet Member for Finance	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Jonathan Bunt, Divisional Director of Finance	Contact Details: Tel: 020 8724 8427 E-mail: jonathan.bunt:lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director of Finance	
Accountable Director: Graham Farrant, Chief Executive	
Summary	
<p>The cashiering service has been implementing a modernisation strategy designed to reduce the use of cash and promote electronic methods of payment both internally within the Council and by its customers. The objective of the modernisation strategy is to create a more cost-effective service and one which will provide alternative means of making payments for customers which does not require attendance at a council building, allowing them to pay bills by direct debit, by phone, or at local shops close to their own home.</p> <p>In April 2012, Cabinet approved Phase 1 of the project which saw the withdrawal of the face-to-face cashiering service at the Barking Learning Centre (BLC) from Friday 1 June 2012. In the light of lessons learned in Phase 1, Phase 2 of the project is proposed to close the remaining face-to-face cashiering service at the Civic Centre, leading to the cessation of back office cash transactions and activities in the borough. This will result in savings to Elevate of c£185,000 as part of the savings they are contractually committed to realise, and free up further valuable office space at the Civic Centre, contributing to the fulfilment of the Council's Asset Management Strategy.</p>	
Recommendation(s)	
<p>The Cabinet is recommended to agree that Phase 2 of the Cashiers Modernisation Strategy, namely the withdrawal of face-to-face cashiering services at the Civic Centre and the internal cash-van collections/deliveries, is completed by the end of September 2013.</p>	
Reason(s)	
<p>To contribute toward the Council's Policy House aim to be a well run organisation which is innovative, leaner and more efficient with lower support costs and which uses technology to modernise working practices.</p>	

1. Introduction and Background to Phase 1

- 1.1 In April 2012 Cabinet approved a report recommending the withdrawal of the face-to-face cashing service at Barking Learning Centre (BLC) as the first phase of the Cashiers Modernisation Strategy.
- 1.2 An analysis of customer's channel shift behaviour since the withdrawal of the face-to-face service at BLC is presented at Appendix 1. This shows that overall the impact of the closure has been positive with customers successfully making the transition to alternative payment channels without any reduction in income collection rates.
- 1.3 Phase 2 of the strategy will focus on internal users that have continued to use cash services at the Civic Centre and/or cash-van collections and deliveries.

2. Proposal and Issues for Phase 2

- 2.1 A number of internal users require access to cash for operational purposes and some external customers continue to use the face-to-face cashing service at the Civic Centre. These residual users of the cashing service can be split into four main categories as follows;

Category		Proposed Solution
1	Users requiring ongoing access to cash for vulnerable clients	Pre-paid voucher/card system
2	Users requiring cash collection services	Contracted cash collection
3	Users requiring cash/cheque deposit service	Current drop safe/use of High Street Banks
4	Customers using cashiers' window at the Civic Centre	SCAN COIN machines at Dagenham OSS and Allpay services in local shops and Post Offices

- 2.2 It is likely that the closure of the Civic Centre cashiers office will act as a further catalyst for customers to switch to Direct Debit, or card payments either online or in the One Stop Shops.
- 2.3 The closure of the cashiers' service at the Civic Centre will free up valuable office space on the ground floor. Although there is no proposal to sub-let the area used by the cashiers at the Civic Centre, the space freed up would make a substantial contribution to the council's asset strategy and could help the council rationalise building use in other areas thereby realising further savings.

Pre-paid Card (or optional Voucher) Solution

- 2.4 This will be delivered through PayPoint 'Cash Out' or pay by mobile services at shops within the borough. Many local shops already offer a PayPoint / AllPay payment facility and this service allows staff to load a pre-paid card with funds or to provide printed barcode vouchers to vulnerable clients which can be cashed at local shops displaying the PayPoint logo. Vouchers can also be emailed or sent via SMS to a client's mobile phone thereby saving a visit to a council building. Both solutions will be available depending on the needs of the client, though the preferred solution will be the use of pre-paid cards.

- 2.5 Elevate is proposing to introduce this over a two-month period running from July 2013 to August 2013 for vulnerable clients. This will be a carefully supported process, with the close involvement of Adult and Community Services to ensure all detailed issues are fully addressed. The closure of Cashiers will not be finalised before this alternative scheme has been signed off as in place and working by Adult & Community Services.

Contracted cash collections

- 2.6 The internal cash-van previously made 558 collections per month. From 1 April 2013 this reduced to 346 as schools became cashless.

Elevate will work with the Council to reduce and eliminate cash transactions wherever possible to reduce this dependency.

- 2.7 For any residual services where a secure cash collection is absolutely essential such as Leisure Centres and Parking Machines, a contracted cash collection service could be put in place with commercial operators. A Contract with a commercial cash carrying firm is currently in place for collecting cash from the Civic Centre and taking it to a central clearing depot.

Cash/cheque deposit service

- 2.8 Cashiers currently receive cheques from various services such as Penalty Charge Notice (PCN) payments. A 'drop safe' is provided in a secure room at the BLC which allow internal users to deposit cash/cheques.
- 2.9 It is proposed that the drop-safe service remains until alternative arrangements are in place.
- 2.10 A further option for services requiring a cash/cheque deposit service is to use one of the High Street banks, although this is only proposed for small amounts of cash that do not require cash-van collections as described above. Using banks for cheque deposits and small amounts of cash would be much more efficient than the drop-safe method and will require fewer contracted collections.

Existing Customers using Civic Centre Cashiers' Window

- 2.11 It is proposed that the remaining customers using the face-to-face window service at the Civic Centre should be encouraged to channel shift to alternative payment methods such as direct debit, on-line payments or AllPay (payment at shops).

3. Options Appraisal

- 3.1 The following options were considered:

- (i) Proceed with Phase 2 of the Cashiers Modernisation Programme; this will allow the council to deliver on its Customer Access Strategy by the end of September 2013.
- (ii) Retain the Dagenham Civic Centre cashiering service. Although the Civic Centre cashiers office has been kept open for a short while after the BLC

closed, keeping it open long term is not a practical option as the reduced staffing level will be insufficient to service the new SCAN COIN machines and provide the public service for an extended period. Moreover, this would result in an imbalance of service provision between Barking and Dagenham and would fail to deliver the aims to the cashiering service modernisation strategy.

3.2 It is recommended that option 1 is approved for the reasons stated.

4. Consultation and Equalities Impact

4.1 A full equalities impact assessment was carried out with the assistance of the Equalities Unit as part of Phase 1 of the Project. This found that the preferred method of payment for customers varied between individuals but that the proposals did not appear to have any major disadvantages for any particular group.

5. Financial Implications

Implications completed by: Martin Henwood, Deputy S151 Officer

5.1 The proposed changes in this report are part of providing a better service at a lower overall cost. The changes approved in April 2012 have now been implemented, and the lessons learned from that experience have been reflected in the further proposals in this report.

5.2 The responsibility for providing this service now rests with Elevate. They have a contractual commitment to deliver agreed services and realise significant recurring savings as part of the target cost the Council pays them each year – £3.475m by 2014/15.

5.3 The proposals here are part of the changes to realise these savings whilst providing a similar or better service. The current cost of this service is just over £300k, and the revised service will cost £115k. The net impact is therefore a saving of £185k as part of the overall target of £3.475m.

5.4 Under the terms of the Elevate contract, the Council meets the cost of any redundancy payments to staff and the maximum liability from this is £157k.

6. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

6.1 This report sets out proposals for the next phase of the Modernisation of the Cashiers service. It is anticipated that in developing the service in accordance with proposals set out in the report, there may be some contract extensions and/or new contracts entered into. Officers need to ensure that they take legal advice from the Legal Service before agreeing any extensions or entering into new agreements to ensure that such actions do not breach any EU or national procurement laws or the Council's Contract Rules.

7. Other Implications

7.1 **Risk management** - Phase 1 of the Modernisation Programme has demonstrated that the risk of income collection levels dipping following the closure of the cashier

offices was not as high as first thought though it will obviously continued to be monitored during Phase 2. The work undertaken to encourage customers to use alternative payment channels will continue and further communication activity will be planned for each step of the programme.

- 7.2 **Staffing issues** - The staff establishment in the cashiering service across the Borough had already reduced from 22.5 to 10 at the start of Phase 1 of the Modernisation Programme. The service has held vacancies and there are currently seven staff in post, three of whom are part-time. With the withdrawal of the cashiering functions, the roles within Elevate will no longer be required. Elevate will engage with staff and Trade Unions to consult on the changes and what this will mean for individual officers. Elevate will seek to redeploy staff to other duties wherever this is possible, and to offer voluntary severance to staff who may want to leave via this route. In this way any potential compulsory redundancies will be minimised.
- 7.3 **Redundancy costs** - Elevate is currently consulting with the trade unions to align its redundancy policy to that of the Council. In line with the practice of the Council when it implemented the change, any redundancies made would be under the scheme in place when staff are placed at risk. For the staff within this service, that would mean a maximum of 66 weeks. Whilst every option will be explored to avoid any compulsory redundancy, Elevate has calculated the maximum worst-case potential cost to the Council as £157k.
- 7.4 **Customer Impact** - A detailed Equalities Impact Assessment was carried out before Phase 1 of the project was put in place and found there would be no negative impact on any grouping of our customers. The existence of over 90 Allpay facilities across the borough at many shops and at post offices allows customers who prefer to deal with a person to do so. Other customers may choose to use electronic alternatives which are cheaper for the council and more convenient for many customers. It will still be important to communicate further changes to the customer carefully emphasising the benefits of alternative methods of payment.
- 7.5 **Crime and disorder Issues** - During the 2010/11 financial year almost £12m was paid over the cashier counters in cash and there is still a substantial amount being moved around the borough from building to building. As well as encouraging customers to use safer methods of payments, this proposal will 'put the council's own house in order' and set an example by eliminating unnecessary cash carrying around the borough.
- 7.6 **Property / Asset Issues** - The accommodation occupied by Cashiers at the Civic Centre will become available for use by the council as part of its wider Property Asset Management Strategy.

Background Papers Used in the Preparation of the Report:

Cashiers Modernisation Report - 24 April 2012

List of appendices:

Appendix 1 – Phase 1 Analysis

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Cashiers Modernisation Strategy – Phase 1 Analysis.

1.0 Phase 1

- 1.1 In April 2012 Cabinet approved the closure of the cashiers’ window at the Barking Learning Centre (BLC), from Friday 1st June 2012 as part of the Cashiers modernisation Strategy.
- 1.2 An objective of the strategy is to create a more cost-effective service and one which provides alternative means of making payments for customers which does not require attendance at a council building. Specifically this means encouraging customers to pay bills by direct debit (the most cost efficient method of payment) whilst allowing a range of payment options such as phone payments and the use of AllPay/PayPoint cards at local shops and Post Offices close to their own home.

Direct Debits

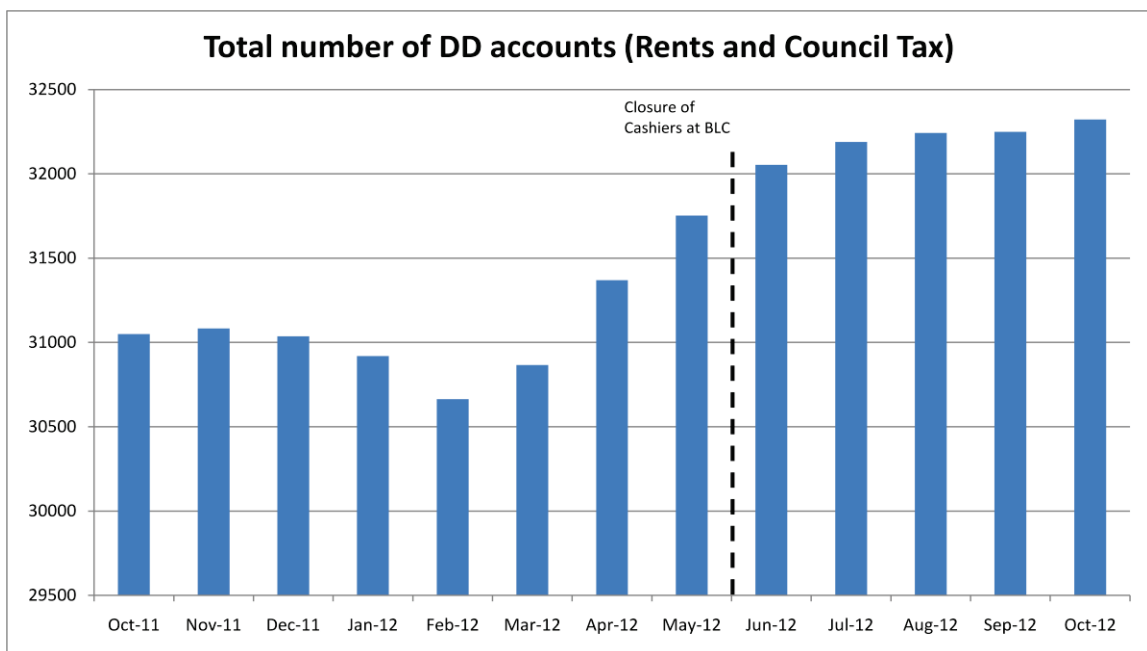


Fig 1

- 1.3 The total number of DD accounts for rents and Council Tax in October 2012 stands at 32,322. This is up 1,272 on the same period for the previous year.

SCAN COIN Machines

- 1.4 Usage statistics for the SCAN COIN machines at BLC and Dagenham Library & One Stop Shop (DLOSS) show that, taking into account the increase in DDs mentioned above, Phase 1 took place with no significant loss in the number of transactions that customers had been carrying out at the BLC and that they had not been 'frightened off' by the new technology. Service at the Civic Centre and DLOSS was unaffected by the closure at BLC.

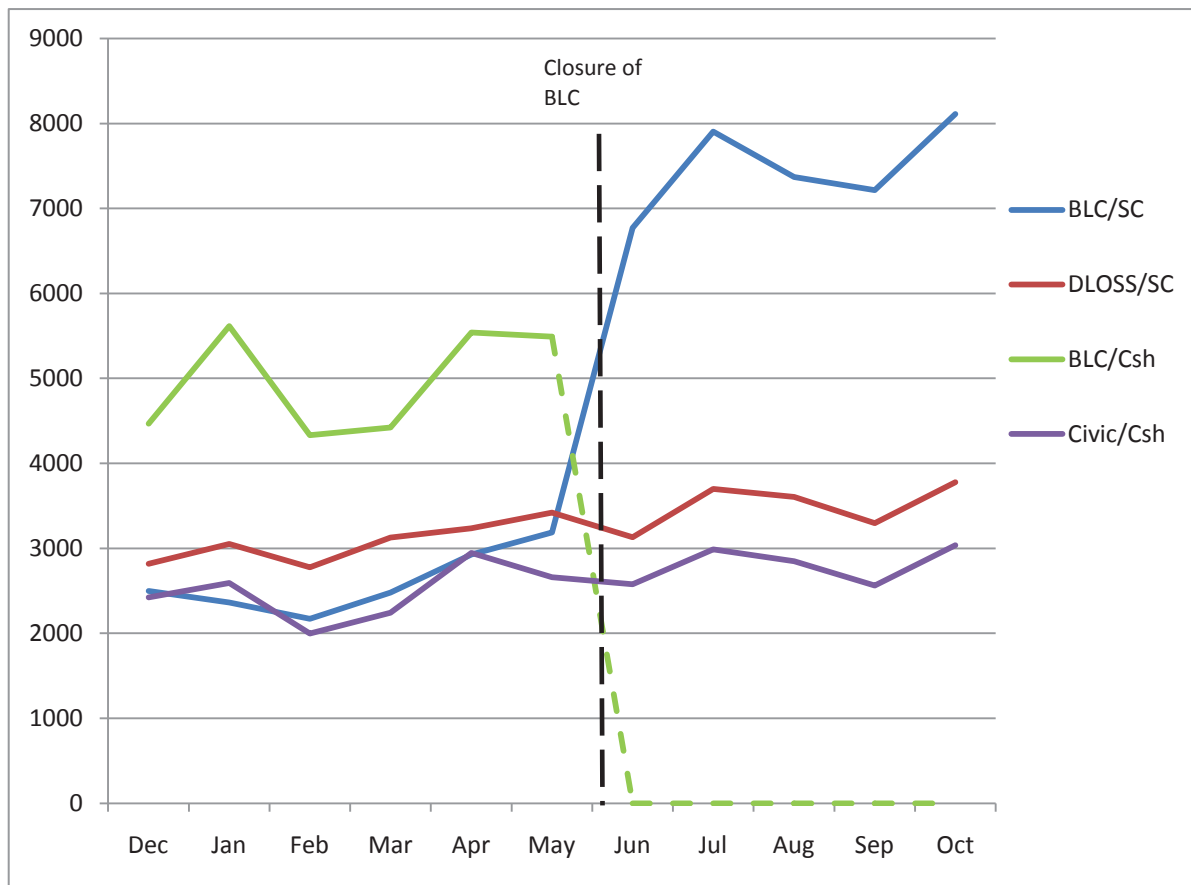


Fig 2

AllPay

- 1.5 The graph below (Fig 3) shows that there was small increase in average AllPay usage over the period analysed, however, a whole year's worth of figures is likely to show a fall based on this trend as February and March traditionally see a low level of transactions due to Council Tax being payable over 10 months.

