

Notice of Meeting

CABINET

Tuesday, 24 May 2016 - 7:00 pm
Council Chamber, Town Hall, Barking

Members: Cllr Darren Rodwell (Chair); Cllr Saima Ashraf (Deputy Chair) and Cllr Dominic Twomey (Deputy Chair); Cllr Laila Butt, Cllr Sade Bright, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

Date of publication: 16 May 2016

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AGENDA

1. Apologies for Absence

2. Declaration of Members' Interests

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.

3. Minutes - To confirm as correct the minutes of the meeting held on 19 April 2016 (Pages 3 - 12)

4. Provisional Revenue and Capital Outturn 2015/16 (Pages 13 - 54)

5. Procurement of New Housing IT System (Pages 55 - 69)

6. Council Sites - Land Disposals and Acquisitions (Pages 71 - 84)

Appendices 2 - 4 to this report are exempt from publication by virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 (as amended) as they relate to the financial and/or business affairs of the Council and/or other parties, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- 7. Any other public items which the Chair decides are urgent**

- 8. 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 paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

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



Our Vision for Barking and Dagenham

One borough; one community; London's growth opportunity

Encouraging civic pride

- Build pride, respect and cohesion across our borough
- Promote a welcoming, safe, and resilient community
- Build civic responsibility and help residents shape their quality of life
- Promote and protect our green and public open spaces
- Narrow the gap in attainment and realise high aspirations for every child

Enabling social responsibility

- Support residents to take responsibility for themselves, their homes and their community
- Protect the most vulnerable, keeping adults and children healthy and safe
- Ensure everyone can access good quality healthcare when they need it
- Ensure children and young people are well-educated and realise their potential
- Fully integrate services for vulnerable children, young people and families

Growing the borough

- Build high quality homes and a sustainable community
- Develop a local, skilled workforce and improve employment opportunities
- Support investment in housing, leisure, the creative industries and public spaces to enhance our environment
- Work with London partners to deliver homes and jobs across our growth hubs
- Enhance the borough's image to attract investment and business growth

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MINUTES OF CABINET

Tuesday, 19 April 2016
(7:00 - 8:40 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Laila Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Bill Turner and Cllr Maureen Worby

Apologies: Cllr Lynda Rice

115. Appointment of Cllr Sade Bright, Cabinet Member for Equalities and Cohesion

The Leader of the Council announced that he had appointed Councillor Sade Bright as Cabinet Member for Equalities and Cohesion with effect from 15 April 2016 and he welcomed Councillor Bright to her first meeting in the new role.

116. Declaration of Members' Interests

There were no declarations of interest.

117. Minutes (9 March 2016)

The minutes of the meeting held on 9 March 2016 were confirmed as correct.

118. Council's Response to the Growth Commission and Ambition 2020

The Leader presented a report on proposals to re-shape the Council and the way that it provides services via the Ambition 2020 programme as well as the next steps for achieving the Council's vision for growth.

The Leader commented that the Council was at a key point in its history and the proposals that were before Cabinet represented clear long-term goals that would allow the workforce and others to deliver the best possible service. The new path that the Council was on had received encouraging support from the independent Growth Commission that was launched in October 2015 and the Council had already adopted and begun implementing the 10 key steps set out in the Growth Commission's report. The circa £63m budget gap by 2020/21 meant that the Council had to significantly change the way that it operated and the Leader stressed the importance of consulting with the community and voluntary sectors, business and other stakeholders in the area and the Council's Select Committees to ensure that all parties were fully informed and engaged in the Ambition 2020 programme.

The current elements of the Ambition 2020 programme were presented in the form of two Design Principles that related to core functions and workforce and organisational development alongside 15 Service Design Proposals which set out the proposals for the future delivery of services. Councillor Carpenter referred to opportunities to raise income in respect of the Refuse and Home Services elements and the Leader confirmed that the Council had to be more commercially

mindful. Councillor Worby commented that the transformational nature of the proposals meant that the Council should not under-play the extent to which it and local residents needed to adapt and change and Councillor Twomey agreed with the view that the significant cuts to public sector funding had led to all local authorities having to re-think the way that they provided services to local people. Councillor Twomey also remarked on the key role that growth, investment and regeneration would have in ensuring that the Council was able to bridge the future budget shortfall.

Members spoke in support of the Growth Commission recommendations and the Ambition 2020 proposals and raised a number of issues including:

- The significance of the local community engaging in the process to ensure that the services that were provided in the future were the most important to them;
- The need to have clear strategies for engaging with all sectors of the local community, and especially the elderly, to ensure that no-one was left behind as the Council moved into a more digital age. In that respect, Councillor Worby referred to the Care City initiative which had a strong focus on digital systems designed for the elderly;
- The importance of focussing on outcomes for local residents. On that point, Councillor Turner referred to the graph within the draft public consultation document at Appendix 1 to the report which showed the very poor comparative outcomes for residents of Barking and Dagenham in the areas of deprivation, low pay, children in care, teenage conceptions, unemployment, GCSE and A level results, homelessness and domestic violence.

Cabinet **resolved** to:

- (i) Agree the publication of the document at Appendix 1, which sets out the Council's proposed response to the independent Growth Commission and the Ambition 2020 proposals, subject to the amendment of the document to reflect that the Council had already agreed to adopt the 10 key steps proposed by the Growth Commission and was in the process of implementing them;
- (ii) Agree an eight week period for public consultation, to commence on 20 April and end on 16 June, and note that a report will be presented in July 2016 detailing the results of consultation and inviting Cabinet to decide on the proposals in the light of consultation; and
- (iii) Agree the referral of recommendations 17 to 109 within the Growth Commission's report "No-one left behind: in pursuit of growth for the benefit of everyone" for consideration by Select Committees between May and July 2016.

119. Rationalisation of Corporate Office Portfolio - Update

Councillor Twomey presented an update report on the Civic Centre and Roycraft House elements of the corporate office portfolio rationalisation project approved by the Cabinet under Minute 78 (16 December 2014).

With regard to the Civic Centre, Councillor Twomey explained that in order to

expand the scope for opportunities and contribute to the objective of raising educational attainment in the community, it was proposed to extend the potential future use of the Civic Centre from the originally stated objective of secondary school use to a wider educational use. It was also the intention that any negotiations with potential future users of the building would include a requirement that part of the building would continue to be available for civic purposes, such as Council meetings.

In respect of Roycraft House, Councillor Twomey advised that the ongoing discussions with Agilisys had identified an alternative preferred option under which the Council would retain ownership of Roycraft House, as opposed to selling the building to Agilisys as was originally proposed. As part of the new arrangement, Agilisys would lease the whole building and the Council would lease back two floors to accommodate staff. The new arrangement would provide the Council with an ongoing revenue stream from the main lease with Agilisys, which was now considered to be more advantageous to the Council than a one-off capital receipt had the original sale option progressed, and would provide both parties with greater flexibility and options when the lease arrangement was due to end in 2020.

Cabinet Members spoke in support of the proposals and particularly welcomed the retention of the Civic Centre building for use as an educational establishment and for wider community and civic purposes.

Cabinet **resolved** to:

- (i) Agree to extend the potential future use of the Civic Centre from secondary school use to a wider educational use and seek to retain some use of the building for civic purposes;
- (ii) Agree that the Council retains ownership of Roycraft House and leases the whole building to Agilisys at market rent, co-terminus with the Elevate contract due to expire in 2020, and the leasing back by the Council of two of the floors for office accommodation;
- (iii) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Director of Law and Governance and the Cabinet Members for Finance and Regeneration, to negotiate final terms and agree the contract documents to fully implement the arrangements in respect of Roycraft House and the Civic Centre at a market rent; and
- (iv) Authorise the Director of Law and Governance, or an authorised delegate on their behalf, to execute all of the legal agreements, contracts and other documents on behalf of the Council.

120. Review of School Places and Capital Investment - Update April 2016

Further to Minute 63 (10 November 2015), Councillor Carpenter presented an update report in respect of the various school expansion projects aimed at addressing the demand for places in the Borough.

Councillor Carpenter advised that additional school places would be available from September 2016 in the primary sector at Gascoigne and Eastbrook schools and in

the secondary sector at Dagenham Park, Eastbrook, Riverside, Robert Clack and Greatfields schools. She also referred to the longer-term expansion projects at Barking Abbey, Furze Infants and Warren Junior schools and the new school provision at Lymington Fields site, which was now expected to be delivered as a Free School and, as such, would release the £32m previously provided for in the Council's Capital Programme.

The Department for Education (DfE) had allocated approximately £666,000 Devolved Formula Capital funding and £4.65m Maintenance and Modernisation funding for works at maintained Local Authority and Voluntary Aided schools during 2016/17. Councillor Carpenter advised that the two Borough MPs had raised a number of very important points relating to Barking and Dagenham's school places and funding pressures during an Adjournment Debate in the House of Commons on 17 March 2016, although disappointingly the Under Secretary of State for Education had failed to address their concerns.

Cabinet Members expressed their appreciation of the work being undertaken to meet the unprecedented demand for additional school places in the Borough, with the Leader commenting that the Council was meeting the challenges head on and helping London to move forward.

Cabinet **resolved** to:

- (i) Approve the Future Planning Programme to meet Basic Need (including SEN places) 2015 to 2021 (amended April 2016) as set out in section 2 and Appendix A of the report;
- (ii) Approve the inclusion in the Capital Programme of the DfE grant allocations for 2016/17 as detailed in section 3 of the report;
- (iii) Approve the various projects and associated changes to the Capital Programme as set out in sections 5 to 10 and summarised in Section 11 of the report;
- (iv) Delegate authority to the Procurement Board to consider and approve the final procurement strategies for each project, in accordance with the Council's Contract Rules; and
- (v) Delegate authority to the Corporate Director of Children's Services, in consultation with the Cabinet Member for Education and Schools, the Strategic Director of Finance and Investment and the Director of Law and Governance, to award the respective project contracts.

121. Barking Riverside Gateways Housing Zone

Further to Minute 8 (4 August 2014), Councillor Geddes presented a report on the Council's successful bid to the Greater London Authority for the Housing Zone proposal covering existing industrial areas on Thames Road and parts of River Road within Thames ward.

The Barking Riverside Gateways Housing Zone project would involve the phased development of around 3,000 homes, commercial space and associated facilities,

supported by a £30m grant from the GLA. Councillor Geddes elaborated on the benefits that the project would bring to the Thames ward area in terms of the new housing, improved school provision and the removal of some run-down industrial buildings as a way of bringing the Thames View Estate closer to the new Barking Riverside area. Alongside the benefits were a number of significant challenges and Councillor Geddes advised that a strategy was currently being developed to ensure that local residents, businesses and religious organisations occupying premises in the area would be involved during the redevelopment process.

In response to a question from Councillor Butt regarding the level of affordable housing that would be provided, Councillor Geddes advised that it was not possible to give a figure at such an early point in the process although he hoped to maximise the potential for the area as well as achieving the right balance between residential and industrial development. Councillor Carpenter particularly welcomed the plans to change some industrial uses on Thames Road to mixed use residential which would help integrate the new primary school at the eastern end of Thames Road into the wider community and, at the same time, make it safer and more attractive for pupils.

Councillor Turner spoke in support of the overall project, commenting that he hoped that the improved transport links, the recently announced Barking Riverside Healthy New Town designation and the removal of physical and perceptual barriers between Barking Riverside and the Thames View Estate would benefit all those that lived and worked in the area. In relation to the volume of waste facilities in that area, Councillor Geddes confirmed that discussions were ongoing with the Deputy London Mayor for Housing, Land and Property regarding the relocation of some of those facilities to provide a fairer spread across London, particularly bearing in mind that the Borough was now home to the London Sustainable Industries Park.