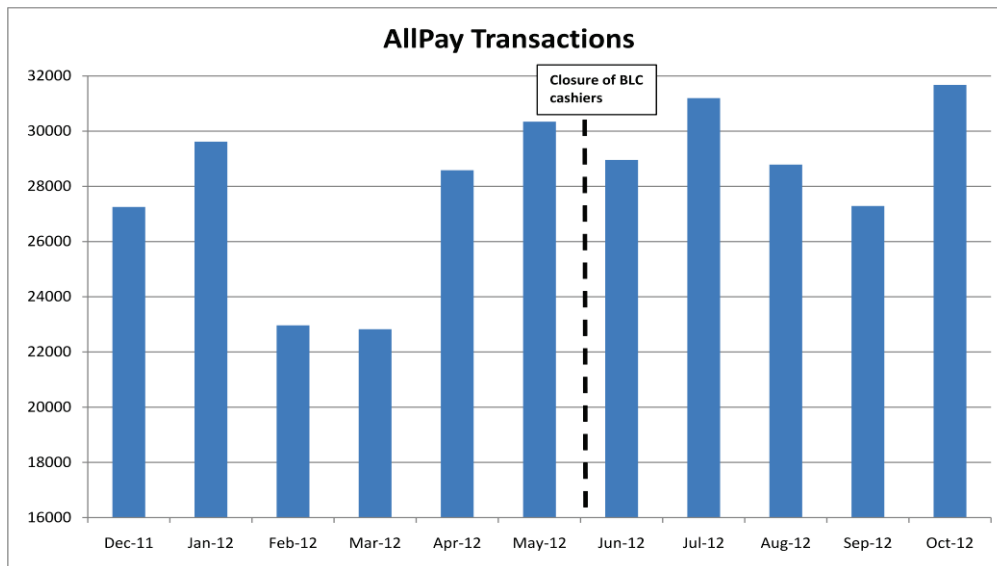


Fig 3

2.0 Managing new processes

2.1 SCAN COIN machine performance has remained strong even during periods of high activity within the one stop shops.

End.

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CABINET

25 June 2013

Title: School Capital Programme Basic Need Allocation 2013 - 2015	
Report of the Cabinet Member for Children's Services	
Open Report	For Decision
Wards Affected: All Wards	Key Decision: Yes
Report Author: Mike Freeman, Group Manager School Estate & Admissions	Contact Details: Tel: 020 8227 3492 E-mail: mike.freeman@lbbd.gov.uk
Accountable Divisional Director: Jane Hargreaves, Divisional Director Education	
Accountable Director: Helen Jenner, Corporate Director Children's Services	
<p>Summary:</p> <p>Cabinet received a report on 16 April 2013 advising that the Council had been allocated an additional amount of funding from the Government to support the provision of school places – basic need. The sum allocated amounting to £28,105,818 is included as a lump sum in the draft capital programme (minute 129, 16.4.2013) and this is an allocation covering the two years 2013/14 and 2014/15. Cabinet also received a report 21 May 2013 advising on funding issues in relation to the preparation works for the permanent site of Riverside Secondary School and in particular front funding site preparation works (minute 7, 21.5.2013) The main purpose of this report is to allocate some of this funding to existing projects to allow those projects to progress.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:-</p> <ul style="list-style-type: none"> (i) the allocation of resources totalling £ 10,850,000 set out in Section 2 of the report, to ensure that the projects identified are progressed to conclusion. (ii) the sum of £ 17,255,818 being retained at the present time to await the outcome of the bids submitted to the DfE/EFA for additional funding, as approved under Minute 129, Cabinet 16 April 2013 and further detailed work at the Gascoigne Primary Abbey depot site which is part of wider regeneration work. (iii) The transfer of Arden House with effect from 1st October 2013 to Children's Services to allow the development of early education places with a particular focus on the statutory 2 year old offer. 	
<p>Reason(s)</p> <p>To assist the Council in fulfilling its duty to provide every child in the Borough with a school place.</p>	

1. Introduction and Background

- 1.1 Cabinet received a report on 16 April 2013 advising that the Council had been allocated an additional amount of funding from the Government to support the provision of school places – basic need. The sum allocated amounting to £28,105,818 is included as a lump sum in the capital programme (minute 129, 16.4.2013) and this is an allocation covering the two years 2013/14 and 2014/15. The main purpose of this report is to allocate some of this funding to existing projects to allow those projects to progress.
- 1.2 The report to Cabinet, 16 April 2013 set out the forecast demand for places based on the School Capacity Return 2012 provided to the DfE. The figures were as follows:
- Primary Reception Places – to rise from 3,580 (2012/13 forecast) to 4267 places by 2020, an increase of 687 places or 26 forms of entry.
 - Secondary YR7 Places – we currently have spare capacity in secondary schools; however, the demand will rise to 3,773 places for YR7 by 2020, compared to the 2,550 places available for September 2013. This represents a difference of 1,223 places or 41 forms of entry, after allowing for the current spare capacity.

2. Proposal

- 2.1 The following paragraphs contain recommendations for increasing the budgets at previously approved projects. Members will recall that in the past projects have been approved by Cabinet based on a very initial estimate of cost and without the benefit of developing a full proposal with technical input, as this would have been both time consuming and costly ahead of knowing whether Members wish to support the proposals.
- 2.2 Nursery Education Places for 2 and 3 year olds.
- Funding to be approved this time
£m
- It is proposed to provide £250k in 2013/14 and a further £250k in 2014/15 to support the development of nursery places for 2 and 3 year olds. This is in addition to the capital allocation of £889k for the implementation of early Education for 2 year olds approved by the DfE.
- £0.5m
- 2.3 William Bellamy Primary
- There was originally a sum of £1.8m approved by Cabinet (Min 133 – 10 May 2011). A subsequent sum of £0.5m was approved to support the possible amalgamation of the Infant and Junior School (Cabinet, min 109 14.2.2012) Now that some technical work has been carried out taking into account, the increased capacity, amalgamation implications and improved nursery provision for 3 year olds in the school and the promise to parents to link the infant and junior buildings a further £850k is required for this project. This will mean the overall budget for this scheme is £3.15m
- £0.85m

2.4 All Saints R C Secondary School

Provision was made in the report to Cabinet (13 November 2012 Min 51) for £6.1m for this scheme to expand the school by 2 forms of entry per year group and increase the school by 300 places in years 7 – 11. Since the original budget was recommended the Diocese appointed consultants to undertake initial work, problems with heating distributing, asbestos encased pipe work and drainage on site have been identified. A report has been commissioned which indicates the most accurate cost implications are an increase in the order of £1m, taking the budget to £7.1m.

£1m

2.5 Unexpected Pupil numbers

In each of the last 3 years Cabinet has approved a contingency of £1m per year to deal with unforeseen circumstances of pupils arriving in the Borough over the summer. £1m was approved for summer 2012 and 2013 by Cabinet decision (Min 109 14.02.2012). By this report a similar sum is requested for 2014 and 2015 - £1m each year - a total of £2m.

£2.0m

2.6 SEN Places

By minute 109 Cabinet 14.2.12 a sum of £1m was approved for the development of ARP's (Additional Resource Provisions) in Schools to support pupils with specialist needs. A similar sum is requested. Pressure for specialist SEN places is significant at the moment and more may be required. We currently wait for the outcome of the Riverside Free school bid to expand Special School Provision to be located at Barking Riverside. A report will come to Cabinet once the outcome of this bid is formally known. There is an increasing need for specialist BESD provision in the Borough.

£1.00m

2.7 Barking Riverside – Riverview Secondary School Front Funding.

£5.5m

In accordance with the report to Cabinet on 21 May 2013 it was agreed to support front funding for infrastructure works to enable the phased Riverside schools to be built. This front funding was conditional on all other funding options including an application to the GLA having been explored and, as a last resort would be drawn from the DfE's Capital Grant allocation. In this event a loan would be made to Barking Riverside Ltd. to undertake the infrastructure works with a guaranteed repayment by 2018.

2.8 Sub Total to be approved for spending.

£10,850,000

Section 3 of the report provides details of expected spending totalling £10,850,000 out of the **£28,104, 818**.

2.9 This leaves a balance for distribution on projects of £17,215,818. It is suggested that this sum is retained until:

- (i) we are clear about the bids submitted under the Targeted Basic Need Programme and 16-19 Demographic Growth fund Bid.
- (ii) we are clear about the Barking Riverside Free School bid.
- (iii) more detailed work at the Gascoigne Primary Abbey Depot site which is linked to the Gascoigne master-plan and requires clarity around HRA apportionment.

Further reports will be submitted to Cabinet.

3. Financial Summary

3.1 For clarity, the following summary of likely spend is as follows:

Projected Spend Profile by Project

	2013/14	2014/15	2015/16	2016/17	
Nursery Places 2-3 year olds	250,000	250,000			500,000
William Bellamy Nursery		800,000	50,000		850,000
SEN Places		250,000	750,000		1,000,000
All Saints Catholic School and Technology College		900,000	100,000		1,000,000
Unexpected Numbers 2013 – 2015		1,000,000	1,000,000		2,000,000
Barking Riverside – Riverview Secondary School Front Funding	500,000	4,500,000	500,000	-	5,500,000
	750,000	7,700,000	2,400,000	0	10,850,000

4. Increasing Provision for 2 years old

- 4.1 The Government have allocated some resources to support the provision for 2 year olds in the Borough and this amounts to £889k. As this report indicated in section 2.2 there is a need to add some funding to make this work and £250k for 2013/14 and a further £250k is suggested for 2014/15.
- 4.2 A project has been identified at Arden House in Longbridge Road to be included in the capital programme utilising £250k from the £889k, and £250k from basic need. Another potential site at Halbutt Street has been identified. This site is currently administered by Adult Services. They have indicated they no longer need this site. Initial costs have yet to be established for conversion to early education places, but it is estimated to be in excess of 300K. It is expected this cost will be met jointly between the basic Need Allocation and the funding secured for Two Year Old Capital.
- 4.3 Cabinet are asked to agree that Arden House be transferred to Children's Services for the purpose of developing places for 2 year olds in the Borough. This will be with effect from October 2013.

5 Options Appraisal

- 5.1 The projects in which investment is being made relates to the concept of investing to expand most schools where it is felt appropriate. See also Risk Management at 9.1 below.

6. Consultation

- 6.1 These proposals are not Ward specific. There has been consultation with a range of officers throughout the Council in order that appropriate matters are considered including financial, legal, risk management and others mentioned in section 8 of this report.

7. Financial Issues

- 7.1 Implications verified by: Nicolini Gaspare, Group Accountant

Earlier this year the Government allocated additional basic need funding 2013-15 to support the provision of school places. The sum allocated amounted to £28,104,818 this is included as a lump sum in the capital programme (minute 129, 16.4.2013). The proposals within this report amount to £19,550,000 proposals for the remaining unallocated sum of £8,554,818 will return to Cabinet once these have been formulated.

8. Legal Issues

Implications verified by: Lucinda Bell, Senior Lawyer

- 8.1 The report seeks approval for further spending on schools, taking into account financial, Health and Safety and other government requirements of the authority to meet its legal requirements e.g. the provision of sufficient pupil places under s14 of the Education Act 1996, and the duty to secure sufficient free early years provision

under s7 of the Childcare Act 2006. The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2012 (SI 2012/2488) will come into force on 1 September 2013. They extend children in respect of whom there is a duty to secure sufficient free early years provision to include some 2 year olds.

- 8.2 Under s149 of the Equality Act 2010 the Council must in the exercise of its functions have due regard to the need to eliminate discrimination and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex and sexual orientation.
- 8.3 All commissioning of works must be made in accordance with Council's Standing Orders and EU procurement requirements.

9. Other Implications

- 9.1 **Risk Management** - Risk that funding levels will not be sufficient to meet demand to create new school places needed. This risk is high impact (4) and medium (3) probability = 12 red. This risk is being managed by purchasing the most affordable accommodation which is system build where possible. Post control the risk is high impact (4) and low (2) probability = 8 amber.

Risk that funding levels will not be sufficient to create suitable new school places. This risk is high impact (4) and high (4) probability = 16 red. This risk is being managed by purchasing the most affordable accommodation which is system build, and blending it with site specific proposals. Post control the risk is high impact (4) and low (2) probability = 8 amber.

Primary schools: risk that site availability would prevent delivery of school places in the areas where demand is highest. This risk is high impact (4) and medium (3) probability = 12 red. This risk is being mitigated, as far as practicable, by expanding all available sites in high demand areas, and reviewing other buildings for potential school use. Post control the risk is still high impact (4) and medium (3) probability = 12 red.

Risk that the cost of the rate of deterioration of the school estate will outrun the funding available to maintain it. This risk is high impact (4) and high (4) probability = 16 red. This risk is being mitigated as far as practicable by lobbying DfE for improvements in funding. Post control the risk is high impact (4) and medium (3) probability = 12 red.

The provision of school places is a matter which is directly identified in the Corporate Risk Register and listed at Corporate Risks 31 – Provision of School Places.

Risk that final costs will be higher than estimate costs. This risk is high impact (4) and high (4) probability = 16 red. This risk is managed through monthly CPMO meetings and initial planning figures that architects and schools are asked to work within being set below the highest estimate to allow for unforeseen challenges.

9.2 **Contractual Issues** - Legal, procurement and other professional advice will be sought regarding the appropriate procurement routes and contractual agreements to procure and secure the individual projects which fall within the second phase, consisting of the secondary and primary school schemes. Procurement routes for these projects were agreed in the report to Cabinet on 13 November 2012.

9.3 **Staffing Issues** - There are no specific staffing issues although the growing demand for school places will create additional opportunities in schools for both teaching and non-teaching staff.

9.4 **Customer Impact** - The short term impact of the recommendations for the coming year would be positive for customers on all counts of: race, equality, gender, disability, sexuality, faith, age and community cohesion.

The longer term outlook is unlikely to be positive on the proposed funding levels.

9.5 **Safeguarding Children** - Adoption of the recommendations in the short term would contribute to the Council's objectives to improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Children Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.

The longer term outlook is unlikely to be positive on the proposed funding levels.

9.6 **Health Issues** - In the short term there are no specific implications, but in the longer term the outlook is unlikely to be positive on the proposed funding levels.

9.7 **Crime and Disorder Issues** - In the short term there are no specific implications, but in the longer term the outlook is unlikely to be positive on the proposed funding levels.

Appropriate consideration of the development of individual projects will take into account the need to design out potential crime problems and to protect users of the building facilities.

9.8 **Property / Asset Issues** - This proposed decision would facilitate the improvement and renewal of Council assets.

Background Papers Used in the Preparation of the Report:

- Demand for School Places – Proposed Investment - Cabinet date 16.04.13
- School Capital Programme Basic Need Allocation 2012/13 Phase 2 – Cabinet date 13.11.12
- School Capital Programme Basic Need Allocation 2012/13 – Cabinet date 14.02.12

List of appendices: None.

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CABINET**25 June 2013**

Title: Proposed Expansion of Godwin Primary School and John Perry Primary School from September 2013	
Report of the Cabinet Member for Children's Services	
Open Report	For Decision
Wards Affected: Village and Goresbrook.	Key Decision: YES
Report Author: Mike Freeman, Group Manager – Schools Estate and Admissions	Contact Details: Tel: 020 8227 3492 E-mail: mike.freeman@lbbd.gov.uk
Accountable Divisional Director: Jane Hargreaves, Divisional Director of Education	
Accountable Corporate Director: Helen Jenner, Corporate Director of Children's Services	
<p>Summary:</p> <p>At its meetings on 18 October 2011 (Minutes 51), 14 February 2012 (Minutes 109) and 13 November 2012 (Minutes 51), Cabinet approved the allocation of funding within the Capital Programme to support an investment programme to respond to the demand for additional school places in the primary and secondary age range. The reports to the aforementioned meetings, together with several previous reports, outlined interim arrangements that had been agreed with Head Teachers and Governing Bodies to meet immediate demand issues at a number of the Borough's schools. This report seeks to formalise those arrangements through the permanent expansion of schools.</p> <p>The benefits of this proposal will be to increase school places in both the primary age range and in the secondary age range in order to meet the increasing demand for school places. This increase in demand for school places is being caused by the changes experienced in the age profile of the Borough, most notably the rise in birth rates and changes in migration patterns into the Borough.</p> <p>Wards Affected: Village and Goresbrook.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree the formal expansion of John Perry Primary and Godwin Primary Schools from two to three forms of entry from 1 September 2013.</p>	
<p>Reasons</p> <p>To assist the Council in fulfilling its duty to provide every child in the Borough with a school place.</p>	