Councillor Twomey commented on the significant financial investment coming into the Borough in support of the Council's ambitious regeneration plans while the Leader referred to the work being undertaken to improve health facilities in the area through the Accountable Care Organisation initiative.

Cabinet **resolved** to:

- (i) Agree to enter into the Overarching Borough Agreement and associated Intervention Agreement(s) with the Greater London Authority, forming the basis for the Housing Zone arrangements with the Council, as set out in the report;
- (ii) Agree to the principle of a phased redevelopment of the area shown in Appendix 1 for a housing-led, mixed used development;
- (iii) Agree to the principle of procuring a long term funding partner with a view to managing the area and holding property over the long term;
- (iv) Delegate authority to the Strategic Director for Growth and Homes, in consultation with the Strategic Director of Finance and Investment, the Director of Law and Governance and the Cabinet Members for Finance and Regeneration, to approve land purchases within the Barking Riverside

Gateways Housing Zone area, subject to available funding;

- (v) Agree that, should negotiations with landowners not progress, the Council use its Compulsory Purchase Order (CPO) making powers pursuant to Section 226 of the Town and Country Planning Act 1990 (As Amended) for the acquisition of the leasehold and freehold interests in the properties for the purposes of securing land needed to allow the redevelopment of these areas;
- (vi) Delegate authority to the Strategic Director for Growth and Homes, in consultation with the Director of Law and Governance, to take all necessary steps to secure the making, confirmation and implementation of a CPO within the Housing Zone area including the publication and service of all Notices and the presentation of the Council's case at any Public Inquiry;
- (vii) Agree that the GLA Housing Zone funding of £30m shall not be used to purchase any of the Council's property interests in the area and used instead to provide a receipt or income stream from subsequent development; and
- (viii) Agree that a further report be presented to Cabinet on options for the delivery of new homes on the site.

122. Council-Owned Infill Sites for Residential and Temporary Residential Development

Further to Minute 53 (13 November 2012), Councillor Geddes presented a report on the latest proposals to use vacant or under-used Council land as potential development sites for new Council housing.

Councillor Geddes advised that approximately 200 - 250 Council houses were being lost each year as a consequence of Right to Buy while a number of the Government's policies were increasing homelessness. The proposals within the report to develop a further 14 sites would help to address the shortfall and increasing need for temporary accommodation, as well as the Council's ambition to expand shared ownership opportunities for local people.

Councillor Geddes confirmed that further reports on each of the potential 14 development sites would be presented to Cabinet once full feasibility studies had been carried out.

Cabinet **resolved** to:

- (i) Agree the bringing forward of the 14 new infill sites for residential development in addition to the remaining sites agreed by Cabinet under Minute 53 (13 November 2012) as listed in the report, subject to further feasibility and planning work to determine the number of new units and funding arrangements and consultation with relevant Ward Members;
- (ii) Agree that the sites at Sugden Way, Mellish Close, Naseby Road and Woodward Road be used as temporary housing sites, subject to further feasibility and planning work to determine the number of units and funding

arrangements;

- (iii) Agree to cease the letting of garages on the infill sites listed in the report with immediate effect;
- (iv) Delegate authority to the Strategic Director for Growth and Homes, in consultation with the Strategic Director for Finance and Investment, the Director of Law and Governance and the Cabinet Members for Finance and Regeneration, to agree terms and detailed financial cost plans and procure the design, consultancy and related services and works necessary to realise the developments proposed in the report, and to award and enter into all necessary and appropriate contracts and documentation to realise each scheme;
- (v) Delegate authority to the Strategic Director for Growth and Homes, in consultation with the Cabinet Members for Finance and Regeneration, to determine the prioritisation of the 14 sites listed in the report and the remaining sites from the November 2012 report taking into account factors such as the outcome of public consultation, the likely delivery timescales and funding availability;
- (vi) Approve the commencement of further capacity studies and concept design work for the former Weighbridge site adjacent to the Goresbrook Leisure Park and note that a further report will be presented to Cabinet to decide on the final development options;
- (vii) Approve the commencement of further capacity studies and concept design work for the Transport for London owned Gale Street site adjacent to Becontree Station with a view to acquiring the site for residential development and note that a further report will be presented to Cabinet to approve the terms, development parameters, delivery options and funding proposals;
- (viii) Agree, in principle, to the site at 90 Stour Road being included into the Becontree Heath Master plan delivery proposals, subject to advice on procurement and further study on the implications for the adjacent Housing Revenue Account (HRA) residential units and note that a further report will be presented to Cabinet for final approval;
- (ix) Approve the commencement of high level concept design development work for the current Royal British Legion site in Rectory Road including a full study of the options for inclusion of the adjacent Council owned car parks and housing sites with a further report being presented to Cabinet for final approval; and
- (x) Agree to funding being included within the HRA Capital budget from 2016/17 onwards for the named HRA sites.

123. Procurement of a Replacement Children's and Adults Electronic Social Care System

Councillor Worby introduced a report on the proposed replacement of the existing

database for children's and adults' social care records via the Crown Commercial Services Framework (RM1059) procurement route.

Councillor Worby advised that the existing system was not fit-for-purpose going forward, albeit that it would continue to be used while the new system, which would utilise the latest technology and offer greater flexibility as well as being far more cost effective, was being implemented. It was noted that funding for the project had already been provided for in the Council's Capital Programme and Councillor Worby confirmed that the contract specification included 'future-proofing' requirements to ensure that the new system was capable of interfacing with existing and future Council IT systems, in line with the Council's IT Strategy.

Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a new electronic social care system in accordance with the strategy set out in the report; and
- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Cabinet Member for Adult Social Care and Health, the Strategic Director of Finance and Investment and the Director of Law and Governance, to award and enter into the contracts and access agreements, for the initial and relevant extended periods.

124. Establishment of the Local London Joint Committee

The Leader introduced a report on the proposed creation of the Local London Joint Committee which would replace the North East London Strategic Alliance (NELSA) as the sub-regional partnership responsible for driving forward the devolution agenda for the north-east London area.

Barking and Dagenham would be joined on Local London by the Boroughs of Bexley, Enfield, Greenwich, Havering, Newham, Redbridge and Waltham Forest, with the Joint Committee acting as the main conduit for communication with the Government on a range of issues including employment and skills, health, housing and other major infrastructure projects.

Cabinet **resolved** to:

- (i) Agree the creation of the Local London Joint Committee to discharge executive functions on behalf of Local London member councils;
- (ii) Agree that the London Borough of Barking and Dagenham enters into and signs up to the Local London Inter-Authority Agreement at Appendix A to the report (incorporating the Memorandum of Understanding and Terms of Reference) to facilitate the Council's membership of Local London;
- (iii) Delegate such executive powers and authority to the Local London Joint Committee as are necessary to facilitate and implement the Objectives and programmes of Local London in accordance with the provisions of the Inter-Authority Agreement and Terms of Reference;
- (iv) Agree the appointment of the Leader and Chief Executive of the Council to

the Local London Joint Committee;

- (v) Delegate authority to the Leader and Chief Executive and any substitutes appointed by them, to do all such things and enter such agreements as are required under the Inter Authority Agreement and as are agreed by the Joint Committee in furtherance of the Objectives of Local London; and
- (vi) Agree that the Council contributes £50,000 as an annual subscription to Local London.

125. New Cabinet Portfolios

The Leader advised that in order to reflect the Council's new holistic and cross-working approach to service delivery under the Ambition 2020 programme, he had agreed the following new Cabinet portfolio positions which would be effective from 20 April 2016:

- Community, Leadership & Engagement – Cllr Saima Ashraf (Deputy Leader)
- Finance, Growth & Investment – Cllr Dominic Twomey (Deputy Leader)
- Equalities & Cohesion – Cllr Sade Bright
- Enforcement & Community Safety – Cllr Laila Butt
- Educational Attainment & School Improvement – Cllr Evelyn Carpenter
- Economic & Social Development – Cllr Cameron Geddes
- Environment & Street Scene – Cllr Lynda Rice
- Corporate Performance & Delivery – Cllr Bill Turner
- Social Care & Health Integration – Cllr Maureen Worby

126. Private Business

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

127. Purchase of Former Sacred Heart Convent, Goresbrook Road, Dagenham

(The Chair agreed that this report could be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order for the Cabinet to consider the proposed purchase of a property within the very limited timescale set by the site owner.)

Councillor Twomey presented a report on the proposed purchase of the former Sacred Heart Convent site, Goresbrook Road, Dagenham.

Councillor Twomey advised that the Council had been minded to purchase the site a couple of years ago but the matter had not progressed. A fresh opportunity to purchase the site had now come to light, with the Council being offered first option before the site was offered for general sale on the open market, subject to a deal being concluded within four weeks.

Members noted details of the initial valuations of the site based on the building being used as an elderly persons care home, for which planning permission was

granted in January 2016, and Councillor Twomey outlined the benefits to the Council of purchasing the site and the potential uses for the building.

Cabinet **resolved** to:

- (i) Agree that appropriate financial provision, as detailed in section 5 of the report, be made within the 2016/17 Capital Programme to facilitate the purchase (and associated fees and Stamp Duty Land Tax) of the former Sacred Heart Convent site, as shown edged red in Appendix 1 to the report;
- (ii) Authorise the Strategic Director of Growth and Homes, in consultation with the Strategic Director of Finance and Investment, the Director of Law and Governance and the Cabinet Member for Finance, to progress the purchase of the former Sacred Heart Convent site on the terms set out in the report and to enter into all necessary agreements to complete the purchase;
- (iii) Agree that the call-in procedure shall not apply in view of the very limited timescale set by the site owner in which to conclude the purchase, in accordance with the waiver arrangements under paragraph 6.16, Chapter 8, Part 2 of the Council's Constitution; and
- (iv) Note that a further report will be presented to Cabinet if the land purchase is secured setting out proposals for the future use of the site and the revenue funding arrangements associated with the cost of borrowing.

CABINET**24 May 2016**

Title: Provisional Revenue and Capital Outturn 2015/16	
Report of the Cabinet Member for Finance, Growth & Investment	
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: Kathy Freeman, Finance Director	
Accountable Director: Jonathan Bunt, Strategic Director of Finance and Investment	
<p>Summary:</p> <p>The Council's revenue outturn (subject to final accounting entries) is a net spend over budget of £2.9m against a net revenue budget of £151.4m (1.9%). The final position is provisional pending the full closure of the Council's accounts, as the Statement of Accounts is to be drafted and then subjected to external audit.</p> <p>The 2015/16 net spend above budget of £2.9m, together with financing Ambition 2020 and the Growth Commission has resulted in the General Fund (GF) balance decreasing from £26.0m to £21.1m.</p> <p>Whilst this represents a reduction in available reserves, the balance remains above the £15m General Fund balance target identified in the report to Assembly in February 2015 on the Budget for 2015/16 by the Strategic Director of Finance and Investment.</p> <p>The revenue outturn figures have been calculated after taking into account roll forward requests contained in Appendix D of the report.</p> <p>The Housing Revenue Account (HRA) broke even as forecast and the HRA balance (which is ring-fenced) remains at £8.7m as at 31 March 2016.</p> <p>Capital spend of £146.0m was incurred in 2015/16 against the revised capital budget of £134.7m. Underspends on capital projects are requested to be rolled forward and are included in Appendix E of the report.</p>	
Recommendation(s)	
The Cabinet is recommended to:	
<ul style="list-style-type: none"> (i) Note the provisional outturn position for 2015/16 of the Council's revenue budget as detailed in paragraphs 2.1 to 2.13 and Appendix A of the report; (ii) Note the provisional outturn against the 2015/16 savings targets in paragraph 2.14 	

and Appendix B of the report;

- (iii) Note the provisional outturn position for the HRA as detailed in paragraph 2.15 and Appendix C of the report;
- (iv) Approve the requests to roll forward revenue budgets into 2016/17 as noted in paragraph 2.4 and the resulting budget amendments contained in Appendix D of the report;
- (v) Note the provisional outturn position for 2015/16 of the Council's capital budget as detailed in paragraph 2.16 and Appendix E of the report; and
- (vi) Approve the requests to roll forward slippage and re-profiled spend in capital projects to 2016/17 as contained in Appendix E of the report.

Reason(s)

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

1 Introduction and Background

- 1.1 This report provides a summary of the Council's General Fund and Housing Revenue Account (HRA) revenue and capital provisional outturn positions for 2015/16. Pressures on services and budgets, together with significant investment in plans to transform the operation of the Council have seen the General Fund balance decrease by £4.9m to £21.1m. This position includes the achievement of £22.0m of in-year savings targets that represented a significant challenge for the Council.
- 1.2 For comparison with 2014/15, the Final Outturn report to Cabinet on 23 June 2015 reported that, as at 31 March 2015, General Fund balances stood at £26.0m. This was a decrease of £1.1m on the position at 31 March 2014.
- 1.3 It is important that the Council monitors its revenue and capital budgets regularly to ensure good financial management. This involves monitoring the Council's financial results on a monthly basis through briefings to the Cabinet Member for Finance, Growth & Investment and monthly monitoring reports to Cabinet. This ensures Members are regularly updated on the Council's overall financial position and enables the Cabinet to make sound financial and operational decisions.
- 1.4 This report is based upon the core information contained in the Oracle general ledger system supplemented by examination of budgets between the budget holders and the relevant Finance teams. In addition, there is an extensive capital monitoring process to ensure capital outcomes are met. The position in this report may be subject to change as the Council finalises the entries required to produce the statutory Statement of Accounts, and that Statement will be subject to review by external audit over the summer.
- 1.5 The last Budget Monitoring Report for 2015/16 was presented to Cabinet on 9 March 2016 covering the period April 2015 to January 2016. It projected a

reduction in the General Fund balance of £4.9m over a two year period to 31 March 2017, to take into account further expenditure on service transformation, resulting in a projected final balance of £21.1m as at 31 March 2017. The table below compares the projected use of reserves to the provisional outturn. It should be noted that further expenditure will be incurred in 2016/17.

Projected Level of Reserves	March Cabinet Projection £'000	Provisional Outturn £'000	Variance £'000
Current GF balance	26,024	26,024	0
Other available reserves	7,127	7,127	0
Total available reserves	33,151	33,151	0
Calls on reserves:			
Implementation of savings proposals	(4,481)	(1,947)	2,534
Growth Commission & Ambition 2020	(2,100)	(1,931)	169
Projected overspend	(5,451)	(2,984)	2,467
Reserves used	(12,032)	(6,862)	5,170
Projected remaining reserves	21,119	26,289	5,170
Allocation of cost:			
General Fund balances	26,024		
less Growth Comm/A2020 & GF overspend	(4,915)		
Revised GF balance		21,109	
Other available reserves	7,127		
less implementation of savings proposals	(1,947)		
Revised other available reserves		5,180	

2 Overall Outturn Position

- 2.1 The Directorate revenue outturn is a net spend above budget of £2.9m at the end of the financial year 2015/16. Whilst this has resulted in a reduction in the Council's General Fund (GF) balance, it remains well above the target balance of £15.0m. The Strategic Director of Finance & Investment 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 2015/16 annual budget and Council Tax, the Strategic Director of Finance and Investment, after consideration of the factors outlined in the CIPFA guidance on Local Authority Reserves and Balances 2003, set a target GF reserves level of £15.0m. The General Fund balance at 31 March 2015 was £26.0m and the current balance for the end of the financial year is £21.1m.
- 2.3 The outturn position for 2015/16 across the Council for the General Fund is shown in the table below.

Council Summary	Net Budget £'000	Provisional Outturn 2015/16 £'000	Over/(under) Budget £'000
<u>Directorate Expenditure</u>			
Adult and Community Services	53,113	53,163	50
Children's Services	61,673	66,887	5,214
Housing (GF)	3,369	3,623	254
Environment	19,267	19,370	103
Chief Executive	18,591	17,640	(951)
Central Expenses	(4,569)	(6,255)	(1,686)
Total Service Expenditure	151,444	154,428	2,984

- 2.4 The GF outturn is shown by Service in Appendix A, and after taking into account roll forwards requested in Appendix D of the report.
- 2.5 The report to March Cabinet showed a forecast overspend of £5.451m, primarily due to the overspend in the Complex Needs and Social Care division of Children's Services. Whilst this division still recorded a substantial overspend, other budgets recorded reduced expenditure, details of which are given in the directorate summaries. The Council's net budget is unchanged since the last report to Cabinet, but there have been changes between services primarily due to reserve transfer adjustments. These changes do not impact on the services' controllable budgets.
- 2.6 At the 31 March 2016, the HRA had spent to budget, resulting in the HRA balance remaining at £8.7m.

	Balance 1 April 2015 £'000	Balance 31 March 2016 £'000	Minimum Balance 31 March 2016 £'000
General Fund	26,024	21,109	15,000
Housing Revenue Account	8,736	8,736	8,736

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

2.7 Directorate Performance Summaries

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

2.8 Adult and Community Services

	Outturn 2014/15 £'000	Budget 2015/16 £'000	Outturn 2015/16 £'000	Variance	
				£'000	%
Net expenditure	54,025	53,113	53,163	50	0.1

- 2.8.1 Approximately in line with previous forecasts, the Adult and Community Services directorate is reflecting a small overspend position at year end. This position

achieved includes a draw down from the departmental reserve of £1.538m to manage pressures. The main pressures have been against the purchase of adult social care, income pressures in the culture and sports division and undelivered savings targets.

2.8.2 The comments in the paragraphs below relate to the divisional figures shown in appendix A to the report. The Adult Social Care division reflects an overall forecast pressure of £1.507m, a slight movement from the position reported in March of £1.503m. The main pressure remains against the purchase of adult social care across all client groups (except mental health).

2.8.3 The Mental Health service which is in partnership via a Section 75 agreement with North East London NHS Foundation Trust (NELFT) is reflecting a pressure of £0.172m a £0.105m reduction from last month's position of £0.277m which is mainly due to the management of the admission and discharge process. The pressure still remains around the number of residential placements.

2.8.4 The majority of the overall pressure of £1.224m in Culture & Sport relates to the impact of the delayed opening of the Abbey Leisure Centre and the resultant reduction in income and also lower membership numbers than anticipated this pressure amounts to £0.700m. The other pressures within this division include, NNDR cost pressures and pressures arising from the delay to the transfer of the management of the Broadway Theatre to Barking & Dagenham College.

2.8.5 The Council's Public Health revised grant allocation for 2015/16 is £15.727m which includes a £2.512m part year transfer of the 0-5 children's public health commissioning to the Local Authority and an in year funding cut of c£1m. The impact of the funding cut was mitigated by the 2014/15 underspend of £0.978m carried-forward and held in reserves. Therefore the current spend over budget of £0.817m has been funded from a draw down from reserves, leaving a balance of £0.161m in reserves to be utilised in 2016/17.

2.8.6 A challenging savings target of £4.145m was built into the 2015/16 budget. These have largely been delivered or already implemented. However, there has been an under delivery of £0.435m (see savings tracker for further details). Delays to the Leisure Trust saving proposal (ACS/SAV/36) led to a £0.250m pressure that was managed corporately.

2.9 Children's Services

	Outturn 2014/15	Budget 2015/16	Outturn 2015/16	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	67,359	61,673	66,060	4,387	7.1
Programme costs			827	827	
			66,959	5,214	8.4

2.9.1 The outturn position for the service is an overspend of £4.387m against a budget of £61.745m. A divisional breakdown of the position is shown in appendix A. The position includes the full delivery of the departments £2.065m 2015/16 savings target and reduction in the overspend through the Social Care Ambition and

Financial Efficiency programme (SAFE). When the cost of the SAFE team is added, the overspend rises to £5.214m. Corporate funding of £1.7m and partnership funding of £0.474m has also been allocated to support the position in 2015/16.

2.9.2 The release of a further £0.350m of SEND funding which was originally set aside to support statutory services to 18+ was reported to March Cabinet. This service is being reviewed and a paper being developed for 2016/17. The outturn position has seen an overall positive movement of £1.097m on the position reported in March, including the costs of the SAFE team.

2.9.3 The main area of overspend was Complex Needs and Social Care, as has been reported since July 2015. March's report indicated an overall overspend of £5.800m in this division. The table below shows the original forecast overspend in July at the commencement of the SAFE programme together with progress made to year end, where a final overspend of £4.838m is shown. The reduction delivered of £6.217m is inclusive of the £2.2m corporate funding and £0.75m appropriation of SEND funding (£0.4m originally agreed plus £0.35m in March) set aside to support statutory services to 18+.

	Original Forecast Overspend	Reduction Delivered	Outturn Forecast
	£'000	£'000	£'000
Complex Needs			
Agency /Staffing/ASYE	3,365	(1,725)	1,640
Placements	3,919	(612)	3,307
Transport	543	(380)	163
Legal	500	(131)	369
NRPF	1,600	(260)	1,340
UASC	1,128	(159)	969
Funding Adjustments	0	(2,950)	(2,950)
Total Complex Needs	11,055	(6,217)	4,838

2.9.4 One of the main areas of expenditure reduction has been in staffing costs. Significant reductions have been achieved in this area primarily as a result of the service continuing to freeze a number of vacant posts and reduce agency staff numbers and spend. It should be noted that recruitment of permanent social workers continues to be difficult and will present a significant challenge in 2016/17.

Dedicated School Grant (DSG)

2.9.5 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 2015/16 DSG of £208.0m was received with £2.2m being retained centrally. Final closure of the schools accounts is underway and the figure shown in Appendix A for transfer from the DSG reserve is likely to change. However, there will be no effect on the overall figure for Children's Services and the Council's overall net spend.

2.10 Housing General Fund

Directorate Summary	Outturn 2014/15	Budget 2015/16	Outturn 2015/16	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	3,417	3,369	3,623	254	7.5

2.10.1 The Housing General Fund is expected to overspend by £0.254m at year end. This is due to the increased cost of bed and breakfast placements, ongoing costs associated with placing people through the Rent Deposit Scheme, incentive payments to private sector landlords and costs incurred in respect of the provision of additional security at the hostels.

2.10.2 The number of Bed and Breakfast placements fluctuated greatly during the course of the year. In the early part when the numbers were around 40, the resulting under spend was used to fund incentive payments to Private Sector Lease providers in order to ensure a continuous supply of properties, enhanced on site security, reception improvement works at several of the Council's homeless hostels and back dated payments to the ELHP. However, this figure grew steadily throughout the year and peaked in January at over 100. The opening of Butler Court Hostel in the last week of January and active place management with private sector lettings agencies facilitated a reduction in numbers in the final months of the year.

2.10.3 A further pressure also became evident in the latter months of the year resulting from a change in the Rent Deposit Scheme which led to a shortfall in income received through Housing Benefit, causing an overspend of £0.086m.