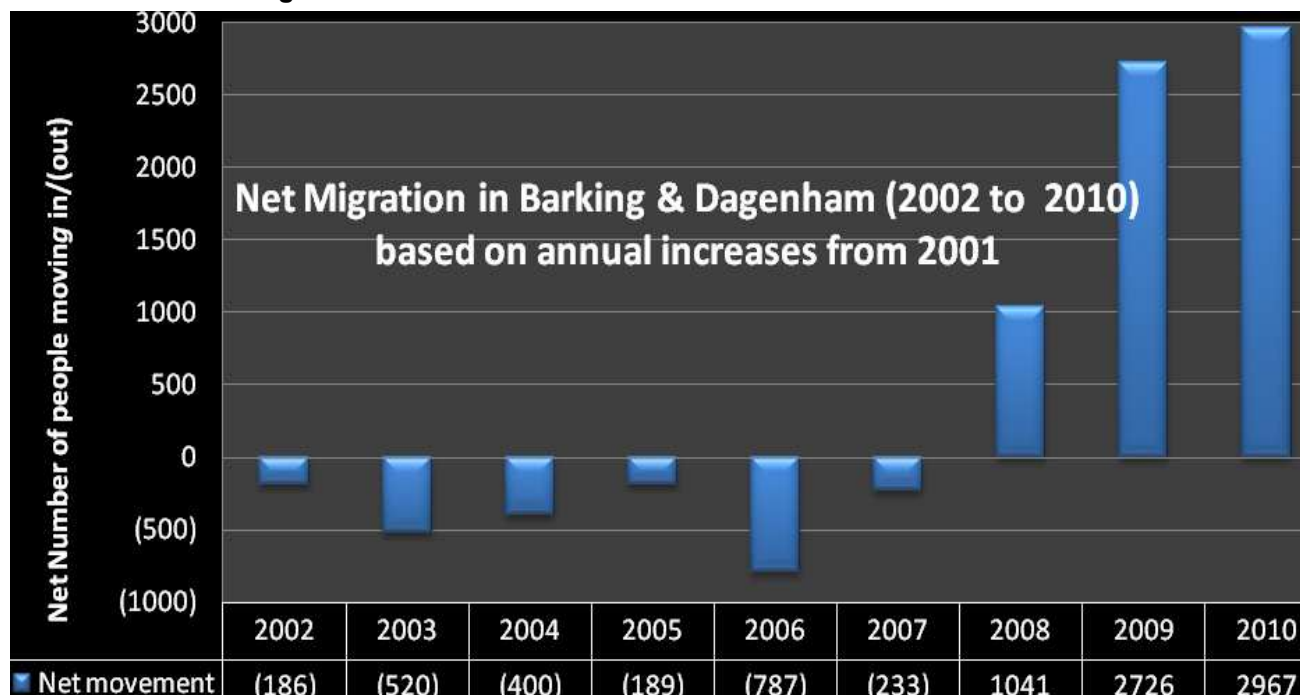
1. Introduction and Background

- 1.1 The Council has planned for steady expansion of school places over the past few years and the additional school places that have been created to date have predominantly been in the primary sector as this has been where the increase in demand has been. The Council will now start to embark on creating more pupil places in the secondary sector as the year groups move up from the primary sector and transfer over into the secondary sector. This will be in addition to continuing to increase school places in the primary sector as demand is forecast to continue to rise. Demographic data is used to ensure the right number of places are available.
- 1.2 As reported to Cabinet on 12 February 2013 (Minute 99 refers), the Borough has seen an unprecedented rise in births since 2003/04 and the impact of this was first seen in the Reception Cohort in 2008/09.
- 1.3 Additional classes have been put in place since 2007/08 in order to meet the increased demand for pupil places and this has been detailed in previous reports to Cabinet. For this Academic Year, 112 additional primary classes across the Primary sector have been created since we started the expansion programme. These additional classes have been managed by a combination of expansions, blip classes and the new George Carey Church of England Primary School that will be increasing the number of classes it provides year on year. In the Secondary sector, twenty additional Year 7 places have been provided at Dagenham Park Church of England School and four Year 7 classes have been provided at the new Barking Riverside School that opened in September 2012. These four Year 7 classes are based at the George Carey Church of England Primary School as a temporary measure for one year.
- 1.4 The expansions planned are as follows:
- the John Perry Primary expansion by 1 Form of Entry beginning with Reception Year and for the school to grow thereafter year on year. At the school, a new classroom block is being built that will include 7 classrooms, toilets, a resource and office area. This new block will be linked to the main building via a covered walkway and the build programme is planned for completion by March 2014.
 - the Godwin Primary expansion by 1 Form of Entry. This school already has two additional 'blip' classes and so will continue to grow year on year. In order to expand the school by one form of entry it has been necessary to demolish four existing classrooms to make space for a new two storey block comprising six classrooms, two shared resource "breakout" spaces, two group rooms, offices, staff and pupil toilets and stores. Further classrooms around the original school have been returned to teaching use by converting them from other functions including resource storage, packed lunch room and staffroom. A new staffroom is being built in the existing quadrangle courtyard.
- 1.5 Also, as reported to Cabinet on 12 February 2013, in addition to the increased births, the Admissions Team in Children's Services are continuing to receive high numbers of late applications for Reception age and Year 1 children and this has

compounded the difficulty in planning for the right number of school places, as this relates to new people moving into the Borough.

- 1.6 A further issue previously reported to Cabinet is the change in the retention rate regarding the number of children born in the borough requiring a Reception place. This is now at 107% compared to five years ago when the retention rate was 100.1%. This and the information set out above high-lights the number of new residents moving to the Borough with larger families. This is backed by data from the Office for National Statistics and the GLA that shows a growth in migration into the borough (see chart 1 below).

Chart 1 – Net Migration from 2002 to 2010



Source: GLA Net Migration figures December 2012

- 1.7 Further, it was reported by the GLA that Barking & Dagenham had the largest population growth in 2010. Table 1 below details the change in the 0 to 15 year age band.

Table 1: Detailed Components of Population Change (0 to 15 years of age)

Year	Population (for 0-15 Years of Age)	Change in population (5yr, 2yr and 3yr)	Cumulative change (Base Year - 2001)	% Change (5yr, 2yr and 3yr)	Cumulative % Change (Base Year 2001)
2001	36,200				
2005	39,100	2,900	2,900	8.0%	8.0%
2007	40,600	1,500	4,400	3.8%	12.2%
2010	44,700	4,100	8,500	10.1%	23.5%

Source: Office for National Statistics

Date: 25 September 2012

- 1.8 This increase in pupil numbers is being reflected in many London boroughs including our neighbouring boroughs Redbridge, Newham and, to a lesser extent, Havering.

- 1.9 The Cabinet has previously approved a range of necessary actions taken by the Corporate Director of Children's Services to respond to the demand for additional school places in the primary phase, and these proposals endorse the earlier decisions.
- 1.10 Meetings with the Chair and Board of Governors of the schools have been held over the past year to discuss the wider proposals and support was received to expand the schools permanently from 1 September 2013 subject to accommodation provision being made available which met each of the Schools requirements. This will allow the schools to grow year on year.
- 1.11 The discussions that have followed with each School Governing Body, parents and the local community have placed the schools in a position to permanently expand their intake (as set out in section 2.1 below) and therefore formalise the interim arrangements for Godwin Primary School, whilst allowing John Perry Primary School to also expand to meet current and future demand.
- 1.12 Council officers and representatives of the schools have worked together to move forward the necessary building improvements in order to enhance provision and support the objectives of the schools. Capital budget provision has been agreed for these schemes as part of the Capital Programme, using grant income allocated from the DfE.
- 1.13 A series of meetings have been held at each of the schools including meetings with teaching staff, personnel committee meetings, other various school committee meetings and Governing Body Meetings where plans for building refurbishments have been presented.
- 1.14 Letters were sent to Parents, Carers and Guardians of Pupils, Staff and Governors of each of the schools informing them of the proposal to expand the school and the reasons for this on 19 April 2013. Unions were copied into these letters.
- 1.15 The Council has published a formal statutory notice to expand the schools with effect from the start of the Autumn Term, 1 September 2013 with standard new admission numbers as set out in section 2.1 below in each year group. The notice was published in the local press 22 May 2013 and copies of the notice were displayed in each of the schools and both Barking Library and Dagenham Library and also sent to other neighbouring local authorities. The notice period expired on 19 June 2013.
- 1.16 At the time of writing this report, no responses have been received following the published notice and the letters sent to parents, carers and guardians of pupils, staff and governors of the schools.
- 1.17 Any responses received subsequent to the writing of this report will be reported at the meeting.

2. Proposal and Issues

- 2.1 The expansion proposals are as follows:

- **Godwin Primary School**
To expand from two to three forms of entry by providing a new classroom block. The proposed Admission Number will be 90.
- **John Perry Primary School**
To expand from two to three forms of entry by providing a new classroom block. The proposed Admission Number will be 90.

- 2.2 This is in line with the Council's Policy House whereby we want a borough that believes in opportunity and one that recognises and champion's success, where people can look to the future with confidence, assured that their council will do what it can to provide the educational, academic and vocational opportunities they need.
- 2.3 The outcome would be for a borough with excellent schools, constantly improving and which are growing to meet the demands for pupil places.
- 2.4 Further, this proposal meets with the Education Strategy whereby the overarching responsibility for Education in the Borough is to improve the life chances and help drive, support and fulfil the ambitions of all the children, young people and adults who live and study here.
- 2.5 In particular the Education Strategy sets out the agreement for a programme for developing school places subject to the proviso that it may need revision in the light of changed demand for places and resources available.

3. Options Appraisal

- 3.1 **Do Nothing** - This is not practical due to the legal and statutory obligation placed on the Council to provide sufficient school places and the pressures currently faced across the Borough.
- 3.2 **Expansion of Schools** - This preferred option has the support of each School's Governing Body and local community and forms part of the wider development of the Schools for which funding has been made available within the Capital Programme.

4. Consultation

- 4.1 As set out in Section 1 of the report, discussions have been held with the head-teachers of each of the schools regarding the expansion of the school, letters were sent to all parents, carers and guardians, members of staff and members of the governing body for each of the schools allowing them to put forward any comments or views. Trade Unions were copied into the letters.
- 4.2 A formal statutory notice was published in The Barking & Dagenham Post on 22 May 2013 regarding the proposal to expand the schools with effect from 1 September 2013 (allowing a further four weeks for views to be brought forward).
- 4.3 Ward Councillors were sent details as part of the consultation process.

5. Financial Implications

Completed by: Dawn Calvert, Group Manager Finance

- 5.1 On 10 May 2011, Cabinet approved a capital allocation of £1.8m for the one form of entry expansion at Godwin Primary to be funded from the 2011/12 original basic need allocation. The revised estimated cost of this scheme is £2.250M. The scheme has increased in value during the detailed development stage of the project following various options and cost analysis being carried out by the design/delivery team in consultation with the school and Children's Services. This school proved particularly challenging due to site constraints which ultimately has led to a phased construction programme and timing issues along with building in various locations and significant demolition costs which have not been required at comparable projects. The additional estimated cost of £450k will be funded from the contingency provision of £1.636m within the 2011/12 original basic need spending programme.
- 5.2 On 13 November 2012, Cabinet approved a capital allocation of £2m for the one form of entry expansion at John Perry Primary to be funded from basic need allocations confirmed by central government in late 2011 and 2012/13. This scheme is still estimated to cost £2m.

6. Legal Implications

Completed by: Lucinda Bell and Assaf Chaudry, Senior Lawyers

- 6.1 The Council has a duty under Section 14 (1) of the Education Act 1996 to ensure the provision of "sufficient schools" for the provision of primary and secondary education in their area (Education Act 1996, section 14).
- 6.2 School organisation proposals and decisions must follow the statutory framework set out in The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007, as amended. These prescribe details for publishing proposals, consultation, a period for objecting and commenting and the consideration and determination of proposals. They also impose a duty to have regard to related guidance issued by the Department for Education. The relevant guidance for increasing pupil numbers is called Expanding a Mainstream School.
- 6.3 Other than the above, there are no direct procurement legal implications arising from this report. However the works that will need to be carried out as part of the Capital Programme needs to be procured in accordance with the Council's Contract procedure Rules.

7. Other Implications

- 7.1 **Risk Management** - The Council has a statutory obligation to make provision for additional pupil places in the Borough and these proposals mitigate Corporate Risk 31 - the risk of failing to provide suitable numbers of places for pupils' learning.
- 7.2 **Staffing Issues** - The schools will need to increase the numbers of teaching and non-teaching staff to support the increase in pupil numbers. This will be funded

through the school's DSG budget and the increased share which the school will receive.

- 7.3 **Customer Impact** - The increase in pupil places at the above listed schools will improve the available places for parents expressing a preference for their children to attend the aforementioned schools. It will also ensure that pupils have better access to education provision in both the secondary sector and primary sector and are more likely to be able to attend schools in their local area.
- 7.4 **Safeguarding Children** - Adoption of the recommendation would contribute strongly to the Council's objectives to improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Children's Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.
- 7.5 **Property / Asset Issues** - Where necessary, as detailed above, the schools are in the process of being expanded with either new classrooms added or through internal and building alterations to meet the increased size of the school.

Background Papers Used in the Preparation of the Report:

- Legislation which allows this – Education and Inspections Act 2006 and The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007, as amended.
- DfE Guidance: Expanding a maintained mainstream school by enlargement or adding a sixth form.
- Consultation letters dated 19 April 2013.
- Notice Published 22 May 2013.
- Previous Cabinet Reports: 12 February 2013 [Minute 99], 13 November 2012 [Minute 51], 14 February 2012 [Minute 109], 18 October 2011 [Minute 51].

List of appendices: None.

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CABINET

25 June 2013

Title: Establishing a Furniture Bank and Providing Accommodation for the Territorial Army	
Report of the Cabinet Members for Crime, Justice and Communities, Housing and Regeneration	
Open Report	For Decision
Wards Affected: Mayesbrook and Village	Key Decision: Yes
Report Author: Will Donovan, Business Support Officer Suzanne Pettigrew, Regeneration Manager	Contact Details: Tel: 020 8227 3092 E-mail: will.donovan@lbbd.gov.uk Tel: 020 8227 5738 E-mail: suzanne.pettigrew@lbbd.gov.uk
Accountable Divisional Directors: Glynis Rogers, Divisional Director of Community Safety and Public Protection and Jeremy Grint, Divisional Director of Regeneration	
Accountable Directors: Graham Farrant, Chief Executive and Anne Bristow, Corporate Director of Adult and Community Services	
Summary:	
<p>There are a number of redundant Council properties which Members have requested be put into community use. This report sets out proposals to use two of these sites for a furniture bank and a centre for the Territorial Army.</p> <p>Members have requested that the Council looks into the possibility of setting up a furniture bank in the Borough. Current government policies and welfare reforms have reduced the income of families and their ability to spend money on larger furniture items which tend to be more costly. Setting up a furniture bank and supplying discounted or free furniture to residents on lower incomes could reduce pressure on household budgets. Furniture gathered from Council tenants vacating properties could be used to stock this, among other sources. This report sets out the demand for a furniture bank in the Borough and the amount of furniture gathered by clearances, as well as the operational costs and procedures for running a furniture bank.</p> <p>There is potential to work with local Third Sector organisations to support an existing Furniture Bank or start a new one. This would transfer the operation of the furniture bank to the organisation, while the Council could provide furniture as part of a partnership agreement. This could allow the Council to meet residents' needs by securing a discounted rate for Council tenants, while minimising the operational risk and cost of running the business. Local Third Sector organisation DABD wish to establish a furniture bank in the Borough and have agreed to work in partnership with the Council provided that the Council can provide premises.</p> <p>The Territorial Army currently do not have premises in the borough and are keen to establish a base here. Consequently they have expressed an interest in the Rectory</p>	

Library site. This would provide a centre for the Territorial Army to operate in the Borough and enable them to provide training and skills to local residents thus improving residents' employment prospects.

This report therefore recommends that these premises are leased to the above organisations.

Recommendation(s)

Members are asked to:

- 1) Delegate authority to the Corporate Director of Adult and Community Services to establish a partnership with DABD to set up a furniture bank; and
- 2) Delegate authority to the Chief Executive, in consultation with the Divisional Director of Finance and the Head of Legal and Democratic Services, to agree terms, legal and contractual arrangements for:
 - i. Woodward Road Library for a furniture bank; and
 - ii. Rectory Library for a Territorial Army Centre.

Reason(s)

The Council is committed to supporting its residents in tough times. Furthermore the Council is committed to helping all people, including those with learning disabilities, into employment. This proposal will support both of these objectives. This proposal also presents an opportunity for the Council to work in partnership with the Third Sector to benefit our local community.

The Territorial Army provides local people with training, skills and confidence, and would create opportunities for residents, as well as supporting the Council's Military Services Covenant.

1. Introduction

- 1.1 The Council currently has a number of empty buildings which could be used by Third Sector organisations or community groups. Interest has been expressed in using vacant Council premises for both a furniture bank and a Territorial Army Centre. This report therefore outlines proposals for both of these and the potential Council sites that could be used for each proposal.
- 1.2 This report sets out the community benefits of both a furniture bank and a centre for the Territorial Army, the proposal to provide these facilities, and potential sites the Council could provide for each proposal.

2. Furniture Bank

Demand for Furniture

- 2.1 Work with the Local Emergency Support Scheme (LESS) has indicated a need for a source of affordable furniture for the Borough's residents. As welfare reforms and

Council savings proposals impact it is anticipated that the demand for affordable furniture may rise even higher.

- 2.2 The localisation of the Social Fund from April 2013 abolished Community Care Grants. The grants, awarded by the Department of Work and Pensions, were often used to furnish homes for people leaving long-term institutions or being re-settled into a new home. In 2011-12, 2,420 applications were received in the Borough, and 850 applications worth a total of £599,100 were approved although these were not all for furniture. The Local Emergency Support Service, which replaced the Social Fund from April 2013, has less money available to award, therefore limiting the opportunities for furniture assistance grants.
- 2.3 In May 2013 there were 40 successful applications to the LESS for furniture, largely from residents entering unfurnished properties. These applications have received a total of £23,240, averaging £581 per grant award. This level of demand over 12 months would take £278,880 of the LESS £766,521 annual funding for grants.
- 2.4 The Council's Housing Advice Service requires a significant amount of furniture for people moving in to temporary accommodation, as temporary accommodation is usually unfurnished (in many of the properties only a cooker is supplied). Further, as temporary accommodation is often provided in an emergency, customers have to wait several weeks with little furniture whilst their applications are processed. The same applies to people moving into permanent accommodation, some of whom are moving from temporary accommodation. The Housing Advice Service currently refers service users to the LESS and assists them with completing the funding application. If the application is successful, the LESS either provide money to purchase furniture, or cashless cards so that the user can buy furniture from major retailers at a reduced rate, which is then charged to the LESS.
- 2.5 A furniture bank operated in partnership with the Council where the Housing Advice Service could refer service users would enable a cheaper and quicker supply of furniture to be provided, releasing pressure on LESS funding. It would be possible to provide a referral document outlining a person's requirements and entitlement, which could be taken to the furniture bank to identify items which would match the need.
- 2.6 There are currently three options available to residents who require furniture:
 - to purchase it through retail, which has a higher cost which some people on low incomes cannot afford, or are forced to use expensive credit to spread the cost;
 - apply to the LESS for furniture which can supply furniture from retailers using money from the Council's allocated fund; or
 - use a local furniture bank.