2.10.4 Over the year, former tenant arrears increased month on month due to an increase in the number of evictions. The budget available to top up the bad debt provision became insufficient resulting in a £0.101m pressure.

2.11 Environment

Directorate Summary	Outturn 2014/15	Budget 2015/16	Outturn 2015/16	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	19,687	19,267	19,370	103	0.5

2.11.1 Environmental Services is expected to overspend by £0.103m at year end. This is an improvement of £0.197m from the position reported to Cabinet in March. This reduction is mainly as a result of additional income received and the impact of maintaining expenditure restraints across the service.

2.11.2 This year the service has absorbed pressures totalling £2.039m mainly against its staffing and income targets and the under achievement of its savings targets against Refuse services and public realm advertising. Mitigating actions put in place to deal with these pressures included utilising one off grants, reviewing income opportunities, holding posts vacant, ensuring recharges and income collection are up to date and maintaining expenditure restraint across the service.

2.12 Chief Executive's Directorate

	Outturn 2014/15	Budget 2015/16	Outturn	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	18,716	18,591	17,640	(951)	(5.1)

2.12.1 The underspend position reported to March Cabinet has changed favourably by £0.801m to £0.951m. The change was mainly accounted for by an increase in invoices raised to recover housing benefit overpayments. The overpayments were identified following an exercise to deal with a backlog in the processing of housing benefit claims that was carried out towards the end of the financial year. A contribution has been made to the provision for bad and doubtful debts to cover this income, but a favourable variance to budget was still achieved. Other significant variances were the deferment of a borough characterisation study by Regeneration (£0.08m), netted against an under-achievement of £0.219m in the recovery of court costs relating to Council Tax and NNDR.

2.13 Central Expenses

	Outturn 2014/15	Budget 2015/16	Outturn	Variance	
	£'000	£'000	£'000	£'000	%
Net expenditure	2,186	(4,569)	(6,255)	(1,686)	(36.9)

2.13.1 This budget covers treasury management costs (interest paid on loans and received on investments), budgets to cover the costs of redundancy and doubtful debts and a small contingency to cover any unforeseen pressures. Underspends have been achieved through a VAT refund, a reduced contribution to capital financing and procurement savings. The underspend shown of £1.686m is an improvement of £0.486m on the position reported to Cabinet in March 2016 across a range of expenditure and income lines.

2.14 2015/16 In-Year Savings Targets

The delivery of the 2015/16 budget was dependent on meeting a savings target of £23.5m. Directorate outturns are summarised in the table below.

Directorate Summary of Savings Targets	Target £'000	Outturn £'000	Shortfall £'000
Adult and Community Services	4,145	3,710	435
Children's Services	2,065	2,065	-
Housing (GF)	1,005	1,005	-
Environment	1,710	1,469	241
Chief Executive	14,595	13,975	620
Total	23,520	22,224	1,296

Where there are shortfalls, these have been managed within existing budgets and do not affect the monitoring positions shown above. A detailed breakdown of savings is provided in Appendix B.

2.15 Housing Revenue Account (HRA)

2.15.1 The HRA has delivered a breakeven position with HRA balances remaining at £8.7m. More detail is shown in Appendix C.

Income

2.15.2 Total gross HRA income was over budget by £2.637m, as per Appendix C. The main reason for the over achievement of income was an increase in the number of HRA Decants being used for temporary accommodation, generating £1.3m of additional income. Higher than budgeted levels of water and sewerage income, including the associated commission paid, generated £0.65m of additional income compared to the forecast budget. There was a zero impact to the HRA of the increased water charges as an additional payment is passed through to the water company. Additional unbudgeted ad hoc income of £0.7m was generated from external partners for housing management services provided. Finally, interest on cash balances achieved a better return than budgeted due to a higher interest rate being achieved by the treasury team.

Expenditure

2.15.3 Total gross HRA expenditure was over budget by £2.637m, as per Appendix C. The main area of overspend was in supervision and management (£3.2m), which was mitigated by associated income increases in temporary accommodation and water charges (see para. 2.15.2 above) to give a net figure of £1.6m. This net overspend included charges for extra activity agreed by HRA management during the year, resulting in additional costs of £1m being charged by General Fund departments.

2.15.4 There was a gross Repairs and Maintenance overspend of £1.4m due to on-going pressures on staffing and sub contractor budgets. Some £0.8m of costs related to temporary accommodation decants (corresponding rental income is included above) giving a net pressure of £0.6m.

2.15.5 The full budgeted level of bad debt provision contribution was not required in 2015/16 due to delays in the government's welfare reform policy which had been anticipated to take effect when the budget was set. The level of in-year contribution required was therefore only £0.500m. Additional Bad Debt Provision contribution may be necessary from 2016/17 with further changes in HRA Government Housing Rent policies due to be introduced (e.g. Pay to Stay and Welfare reform).

2.15.6 Interest payable on debt was lower due to the delays in the delivery of a capital scheme, Leys Phase 2, which it was assumed required borrowing of £3.2m in 2015/16. The charges have been deferred until 2016/17. This has resulted in an underspend of £0.8m in 2015/16 against the interest budget.

2.15.7 The Revenue contribution to capital of £38.4m was the final balance of revenue resources available in 2015/16 for capital funding purposes. The net overspends in Repairs & Maintenance and Supervision & Management partially offset the

underspends on the bad debt revenue contribution and the lower interest payments. As a result additional revenue contribution towards capital expenditure of £1.225m was available in 2015/16. This was used towards funding the accelerated capital expenditure on Estate Renewal and Investment in Stock Capital schemes in 2015/16.

HRA Balance

2.15.8 It is expected that HRA balances will remain at £8.7m at year end.

2.16 Capital Programme

The Capital Programme provisional outturn is summarised in the table below. The detailed scheme breakdown is shown in Appendix E.

Directorate Summary of Capital Expenditure	Original Budget £'000	Revised Budget £'000	Outturn 2015/16 £'000	Variance to revised budget £'000
Adult & Community Services	2,682	2,192	1,903	(289)
Children's Services	32,799	27,111	32,590	5,479
Environmental Services	4,215	4,005	3,473	(532)
Chief Executive	12,437	10,669	9,959	(710)
Housing GF (EIB-funded)	-	9,222	15,256	6,034
Sub-total - GF	52,133	53,199	63,181	9,982
HRA	77,987	81,493	82,867	1,374
Total	130,120	134,692	146,048	11,356

2.16.1 Summary

The original budget approved by Cabinet in June 2015, including those rolled forward from 2015/15, totalled £130.120m. The main adjustment to the budget in year was for Housing General Fund projects, funded by a loan from the European Investment Bank. There was a final approved capital budget for 2015/16 of £134.692m, and total spend exceeded this by £11.356m to reach £146.048m. This is essentially a result of accelerated spend from future years, as opposed to unfunded or unplanned overspends, and as such future year budgets will be brought forward / reduced accordingly.

2.16.2 Adult & Community Services

Adult & Community Services has a revised budget of £2.192m and underspent against this by £0.289m. There were a number of individual variances, including those over £0.1m: private sector household adaptations (£0.114m overspent), Barking Leisure Centre (£0.311 underspent), and Broadway Theatre (£0.150m underspent).

2.16.3 Children's Services

	Budget 2015/16 £'000	Outturn £'000	Variance £'000
Primary Schools	13,227	11,341	(1,885)
Secondary Schools	8,438	14,024	5,585
Other Schemes	5,446	7,225	1,779
Total	27,111	32,590	5,479

The Children's Services capital programme had a revised budget of £27.110m in 2015/16. The provisional outturn is a variance of £5.479m – a movement of £1.71m to the position reported in March.

2.16.4 The underspend reported against the Primary Schools programme of £1.885m is mainly due the timing of the claim for payment from the contractor (£1.06m) and an underspend at Manor Longbridge (£0.3m) and Roding Primary (£0.13m) due to retained monies after completion. Underspends were also reported at Village Infants (£0.411m) as the programme expected work to start in January 2016 but was delayed to April 2016. There is also an underspend at Warren/Furze (£0.203m) which has been caused by delayed to the phased expansion. These underspends were compensated by accelerated spend at Marsh Green Primary (£0.377m) and Barking Riverside City Farm (£0.109m).

2.16.5 The Secondary Schools programme is reporting a variance of £5.585m which is mostly due to accelerated spend at Barking Riverside Secondary Free School (£5.07m). There were initial delays in the project as a result of land issues with BRL, which led to the budget being profiled back into latter years during the mid-year re-profile. However these issues were overcome through the year which resulted in the project accelerating, back to the position where it had originally been planned. There has also been accelerated spend on Eastbury Secondary (£0.901m). There has been a delay to the Robert Clack expansion programme due to ongoing discussions with the School Governing body which has resulted in an underspend of £0.583m.

2.16.6 There has been accelerated spend on other capital schemes which includes works as part of the Schools Modernisation programme, which is used for the refurbishment of school facilities. Over and underspends are drawn from or returned to the available funding, and re-profiled between years where necessary, and the overall programme is on track to be completed within the total funding available.

2.16.7 Environmental Services

Environmental Services has a revised budget for 2015/16 of £4.005m, and underspent by £0.532m overall. Within this, the street lighting scheme overspent by £0.024m, which will be funded by bringing forward / reducing the 2016/17 budget allocation. Other schemes underspent including Backlog Capital (£0.047m), Structural Repairs and Bridge Maintenance (£0.133m), Fleet Management & Depots (£0.231m), BMX Track (£0.061m), and Strategic Parks (£0.076m) – all of which will roll forward into the 2016/17 budget.

2.16.8 Chief Executive Department

The Chief Executive Department has a revised 2015/16 budget of £10.669 and underspent against this by £0.711m. There are a number of individual over and underspends within this position, many of which are less than £0.1m. The most significant variances are the Oracle R12 project (£0.307m underspent); the scheme to establish a Council ESCo (£0.125m underspent) – which only incurred revenue costs this year, as well as the TfL schemes (combined).

2.16.9 Housing General Fund (EIB)

The Housing General Fund (EIB) schemes had a revised 2015/16 budget of £9.222m and exceeded this by £6.034m. This is a large multi-year project, and future budgets will be re-profiled accordingly.

2.16.10 HRA

The HRA has a revised capital budget of £81.493m and overspent this by £1.374m. Summarised reasons for variance are shown below, with full details in Appendix E.

2.16.11 Investment in Stock

The revised budget for Investment in Stock was £44.845m, and it overspent against this by £2.067m. This is a net position and also includes a number of individual underspends. The most significant variances are in relation to Voids (£1.126m overspent) and Decent Homes (all locations - combined overspend of £0.946m).

2.16.12 New Build

The New Build schemes had a revised budget of £26.917m and underspend by £1.994m in total, which will be rolled forward into the 2016/17 programme.

2.16.13 Estate Renewal

This project had a revised budget of £9.730m and overspend by £1.300m. This results from a substantial increase in the number of completed leasehold buybacks and advanced progress on demolition works.

2.16.14 Under and overspends across the HRA are drawn from / returned to the total capital funding available per the HRA business plan.

2.17 Financial Control

2.17.1 At the end of 2015/16 all key reconciliations have been prepared and reviewed. There were no major reconciling items unexplained.

3 Options Appraisal

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

4 Consultation

4.1 The report has been circulated to appropriate Corporate Directors for review and comment on the elements relating to their Directorates. Individual Directorate elements will be subject to scrutiny and discussion at their respective Directorate Management Team meetings. This will occur between production of this report and the Cabinet meeting.

5 Financial Implications

5.1 This report details the financial position of the Council.

6 Legal Implications

6.1 There are no legal implications.

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

List of Appendices:

- Appendix A – General Fund Outturn
- Appendix B – Savings Targets Outturn
- Appendix C – Housing Revenue Account Outturn
- Appendix D – Revenue Roll Forward Requests
- Appendix E – Capital Outturn

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GENERAL FUND REVENUE MONITORING STATEMENT

Provisional Outturn 2015/16

Directorate	Outturn 2014/15	Revised Budget	Provisional Outturn	Forecast Variance
	£000	£000	£000	£000
<u>Adult & Community Services</u>				
Adult Social Care	31,072	28,950	30,457	1,507
Commissioning & Partnership	10,084	10,078	9,258	(820)
Culture & Sport	6,429	5,862	7,086	1,224
Mental Health	3,956	3,584	3,756	172
Public Health	785	817	817	-
Management & Central Services	1,699	3,822	1,789	(2,033)
	54,025	53,113	53,163	50
<u>Children's Services</u>				
Education	4,660	3,646	3,277	(369)
Complex Needs and Social Care	42,564	39,910	44,748	4,838
Commissioning and Safeguarding	9,166	8,632	8,410	(222)
Other Management and Programme Costs	10,969	9,485	9,625	140
SAFE programme expenditure	-	-	827	827
	67,359	61,673	66,887	5,214
<u>Children's Services - DSG</u>				
Schools	176,960	160,607	160,745	138
Early Years	19,329	16,549	16,588	39
High Needs	28,807	28,138	26,833	(1,305)
Non Delegated	737	2,289	2,221	(68)
Growth Fund	2,375	3,000	3,101	101
School Contingencies	-	-	304	304
DSG/Funding	(228,208)	(207,116)	(208,014)	(898)
Transfer from DSG reserve	-	(3,467)	(1,778)	1,689
	-	-	-	-
	19,687	19,267	19,370	103
<u>Environmental Services</u>				
	3,417	3,369	3,623	254
<u>Housing General Fund</u>				
	3,417	3,369	3,623	254
<u>Chief Executive Services</u>				
Chief Executive Office	12	38	150	112
Strategy, Communications & Programmes	(2)	2,731	2,697	(34)
Legal & Democratic Services	(192)	418	418	-
Human Resources	(89)	389	403	14
Corporate Finance, Assets & Customer Services	16,384	14,085	13,262	(823)
Regeneration & Economic Development	2,603	930	710	(220)
	18,716	18,591	17,640	(951)
<u>Other</u>				
Central Expenses	2,186	(4,569)	(6,255)	(1,686)
Budgeted Reserve Drawdown	(1,044)	-	-	-
	1,142	(4,569)	(6,255)	(1,686)
TOTAL	164,346	151,444	154,428	2,984

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Directorate Savings Targets: Provisional Outturn 2015/16

Adult and Community Services

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target	Forecast	Variance
			£000	£000	£000
ACS/SAV/01	Workforce remodelling	Savings achieved.	584	584	0
ACS/SAV/02a	Safeguarding adults - quality assurance and protection of property	Savings achieved.	104	104	0
ACS/SAV/02b	Safeguarding adults - Domestic Violence and Hate Crime	Savings achieved.	22	22	0
ACS/SAV/03a	Older People accommodation based services - review of Kallar Lodge	Savings achieved.	100	100	0
ACS/SAV/06a	Personalisation of Learning Disability Day Services and consequential closure of The Maples.	The Maples closed in September 2015. Delays occurred due to the process required to identify solutions with individual service users and their families.	257	112	145
ACS/SAV/06b	Staffing efficiencies at 80 Gascoigne Road.	Savings achieved.	70	70	0
ACS/SAV/07	Withdraw subsidy from Relish café.	Savings achieved.	120	120	0
ACS/SAV/10	Care and support in the home focused on people with doubling up of care staff as a result of high needs	Savings achieved.	85	85	0
ACS/SAV/12d	Community Interest Company delivering a range of services using creative arts	Savings achieved.	16	16	0
ACS/SAV/12f	The Foyer Supported Living for 18-24 year olds	Savings achieved.	275	275	0
ACS/SAV/12h	Summerfield House supported living for mothers aged 16-24 and their babies	Savings achieved.	143	143	0
ACS/SAV/12i	Bevan House supported living for vulnerable families	Savings achieved.	98	98	0
ACS/SAV/13b	Increase in social care income budget.	Savings achieved.	300	300	0

Appendix B

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
ACS/SAV/15a	Integration and Commissioning and Directorate Support teams	Savings achieved.	200	200	0
ACS/SAV/16	Alcohol Services for adults and young people - to fund from Public Health grant	Savings achieved.	495	495	0
ACS/SAV/17	Reduce range of crime and Anti Social Behaviour interventions - Victim Offender Location Time work	Savings achieved.	47	47	0
ACS/SAV/18	Community Safety and IOM work - fund the Anti Social Behaviour Team from a range of funding streams rather than the GF	Savings achieved.	75	75	0
ACS/SAV/19	Youth Offending Service reduction in Out of Court work	Savings achieved.	92	92	0
ACS/SAV/24	School library service to be full cost recovery and Home Library Service to be delivered by volunteers.	Savings achieved.	56	56	0
ACS/SAV/26	Delete Libraries casual staffing budget and transfer of centrally controlled costs	Savings achieved.	35	35	0
ACS/SAV/23a	Reduce book fund	Savings achieved.	10	10	0
ACS/SAV/29a	Broadway Theatre - transfer to College	Savings achieved.	200	200	0
ACS/SAV/30	Community Halls - community managed or close	Savings achieved.	52	52	0
ACS/SAV/31	Leisure centres - Management and reception staff	Savings achieved.	47	47	0
ACS/SAV/32	Leisure centres - extraordinary increase in net income	Savings currently not achieved due to income pressures as a result of the delayed opening of the Abbey Sports Centre.	40	0	40

Appendix B

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
ACS/SAV/34	Sport & Physical Activity team management cost reduction.	Savings achieved.	152	152	0
ACS/SAV/36	Leisure and cultural services trust proposal	Risk to delivery this financial year as outcome of the review will not take effect in this financial year. Pressure to be managed corporately.	250	0	250
ACS/SAV/39	Active Age Centres income	Savings achieved.	120	120	0
EH001	Food Safety Team Funding - Transfer of funding liability from General Fund to Public Health Grant	Savings achieved.	100	100	0
Total			4,145	3,710	435

Children's Services

Ref:	Detail	Current Position (please also state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CHS/SAV/23	Significant reduction in improvement support for education	Alternative saving identified via capitalisation of revenue expenditure	100	100	0
CHS/SAV/25b	Childcare and early years - move to DSG	Achieved saving on general fund by utilisation of legitimate expenditure to grant	455	455	0
CHS/SAV/26	Children's Centres, part of policy paper re frontline service delivery (use of libraries, developing hubs approach etc. and use of assets Closure of a number of centres	Achieved by reducing activities for young children and their parents and seeking alternative funding for the play and communications (language development work)	400	400	0
CHS/SAV/27	Youth Service - reconfigure to voluntary sector provision with £100k budget	Achieved by reducing the number of youth sessions provided across the borough via youth centres, StreetBase Local community youth clubs and the youth bus	100	100	0
CHS/SAV/28b	Educational psychology - provision using DSG only	Achieved through implementation of plans to achieve savings and through additional monies available to address the Education Act requirement to provide Education Health and Care (EHC) plans.	440	440	0
CHS/SAV/34	Reduction in CIN (c20 year 1, c120 year 2, c60 year 3) due to impact of Troubled Families agenda	Achieved through utilisation of grant funding to reduce CIN numbers through impact of the Troubled Families agenda	50	50	0
CHS/SAV/30	CAMHS - reduce to statutory minimum for year 1 and then delete service	Achieved by reducing Primary Mental Health Workers from 6 to 3 in 15/16	100	100	0
CHS/SAV/31	Limited support to Local Safeguarding Children's Board (LSCB). Reduce Child Death Overview Panel (CDOP) Manager to 0.5	The role is statutory and is part funded by the CCG for the rapid response function. Saving is to reduce this support.	15	15	0
CHS/SAV/37	Reduce GF contribution to Information & Statistics team	Achieved by removing general fund contribution to the team	30	30	0

Appendix B

CHS/SAV/25a	Reduction in support to quality Childcare and early years provision	Saving delivered through reduction in saving and training costs.	200	200	0
CHS/SAV/28a	Social care learning and development	Savings achieved.	125	125	0
CHS/SAV/29	Access and connect - reduction in rewards available to young people to incentivise healthy behaviours	Delivered by reducing rewards to young people who use cashless card for catering.	50	50	0
Total			2,065	2,065	0

Environment

Ref	Detail	Current Position (please state if project is required to deliver savings)	Target	Forecast	Variance
			£000	£000	£000
ES001	Loss of proactive drainage clearance	Saving has been delivered	80	80	0
ES002	Changes to winter maintenance of highway network	Saving has been delivered	35	35	0
ES007	Increase Parking Charges for all parking locations	New charges implemented.	190	190	0
ES008	Restructure Facilities Management - Building Services Officers - post deletions	Saving has been delivered	101	101	0
ES009A	Streamlining Building Cleaning	Saving has been delivered	49	49	0
ES009B	Building Cleaning - removal of Living Wage subsidy to school contracts	Achieved through increased income from ad-hoc activity and new contracts	96	96	0
ES010B	Prestart payment to drivers	Full year effect not achieved	53	22	31
ES012	Cease green garden waste collection	Saving based upon fully chargeable service being in place from September 2015. Now postponed until 2016/17.	110	0	110
ES014	Market Management	Transfer is from 25 April 2015. Achieved	281	281	0
ES015	Redesign of street cleansing operations	Service redesign is in place already.	243	243	0
ES016	Income generation in cemeteries	Concessions and extension of burial/memorial offer will not be fully achieved in 2015. Will require a programme to deliver future ambitions for income growth	30	0	30
ES019	Use of Public Health Grant to incentivise Council priorities through sports participation	Grant arrangements agreed for yr 1, but sustaining this will require all clubs/teams to develop significant capacity to deliver to club standard.	65	65	0
ES020	Increases in income expected from future regulatory activity.	Saving has been delivered	125	125	0
ES021	Increase income from staff parking charges	New charges implemented.	30	30	0

Appendix B

Ref	Detail	Current Position (please state if project is required to deliver savings)	Target £000	Forecast £000	Variance £000
ES022	Marketing in the public realm	Existing strategies for selling advertising space are providing limited income. Review of corporate arrangements is required.	70	0	70
ES025	Domestic bins rental	Achieved. Recharge agreed	17	17	0
ES026	Recycling bins rental – Recharge to HRA	Achieved. Recharge agreed	135	135	0
Total	Environment		1,710	1,469	241

Housing General Fund

Ref	Detail	Current Position (please state if project is required to deliver savings)	Target	Forecast	Variance
			£000	£000	£000
HGF001	Expand Council hostel portfolio to accommodate temporary placements instead of using expensive B&B accommodation.	Saving delivered. YTD average below budget assumption and the provision of additional hostel units being made available. Additional units to be provided within 50 Waking Road and Butler Court.	900	900	0
HGF002	Housing Advice & Temporary Accommodation	Charges implemented - saving delivered	74	74	0
HGF003	Housing Strategy	Controls on non mandatory spend in place therefore saving delivered	31	31	0
Total			1,005	1,005	0