Furniture Banks

- 2.7 Furniture banks are generally charitable organisations which gather items for the home, usually in good condition or able to be repaired or recycled, and give them free or sell them at very low prices to buyers who are on a low income or receiving benefits. Some furniture banks offer a two tier pricing system allowing people who are financially better off to purchase recycled furniture thus increasing the amount of money that can be generated. Furniture banks will often train or provide

employment for people in repairing and refurbishing items of furniture and/or white goods.

- 2.8 Three furniture banks already operate in or serve the Borough. All have received high demand for furniture without significant levels of advertising, and it is expected that if their services were more widely known then these requests would significantly increase. The existing furniture banks which serve the Borough are:
- **Homestore** (formerly the Quaker Social Action) which operates in seven East London Boroughs including Barking and Dagenham. Islington and Hackney have both commissioned Homestore to collect furniture and work in partnership to reduce the cost to the Local Authority in operating a furniture bank. This demonstrates the success which Local Authorities can have by working in partnership with local charities to operate these facilities;
 - **The Volunteer Bureau** re-launched their furniture bank in March 2012 following the end of a previous similar venture. This is a new venture, and it is predicted that as the operation develops it will become self-funding, demonstrating that Third Sector organisations can run furniture banks on a financially sustainable basis; and
 - **The Salvation Army**, which does not formally run a furniture project in the Borough but their operations in Romford and Walthamstow are accessible to Barking and Dagenham residents. They report very high demand for furniture, especially from new residents with limited resources.

Operation of Furniture Bank

- 2.9 There are many operational issues which would need to be considered for a furniture bank. These would include: staffing, premises costs, safety testing and repairs, transport of goods and insurance.
- 2.10 The premises required for a furniture bank would be a warehouse style space along with a public area/storefront for customers to view stock. Staff accommodation including an office, toilet and kitchen would also be required. The size of other furniture banks which the Lighthouse Project run has indicated the site would need approximately 5000 square feet of space. The property would require good public transport access to allow customers to get to it easily, as well as a customer car park and access for a van to deliver and collect the items.
- 2.11 There are significant health and safety and insurance implications regarding the building housing the furniture bank and the furniture distributed should it not meet relevant standards. There are a number of health and safety checks that have to be conducted on items of furniture distributed by furniture banks to ensure they comply with relevant regulations and up to standard (see Appendix 1).
- 2.12 Volunteers of a furniture bank would need to check all items for quality, and potentially restore any items which required repairs to be supplied. This would require further staff skills and time. Volunteers could receive training in this through an existing furniture bank.
- 2.13 If items were collected by the furniture bank but were of poor quality or did not meet health and safety standards, liability for disposal – including the cost – would have to be met by the operating organisation. If this were the Council, this would be at

the municipal waste cost of £117 per tonne, in addition to the cost of transporting it to the furniture bank site and onto the waste centre.

- 2.14 In terms of transport a vehicle of sufficient capacity would be needed to transport the items to the warehouse and from that premises to the store, if not located at the same venue, as well as potentially to deliver to residents. Staff would be needed to carry items to and from sites and for driving, having received training.
- 2.15 Initially, the furniture bank would need a full time volunteer staff of around eight – with four volunteers able to drive to sites to deliver and collect furniture, and remaining staff to operate the site of the furniture bank and perform administrative tasks. Should volunteers be able to work less than full time then the “shifts” would need to be split between equivalent part time volunteers.

Supply of Furniture

- 2.16 There is currently a high level of furniture clearances taking place in the Borough’s Council properties which could provide stock for a furniture bank. However, while it has not been possible to formally check what amount of furniture would be suitable for redistribution, both in terms of health and safety requirements and quality, the amount which could be recycled is expected to be low. The Voids Manager has indicated that while items which would be recyclable are available, due to the nature of clearances – which largely occur after the death of a tenant or the abandonment of a property – the items which the Voids Team clear are usually of low quality or too old to meet safety standards. However, some items of furniture which may be suitable do arise and the Voids Team would be able to provide these items to any facility which could recycle them for future use.
- 2.17 A very small amount of the furniture collected from Council property clearances is currently recycled; most of it is currently disposed of as refuse. White goods and furniture items are reused in Temporary Accommodation where possible, but there is no storage facility to hold items for long periods of time, so the storage facility presented by a furniture bank would enable more items to be reused. Current municipal waste charges are £117 per tonne of waste sent to landfill (charged by the East London Waste Authority). If furniture collected by the Council was recycled instead of sent to landfill then the Council could reduce its expenditure on disposal of the waste. The Lighthouse Project furniture bank in Brentwood recycles around 11 tonnes of furniture per year. If a similar level of recycling was achieved in Barking and Dagenham, the savings would be around £1,300 per year.
- 2.18 As the contract with contractors for clearances previously charged both staff time and disposal in one fee depending on the size of the property it is not possible to confirm the precise costs of disposal in recent years. However, the most recent annual figures of the total cost of clearing are available below:

Clearance Type	Small (1 bed property)	Medium (2 bed property)	Large (3 or more bed property)
No of clearances 2011-12	276	156	364
Total cost of disposal and labour	£44,561	£33,224	£97,525

2.19 This would put total cost for disposal and the labour in making clearances for the year 2011-12 at £175,310. The same figures for 2012-13 are not currently available. This was previously paid from Housing and Environment to an external contractor, Enterprise. The Voids Team have now been brought in-house at Barking and Dagenham from 1 May 2013, but this has not been running for long enough to gather data on the cost of disposal. The cost is paid from the Housing Repairs and Maintenance budget. Recycling collected furniture would have a significant positive environmental impact, addressing the waste hierarchy and helping to meet the targets set out in the East London Waste Authority's Joint Waste Management Strategy (adopted February 2012) which are to:

- achieve and, where possible, exceed statutory recycling and composting standards;
- recycle or compost 25% of our waste from April 2005, 30% from April 2010 and 33% from April 2015;
- divert from landfill 40% of waste from April 2007, 45% from April 2010 and 67% from April 2015; and
- reduce biodegradable municipal waste sent to landfill to below 210,000 tonnes per year from April 2009.

3. Furniture Bank Options Appraisal

3.1 The options for running a furniture bank in the Borough are:

- 1) to start up a Council run furniture bank;
- 2) to work with a Third Sector organisation to either:
 - a) expand an existing furniture bank operation; or
 - b) develop a new furniture bank with DABD.; or
- 3) do not support the establishment of another furniture bank in the Borough.

Option 1 – Council Run Furniture Bank

3.2 Members requested that Officers consider the potential for the Council to operate a furniture bank. It was suggested that this could operate by using furniture collected from Council property clearances and that this stock could be provided to tenants and borough residents on lower incomes for free or at a reduced rate releasing affordable furniture for our community.

3.3 For the Council to operate a furniture bank, staffing, premises costs, safety testing and repairs, transport of goods and insurance would all be the responsibility of the Council. This would require the Council to take on the cost of starting and operating a furniture bank, as well as using a vacant site for the use, which would give no rent to the Council. The Council would also be liable for the insurance of the building

and any claims for damages due to items provided by the furniture bank which did not meet health and safety standards.

- 3.4 A Council run furniture bank could be staffed by volunteers. A coordinator could be appointed from within the team of volunteers, and links between the Council and the team could be provided by an existing member of staff. Expenses would have to be met by the Council if using Council volunteers. The Council would need to pay reasonable travel expenses or mileage and up to £5 lunch allowance per day for volunteers, as well as providing training and protective clothing. Without knowing where potential volunteers would travel from, it would not be possible to calculate travel expenses in advance. Lunch expenses of £5 per day for eight volunteers would require a maximum of £10,000 per year. There are concerns that the Council's current networks would not attract volunteers which would be suitable for such a project.

Option 2 – Work with Third Sector

- 3.5 The Council could enter into partnership with a Third Sector organisation to set up a furniture bank. This could be agreed so that the operation of the furniture bank, including the staffing costs, health and safety checks and insurance, would be transferred to the partner organisation. The Council would be able to claim rent for any property which the Council provided to the partner organisation.
- 3.6 If a furniture bank were set up in partnership with a Third Sector organisation, the partner organisation would be responsible for managing and reimbursing volunteers.
- 3.7 This option contains two options within it: working with an existing furniture bank or working in partnership with DABD to set up a new furniture bank. These options are outlined below.

3.8 Option 2a – Working with Existing Furniture Banks

- 3.9 There are three existing furniture banks which serve residents of the Borough, as outlined in 2.8.
- 3.10 Two of these furniture banks – Homestore and the Salvation Army – operate across the wider area but are accessible to residents in the Borough. As they serve a wider community they would not be suitable for partnership.
- 3.11 The Volunteer Bureau furniture bank operates in the Borough, but is a new venture which is still developing. The Council has commissioned a number of other functions from the Volunteer Bureau in 2013/14, and it is not felt that the organisation would have the additional capacity to develop a proposal and operating furniture bank within a short timeframe.
- 3.12 The level of demand on the existing furniture banks serving the Borough is already high, and working with a new furniture bank instead of these would increase the capacity of furniture banking across the Borough, as well as creating a new site so that there was a wider geographical spread of locations which residents could reach for assistance.

Option 2b – DABD Proposal

- 3.13 Local Third Sector organisation DABD have a proposal to set up a furniture bank in Barking and Dagenham. They have identified potential funding, from the Lighthouse Project, and resources (transportation for goods) to establish the bank but this is dependent on finding a suitable site to operate from. They have agreed in principle to work in partnership with the Council to operate a furniture bank if the Council are able to provide a site and stock for the operation.
- 3.14 If a partnership with DABD were pursued, they would also collaborate with the Lighthouse Project, a furniture bank based in Brentford since 1994. The Lighthouse Project operates in several locations across Essex, and has a surplus supply of excellent quality furniture which they have offered to DABD. The DABD furniture bank would also receive additional furniture from private residents as well as items from Council property clearances.
- 3.15 The Lighthouse Project belongs to the national Furniture Re-use Network which ensures best practice and compliance with latest regulations, and is part of Essex Community of Re-use and Recycling Network (ECORRN). They have established standards to ensure that health and safety regulations are adhered to. Any furniture provided by Lighthouse Project to DABD would have the required health and safety checks performed. DABD would follow the Lighthouse Project business model by selling higher quality furniture items to residents at a more commercial price. This would then raise revenue to make the venture sustainable in the long term.
- 3.16 The Council would supply furniture from clearances to DABD for recycling and in return could receive discounted furniture for Council tenants and Housing service users. A voucher system could be operated for this. People coming to the Council with an identified need for affordable furniture, or from the Temporary Accommodation Service, could receive vouchers entitling them to a level of support from a furniture bank.
- 3.17 DABD will employ people on a local first basis, and the furniture bank would therefore create jobs for residents. DABD have indicated that 11 posts would be created in the short-term and over 30 positions in the long-term. DABD create employment and volunteering opportunities for people with physical or learning disabilities and they have committed to employing former Remploy employees in the furniture bank.
- 3.18 DABD have indicated that their proposal could also look to provide additional space to other Third Sector community organisations, dependant on the premises secured and space available. As the majority of people they seek to employ have physical disabilities, any areas above ground floor level without a lift would not be used by their staff and could be offered to other organisations. A number of local community organisations are currently seeking premises, and DABD could provide workspace which creates a hub for these organisations if it were available.
- 3.19 If the Council were to agree to enter into a partnership with DABD then the relevant contractual and legal documents would need to be prepared and agreed by all parties, including the mechanism of a voucher/reduced payment system for Council tenants and certain service users.

3.20 This is the preferred option. A partnership would enable the Council to support a community venture which would greatly benefit residents in the Borough, as well as reducing the amount of waste sent to landfill.

Option 3 - Do Not Open a Furniture Bank

3.21 The Council clearly has the option not to proceed with the development of a furniture bank. However, the need for support for residents during these tough times makes this an unattractive option. There is significant potential for the Council to provide practical assistance to local people, which this report is recommending.

Summary of Options

3.22 The options are set out in the table below:

Option considered	Advantages	Disadvantages
1. Start up a Council run furniture bank	The Council would be in complete control of the business.	The business start up costs would need to be funded by LBBB, including staff resources. The liability for health and safety checks of all equipment would rest with the Council increasing insurance liability. In addition a site would need to be provided to run the furniture bank.
2. Start partnership with a Third Sector Organisation to operate a furniture bank	The business risk and liability would rest with the Third Sector organisation while at the same time the Council will be able to benefit from the service by supplying Council furniture from property clearances (therefore reducing the amount of waste sent to landfill, associated costs and meeting recycling targets) as well as securing affordable furniture at a discounted rate for specific service users.	As outlined for individual options within this option, below.
2a. Work with an existing furniture bank	The Council would be able to support a furniture bank which would have operational duties covered by a Third Sector organisation.	The existing furniture banks supporting the Borough do not meet growing demand. Two operate outside the Borough, and it is not felt that the other would currently have capacity to develop further.
2b. Work in partnership with DABD to set up a new furniture bank	The Council would be able to support a furniture bank which would have operational duties covered by a Third Sector organisation. The Council will retain the freehold for the site and will therefore be able to consider redevelopment opportunities in the future in relation to the capital receipt that could be secured.	The Council will be grant funding DABD in the early years of their operation to enable them to be able to afford the full market rent for their accommodation. An indicative commercial rental value for the proposed site is £15,000 per annum (for a nursery or similar use).
3. Do not open a furniture bank	No commitment required from the Council.	No support for residents in need of furniture, continued pressure on the LESS.

Implications of Choosing Option 2b: Premises for DABD Proposal

- 3.23 Remploi at Longreach Road ceased operations in Barking and Dagenham in August 2012 and the building is now vacant. DABD approached Remploi with a proposal to lease the building. The Remploi building, at 50,000 square foot, is around 10 times the size of the building that DABD require. Their bid was unsuccessful as Remploi pursued another bidder able to pay a commercial rent. This offer subsequently fell through due a change in the financial circumstances of the bidder. Following the unsuccessful bid by DABD, and the potential commercial operator withdrawing due to funding issues, subsequent discussions with DWP on the future of the Remploi site have been held. A report on future options for the Remploi site will be brought to Cabinet at a later date.
- 3.24 Since their bid for Remploi was turned down DABD have continued to look for a property at a reduced rate. They are unable to pay a commercial rent initially given the nature of their organisation and the furniture bank business model but it is expected that the facility would be self-sustaining in the medium to long-term allowing commercial rent to be paid.
- 3.25 DABD have viewed the former Rectory Library and Woodward Library sites and have expressed an interest in the latter. The building is vacant having been last used by Children's Services for family court contact. The unit is currently in D1 use class (library/non-residential institution) therefore planning permission for change of use would be required. Vehicle access to load and unload the furniture is a key consideration as the current vehicular access to the building, off Woodward Road is likely to be unsuitable for larger vehicles that would need to reverse either in or out of the site onto a relatively busy road. Alternative vehicular access for loading and unloading could be provided off Stamford Road. An existing access route is available on this part of the site but this may need to be widened to accommodate larger vehicles. The works have not been fully costed as yet but, based on similar schemes, are not expected to be significant. In addition, the corresponding doorway adjacent to the vehicular access may need to be enlarged to accommodate bulkier furniture items. The funding of any site alterations that are required will need to be determined between the Council and DABD as part of the overall final agreement but these are not likely to be significant. A report will be brought to Members in regards to the costings prior to any agreement being reached.
- 3.26 A condition survey for Woodward Library was last carried out in 2005 which identifies repairs required to the building, specifically to the roof and damp proofing. A more up to date condition survey will be undertaken as some repair work has since been carried out. DABD have also requested the removal of the partition wall in the main library space.
- 3.27 There are wider considerations that need to be taken into account in relation to the site as it is part of a larger complex of buildings including Woodward Community Hall, the Julia Engwell Health Centre and vacant Council-owned garages at the rear of the site. The entire Woodward Road site is allocated in the Local Development Framework : Site Specific Allocations Document (2010) as a redevelopment site for healthcare and housing. The entire site is in Council ownership other than the Julia Engwell Health Centre which is owned by NHS Estates. In February 2013 Cabinet considered the Eyesore Sites report which referred to the Woodward Road site and

recommended the preparation of an additional report to guide the redevelopment of the site.

- 3.28 From a regeneration perspective it is considered that Woodward Community Hall and the garages at the rear of the building provide the most scope for maximising the development potential, and therefore the value, of the site through redevelopment. The long term position of the health centre is currently unclear but it could move from the site in the future. If this were to happen this part of the site may become available for redevelopment. Woodward Library is therefore considered the most suitable option for the DABD furniture bank which does not hinder wider development potential and scope for securing a capital receipt for the remainder of the site. However it should be noted there will be an opportunity cost for Woodward Library not being part of a wider site redevelopment scheme. This has yet to be quantified.
- 3.29 As a result of the potential regeneration opportunities that this wider site offers it is recommended that any lease agreement with DABD be on an unprotected basis with adequate break clauses to meet with the Council's regeneration aspirations.
- 3.30 The Council would charge a commercial rent for the site of around £15,000 per year (this is based on a nursery or similar use deemed to be most appropriate for this type of building). DABD have indicated that they would be able to establish their operation with the following financial support from the Council:
- Year 1 guaranteed 10% of commercial rent of £15,000 = £1500 + additional grant funding up to the total value of £15,000
 - Year 2 guaranteed 50% of commercial rent = £7500 + additional grant funding up to the total value of £15,000
 - Year 3 guaranteed 100% of commercial rental value = £15,000 (subject to a rent review at this point)
- 3.31 Commercial Rent is payable in four quarters per year so the total annual rent payable would be £15,000 with the quarterly rent payable as £3,750. These rent payments will need to be made by DABD directly to the Council's General Income department on or prior to each quarter day (the four days per year that the rent becomes due). The income to the Council of £15,000 will enable the provision of an annual expenditure budget to Adult and Community Services to enable them to provide annual financial assistance to DABD for the first two years as outlined in 3.15.8 above.