Chief Executive's

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/01	Staff reduction Sustainable Communities and Economic Development	Saving delivered	99	99	0
CEX/SAV/02	Increase Income in Strategic Transport area	Saving delivered	63	63	0
CEX/SAV/03	Stop all business support activity e.g. business enterprise centre (move to no cost from 2015-16)	Stakeholders informed with regard to ceasing of funding – saving delivered	224	224	0
CEX/SAV/04	Increase income in Development Planning area	Income target met and saving delivered	85	85	0
CEX/SAV/05	Reduction in planning policy posts and amalgamation of Planning Policy Manager post and Strategic transport post	Savings delivered.	24	24	0
CEX/SAV/06	Reduction in supplies and services budget	Savings delivered.	45	45	0
CEX/SAV/07	Increase in income from Capital Programme	Recharges agreed	20	20	0
CEX/SAV/7b	Reduction of costs in Sustainable Communities area	Delivered through recharges to Capital.	200	200	0
CEX/SAV/08	Increase in income employment and skills	Budget increased to reflect previous years levels of income and saving delivered	100	100	0
CEX/SAV/08a	Recharge to the HRA in respect of supporting Housing Tenants into permanent employment.	Budget increased to reflect previous years levels of income and saving delivered	200	200	0
CEX/SAV/08b	Capital Commissioning & Delivery Group – To generate an annual surplus of £50k through additional framework contract income and reduce General Fund recharges by £90k.	Savings delivered	140	140	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/09	Reduce democratic services structure dependant on moving towards a shared service and reducing the number and frequency of statutory meetings	Savings delivered	47	47	0
CEX/SAV/10	Increase Legal trading income	Savings delivered	135	135	0
CEX/SAV/11	General Fund reduction in supplies and services budget for legal services	Savings delivered	75	75	0
CEX/SAV/12a	Member training stopped with exception of the training required for members to serve and operate on the quasi-judicial meetings	Corporate funding used for this budget in 15/16	55	55	0
CEX/SAV/12b	Members Pension Contribution	Savings delivered	100	100	0
CEX/SAV/13	Residents Survey - no postal survey but online	Savings delivered	15	15	0
CEX/SAV/14	Centralise and top slice marketing and publicity budgets across Council	Consolidated M&C budgets are not sufficient to cover commitments and statutory obligations – Cabinet in July 2015 agreed central budget reallocation to cover shortfall	300	300	0
CEX/SAV/14a	Centralisation and top slicing of marketing and publicity budgets across the Council	Consolidated M&C budgets are not sufficient to cover commitments and statutory obligations - Cabinet in July 2015 agreed central budget reallocation to cover shortfall	100	100	0
CEX/SAV/15	Remodel marketing and communications service - core minimum team and consider shared service with Thurrock	Shared M&C service is no longer possible with Thurrock. Cabinet in July 2015 agreed central budget reallocation to cover shortfall	250	250	0
CEX/SAV/15a	Further remodelling of marketing and comms	Shared M&C service is no longer possible with Thurrock. Cabinet in July 2015 agreed central budget reallocation to cover shortfall	50	50	0
CEX/SAV/17	Develop a Research and Intelligence Hub	Saving requires consultation with Children's services and Public health to determine a forecast.	100	100	0
CEX/SAV/18	Centralise training and development budgets to improve efficiency of use and	Savings not achievable. Training and development budgets have been decentralised.	475	475	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
	make saving	Cabinet in July 2015 agreed central budget reallocation to cover shortfall in 15/16			
CEX/SAV/21	Reduce health and safety provision, but must meet statutory responsibilities	Increased Income target should be achievable given current rate of HR and OH income generation	100	100	0
CEX/SAV/22	Look to provide employee relations advice in a different way	Savings delivered.	47	47	0
CEX/SAV/22a	Reduce the size of the HR Business Partner Team	Savings delivered.	60	60	0
CEX/SAV/23a	Additional savings to be delivered through centralising training and development budgets to improve efficiency of use	Savings not achievable. Training and development budgets have been decentralised. Cabinet in July 2015 agreed central budget reallocation to cover shortfall in 15/16	175	175	0
CEX/SAV/23b	Reduction in Business Change team staff	Savings delivered.	22	22	0
CEX/SAV/24	Remove Invest to Save budget	Savings delivered.	1,000	1,000	0
CEX/SAV/25	Debt interest payments	Savings delivered.	250	250	0
CEX/SAV/26	Minimum Revenue Provision (MRP) accounting	Savings delivered.	2,700	2,700	0
CEX/SAV/27	Investment income - rate change	Savings delivered.	500	500	0
CEX/SAV/29	Investment income - increase risk appetite	Savings delivered.	250	250	0
CEX/SAV/30a	Shared accountancy service	Shared service did not proceed, however, a restructure has been implemented to produce the required level of saving. Due to delayed implementation however, the full year effect has not been achieved.	500	450	50
CEX/SAV/31	Capital Programme Management Office (CPMO)	Recharge to HRA has been agreed	25	25	0
CEX/SAV/33	Treasury recharge to Pensions	Recharges agreed	20	20	0
CEX/SAV/34	Project Manager/Accountant	Recharge to HRA from Innovation & Funding	30	30	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
		has been agreed.			
CEX/SAV/35	Innovation & Funding consultancy budget	Budget referred to was used to fund costs in respect of the BSF programme which has now ended – savings therefore achieved	150	150	0
CEX/SAV/36	External treasury management	Savings delivered.	75	75	0
CEX/SAV/37	Card transaction costs	This has been implemented. No Issues.	35	35	0
CEX/SAV/38	Introduce credit card charging	Savings delivered.	40	40	0
CEX/SAV/39	Benchmarking clubs	Expected to be delivered	40	40	0
CEX/SAV/40	Corporate sponsorship	Dagenham & Redbridge FC has been informed that this funding will cease.	30	30	0
CEX/SAV/41	Audit fees	Corporate Management saving – achieved	100	100	0
CEX/SAV/42	Energy team	Savings delivered.	25	25	0
CEX/SAV/43	Compliance team	No issues, savings delivered	55	55	0
CEX/SAV/45	Maritime House	No issues, savings on target to be delivered	115	115	0
CEX/SAV/46	Internal audit days - reduce plan	Audit plan reduced	45	45	0
CEX/SAV/48	Client team restructure	Savings delivered.	100	100	0
CEX/SAV/49	Registrars Cost/Income	Savings target delivered.	50	50	0
CEX/SAV/50	Taxicard Scheme	No issues savings delivered.	160	160	0
CEX/SAV/52a	Reduce council tax exemptions	Savings delivered.	200	200	0
CEX/SAV/52b	Amend council tax support scheme	The proposal to change the Local Council Tax support scheme, reducing the level of support from 85% to 75% generated additional Council Tax revenue. Not fully achieved	700	250	450
CEX/SAV/54	Shared insurance service	Saving delivered	18	18	0
CEX/SAV/54a	Additional recharge to the HRA - Innovation & Funding	Recharge agreed	25	25	0
CEX/SAV/54c	Reduction in Council Tax bad debt provision	Saving achieved	100	100	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/54d	Reduction in Temporary Accommodation (TA) bad debt provision	Delivered based upon current position and delivery of Housing TA savings.	250	250	0
CEX/SAV/54e	Increase duration risk on external investments	The investment strategy have been amended to allow the Council to achieve this target.	100	100	0
CEX/SAV/54f	Pay Pension Fund contributions on 1 April instead of monthly	Saving achieved	60	60	0
CEX/SAV/54g	Increase saving from centralisation of FoI/Complaints	Team restructure under review	110	0	110
CEX/SAV/55	Elevate Overheads	Removal of overhead contribution to be negotiated as part of wider contract changes. Terms agreed but not formally contracted.	488	488	0
CEX/SAV/56	B&Ddirect - Customer Services Channel Shift	Elevate – Achieved for 15/16 but savings to be addressed as part of the overall new contractual deal.	64	64	0
CEX/SAV/58	Withdrawal of the Benefits Direct service at One Stop Shops.	Bens Direct closed at the end of February with resources transferring to the back office.	259	259	0
CEX/SAV/60	Automation of Inbound Email/Post Processing	Elevate – Savings to be addressed as part of the overall new contractual deal.	270	270	0
CEX/SAV/61	Council Tax - invest to collect more	Saving achieved	369	369	0
CEX/SAV/62	Property Services	Creates a pressure on repairs agenda on commercial portfolio but mitigated by increased income. Whole business review being carried out by group manager.	138	138	0
CEX/SAV/63a	ICT End User Technologies	Initial service proposal agreed between Agilisys and ICT Client. Design workshops scheduled. Target cost payable to Elevate for the service has been reduced.	135	135	0

Appendix B

Ref:	Detail	Current Position (please state if a project is required to deliver the savings)	Target £000	Forecast £000	Variance £000
CEX/SAV/63b	ICT Service Management fulfilment		41	41	0
CEX/SAV/63c	ICT Infrastructure Applications		254	254	0
CEX/SAV/64	Client Team reduction	Saving achieved	45	45	0
CEX/SAV/65	Returning services - management fee	Saving achieved	136	136	0
CEX/SAV/66	Private Finance Initiative Monitoring efficiency	Saving achieved	50	50	0
CEX/SAV/67	PMO efficiency	Saving achieved	90	90	0
CEX/SAV/68	Review of complaints/FoI	See CEX/SAV/54g	40	30	10
CEX/SAV/69	HR/Payroll	Saving achieved	100	100	0
CEX/SAV/70	Revenues Services Restructure	Management restructure of Revenues agreed and implemented by Elevate.	92	92	0
CEX/SAV/77	Business Support review	Saving based on PwC management review	60	60	0
CEX/SAV/78	Reduction in middle management	Saving based on PwC management review – not fully achieved in 15/16	300	300	0
CEX/SAV/79	Corporate Procurement Saving	Ongoing corporate gainshare from Adecco contract - achieved	500	500	0
Total			14,595	13,975	620
Grand Total			23,520	22,224	1,296

HOUSING REVENUE ACCOUNT MONITORING STATEMENT
Provisional Outturn 2015-16

Appendix C

	Budget	Provisional Outturn	Variance
	£'000	£'000	£'000
Dwelling Rents	(90,512)	(91,731)	(1,219)
Non Dwelling Rents	(737)	(690)	47
Other Income	(16,921)	(18,215)	(1,294)
Interest received	(336)	(507)	(171)
Total Income	(108,506)	(111,143)	(2,637)
Repairs & Maintenance	17,205	18,612	1,407
Supervision & Management	39,067	42,354	3,287
Rents, Rates and Other	700	329	(371)
Revenue Contribution to Capital	37,130	38,356	1,226
Bad Debt Provision	2,660	513	(2,147)
Interest Charges	10,059	9,294	(765)
Corporate & Democratic Core	685	685	0
Pension Contribution	1,000	1,000	0
Total	108,506	111,143	2,637

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ROLL FORWARD REQUESTS FROM 2015/16

CHILDREN'S SERVICES

Service Area	Comments	Amount £
Education	PFI reserve - The balance of the funding of the schools PFI schemes between the PFI grant payments and the contractual payments towards the schemes has resulted in a surplus. The PFI reserve is to be used to manage the lifecycle funding arrangements over the life of the PFI schemes	1,042,000
Education	Adult College budget surplus to be used in 16/17	70,000
Total		1,112,000

ENVIRONMENT

Service Area	Comments	Amount £
Private rented properties	The private rented properties licensing scheme was introduced in September 2014 and runs until August 2019. It aims to improve the quality of private rented homes and reduce anti-social behaviour associated with poorly managed rented properties. To ensure that funding is available to cover years 4 and 5 of the licensing scheme it is recommended that the surplus from the purchase of licenses to date is carried forward	161,000
Total		161,000