4. Territorial Army Centre

Work of the Territorial Army

- 4.1 An approach has been received from the Territorial Army to establish a centre in the Borough. Supporting the Territorial Army (TA) to start operating in Barking and Dagenham would provide many advantages to the Borough. A TA centre would provide training to local residents, improving their skills which can be applied to many aspects of their lives. Not only would these skills improve the employment prospects of local residents who may require this, but the TA pay for the time which people give to the organisation. The TA also prides itself on building up the self-confidence of people who join, and this could provide much needed support to people trying to find work in the Borough. The TA's emphasis on fitness is in line with the Council's commitment to the health and wellbeing of residents.

The Territorial Army and Barking and Dagenham

- 4.2 The Council has committed to an Armed Forces Community Covenant, which emphasises the Council's support for the Armed Forces. Supporting the Territorial Army would be a clear demonstration of Barking and Dagenham's commitment to supporting the UK's Armed Forces.
- 4.3 The Territorial Army do not currently have a centre to operate from in Barking and Dagenham, and so there is no operation of the TA in the Borough. The Council can lease the TA premises to operate from which would enable them to work in the Borough with local residents.

Premises

- 4.4 The former Rectory Library has lain empty for a number of years. The Territorial Army have expressed an interest in Rectory Library which would act as their Dagenham base. The TA are expanding as part of the Government's reorganisation of the Armed Forces. Given the Council's continued liability for this empty building and the community benefits that the TA would bring in terms of offering employment and training opportunities for local residents, this report also recommends that the Rectory Library is leased to the TA at with specific lease terms to be delegated.
- 4.5 Rectory Library's current commercial rent value is estimated at around £15,000 per year (this is based on a nursery or similar use deemed to be appropriate for this type of building). If the site were awarded to the Territorial Army then it would need to be at full market rent with an annual grant subsidy for the equivalent market rent sum or alternatively on the basis of a community asset transfer. This would be decided while negotiating specific lease terms following any decision on the proposed Centre.
- 4.6 The Territorial Army have requested additional works are required to the Rectory library facility so it can meet their needs. These include a three metre high security fence around the site and an extended hardstanding area. An indicative price for this work including fees and removing the existing lower fencing would be £45,000 and officers will explore the opportunities for external funding to cover this and will bring a report back to Members in this regard.

Territorial Army: Options Appraisal

- 4.7 The Council's options are:
- to support the Territorial Army by providing a premises for them to operate from on a full market rent basis;
 - to support the Territorial Army by providing a premises for them to operate from on a full market rent basis but with a annual grant subsidy for the equivalent market rent sum;
 - to support the Territorial Army by providing a premises for them to operate from through the use of Community Asset Transfer on the basis of a full repairing and insuring lease at a peppercorn rental; or
 - to not support the Territorial Army.

- 4.8 It is recommended that the Council supports the Territorial Army by providing a site at Rectory Library for them to operate from as a Community Asset Transfer on the basis of a full repairing and insuring lease at a peppercorn rental.

5. Financial Implications

Implications completed by: Dawn Calvert, Finance Group Manager

Former Woodward Road Library

- 5.1 DABD have made a three year proposal for their occupation of the Woodward Road Library site:

	Commercial Rent (pa)	DADB contribution (pa)	Variance	DADB additional grant funding
Year 1	£15,000	£1,500	£13,500	Up to £15,000
Year 2	£15,000	£7,500	£7,500	Up to £15,000
Year 3	£15,000	£15,000	£0	Up to £15,000
Total	£45,000	£24,000	£21,000	

- 5.2 The commercial rent of the site is estimated at £15,000 per annum and DADB is proposing a contribution towards this estimation in years 1 and 2. In year 3 DADB propose to pay the full commercial rent of £15,000. This proposal from DADB will need to be treated in accordance with the Council's proposal for a policy to regularise property leasing arrangements which will be the subject of a separate report to Cabinet, later in 2013. The Council's commercial portfolio income budget will be increased by the commercial rent value of £15,000. This will enable the provision of an annual expenditure budget of £15,000 to Adult and Community Services to enable them to provide annual financial assistance to DADB from the increase in the Property Service income. The value of the budget adjustments are shown indicatively at the commercial rent level of £15,000. They will be amended when the final contribution from DADB towards the commercial rent is agreed as part of the lease negotiations.
- 5.3 The end column in the table 'DADB additional grant funding' relates to other potential sources of funding DABD have identified from the Lighthouse Project, and other potential funding streams, to establish the bank. If the option for DABD to establish a furniture bank in partnership with the Council was approved, these additional sources of grant funding would have to be considered as part of the negotiation process for both the lease and the agreed contributions from DADB towards a commercial rent.
- 5.4 A condition survey for Woodward Library was last carried out in 2005 which identified repairs required to the building. A more up to date condition survey will be required and DABD have requested the removal of the partition wall in the main library space. Once the value of works required is quantified budget provision will have to be sourced if it is agreed the Council is responsible for funding the works. To reduce the future risk to the Council of site repairs and maintenance, it is recommended the responsibility for ongoing repairs and maintenance is considered as part of the lease negotiations.
- 5.5 Vehicle access to load and unload the furniture is a key consideration and section 6.6 of this report identifies the potential issues with this site and the alterations

required. The cost of such alterations remain are yet to be quantified and budget provision would have to be identified.

- 5.6 In terms of cost efficiencies on current expenditure incurred on furniture clearance and collection, no savings are identified at this stage. The amount of furniture collected from clearances and in a suitable condition to be recycled to the furniture bank is expected to be low.

Former Rectory Library

- 5.7 The report recommends that the Council supports the Territorial Army by providing a site at Rectory Library for them to operate from as a Community Asset Transfer on the basis of a full repairing and insuring lease at a peppercorn rent. This recommendation will need to be considered alongside the Council's proposal for a policy to regularise property leasing arrangements which will be the subject of a separate report to Cabinet later in 2013.
- 5.8 The former Rectory library building has lain empty for a number of years. Any costs associated with making the site suitable for lease are not quantified and budget provision would have to be identified. To reduce the future risk to the Council of site repairs and maintenance, the report recommends the Territorial Army enter into a full repairing and insuring lease.

6. Legal Implications

Implications completed by: Jason Ofosu, Senior Lawyer

- 6.1 The report is seeking approval for the grant of a new lease of Woodward Library to DABD and a new lease of Rectory Road to the TA for a rent less than market value.
- 6.2 Section 123 Local Government Act 1972 and the Council's Land Disposal rules require land to be disposed at market value. The Council has a general power of competence under section 1 of the Localism Act, although, as always, its application of these powers must be carefully considered and appropriate to the relevant circumstances. Section 1 of the Localism Act allows the Council "to do anything that individuals generally may do". The Council could decide that the rents for the two properties do not need to be at market value since the TA and the DABD are acting for the benefit of the Council, its area or persons resident or present in the area.
- 6.3 The Council could still achieve best consideration for the letting by the DABD agreeing to pay a market rent for the property and the Council potentially providing them with financial assistance. Their lease should be a full repairing lease so that the Council do not bear the cost of repair and maintenance of the Woodward Library. The cost of maintenance and repair of the Woodward Library could be considerable if the condition survey carried out in 2005 is accurate. A new condition survey will need to be carried out.
- 6.4 The Council can grant a lease to the TA for a peppercorn rent but the lease should be a full repairing lease so that the Council do not bear the cost of repair and maintenance of Rectory Road.

- 6.5 Property Services and the Legal Practice should be consulted on the negotiation of the Heads of Terms for the proposed leases to the TA and DABD. The Divisional Director of Finance should have final approval of the Heads of Terms.
- 6.6 The Legal Practice should also be consulted on the preparation and completion of the necessary legal documentation.
- 6.7 The arrangement between the Council and DABD may be documented by way of written agreement and it will be important if this is in the form of a service contract that EU Procurement Regulations are adhered to. Legal will advise further on contract documentation once further details and instructions are received.

7. Other Implications

- 7.1 **Risk Management** – Failure to adhere to safety legislation governing the recycling of used goods to third parties would mean that the Council would become liable to pay compensation for any property damage or injury to a third party caused by or contributed to by the goods supplied to them. In the event of a death, charges for Corporate Manslaughter could be made. Also, by knowingly ignoring safety legislation this could void the Council's insurance cover and the Council would become liable for all costs from any liability claim.

The storage of furniture is high risk and will increase the fire risk to the locations mentioned. These will require a new Fire Risk Assessment to be carried out together with an inspection by the LFB Fire Officer and the Insurers Risk Control Analyst before they can be used to allow for any alterations to the building or upgrades of the Fire and Smoke alarm systems.

Because of the increased hazard rating the building Insurance Premiums for the properties mentioned will increase. There will also be additional costs incurred for insurance the furniture as a content of the building.

- 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 from this report.
- 7.4 **Customer Impact** - There are substantial community benefits to be gained from these proposals, which will provide volunteering and employment opportunities for the local community, as well as support for financially vulnerable members of the community.
- 7.5 **Safeguarding Children** – The impact of a poorer socio-economic background on a child's cognitive development can be seen from birth, as outlined in the Council's Health and Wellbeing Strategy. Setting up a furniture bank to provide for the Borough's families in most need of support would form part of the Council's efforts to support families who require financial help, improving the welfare of these children and helping them to get the best possible start in life.
- 7.6 **Health Issues** – As set out in the Health and Wellbeing Strategy, people from less affluent backgrounds have fewer opportunities to lead a full life than those from higher socio-economic backgrounds, which can be seen from birth. Setting up a furniture bank to provide furniture to the most financially vulnerable would help to

increase the spending power of the most financially vulnerable families in the Borough. This report proposes ventures which would create employment and volunteering opportunities, which are positively correlated with improved physical and mental health. The Territorial Army's emphasis on physical fitness would improve the physical wellbeing of those who joined.

- 7.7 **Crime and Disorder Issues** – Empty properties are often a draw for criminals particularly in terms of vandalism and criminal damage, they are often the focus of anti-social behaviour and draw on Council and Police resources to address these issues. Both these proposals will have a positive impact in terms of use of the premises. Furthermore in difficult economic times providing low income families with affordable furniture may divert some people who are experiencing severe hardship from criminal activity in order to purchase/acquire furniture and other goods. In terms of the Territorial Army the organisation provides positive role models and activity for residents to undertake in free time and could be seen as a route through to young people making positive choices in their lives. Section 17 of the Crime and Disorder Act places a duty on the Council to work in partnership to reduce crime and disorder and these initiatives will positively impact in this regard.
- 7.8 **Property / Asset Issues** – These are set out in the report, in sections 3.7 and 4.3, and in the Financial Implications section. Financial Services will be fully consulted on any further decisions or agreements following a decision on this report.

Background Papers Used in the Preparation of the Report: None

List of appendices:

Appendix 1 – List of Health and Safety Checks

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Appendix 1: List of Health and Safety Checks

- **Mattresses/Upholstered bed bases:** must comply with fireproofing standard BS7177: 1991. This is checked by looking for a blue label stating compliance attached to the item and has the text “RESISTANT”. The standard is not that it is entirely flame resistant, but that it will not catch light easily from contact with matches or cigarettes. Items would have to be checked for this to ensure that they could not contribute to a fire.
- **Suites/settees:** must have label stating compliance with 1988 fire safety regulations. This label will read “CARELESSNESS CAUSES FIRE” at the top and will state that the material is cigarette resistant or that it does not contain a Schedule 3 Interliner. The standard is not that it is entirely flame resistant, but that it will not catch light easily from contact with matches or cigarettes. Items would have to be checked for this to ensure that they could not contribute to a fire.
- **Fridges/freezers:** existing furniture banks such as the Lighthouse Project refuse to take any fridges older than ten years due to the content of hazardous chemicals in their insulating foam or refrigerant. Whether these are present is discovered by checking a plate attached to the fridge with the manufacture, model and serial number. Pre-1994 codes would state R11 or R12 if unsafe, 1994-2000 codes state R22/R141b/R142b or R134a if unsafe chemicals are used. Checking for these codes would ensure that only fridges which were produced without these chemicals would be taken by the furniture bank.
- **Electrical Equipment:** all electrical equipment would need to be subject to Portable Appliance Test (PAT). A PAT tester is a piece of equipment which costs around £500 and would require members of staff who have received relevant training in PAT testing to run.
- **Gas Fires:** gas fires are not currently accepted by existing furniture banks such as the Lighthouse Project due to the potential safety risks they present. It is recommended that any Council run furniture bank also adopts this policy to reduce potential safety issues caused by faulty gas equipment.
- **Glass items:** the Lighthouse Project do not take any donations of items such as tables and cabinets which contain glass. It is too difficult to ascertain whether the glass meets safety requirements. It is recommended that any Council run furniture bank also adopts this policy to reduce potential safety issues caused by glass hazards.

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CABINET**25 June 2013**

Title: Disposal of 89 Axe Street, Barking	
Report of the Cabinet Member for Finance	
Open report, with an exempt appendix (Appendix 2)	For Decision
Wards Affected: Abbey	Key Decision: Yes
Report Author: Adam Wright, Estate Surveyor	Contact Details: Tel: 020 8227 5952 E-mail: adam.wright@lbbd.gov.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director - Finance	
Accountable Director: Graham Farrant, Chief Executive	
<p>Summary:</p> <p>By Minute 131 (16 April 2013), Cabinet agreed the following:</p> <ul style="list-style-type: none"> 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; iii. That a further report be presented setting out the offers received in order for Cabinet to agree a successful purchaser of the property. <p>This report presents details of the bids received and seeks Cabinet approval to the disposal of the site.</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Approve the disposal of the site at 89 Axe Street, Barking, as shown hatched on the plan at Appendix 1, to Elim Trust Corporation on the terms set out in the report; and (ii) Agree that the property be sold with the Council having the benefit of a restrictive covenant against future development of the site for a period of 10 years. 	
<p>Reason(s)</p> <p>Cabinet have previously instructed for terms to be negotiated for the disposal of this property. This report is presented at Cabinet setting out offers received so that Cabinet can select a purchaser of the property.</p>	

1. Introduction and Background

- 1.1 The Council is the owner of 89 Axe Street, Barking IG11 7LZ, shown on the plan at **Appendix 1**, which until recently was occupied by staff from Parking Services.
- 1.2 Following a site visit with several Cabinet Members, it was expressed that the Council's freehold interest in the property should be disposed of and that Cabinet authorisation to do so should be sought.
- 1.3 At April Cabinet (Minute 131), it was agreed that the property should be disposed of, as detailed above. Property Services have since marketed the property, during which time all interested parties have had the opportunity to bid. The bids received are presented at **Appendix 2** - as this appendix contains commercially confidential information it is included in the exempt section of the agenda, under the provisions of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972.
- 1.4 Members have previously indicated that they may want to place a restrictive covenant upon the title, preventing a neighbouring land owner from combining the site with their existing property to deliver a larger development scheme that may be contrary to the preferences of the Council for this location.
- 1.5 The property was therefore marketed with bidders being made aware that, as part of the sale conditions, the Council will be placing a restrictive covenant against development of the site for a term of 10 years.

2. Proposal and Issues

- 2.1 Cabinet are requested to select a purchaser from the bids set out in **Appendix 2t**.
- 2.2 Cabinet are requested to confirm whether the property is to be sold with LBBB having the benefit of a restrictive covenant against future development of the site, for a certain length of time (10 years).

3. Options Appraisal

- 3.1 An assessment of the bids is shown at **Appendix 2**.
- 3.2 Cabinet can instruct for a restrictive covenant against future development to be made a condition of the sale as described in 2.2 above.

4. Consultation

- 4.2 Full consultation has taken part in respect of the previous report before it was presented at Cabinet. Financial and Legal implications have been reviewed during the consultation of this follow-up report.

5. Financial Implications

Implications completed by Martin Henwood, Deputy Chief Financial Officer

- 5.1 The property is no longer of use to the Council's General Fund on an operational basis and is set for disposal through this report.

- 5.2 Disposal of the property will create a capital receipt towards the current capital programme, and remove the current revenue costs. Additional capital receipts will enable the Council to reduce its level borrowing and related charges i.e. interest on borrowing.
- 5.3 Disposal costs, including the marketing strategy, will be included in the final business case options appraisal preceding an agreed sale. Disposal costs of up to 4% can be charged against the capital receipt.
- 5.4 The financial appraisal undertaken after bids were received has identified disposal to the bidder with the highest capital, Elim Trust Corporation, receipt establishes the best overall value for money for the Council / taxpayer, consistent with best consideration requirements.

6. Legal Implications

Implications completed by Evonne Obasuyi, Senior Lawyer

- 6.1 The report is seeking approval for the disposal of the property. The Council is required to obtain best consideration in the disposal of its assets.
- 6.2 The Council has the power to enter into the proposed transaction but must do so in compliance with law and the Council's acquisition and land disposal rules.
- 6.3 The Council's disposal powers are contained in section 123 of the Local Government Act 1972, and Section 1 of the Localism Act 2011 also provides local authorities with a general power of competence.
- 6.4 The Legal Practice should be consulted for advice as to how the land should be disposed of and assistance with the preparation and completion of the necessary legal agreements.

7. Other Implications

- 7.1 **Contractual Issues** - The transaction is a disposal of property.
- 7.2 **Crime and Disorder Issues** - Vacant properties are considered vulnerable to vandalism and illegal occupation.
- 7.3 **Property / Asset Issues** - The Council has the option to dispose of the property by way of sale of the freehold, and the costs of ownership will cease on disposal.

Background Papers Used in the Preparation of the Report:

Cabinet report of April 2013 - Disposal of 89 Axe Street

List of appendices:

Appendix 1 - Location Plan

Appendix 2 - Summary of Bids Received (exempt information)

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

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CABINET**25 June 2013**

Title: Procurement of Highways Maintenance Services via East London Solutions	
Report of the Cabinet Member for the Environment	
Open report, with an exempt appendix	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Ruth Du-Lieu, Service Manager, Highways and Environment	Contact Details: Tel: 020 8227 2641 E-mail: ruth.dulieu@lbbd.gov.uk
Accountable Divisional Director: Robin Payne, Divisional Director of Environment	
Accountable Director: Darren Henaghan, Corporate Director of Housing and Environment	
<p>Summary</p> <p>Highways maintenance is a business critical service for the Council, the quality of which has a direct influence on the lives of residents and all road users within the borough. The current term contract to deliver reactive highways services expired in May 2013. Although the Council has other options in place for the delivery of highways services, there is a need to have in place a replacement contract to cope with areas such as vehicle crossovers, refreshing lines and marking and larger scale repairs to the footways and carriageways.</p> <p>The London Highways Alliance Contract (LoHAC), is a collaborative highways maintenance and improvement schemes contract developed jointly by Boroughs and Transport for London (TfL) and includes a common specification. This is a first for highways maintenance in London. The contract term is eight years. There are four regions and these have been scoped to maintain manageable and sustainable contract size in the event that there is a high level of take-up by London Boroughs. LBBDD falls into the North East sector contract; the contractor is Ringway Jacobs.</p> <p>The LoHAC contractors have been chosen on the basis that (among other things) they will be of sufficient scale and sophistication to plan, manage and deliver services using a combination of internal resources and sub-contractors. The contractors' integrated relationship with clients will lead to efficient delivery and contract management, whilst allowing the Council to retain sole responsibility for asset management and project conception.</p> <p>In recommending this option, commercial analysis has been conducted and the proposed contract will provide value for money compared to the existing contract in terms of reactive highways. Additional benefits for the borough are that as this will be a call off contract, LBBDD will have the option of using any other services offered to support new or existing projects to deliver highway maintenance.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree the procurement of a call-off contract under the London Highways Alliance Contract (LoHAC) framework as outlined in option 1 with total anticipated value of £218,000 per annum for a maximum period of eight years starting 1 July 2013;
- (iii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content to delegate to the commissioning Chief Officer, in consultation with the Corporate Director, the power to award the contract to Ringway Jacobs.

Reason(s)

The procurement exercise to award a new Term Contract will provide the Council with a cost effective and high quality service for the provision of Highways Maintenance, through collaborative procurement with neighboring East London Solutions (ELS) members. The procurement will allow a contract to be entered into that is compliant with all relevant procurement regulations, offers value for money and will allow LBBD to provide highways maintenance to their constituents.

1. Introduction and Background

- 1.1 On 1 June 2009 the Council entered into an agreement with Aggregate Industries UK Ltd trading as Bardon Contracting SE to deliver the Highway works and the Contract expires on 31 May 2013.
- 1.2 Highways maintenance is a business critical service for the Council, the quality of which has a direct influence on the quality of lives of residents and all road users within the borough. Since 1 June 2009 this service has been delivered through Bardon Contracting SE.
- 1.3 In December 2010 a report was submitted to London Transport and Environment Committee (London TEC) titled "Pan London Collaborative Highway Maintenance Contracts" which set out the potential benefits of adopting a common highway contracts across London under the Transform London's Highways Management (TLHM) banner.
- 1.4 London Boroughs, the City of London and TfL between them currently spend around £450m per annum on highways related activities, £360m procured through over 100 contracts based on geographic area, network type and activity. Five contractors hold 50 percent of these contracts which equates to 80 percent by value. Of these five contractors, two deliver more than half (by value) of the London Boroughs' work. One contractor has contracts with at least 13 Boroughs.
- 1.5 LoHAC is a key workstream of the wider programme TLHM. LoHAC is collaborative highways maintenance and improvement schemes contract developed jointly by Boroughs and TfL and includes a common specification – a first for highways maintenance in London. The four regions have been scoped to

maintain manageable and sustainable contract size in the event that there is a high level of take-up by London Boroughs. LBBD falls into the North East sector contract.

- 1.6 A collaborative approach whereby London Boroughs and TfL deliver highways maintenance through the same mechanism has been discussed many times before without coming to fruition. However, with economic conditions resulting in highways maintenance budgets across London reducing and a large number of contracts expiring in 2013, the TLHM Board agreed it was appropriate to run a collaborative procurement for highways maintenance contracts in London.
- 1.7 An objective of the TLHM programme is for LoHAC to provide all highway related services across London and it is anticipated this will be met as further Boroughs form call-off contracts when their existing arrangements expire. Another six Boroughs, whose existing arrangements expire in 2014, have expressed an interest in forming a call-off contract.
- 1.8 The LoHAC contractors have been chosen on the basis that (among other things) they will be of sufficient scale and sophistication to plan, manage and deliver services using a combination of internal resources and sub-contractors. The contractors' integrated relationship with clients will lead to efficient delivery and contract management, whilst allowing the LB of Barking & Dagenham to retain sole responsibility for asset management and project conception.
- 1.9 The conditions of contract are designed to ensure flexibility, meaning clients do not need to take the whole range of services. Services include emergency call-out, winter maintenance, lighting, safety and service inspections, and maintenance of tunnels and structures.
- 1.10 Commercial analysis has been conducted and the proposed contract will provide value for money compared to the existing contract.

2. Proposal and Issues

- 2.1 It is proposed to initially utilise the LoHAC Framework agreement for Reactive Highways Maintenance services and some professional services. Whilst Ringway Jacobs will be the main provider of the service the Council will maintain the option to utilise its Reactive Highways DSO (Direct Services Organisation) and the planned highways maintenance contractor Marlborough Surfacing in order to provide choice, flexibility and reduce risk. The LOHAC framework will also be used where funding awarded through the Local Implementation Plan (LIP) stipulates use of alliance.
- 2.2 Savings have been achieved through a cost focused procurement process (30:70 Quality: Price ration). Inclusion of the open book pricing principles, target costing, annual efficiency challenges and volume discounts also provide opportunities for further savings in future years.
- 2.3 The commercial comparison exercise has shown overall there will be a net reduction in costs for the Council of approximately 21% based upon existing volumes of work and excluding vehicle crossovers which residents pay for directly

(gross figure including crossovers 28.4%) . This saving has been calculated based upon historic volumes from 2011/12.

- 2.4 Non-cashable savings will be achieved due to Highways maintenance being delivered using a common specification. This will increase contractor efficiency and simplify contract management and ongoing asset management. Closer working relationships between LB Barking & Dagenham and other ELS Boroughs will lead to highways maintenance being delivered in a consistent manner across East London. Other services available through the LoHAC framework such as Arboriculture services may be added at later stages which will result in further discounts and contract management efficiencies. Procurement process costs and time spent by officers is greatly reduced by utilising the Framework and the potential 8 year term of the contract will reduce future procurement costs further.

3. Options Appraisal

3.1 Option 1

Sign up to the LoHAC framework with Ringway Jacobs to provide highways maintenance whilst maintaining the option to utilise our DSO and the planned highways maintenance contractor Marlborough Surfacing in order to provide choice, flexibility and reduce risk. This is the preferred option as outlined in the recommendations.

3.2 Option 2

Request an exemption from the Council's procurement rules and directly award a contract to Bardon Contracting SE for a period that will allow a full procurement process to take place. Taking account of the commercial comparison analysis of the LoHAC schedule of rates against the current schedule of rates for Bardon's, this option is not recommended as there will be no financial gains and limited flexibility to expand the services to improve highway maintenance.

Option 3

Do nothing. This is not a viable option as the Council has a duty to maintain the highway network. Although a term contract is in place for planned maintenance which can be utilised for supporting the reactive works this cannot be relied on for all reactive works. The same is true of the Reactive Highways team (DSO) who are not sufficiently resourced to carry out the works other than emergencies and planned work such as gully cleansing.

4. Consultation

- 4.1 Consultation has taken place with the Cabinet Member for Environmental Services, Legal Services, Procurement and finance.

5. Financial Implications

Implications completed by: Jahangir Mannan, Group Accountant

- 5.1 The total expenditure on reactive highways maintenance has been in the region of £391,000 in the last financial year (2012/13), and is assumed to reflect the demand for an average year. Given that the amount is substantial and ongoing, it is in accordance with council procurement rules to enter into a new contract for this service as the current one is expiring.
- 5.2 The cost of the service procured through Ringway Jacobs is expected to realise a saving to the council. It is estimated that the annual saving will be in the region of £173,000, however this is indicative based upon 2012/13 volumes and the actual saving will be based upon actual volumes. The resulting saving, excluding spend of vehicle crossovers as this is paid directly by residents, will be subject to 'gainshare' under the contract arrangement with Elevate - based upon an 80:20 (Council:Elevate) ratio.
- 5.3 There are two possible discounts included within the contract:
- (1) The first is a volume related discount where LBBB will be entitled to a rebate of 0.13% if the collective order of the whole North East London Area exceeds £26m. This is payable back to the council at the end of the financial year.
 - (2) The second is a 'Task Order' discount where LBBB will be entitled to 1.5% on orders made over £500,000, as well as an additional discount of 0.5% if orders are made before 31 March for the following financial year. Therefore, taking the maximum possible entitlement to 2%. Discounts are applied to the invoice and therefore captured within service expenditure.

6. Legal Implications

- 6.1 The legal implications are set out in **Appendix 1** which is in the exempt section of the agenda as the information relates to the business affairs of a third party.

7. Other Implications

- 7.1 **Risk Management** - The main risk is that no formal contract will exist for reactive highways maintenance after 1st June 2013. This makes it hard to guarantee quality of work, ensure the highway network is maintained in accordance with the Department of Transport Code of Practice 'Well Maintained Highways', control insurance risks, reduces the ability to manage the supplier and makes it hard to control costs. The contingency arrangements for June 2013 are that the Council is able to use the term contractor for planned maintenance Marlborough Surfacing. They also have the use of the reactive highways team (DSO) for all emergency works. Forward planning has meant that in preparation for the contract with Bardons coming to an end, work that was outstanding and that could be issued for reactive highways was issued prior to the contract ending.

7.2 Contractual Issues

- I. The framework agreements contain the mechanism for call-off contracts to be formed. Each client will form their own call-off contract with the contractor. Neither other Boroughs or TfL will be party to LB of Barking & Dagenham call-off or will have any liabilities associated with each other call-offs.
- II. The LB of Barking & Dagenham will be able to set its own priorities and will have direct ownership of its own contract whilst benefiting from working in a collaborative environment with other boroughs, within our area and having access to any innovation developed in other areas via a series of Area Management Boards upon which the LB of Barking & Dagenham will sit
- III. The term of the framework agreements will be eight years to assure best value for money and efficient delivery of the works. There are barriers to entry due to potentially significant start up costs, investment in capital equipment, plant and systems. Through consultation with the market, it has been identified that framework duration of longer than the normal four years is required to stimulate and enable effective competition and best value through optimum write off of investments. Additionally, it is the intention that boroughs will place call-offs for work as their existing contracts expire and opportunities arise in future years and a longer duration will facilitate this and enable best value through providing economically attractive call-offs for boroughs and the contractors
- IV. The conditions of the call-off contract are based on the NEC3 Term Services Contract, which has been amended to enable authorities to tailor the service provided by a supplier to their individual requirement and to incorporate lessons which have been learnt during the term of the existing contracts.
- V. The facility to move the delivery of core services from a series individual works orders to a lump sum or from a lump sums to a single target cost has been built into the conditions of contract and a map for this transition included. One benefit of target costing is that both parties benefit through a share mechanism if actual costs come in lower than the pre-agreed target. Therefore there is clear incentive for the parties to work collaboratively to decrease costs. The terms of the contract allow migration from lump sum to target cost from April 2015 onwards.
- VI. A contract reduction mechanism has been developed to incentivise the contractors to achieve five key performance indicators. Review of performance against these indicators will take place annually and failure to achieve the indicator targets will result in the duration of the framework agreement and all associated call-off contracts being reduced by six months. Performance on all clients' call-off contracts will be considered. The contractor will have the opportunity to win back these six months by improving their performance against the failing indicator(s) in the following year. Reduction of duration in two consecutive years gives the LB of Barking & Dagenham the right to terminate.
- VII. A volume rebate clause has been included in the contract to incentivise more Boroughs to join as the rebate increases in line with the volume of work procured through the framework. All clients, including the LB of Barking & Dagenham, will benefit financially as more Boroughs join
- VIII. The contract complies with the LB of Barking & Dagenham Responsible Procurement policy and in particular includes:

- (a) a requirement to acknowledge that the LB of Barking & Dagenham has a policy to promote and develop the local economy. This is achieved in part through the promotion and use, where possible, of:
 - Small and Medium Enterprises;
 - Black, Asian and Minority Ethnic businesses;
 - Suppliers from other under-represented or protected groups;
 - Suppliers demonstrating a diverse workforce composition; the Contractor is encouraged to use local suppliers and subcontractors so far as is reasonably practicable and appropriate
- (b) a requirement for contractors to appoint one local apprentice, or equivalent, per £3m spent through the framework;
- (c) the contractor must establish a complaints procedure relating to the LB of Barking & Dagenham Call-Off Contract and provide the LB of Barking & Dagenham with copies of the Contractor's records relating to complaints and the Contractor's responses;
- (d) a requirement to register the LB of Barking & Dagenham Contract under the Considerate Constructor's Scheme and to comply with the Considerate Constructor's Scheme Code of Considerate Practice;
- (e) a requirement for contractors to join the Freight Operator Recognition Scheme and to fit blind-spot warning devices to heavy goods vehicles;
- (f) a requirement for contractors to identify possible sources of pollution and provide detail on how they will prevent and/or reduce them; and
- (g) a requirement to ensure that none of its employees and that none of the employees of its Subcontractors and Indirect Subcontractors are paid an hourly wage (or equivalent hourly wage) less than the London Living Wage

7.3 **Customer Impact** - If the highways network is not maintained residents are directly affected by the condition and therefore safety of the boroughs roads deteriorating. There is a risk of damage caused by carriageway and footway defects to persons and to vehicles. This may lead to successful claims for compensation against the council increasing. Not only will this affect the premium but also the reputation of the Council.

7.4 **Property / Asset Issues** - If this service is not put in place then the condition of the boroughs roads is likely to deteriorate. The borough's Highway assets i.e. Carriageways, footways, street furniture, street lights etc, are held on a database. Any work carried out either planned or reactive is updated in the database so that condition can be assessed and investment required.

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

List of appendices:

- **Appendix 1** - Legal Implications (exempt information)

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

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CABINET**25 June 2013**

Title: Community Development Activity at Dagenham and Redbridge Football Club	
Report of the Leader of the Council	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Joanne Kitching, Business Support Officer	Contact Details: Joanne.Kitching@lbbd.gov.uk 020 8227 3216
Accountable Divisional Director: Paul Hogan, Divisional Director of Culture and Sport	
Accountable Director: Anne Bristow, Corporate Director of Adult and Community Services	
<p>Summary</p> <p>The purpose of this report is to provide Cabinet with an overview of the community development activity delivered or hosted by Dagenham and Redbridge Football Club. The Club has a long-established and extensive community development programme:</p> <ul style="list-style-type: none"> • It provides diversionary activities for young people and plays an important role in developing community cohesion and health and wellbeing through football; • It delivers a wide ranging programme of community based activity; • The Club has strong and productive working relationships with key partners across the Borough, including the Council, local schools and Barking and Dagenham College; • It provides a highly valued and accessible meeting space for many local community groups. 	
<p>Recommendation(s)</p> <p>Cabinet is recommended to note the report.</p>	
<p>Reason(s)</p> <p>This report aims to provide Councillors with a comprehensive overview of the type of work that Dagenham and Redbridge Football Club do and how this impacts on the local community.</p>	

1. Introduction and Background

- 1.1 Dagenham and Redbridge Football Club has a long-established and extensive community development programme. It provides diversionary activities for young people and plays an important role in developing community cohesion and health and wellbeing through football.
- 1.2 The Club also has strong and productive working relationships with key partners across the Borough, including the Council, the Police, local schools and Barking and Dagenham College. As well as directly delivering a wide-ranging programme of community based activity, the club also provides a highly valued and accessible meeting space for many local community groups.
- 1.3 As Cabinet will remember, representatives from Dagenham & Redbridge Football Club have been celebrated by the Council in the past for their achievements, both in football and also their work in the community. Steve Thompson, Managing Director of the Club was the recipient of a Freedom of the Borough Award in 2008 in recognition of his outstanding service to the community and in particular his work with youth in sport. John Still who was a coach at the Club was granted Freedom of the Borough in 2011 in recognition of his long service and success at leading the Club into the Football League.
- 1.4 On Friday 14 June, it was announced that Steve Thompson had been awarded an MBE in the Queen's Birthday Honours List for his services to sport and young people in Barking and Dagenham

2. Community Activities 2012 – 13

The following community activities were delivered in the 2012-13 financial year by Dagenham and Redbridge Football Club:

2.1 Kickz Programme

The Kickz Programme uses football to engage with young people and involve them in a range of healthy and constructive activities. The club have been part of the programme for the past 8 years. Between September 2012 and March 2013, the Club supported 73 young people to attend free Kickz sessions, which are run 3 times a week with 2 hours of coaching. To date there have been 722 attendances from young people. Young people who take part in activities such as Kickz and the Soccer School will soon be able to claim points for those activities through their StreetBase Connect Card.

2.2 Living the Dream Trust

Living the Dream Barking and Dagenham Trust was launched in 2007 to support local young aspiring athletes with grants. As a trust they have funded attendance at training camps and purchased equipment. Since the trust started in 2008 they have made a total of 118 grants to 33 different individuals. The grants have ranged from £75 to £1,200 and total grants made to date are £36,241.40. The Managing Director and the Community Liaison Officer at the Club are both trustees. The Club supports the trust by providing meeting rooms and venues for fundraising

free of charge, as well as providing other assistance. The administrative support for the Trust is based at the Club.