CHIEF EXECUTIVE

Service Area	Comments	Amount £
Legal	Surplus on Legal Division to go to Legal trading account	185,700
Human Resources	Unspent balance on Equalities & Diversity project, to be spent in 2016/17	171,000
Accommodation	A combination of underspends on the corporate accommodation budget and a one-off income increase from outstanding rent reviews is proposed to be used to invest in the borough's commercial property portfolio	545,000
Accommodation	Underspend on corporate accommodation budget to go towards smarter working / corporate accommodation programme	300,000
Total		1,201,700

CENTRAL EXPENSES

Service Area	Comments	Amount £
Central Expenses	This budget relates to the minimum revenue provision calculated on the authority's outstanding debt. It is considered prudent to carry forward this underspend for future year's provisions	723,000
Central Expenses	Underspend on central expenses budget to provide for potential VAT claims on Barking Market	80,000
Total		803,000

TOTAL		3,277,700
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2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016-17
Adult & Community Services					
Adult Social Care					
FC00106	Private Sector HouseHolds	818,718	932,753	114,035	
FC02888	Direct Payment Adaptations Grant	200,000	111,254	(88,746)	
FC03049	Adult Social Care Cap Grant		70,712	70,712	
FC03061	SWIFT		94,746	94,746	
Culture & Sport					
FC02855	Mayesbrook Park Athletics Arena	74,899	74,899	0	
FC02870	Barking Leisure Centre 2012-14	888,628	578,011	(310,617)	310,617
FC03029	Broadway Theatre	150,000	0	(150,000)	150,000
FC03032	Parsloes Park - Artificial Turf Pitches & Master Planning	60,000	40,460	(19,540)	19,540
Total for Adult & Community Services		2,192,245	1,902,835	(289,410)	480,157

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016-17
Children's Services					
Primary Schools					
FC02736	Roding Primary School (Cannington Road Annex)	130,349	560	(129,789)	129,789
FC02745	George Carey CofE (formerly Barking Riverside) Primary School	23,826	450	(23,376)	23,376
FC02759	Beam Primary Expansion	78,268	264,030	185,762	
FC02784	Manor Longbridge (former UEL Site) Primary School	303,310	0	(303,310)	303,310
FC02799	St Joseph's Primary - expansion	16,321	16,321	0	
FC02860	Monteagle Primary (Quadrangle Infill)	35,000	76,155	41,155	
FC02861	Eastbury Primary (Expansion)	50,000	3,943	(46,057)	46,057
FC02865	William Bellamy Primary (Expansion)	199,117	24,618	(174,499)	174,499
FC02919	Richard Alibon Expansion	74,278	20,508	(53,770)	53,770
FC02920	Warren/Furze Expansion	240,000	36,570	(203,430)	203,430
FC02921	Manor Infants Jnr Expansion	73,429	56,715	(16,714)	16,714
FC02923	Rush Green Expansion	110,000	48,571	(61,429)	61,429
FC02924	St Joseph's Primary(Barking) Extn 13-14	15,072	0	(15,072)	15,072
FC02956	Marsh Green Primary 13-15	150,000	527,155	377,155	
FC02957	John Perry School Expansion 13-15	40,364	22,969	(17,395)	17,395
FC02960	Sydney Russell (Fanshawe) Primary Expansion	1,000,000	991,480	(8,520)	8,520
FC02979	Gascoigne Primary -Abbey Road Depot	5,500,000	4,442,302	(1,057,698)	1,057,698
FC02998	Marks Gate Junior Sch 2014-15	633,128	519,533	(113,595)	113,595
FC03014	Barking Riverside City Farm Phase II	4,054,377	4,162,948	108,571	(108,571)
FC03041	Village Infants - Additional Pupil Places	500,000	88,583	(411,417)	411,417
FC03053	Gascoigne Primary - 5fe to 4fe		38,004	38,004	
Secondary Schools					
FC02953	All Saints Expansion 13-15	245,351	133,118	(112,233)	112,233
FC02954	Jo Richardson expansion	1,692,960	1,790,972	98,012	
FC02959	Robert Clack Expansion 13-15	1,000,000	416,598	(583,402)	583,402
FC02977	Barking Riverside Secondary Free School (Front Funding)	5,500,000	10,571,349	5,071,349	
FC03018	Eastbury Secondary		901,206	901,206	

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016- 17
FC03020	Dagenham Park	0	118,542	118,542	
FC03054	Lymington Fields All through School		81,424	81,424	
FC03019	Eastbrook School		10,308	10,308	
Other Schemes					
FC02826	Conversion of Heathway to Family Resource Centre	19,513	190	(19,323)	19,323
FC02906	School Expansion SEN projects	400,000	359,382	(40,618)	40,618
FC02909	School Expansion Minor projects	344,464	359,282	14,818	
FC02929	School Maintenance Fund 2012/13		31,101	31,101	
FC02972	Implementation of early education for 2 year olds	509,090	513,608	4,518	
FC02975	Barking Abbey Artificial Football Pitch	67,385	11,970	(55,415)	55,415
FC02978	Schools Modernisation Fund 2013-14	227,108	163,802	(63,306)	63,306
FC03010	SMF 2014-16	2,477,918	2,832,477	354,559	
FC03051	SMF 2015-17		300,000	300,000	
FC03013	Universal infant Free School Meals Project	33,687	27,825	(5,862)	5,862
FC03043	Pupil Intervention Project (PIP)	125,000	73,241	(51,759)	51,759
9999	Devolved Capital Formula	925,109	2,468,401	1,543,292	
FC03057	Youth Zone		70,000	70,000	
				0	0
Children Centres					
FC03033	Upgrade of Children Centres	300,000	9,147	(290,853)	290,853
FC02217	John Perry Children's	9,619	4,496	(5,123)	5,123
FC02310	William Bellamy Children Centre	6,458	0	(6,458)	6,458
				0	
Total for Children's Services		27,110,501	32,589,854	5,479,353	3,761,852

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016-17
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Environmental Services

FC02764	Street Light Replacing	678,215	702,210	23,995	
FC02873	Environmental Improvements and Enhancements	93,481	93,482	1	
FC02964	Road Safety Impv 2013-14 (TFL)	428,280	428,280	0	
FC02886	Parking Strategy Imp	51,770	51,770	0	
FC02542	Backlog Capital Improvements	368,366	321,536	(46,830)	46,830
FC02930	Highways Improvement Programme	185,940	185,940	0	
FC02982	Controlled Parking Zones (CPZ's) 2013-15	233,439	233,439	0	
FC02999	Rippleside Cmtry prov 2014-15	11,895	12,374	479	
FC03011	Structural Repairs & Bridge Maintenance	200,956	67,955	(133,001)	133,001
FC03012	Environmental Asset Database Expansion	147,508	144,159	(3,349)	
FC03030	Fleet Management & Depots	290,160	59,014	(231,146)	231,146
FC03031	Highways & Environmental Design	1,049,840	1,044,650	(5,190)	5,190
PGSS					
FC03026	BMX Track	80,000	18,864	(61,136)	61,136
FC03034	Strategic Parks (Parks Infra £160k and Play facility £20k)	184,807	109,289	(75,518)	75,518
Total for Environment Services		4,004,657	3,472,962	(531,695)	552,821

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016-17
Chief Executive (CEO)					
Asset Strategy					
FC02587	Energy Efficiency Programme	15,500	14,747	(753)	753
FC02565	Implement Corporate Accommodation Strategy	1,777,000	1,354,068	(422,932)	422,932
ICT					
FC02738	Modernisation and Improvement Capital Fund (formerly One B & D	550,535	529,620	(20,915)	20,915
FC02877	Oracle R12 Joint Services	373,435	65,970	(307,465)	307,465
FC03035	ICT Design Transformation	377,955	377,955	0	
FC03016	Agilisys Connect Website Development	7,980	7,980	0	
FC03052	Elevate IT Investments		82,388	82,388	
Regeneration					
FC03027	Establishment of Council Owned Energy Services Company	125,000	0	(125,000)	125,000
FC02458	New Dagenham Library & One Stop Shop Church Elm Lane	129,245	112,024	(17,221)	
FC02596	LEGI Business Centres	376,978	374,095	(2,883)	
FC02969	Creative Industries	11,630	1,044	(10,586)	10,586
FC02901	Creekmouth Arts & Heritage Trail	74,360	75,360	1,000	
FC02902	Short Blue Place (New Market Square Barking - Phase II)	226,000	331,831	105,831	
FC02891	Merry Fiddlers junction Year 2	170,000	240,118	70,118	
FC02898	Local Transport Plans (TFL)	83,837	89,169	5,332	
FC02962	Principal Road Resurfacing 2013-14 TfL	529,000	518,545	(10,455)	
FC02963	Mayesbrook Neighbourhood Improvements (DIY Streets) 2013-14	304,511	300,565	(3,946)	
FC02994	Renwick Road/Choats Road 2014/15	314,877	354,077	39,200	
FC02995	Ballards Road/ New Road 2014/15	427,231	386,174	(41,057)	
FC02996	Barking Town Centre 2014/15 (TfL)	901,374	840,366	(61,008)	
FC02997	A12 / Whalebone Lane (TfL)	323,209	424,871	101,662	
FC03000	MAQF Green Wall (TfL)	53,116	21,188	(31,928)	
FC03015	Demolition of the Former	45,648	40,733	(4,915)	

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016- 17
FC03023	Bus Stop Accessibility Improvements	97,000	148,600	51,600	
FC03025	Gale St Corridor Improvements	47,000	2,255	(44,745)	
FC03028	Chadwell Heath Crossrail Complementary Measures (CCM)	147,000	13,967	(133,033)	
FC03050	Clockhouse Avenue - Freehold Purchase	3,180,000	3,142,984	(37,016)	37,016
FC03055	Barking Riverside Trans Link		107,973	107,973	
Total for the Chief Executive Department		10,669,421	9,958,667	(710,754)	924,667
Housing General Fund Schemes - EIB					
FC02990	Abbey Road Phase II New Build	6,222,000	6,554,456	332,456	
FC02986	Gascoigne Estate	3,000,000	8,701,998	5,701,998	
Total for Housing General Fund Schemes		9,222,000	15,256,454	6,034,454	0
Grand Total General Fund		53,198,824	63,180,772	9,981,948	5,719,497

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016-17
HRA					
Estate Renewal					
FC02820	Boroughwide Estate Renewal	9,730,000	11,030,390	1,300,390	
New Builds					
FC02823	New Council Housing Phase 3	0	1,720	1,720	
FC02916	Lawns & Wood Lane Development	142,752	34,384	(108,368)	108,368
FC02917	Abbey Road CIQ	327,244	278,182	(49,062)	49,062
FC02931	Leys New Build Dev (HRA)	10,620,355	9,760,096	(860,259)	860,259
FC03009	Leys Phase II	500,000	77,215	(422,785)	422,785
FC02961	Goresbrook Village Housing Development 13-15	1,736,464	1,609,794	(126,670)	126,670
FC02970	Marks Gate Open Gateway Regen Scheme	5,552,454	5,476,475	(75,979)	75,979
FC02988	Margaret Bondfield New Build	7,738,054	7,334,190	(403,864)	403,864
FC02989	Ilchester Road New Built	150,000	169,163	19,163	
FC02991	North Street	150,000	182,426	32,426	
	Sun-Total: New Builds	26,917,323	24,923,645	(1,993,678)	2,046,987
Investment in Stock					
FC00100	Aids & Adaptations	940,000	939,290	(710)	
FC02933	Voids	4,600,000	5,726,076	1,126,076	
FC02934	Roof Replacement Project	120,000	10,303	(109,697)	
FC02938	Fire Safety Works	620,000	655,084	35,084	
FC03044	Fire Safety Works	70,000	0	(70,000)	
FC02943	Asbestos Removal (Communal Areas only)	1,014,000	833,883	(180,117)	
FC02950	Central Heating Installation Inc. Communal Boiler Replacement	1,453,788	1,514,216	60,428	
FC02983	Decent Homes Central	8,800,000	9,446,903	646,903	
FC02984	Block & Estate Modernisation	362,393	401,867	39,474	
FC02939	Conversions	180,000	160,225	(19,775)	
FC03001	Decent Homes (North)	11,145,139	10,611,217	(533,922)	
FC03002	Decent Homes (South)	7,911,065	8,770,030	858,965	