2.3 Work Experience

Since September 2011, the Club has offered 29 two-week work experience placements to pupils in year 10 and 11 with a further 9 booked in before the end of the Summer Term 2013. In addition to this, a pupil from Sydney Russell School who has special educational needs and is on an extended education programme, works in the community office two days a week. A year 11 pupil from Eastbrook School also attends the Club for two hours per week to assist with the Mini Daggers club and also carries out general administration work for the session. Both of these boys attend the Kickz programme and have been nominated and short-listed in the National Kickz Awards.

2.4 Insight into Management

For the past three years the Club has supported the 'Insight into Management' programme, which is a week-long project for sixth formers from Eastbrook Secondary School. The group research a management problem, produce a report and give a verbal presentation.

2.5 Player Visits

First Team squad players have made appearances at a number of community events in the 2012/13 season. These appearances include helping to deliver the Respect agenda and promoting new businesses in the borough. The players have also visited Queen's Hospital and King George's children's wards where they have given out Christmas presents and tickets for football matches.

2.6 Free Tickets, Merchandise and Hospitality

In the 2012/13 football season, the Club has donated the following to good causes:

- 702 terrace tickets through its partnerships with the Council's Sports Development team, schools, charities, and community groups;
- 156 seats to groups and via events such as the Council's Star Awards and charity events;
- 4 signed shirts to various groups, 12 hospitality places, 6 match balls, and 5 pennants;
- Free tickets and 'money cannot buy' rewards, such as lunch with the players, as rewards for the Splashcard and Streetbase card initiative;
- New rewards have recently also been added which include the opportunity to carry out the match ball on match days.

2.7 Senior Daggers Club

The Club runs a Senior Daggers session on a Tuesday afternoon for people aged 50 plus. The session consists of exercise including chair aerobics, Wii fit, curling and board games. There are 66 people registered to attend with the youngest participant being 52 and the oldest 91. Attendance each week varies and a number of the participants are undergoing treatment for serious medical conditions. The

attendees offer support to each other and many have become good friends. The sessions are supported by Essex and Suffolk Water who have provided some financial support so that costs to the participants can be kept to a minimum. They have also provided water bottles and a mains water filter so that people can keep hydrated during the session.

2.8 Mini Daggers Club

The Mini Daggers is a club for 4 to 7 year olds and consists of a six week course of activities. The children participate in 45 minutes of football-related skills followed by 15 minutes of learning about healthy food and fruit and vegetable tasting. There are 12 places available on each course. Essex and Suffolk Water also support this session and the young people learn about the importance of hydration as players visit the sessions and encourage them to drink water.

2.9 National Citizenship Service Programme

As part of the summer 2012 Challenge Network National Citizenship Service programme, young people took part in a Dragon's Den competition. The Managing Director of the football club acted as one of the "Dragons". In Summer 2013, the Club are looking to build on this by hosting a team at the Club to work on a community project and support the programme through mentoring and professional visits.

2.10 Soccer schools

Last summer the Club ran four soccer schools at the May & Baker Sports and Social Club. An Easter Soccer School also took place this year for children aged 7 to 16.

2.11 Peace Week

The Club has been involved with Peace Week celebrations in the borough by hosting an annual Peace Week football match. In 2012, a match was held between young people from the Kickz programme in Barking and Dagenham. The match was attended by the Mayor and Mayoress who presented the medals to the teams. Over 120 people attended including parents, representatives from community groups and Police Officers from the local Safer Neighbourhood Teams.

2.12 The Npower Respect Programme

The Respect programme delivers an hour lesson to year 6 pupils. Since the beginning of October 2012, the Club has delivered 40 lessons. Pupils watch a short DVD and answer questions on respect and disrespect and are asked to talk about disrespectful behaviour that they have witnessed within the community. The lesson concludes with a piece of drama created by the pupils in which they demonstrate how they can change disrespectful behaviour into respectful behaviour. The pupils are given homework sheets to complete and, as part of its commitment to Npower, the Club are required to give away match tickets to pupils who complete the homework. Teachers in schools are asked to complete evaluation forms and feedback has been extremely positive.

2.13 Kick It Out Campaign

The Club have been part of the national launch of the 'Kick It Out' campaign with players and management staff attending the CEME Centre to take part in a question and answer session. Pupils from schools in Havering and Barking and Dagenham attended and the Club gave out 200 free tickets. The game against Aldershot on 27 October 2012 was the designated 'Kick It Out' match and local young people from the Kickz programme carried the 'Kick It Out' flag prior to the game.

2.14 Remembrance Day

At the Rotherham Game on 10 November 2012, the Club hosted representatives from the three British Legions in the Borough as well as the Royal Naval Association, the Police, Navy and the Royal Air Force cadets. Each of the organisation's standards were paraded, including the Borough colours. A one minute silence was observed before the game.

2.15 Show Racism the Red Card

The Club hosted an education day on 10 December 2012 in partnership with the 'Show Racism the Red Card' campaign. Members of the First Team and management staff also supported the day by taking part in a question and answer session with 120 children. They had their photos taken with the children and signed autographs.

2.16 Daggers Against Racism

The Club hosted its award winning Daggers against Racism Fixture at the Rochdale game on 12 January 2013. This is the fourth time they have run this campaign and the Club has won a Football League award for social inclusion. There has been national media interest in the campaign with both the BBC's Football League Show attending the game and carrying it as a main feature on the show and the regional BBC Late Kick Off show also featured the campaign. Famous people who have spoken out in support of the campaign include Greg Clark (Chairman of the Football League), Trevor Brooking and Gary Lewin (England Football Team Physiotherapist).

2.17 Npower Kids Cup and Girls Cup

Working with the School Sports Partnership Managers and the Primary School Football Association the Club takes two schools who have won borough competitions to participate in the Npower Kids Cup and the Girls Cup Regional Finals. The schools compete for a chance to play at Wembley prior to the Npower League Two playoff final. The Girl's Cup is a year 7 and 8 competition and the Club were represented by Barking Abbey Girls. The team travelled to Millwall on 16 January 2013 where they played against Charlton, Wimbledon, and Crystal Palace as runners up in the pool to Charlton. They went on to face Gillingham in the semi-final and narrowly lost. All those involved had a great time and have appeared on the pitch at a Dagenham and Redbridge game in recognition of their efforts.

Ripple Primary school won the Evan Moore Primary Schools competition in November 2012 and therefore won the right to represent the Club in the Npower Kids Cup. The regional heats took place on 14 March 2013 at AFC Wimbledon and despite only losing one of their four games. Ripple Primary did not qualify for the semi-finals. The children involved had a positive experience and have also appeared on the pitch at a Dagenham and Redbridge game in recognition of their efforts.

2.18 Apprentices and Barking and Dagenham College

The number of football apprentices at the Club has increased to 17 in 2012/13 which includes eight second years and nine first years. In addition the Club has partnered with Barking and Dagenham College and has twenty-two 16 to 18 year old learners: 19 studying BTEC Subsidiary Diploma in Sport and a Level 3 BTEC Extended Diploma in Sport. This will rise to 70 in September 2013 and they are currently advertising for young people to join this programme.

2.19 Centre of Excellence

The Club's Centre of Excellence has been running for nearly three years and has recently expanded from six to eight teams ranging from under 9s to under 16s. All of the teams have a squad of 16 players, 14 outfield players and 2 goalkeepers per age group.

3. Activities for 2013 – 14

Alongside the regular activities run at the Club, a number of other programmes are currently running or are being explored for the 2013-14 financial year:

3.1 Npower 'What's Your Goal' Programme

For the second year running the Club has successfully bid to be part of the 'What's Your Goal' programme. The programme is for year 10 pupils and involves 500 pupils receiving a presentation about the various roles at a football club, other than being a player. Pupils were invited to apply for one of the jobs at the Club and took up the work experience placement during the Easter holidays. The roles that the Club had on offer this year were Groundsman, Kit Manager, Media Assistant, Community Coach and Physiotherapist.

3.2 The Big Energy Switch

The Club are supporting the 'Big Switch' campaign by offering advertising and publicity space for stands on match days to promote the scheme. As Cabinet are aware, Barking and Dagenham Council and Thurrock Council have jointly organised the collective energy switching scheme to negotiate better energy prices for people who sign up.

3.3 Dagenham Community Day

With the last Dagenham Town Show being held in 2012, local people in Dagenham wanted to hold a community day. This was held on the 19 May and the Club offered the ground as a venue free of charge. It is estimated that 1000 people

attended the event and there was lots of positive feedback. It included children's football competitions, a bouncy castle, fairground rides, face painting, majorettes and dance displays and various other fun family activities. The hall housed information stands and the Council, Police, Fire Brigade, the CVS, volunteer and community groups were all in attendance.

3.4 Football Courses

The Council are hoping to run a football course based at the Club over the summer holidays in 2013 depending on the availability of coaches.

3.5 Mural Project

The Club are currently in discussions with Barking and Dagenham College regarding running a competition to design a Mural for The Family stand at the ground.

3.6 Music Project

A music project is currently being explored in partnership with the community music school, Eastbrook School and the Bigga Fish Urban Arts Organisation.

3.7 Firework Poster Competition

A firework safety poster competition is currently running in partnership with the Police Community Partnership team in Havering. The Club are looking into running this competition for schools in Barking and Dagenham.

3.8 Futsal Programme

The Club are investigating the possibility of introducing Futsal competitions. Futsal is a variation on the game of football which is played on a smaller pitch indoors. It will involve young people taking part in weekly activities as well as completing a Level 3 BTEC Extended Diploma in Sport. This will provide more opportunities for young people to stay within education.

3.9 Sustaining Current Programme and Projects

The Club are currently looking for ways to sustain programmes such as the Respect and What's Your Goal project after the end of the current season when Npower cease to be the Football League Sponsor. The programmes have enabled the Club to work with over 3000 local young people over the past two years.

4. Other Work to Support the Local Community

4.1 The Club as a Community Venue

In addition to the directly delivered activities outlined above, the Club also host a number of organisations and charities at the club house including, but not limited to the following:

- Diabetes Society
- Deaf Society
- British Gas Retired Employees
- Petite Dance School
- Dagenham and District Sunday League
- Roding Karate Club
- Bardag Fishing Club
- Barking Lions
- Romford Branch Normandy Veterans Association
- Barking and Dagenham Referees Association
- Dagenham Branch Royal Naval Association
- H.A.R.P.(Renal Failure Association)
- Blood Donation sessions
- Barking and Dagenham Chamber of Commerce
- P.A.C.T. (Parents of Autistic Children Together)
- B&D Tenants and Residents Association meetings
- Housing Forum and Barking and Dagenham Town Twinning club
- Disablements Association of Barking and Dagenham
- Carers of Barking and Dagenham
- The Sheltered Housing Team also Christmas parties and summer event
- The Carers of Barking and Dagenham Christmas parties.

As Eastbrook Ward Members will also be aware, Dagenham and Redbridge Football Club lend their facilities to Ward Members for their Surgeries on a Thursday during school term times.

In addition to the list above, the Club makes its halls available for charity and community groups to host fundraising events. In the past the Club has supported White Ribbon Day events and assisted in raising awareness of domestic violence issues. During 2012 the Club was used by a variety of organisations and events including the Mayor's Charity Quiz Nights, the Dream Trust, St Francis Hospice who host the annual Santathon which raised over £10,000 and zumbathon on the pitch and other local football clubs. This will continue throughout 2013/14.

4.2 Community Safety

The Club supports many events and meetings in conjunction with the Metropolitan Police Service. These include various Police meetings and training sessions including Safer Neighbourhood Team, Safer Neighbourhood Ward Panel meetings, Community Police Engagement Group and Commendation ceremonies.

Steve Thompson has been Chair of the Community Police Engagement Group (CPEG) since 2010. CPEG meets quarterly and allows local people to consult with the local Police, the Police Authority, the Council, Health services and the Probation Service about crime reduction and strategic policing. This includes consultation on the Policing Plan and Neighbourhood Policing.

4.3 Supporting Local Charities

The Club has a policy of allowing a limited number of charity collections each season and apart from the Football League Charity these are limited to local

charities. Over the last two seasons over £5,600 has been raised via bucket collections and local charities have been promoted. In addition to this the Managing Director of the Club took part in the Movember campaign and raised £1,411 out of a total of £1,599 raised by Dagenham and Redbridge Football Club overall.

4.4 **The Club as a Local Employer**

The Club currently employs 184 part time and full time staff, many of whom live locally. The club has 19 footballing apprentices and an apprentice Groundsman. The Centre of Excellence has 16 full time and part time staff and there are 39 staff employed as gate or cleaning staff. The club has 53 match day stewards who have been trained to NVQ level 2 in spectator safety. Having this qualification has meant that they have been able to gain employment on match days at other clubs and some worked at the 2012 Olympics and Paralympics. For some of the staff employment at the club is an essential part of their family income.

5. **Options Appraisal**

5.1 Report is for information only so an options appraisal has not been undertaken.

6. **Consultation**

6.1 This report has been produced in conjunction with the Managing Director of Dagenham and Redbridge Football Club.

7. **Financial Implications**

Implications completed by: Dawn Calvert, Group Manager Finance (Children's Services and Adults and Community Services)

7.1 Dagenham and Redbridge Football Club have received three streams of funding from the local authority:

- (i) **Sponsorship funding.** The Club have received sponsorship funding of £169,000 over the seven year period 2005/06 to 2012/13. Sponsorship funding for 2013/14 is £15,000.
- (ii) **Kickz funding.** The Club have received £22,000 to support the Kickz programme over the four year period 2008/09 to 2011/12.
- (iii) **New stand funding.** On 17 February 2009 Cabinet approved a capital grant of £250,000 and a loan of £200,000 towards the development of a new stand. The loan was to be repaid at £15,000 per annum and this repayment plan is being adhered to.

8. **Legal Implications**

Implications completed by: Shahnaz Patel, Senior Solicitor, Adults & Litigation

8.1 There are no legal implications for this report.

9. Other Implications

- 9.1 **Customer Impact** - Dagenham and Redbridge Football Club provide and support an extensive programme of activities that offer fair access to everyone in the community.
- 9.2 **Safeguarding Children** - Dagenham and Redbridge Football Club have safeguarding policies and procedures in place for all the activities they run and support. The activities and projects detailed in this report positively promote and support the physical and mental health and wellbeing of children and young people.
- 9.3 **Health Issues** - The activities and projects detailed in this report positively promote and support the physical and mental health and wellbeing of the community.
- 9.4 **Crime and Disorder Issues** - The activities and projects detailed in this report provide positive and diversionary activities for young people. Dagenham and Redbridge football Club have close links with the Police, the Safer Neighbourhood Teams, the Community Police Engagement Group and the Safer Neighbourhood Ward Panels.

Background Papers Used in the Preparation of the Report:

Dagenham and Redbridge Football Club Briefing November 2012.

List of appendices:

None

CABINET**25 June 2013**

Title: Debt Management Performance and Write-Offs 2012/13 (Quarter 4)	
Report of the Cabinet Member for Finance	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Peter Cosgrove, Operations General Manager	Contact Details: Tel: 0208 227 3850 E-mail: peter.cosgrove@elevateeastlondon.co.uk
Accountable Divisional Director: Jonathan Bunt, Divisional Director Finance	
Accountable Director: Graham Farrant, Chief Executive	
Summary	
<p>This report sets out the performance of the Council's joint venture company, Elevate East London, in carrying out the debt management function on behalf of the Council and covers the last quarter of the year 2012/13. It also includes details of debt written off in accordance with the write off policy approved by Cabinet on 18 October 2011.</p>	
Recommendation(s)	
Cabinet is asked to:	
<ul style="list-style-type: none"> (i) Note the contents of this report as it relates to the performance of the debt management function carried out by the Revenues and Benefits service operated by Elevate East London, including the performance of bailiffs; and (ii) Note the debt write-offs for the fourth quarter of 2012/13 and that a number of these debts will be publicised in accordance with the policy agreed by Cabinet. 	
Reason	
<p>Assisting in the Council's Policy aim of ensuring a well run organisation delivering its statutory duties in the most practical and cost-effective way. It will ensure good financial practice and adherence to the Council's Financial Rules to report on debt management performance and total debt write-off each quarter.</p>	

1. Introduction and Background

- 1.1 The Council's Revenues, Benefits, General Income and Rents Service is operated by the Council's joint venture company Elevate East London LLP (Elevate). The service is responsible for the management of the Council's debt falling due by way of statutory levies and chargeable services.

1.2 This report sets out the performance for the fourth quarter of 2012/13 and covers the overall progress of each element of the service for the year. In addition it summarises the debts that have been agreed for write off in accordance with the Council's Financial Rules. Write offs in the fourth quarter have been actioned in accordance with the Council's debt management policy agreed on 18 October 2011.

2. Proposal and Issues

2.1 Set out in table 1 below is the performance for quarter 4 of 2012/13 achieved by Elevate for each of the functions of the Revenues Service during the financial year.

Table 1: Collection Rate Performance - 2012/13

Type of Debt	Annual Target	Performance	Variance	Actual collected £m
Council Tax	94.5%	94.6%	+0.1%	49.421
NDR	97.1%	95.1%	-2.0%	53.297
Rent	96.80%	96.95%	+0.15%	96.425
Leaseholders	86.26%	90.43%	+4.54%	3.396
General Income	99.62%	99.13%	-0.49%	77.522

Council Tax collection performance

2.2 Council Tax collection at the end of the financial year was 0.1% above the target. The percentage collection was 94.6%, equating to £49.4m of the £52.3m Council Tax due for the full year. This continues the trend of improvement since the inception of Elevate with in-year collection improving by 1.7% since 2010.

2.3 Changes and improvements:

- i. The number of Council Tax payers paying by direct debit has increased by 5.3% at the end of quarter 4, taking those paying by direct debit from 26,422 to 27,820 since April 2012.
- ii. A greatly improved recovery schedule has been introduced, ensuring that residents are quickly and effectively informed of any missed payments.
- iii. Increased control has been introduced around the selection of the different methods of debt recovery. Unpaid debts are now screened and the most effective and secure methods of recovery are selected for each account.
- iv. Procedures have been documented and are version controlled to ensure staff have easy access to the information they need.
- v. The payment arrangement policy continues to ensure that those requiring more time to pay are managed correctly. Those that fail to adhere to the terms of the arrangement are quickly identified and debt recovery action initiated.
- vi. The segmentation of accounts before and after bailiff action has been significantly improved, ensuring that the use of bailiffs is kept to a

minimum and resulting in increased use of attachments to earning and benefits.

- vii. Having carried out quality monitoring of the call centre, the Council Tax team moved to co-locate with the call centre to concentrate on improving the quality of telephone responses. Support and training is delivered on an ongoing basis.

NNDR collection performance

2.4 NNDR was not direct income to the Authority in 2012/13 and was collected on behalf of central government and paid into a central pool. Collection at the end of the fourth quarter was 95.1% equating to £53.3m of the £56m debt due for the whole year. This was 2% below target and a reduction of 1.3% when compared with the previous year, and reflects an apparent general downward trend in Business Rate collection across London.

2.5 This deterioration has occurred despite an increase in formal recovery activity, as shown in the table below:

Year	Reminders	Summonses	Liability Orders issued to bailiff
2011/12	4,012	849	349
2012/13	4,509	1,267	438

2.6 The collection rate is below the target for the year and has been seriously impacted by the financial environment in which businesses are operating. As a consequence of this environment:

- i. The challenging economic times have resulted in many businesses struggling to make payment and in some cases having to close with debts outstanding. In order to avoid this outcome, the service has concentrated upon being flexible with businesses that are clearly experiencing difficulty although balancing this with the need to collect the outstanding debts. Whilst historically there have always been businesses that have been slow to pay their NNDR, the experience in 2012/13 has shown that even long established businesses with good payment records have struggled to pay.
- ii. The government introduced a scheme in 2012/13 allowing business rates payers the option to defer payment on to 2013/14 and 2014/15 on an element of the charge related to the annual increase. A total of £210k has been deferred this year, resulting in a reduction of 0.4% to the collection rate.

2.7 Elevate management are looking closely at the collection process in this area and will continue to implement improvements. These will include improved payment arrangements, improved selection of cases for debt recovery action and improved inspections of properties by visiting officers to both maintain the Business Rates register and discuss payment issues with businesses. Work in quarter 4 focused upon identifying businesses that had failed to pay so that contact would be made earlier to attempt to avoid enforcement action.

2.8 Close working with the Environmental Health Service is being maintained in order to ensure that any improper use of business properties is minimised. The service continues to work with Housing Services on potential projects to bring unoccupied business properties into potential use for Housing services

Rent collection performance

2.9 At year end rent collection achieved was 96.95%, which is 0.15% above the target performance of 96.80% and represents £96.4m of the £99.4m collectable.

2.10 A direct comparison with previous year's performance is difficult as for 2012/13 a House Mark measure for rent collection has been adopted which is different from the previously used Rents performance indicator (PI), known as "BV 66a."

2.11 Exceeding the rent collection target is a consequence of several actions:

- i. Making better use of information and data to inform management action. For example, knowing that historically there has been a dip in collection during the winter months, a payment campaign was launched in November 2012. This included having posters displayed showing the possible impact of non-payment. Officers also visited properties to deliver pre-printed cards to tenants in arrears which carried messages informing of the need to clear their rent account in order to avoid further recovery proceedings.
- ii. Other actions included rent statements and messages on the on-line service that reminded tenants to put rent payment first and also highlighted the possible consequence of non payment.
- iii. Improved procedures at the sign up of new tenancies to maximise housing benefit take up from the start of tenancy and payment through Direct Debit.
- iv. A review of the interactions between tenants and both the rents (Elevate) and Housing Management (LBBB) services was undertaken to ensure that at each contact staff were mindful to provide advice that helped to prevent arrears. In particular, any potential action relating to eviction that was not the optimal solution to the Council was avoided.

Leaseholders' debt collection performance

2.12 Elevate achieved a further significant improvement on Leasehold Service Charges with a collection rate of 90.80% against the target of 86.26%, an increase of 4.54%.

2.13 The main area of improvement in respect of leaseholder debt has arisen from a more proactive engagement with leaseholders who are behind with their payments.

General Income collection performance - Total position

2.14 General Income is used to describe the ancillary sources of income available to the Council and which support the cost of local service provision. Examples of areas from which the Council derives income include: penalty charge notices; social care charges; housing benefit overpayments; rechargeable works for housing; nursery fees; trade refuse; truancy penalty notices; hire of halls and football pitches. Oracle

is used for the billing of these debts and collection performance by Elevate for its activities across all these debts is reported together.

- 2.15 Collection finished the year 0.49% (£383k) below the position achieved at the end of 2011/12 at 99.13%. However, following discussions between the council and a supplier on disputed invoices a payment of £745,483 was received on 22 April 2013.
- 2.16 Major Improvements in General Income collection included revised processes to ensure that income due from the PCT and school salaries were received and paid up to date.

Penalty Charge Notices

- 2.17 This recovery work only includes debts due to Penalty Charge Notices (PCNs) for parking, bus lane and box junction infringements once a warrant has been obtained from the Traffic Enforcement Centre (TEC). The majority of these relate to parking infringements and Elevate enforce these warrants through bailiffs and monitor their performance. Overall collection rates on PCNs will be reported by Environmental and Enforcement Services (Parking Services). Performance is set out in 2.24 below.

Collection of social (home and residential) care charges

- 2.18 The Council's Fairer Contribution Policy commenced from October 2011 and applies to home care. Residential care charges are covered by the Department of Health's *Charging for Residential Accommodation Guide* (CRAG).
- 2.19 Collections of debt for home and residential care are reported separately.
- 2.20 For both the agreed measure for performance reporting is the percentage collected on debt over 120 days old and is not particular to a financial year.
- 2.21 Residential care debt for which the Council has secured the debt with a charging order against the client's asset is not included in these figures.

Residential care

	Invoices	Debit Raised	Total Collected	Collection rate	Target	Difference
Mar 13	120+ days	£3,654,859	£3,247,377	88.85%	90%	-1.15%

Homecare

	Invoices	Debit Raised	Total Collected	Collection rate	Target	Difference
Mar 13	120+ days	£1,095,788	£936,650	85.48%	90%	-4.52%

- 2.22 The recovery process of these debts is similar to that of other debts, but with added recognition given to particular circumstances. In order to ensure that the action taken is appropriate and to maximise payments each case is considered on its merits at each stage of recovery and wherever possible payment arrangements are

agreed. In addition a further financial reassessment of a client's contribution is undertaken where there is extraordinary expenditure associated with the care of the service user.

Housing Benefit Overpayments

2.23 For 2012/13 a target for collection of £2.648m was set. The target was exceeded by £524k, with a total of £3.172m collected by the end of March 2013.

Bailiff Performance

2.24 Bailiff action is a key tool for the Council to recover overdue debts but is only one area of collection work. Members have previously requested information on the performance of the Bailiffs and this is set out in the table below by type of debt for 2012/13:

Service	Value less returns	Total remitted	Collection rate
Council Tax	£4,426k	£613k	13.9%
NNDR	£760k	£309k	40.6%
General Income	£93k	£15k	16.3%
Commercial rent	£27k	£21k	80.4%
Road Traffic	£1,171k	£185k	15.8%

Note 1 General Income excludes £32k passed to Bailiffs on 28 March 2013

Debt Write-off: Quarter 4 2012/13

2.25 Any debt recommended for write off is in accordance with the policy of the Council who have the final decision with regard to write off. The value of debt recommended for write off for the fourth quarter of 2012/13 (January to March 2013) totals: £887,903 (Appendix A). This means the total debt recommended for write off in 12/13 was £2.748m (Appendix B) (£2.4m in 2011/12).

2.26 The figures in Appendix B identify a significant increase in the level of write-offs in Council Tax in 2012/13. This reflects a combination of a number of write-offs prepared in late 2011/12 but not processed until 2012/13, plus a more systematic and regular approach in 2012/13. The very low level of write-offs in Rents indicates that this is also needed in that area.

2.27 654 debts were written off in quarter 4 of which:

Absconded/not traced	Uneconomic to pursue	Debtor Insolvent	Other reasons
19.0%	65.9%	9.6%	5.5%

The Other reasons category includes examples such as: where a debtor is deceased; the debt is remitted by the court; and the debtor is living outside the jurisdiction of the English Courts and is unlikely to return.

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

2.28 In line with Council policy established in 2007 due to the difficulties of finding absconding debtors, a list showing the details of debtors who have had debts written off is attached to this report at Appendix C. The list has been limited to the ten largest debts only and can be used in the public domain.

3. Options Appraisal

3.1 This is not relevant for an information report.

4. Consultation

4.1 This is not relevant for this information report.

5. Financial Implications

Implications verified by: Jonathan Bunt, Divisional Director of Finance

5.1 Collecting all sums due to the Council is critical to its ability to function. In view of this, monitoring performance is a key part of the monthly meetings with Elevate.

5.2 The monthly meetings between Elevate and the Council focus on the areas where the targets are not being achieved and discuss other possibilities to improve collection. An example of this is the need to collect prior to or when a service is provided, thereby avoiding the need to raise an invoice and collect a debt.

5.3 These meetings also ensure that key activities to enable debts to be collected and accurately administered are being carried out. A key indicator of this is the processing of bad debts. At the end of Q4, the total of write-offs at £2.748m indicates that this is happening.

6. Legal Implications

Implications verified by: Eldred Taylor-Camara, Legal Group Manager

6.1 The pursuit of debts owed to the Council is a fiduciary duty. The Council seeks to recover money owed to it by the courts once all options are exhausted. Not all debt will be recovered and a pragmatic approach has to be taken with debts as being on occasions, uneconomical to recover in terms of the cost of process and the means of the debtor to pay. As observed in the body of this report, in the case of rent arrears, a possession and subsequent eviction orders are a discretionary remedy

and the courts will on many occasions suspend the possession order on condition the tenant makes a contribution to their arrears. The Council's decision to utilise Introductory Tenancies will over time begin to have an impact as only those tenants with a satisfactory rent payment history can expect to be offered a secure tenancy.

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

7. Other Implications

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

Background Papers Used in the Preparation of the Report:

- Continuous Service Improvement Plans (CSIPs) for Revenues Service areas.

List of appendices

- **Appendix A** – Debt Write Off Table for Quarter 4 2012/13.
- **Appendix B** – Debts written off in 2011/12 and 2012/13 totals.
- **Appendix C** – Ten Largest Debts Written Off in Quarter 4, 2012/13

Table 1: Debts Written Off during Quarter 4 2012/13 (£)

	Write-offs (£)	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NDR	TOTAL
Jan-13	Under 2k	26	9,883	38,803	76	0	41,458	90,247
	Over 2k	7,528	2,947	93,838	1,678	0	0.00	105,991
	Over 10k	0	0	0	0	0	0	0
	Total	7,554	12,830	132,641	1,754	0	41,458	196,238
Feb-13	Under 2k	0	5,731	0	955	0	0	6,686
	Over 2k	0	0	0	2,242	0	0	2,242
	Over 10k	0	0	0	0	0	0	0
	Total	0.00	5,731	0	3,197	0	0	8,928
Mar-13	Under 2k	38,065	20,982	18,814	0	21,955	0	99,816
	Over 2k	2,100	7,441	364,925	0	0	208,455	582,921
	Over 10k	0	0	0	0	0	0	0
	Total	40,165	28,423	383,739	0	21,955	208,455	682,737
Quarter 4 Totals		47,719	46,984	516,380	4,951	21,955	249,913	887,903

Table 2: Debts Written Off during Quarter 4 2012/13 (Numbers)

Write-offs (£)	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	Council Tax	NDR	TOTAL
Jan-13							
Under 2k	8	34	71	1	0	70	184
Over 2k	3	1	27	1	0	0	32
Over 10k	0	0	0	0	0	0	0
Total	11	35	98	2	0	70	216
Feb-13							
Under 2k	0	45	0	3	0	0	48
Over 2k	0	0	0	1	0	0	1
Over 10k	0	0	0	0	0	0	0
Total	0	45	0	4	0	0	49
Mar-13							
Under 2k	2	112	84	0	50	0	248
Over 2k	1	2	94	0	0	44	141
Over 10k	0	0	0	0	0	0	0
Total	3	114	178	0	50	44	389
Quarter 4 Totals	14	194	276	6	50	114	654

Table 2: Debts written off during 2011/12

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	PSL Homeless	Home Care	Residential Care	Council Tax	NNDR	TOTAL
2011/12 Totals	£260,487	£145,284	£987,383	£2,808	£N/A	£0	£0	£205,789	£772,683	£2,374,433

Table 3: Debts written off during 2012/13

Write Offs	Housing Benefits	General Income Debts	Former Tenant Arrears	Rents	PSL Homeless	Home Care	Residential Care	Council Tax	NNDR	TOTAL
2012/13 Totals	£110,876	£141,896	£886,890	£23,360	£N/A	£0	£0	£1,015,408	£569,842	£2,748,281

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Appendix C

Ten largest debts approved for write-off by the Chief Financial Officer - Quarter 4, 2012/13

NAME	AMOUNT	DEPARTMENT	REASON
Mr & Mrs Sweeney 000014383	£9,779	Former Tenants Arrears (FTA)	Tenant Evicted 9.12.2010, attempted to trace but no forwarding address found. Passed to Debt Collector 2011. Returned from Debt Collector unable to recover. Subsequently, a forwarding address was established from new information. 1 st former tenant letter sent, no response so 2 nd letter sent. No response to any letters, telephone call made to tenant on contact telephone number on system, went to voice mail. Referred again to Debt Collector. Returned back from Debt Collector unable to recover.
Mr H Gencer	£9,203	FTA	Tenant was deported. Tenancy Audit team request for authority to evict. Housing gained vacant possession and closed the tenancy. No forwarding address. Case passed to Debt Collector. Returned unable to trace.
Miss E O Johnson	£9,107	FTA	Tenant evicted. No Forwarding address. Referred to Debt Collector to trace but account returned from Debt Collector unable to trace.
Mr Imran Hammed	£9,031	National Non-Domestic Rates (NNDR)	Account liable from 12.4.2010 to 12.5.2011. No payments were received and recovery notices were issued. Mr Hammed contacted the service asking for help as he was in severe financial difficulty. He was advised that he could be offered an arrangement with costs from 1.1.2011 through to 1.3.2011 inclusive. Each instalment was for £2,724.75. No payments were received and the account referred to the bailiff on 19.4.2011. A new lease came in to the Business Rates section for a new occupier with effect from 12.5.2011. Mr Hammed's account was then closed and a final bill was sent to the mailing address held on the original lease agreement, the bailiff was informed and they continued to pursue the debtor. The account was returned from bailiffs and tracing began 20.09.2011. Various traces continued to be made but proved negative.

Appendix C

Celcom Ltd	£8,766	NNDR	<p>It was therefore decided to request debt to be written off as the team were unable to locate/ trace the debtor.</p> <p>This is for The Ship & Anchor Public House, Wood Lane, Dagenham.</p> <p>Account liable from 15.12.2010 to 1.4.2011. The account was closed on 12.6.2012 as per lease supplied from landlord. The company had actually dissolved 12.6.2012 and this is shown on the Companies House record. The account was therefore passed straight for write off as it no longer existed as a legal entity. There are no other routes of recovery as this company no longer exists so cannot be challenged further for outstanding debts.</p>
Mr Raja Zaheer Ahmed	£8,625	NNDR	<p>Account liable from 16.4.2009 to 16.5.2011. The account was opened on 27.11.2009 as per information supplied by Mullis & Peake solicitors on behalf of the landlord. A bill was issued to Mr Ahmed. No payments were received and recovery notices were issued: Reminder notice – 5.2.2010, Final notice – 23.2.2010, Summons – 15.3.2010, Liability Order 9.4.2010. The debt was referred to bailiff on 23.4.2010.</p> <p>The bailiff could not trace the debtor. Various traces were carried out in October 2010 but as no new information found the account was coded for re-tracing in 3 months time. On the 26.1.2011 further searches were carried out again and no positive results were found. Further attempts were made to locate Mr Ahmed and a land registry search showed that the proprietor was in fact Mr Raja Zaheer Ahmed with a forwarding address in E12. This address was added and a bill was sent. However, the bill was returned. The address appeared to be that of a member of his family.</p> <p>Further traces conducted were unsuccessful, so the account was amended to 'No Forwarding Address'. Further traces were unsuccessful and it was therefore decided to request debt to be written off as the team were unable to locate/ trace the debtor.</p>

Appendix C

Miss S Marrable	£8,143	FTA	Tenant evicted, no forwarding address identified. Case referred to Debt Collector to trace. Account returned from Debt Collector unable to trace.
Mr Amjad Hussain	£8,136	NNDR	Account open from 1.9.2009 until 21.5.2010 with payments totalling £636.40 made. All recovery action has been taken but ratepayer absconded. All tracing unsuccessful.
Miss C Jeeves	£7,101	FTA	Tenant evicted and no forwarding address. Later credit check identified a new address and letters sent but there was no response. Referred to Debt Collector to collect but account returned from Debt Collector as arrangement was put in place. Tenant stopped paying on arrangement and case referred back to Debt Collector. Case returned from Debt Collector as gone away/unable to trace. Account approved for write off. Subsequent email from LB Redbridge provided new address and write-off reversed. However, no response to letters. Case referred to Debt Collector but returned unable to trace.
Mr MJ Abdulkadir	£7,091	FTA	Tenant handed keys in before eviction, signed Notice to Quit and stated he has no forwarding address. Arrangement set but no payments were made and no forwarding address could be found. Case referred to Debt Collector but returned as unable to trace.

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