2015/16 CAPITAL PROGRAMME - as at outturn (March 2016)

Project No.	Project Name	Revised Budget 2015/16	Outturn for 2015-16	Variance	Roll Forward to 2016- 17
FC03003	Decent Homes (Blocks)	3,058,753	3,333,309	274,556	
FC03004	Decent Homes (Sheltered)	1,944,665	1,895,842	(48,823)	
FC03005	Decent Homes Small Contractors	6,538	3,700	(2,838)	
FC03048	Decent Homes Works Prog	900,000	706,787	(193,213)	
FC03007	Windows	270,000	199,978	(70,022)	
FC03036	Decent Homes Support - Liaison Teams/Surveys	378,000	322,736	(55,264)	
FC03037	Energy Efficiency	50,000	43,844	(6,156)	
FC03038	Garages	300,000	278,477	(21,523)	
FC03039	Estate Roads & Environmental	150,000	151,139	1,139	
FC03040	Communal Repairs & Upgrades	430,000	906,665	476,665	
FC03045	External Fabrics - Blocks	141,000	33,514	(107,486)	
	Sub-Total: Investment in Stock	44,845,341	46,912,557	2,067,216	0
Grand Total HRA		81,492,664	82,866,592	1,373,928	2,046,987
TOTAL CAPITAL PROGRAMME		134,691,488	146,047,364	11,355,876	7,766,484

CABINET**24 May 2016**

Title: Procurement of New Housing IT System	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report: Yes	For Decision: Yes
Wards Affected: None	Key Decision: No
Report Author: Claire Symonds, Strategic Director, Customer, Commercial & Service Delivery	Contact Details: Tel: 0208 227 5513 E-mail: claire.symonds@lbbd.gov.uk
Accountable Director: Claire Symonds – Strategic Director, Customer, Commercial & Service Delivery	
<p>Summary:</p> <p>The Council is embarking on an ambitious transformation of the Housing Service as part of a wider set of corporate initiatives focused on encouraging civic pride, enabling social responsibility and growing the borough. These changes are being delivered through the Housing Transformation Programme (HTP).</p> <p>In January 2016, Cabinet approved the Housing Revenue Account (HRA) Budget and the costs of the HTP are included within the HRA.</p> <p>The HTP established that the existing housing IT system is not fit for purpose and its replacement is included in the approved programme costs. The current housing IT system predominantly comprises; Capita Housing Management (Academy), Codeman, Kirona Xmbrace DRS (Opti-Time), MiCAD, Open Contractor, Repair Finder and Total Mobile. These are serviced by Capita Software Solutions a subsidiary of Capita plc and a number of specialist partner providers.</p> <p>The primary system, Academy, is dated and no longer considered fit-for-purpose. Functionality and performance in comparison to newer systems is limited and users have implemented numerous ad-hoc work-arounds to address constraints.</p> <p>The Council requires a housing IT system to help manage housing assets, housing advice, housing applicants, council tenancies, leaseholders, market rent sector residents, homelessness, rent and service charge records, repairs and maintenance and statutory compliance functions.</p> <p>The system is required to enable the Council to effectively discharge its housing duties; comply with a range of inspection criteria, manage the business of the Housing Service, legal obligations and to meet the statutory requirement to provide statistical data returns to customers, stakeholders and central government departments.</p> <p>It is vital that the Council should have a solution that offers flexibility, adaptability, functionality and future-proofing. A system that has been developed using advanced</p>	

technology with a clear long-term future is likely to offer this. Additionally, such a system will support the broader aim of delivering an enhanced service, efficiently.

The contract with Capita formally expired in 2009/10 following completion of the installation of the Academy system however the annual maintenance and service contract is being renewed on an annual basis. The current maintenance and service contract expires at the end of March 2017.

This report requests authorisation to conduct a procurement exercise to secure a replacement housing IT system as included within the Housing Transformation Programme, and sets out the case for doing so using the Crown Commercial Services (CCS) Local Authority Software Application (LASA) Framework (RM1059) or equivalent.

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a new housing IT system and a maintenance and support contract as provided for within the approved Housing Transformation Programme (HTP) and in accordance with the strategy set out in this report; and
- (ii) Delegate authority to the Strategic Director for Customer, Commercial and Service Delivery, in consultation with the Cabinet Member for Finance, Growth and Investment, the Strategic Director of Finance and Investment and the Director of Law and Governance, to award and enter into the contracts and access agreements, for the initial and relevant extended periods.

Reason(s)

To provide a fit for purpose housing IT system that has sufficient technical resilience to meet the demands of the HTP and Ambition 2020, which is capable of meeting the challenge of service delivery, ongoing legislative changes, flexible working and more efficient assessment, planning and reviewing of assets and customer needs.

1. Introduction and Background

- 1.1 The Council currently uses a number of systems in support of its Housing Service, the principal system Academy is supplied by Capita, and serves as the core database for storing homeless, housing advice, leaseholder, tenant and resident records and service requests. Further systems are supplied through partnership arrangements between Capita and specialist vendors. The primary asset database is Codeman and it is used for storing detailed information about housing property assets. In addition the service utilises a large number of databases (predominantly Microsoft Excel) for the storage and retrieval of data in support of the service delivery functions.
- 1.2 Academy was implemented in 2008/09 and a number of changes were made to the configuration and system in 2013 when the Direct Labour Organisation (DLO) transferred back to the Council from Enterprise (the external service provider that previously delivered the housing responsive repairs & maintenance service).

Regular system upgrades have been undertaken since then in line with the annual maintenance and service contract and various adjustments have been made to the system configuration.

- 1.3 This system is dated and no longer considered fit-for-purpose. Functionality and performance in comparison to newer systems is limited and users have established numerous ad-hoc work-arounds to address constraints. It is vital that the Council should have a solution that offers flexibility, adaptability, expandability, functionality and future-proofing. A system that has been developed using advanced technology with a clear long-term future is expected to offer this.
- 1.4 The contract with Capita formally expired in 2010, but has been continued through a 'confidence and supply' exchange of correspondence, which itself is time-limited to March 2017. It should be noted that this 'contract' extension has not been novated to Elevate.
- 1.5 The current annual maintenance and service contract costs circa. £380k per annum. Data gathered during the development of the HTP indicate that this cost will be reduced through the implementation of a new housing IT system.
- 1.6 In April 2015, the Council commissioned Elevate to work in partnership with the service to; analyse the service, identify critical areas requiring improvement, and develop the HTP, this included the replacement of the current systems and these costs have been included within the approved HRA Budget for 2016/17 onward.
- 1.7 As part of the HTP, the functionality and suitability of the current systems in relation to organisational, staff and customer needs of the Housing Service, including how the systems might meet future statutory service requirements, whilst also considering value for money was considered. Each area has identified issues and grounds for concern surrounding 'fitness for purpose', an area which is also of concern in terms of supporting strategic commissioning requirements. Additionally, the lack of integrated portal/web-services functionality significantly inhibits the strategic direction of the Council in delivering its Customer Access And Fulfilment Strategy (CAAF) and in achieving integration with other service systems.
- 1.8 A series of workshops, interviews and an analysis of user confidence in the system, reached the general consensus that the current system was not user-friendly, lacks the functionality required by the service and may, in part, contribute to staff retention issues. The technology appears to be very dated, and is cumbersome due to speed and performance issues.
- 1.9 The technical design is based on Capita's Academy technology (now superseded by Capita's IBS Open Housing system), and provides a disjointed approach to the functions that make up a housing service. It is based upon interfaces between the various software solutions and these additionally sit on top of an underlying relational database within the Academy system. In other words a complex and cumbersome set up. It is though, the main information repository for housing management information.
- 1.10 Ultimately, these factors combine to provide a compelling case for change, and as a result the HTP considered in December 2015 included capital provision for its

replacement. This provision was included within the HRA Budget for 2016/17 and subsequent years and was formally approved in January 2016.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

- 2.1.1 The recommended procurement approach is to use the CSS LASA Framework (RM1059) or an alternative equivalent framework that provides greater advantage to the Council for the procurement of a housing IT system that includes; Asset Management/ Customer Management/ Cyclical Maintenance/ Data and Document Management/ Geographical Information Mapping/ Health & Safety Management/ Homelessness/ Housing Advice/ Housing Management/ Leasehold Management/ Mobile Working/ Performance Management/ Planned Investment/ Rents/ Repairs & Maintenance/ Service Charge Management/ Statutory Compliance/ Workflow Management functions and associated work functions. This Framework expires in August 2016, however, CCS have assured Elevate that the Framework will be extended as provided for under the original Official Journal of the European Union (OJEU) Notice, past practice by CCS also indicates that this will happen. The proposed award is expected to be concluded before this time.
- 2.1.2 There is a business need to ensure that the processes and systems required to support the Council and the Housing Service; meet regulatory requirements, are fit-for-purpose, have in-built flexibility and are capable of managing critical information. Considerable work is planned to develop the specification upon which a tendering exercise would be built and high level requirements have been documented.

2.2 Estimated Contract Value including the value of any uplift/extension period

- 2.2.1 The estimate contract value is set out at Appendix 1.
- 2.2.2 Budget provision is included within the approved HRA and this includes the HTP.

2.3 Duration of the contract, including any options for extension

- 2.3.1 The contract will be for 5 years, with an option to extend for up to a further 2 years. This includes the initial supply, installation and configuration of the system, as well as the continuing maintenance and support contract(s). This term is proposed to maximise the benefit to the Council from a lengthy and expensive procurement exercise and discounted support costs.
- 2.3.2 The duration of the individual contracts based on a framework agreement does not need to coincide with the duration of that framework agreement, but might, as appropriate, be shorter or longer. In particular, it should be allowed to set the length of individual contracts based on a framework agreement taking account of factors such as the time needed for their performance, where maintenance of equipment with an expected useful life of more than four years is included or where extensive training of staff to perform the contract is needed.
- 2.3.3 Due to the long implementation period and the high costs involved in changing provider, officers are of the view that a 5 year duration with an option to extend for

up to a further 2 years is admissible in this instance and complies with regulation 33 (3) of the Public Contracts Regulations 2015.

2.3.4 This contract is subject to the EU Public Contracts Regulations 2015 and is not subject to the light touch regime.

2.4 Recommended procurement procedure and reasons for the recommendation

2.4.1 The contract with Capita and responsibility for it will remain with the Council until it expires at the end of March 2017. Ownership and responsibility for the new contract is expected to remain with the Council. Elevate, under the Incremental Partnership Agreement, maintain the responsibility for all IT procurements, and will therefore conduct the procurement of a replacement system by default.

2.4.2 There is a need to procure an alternative system within an imminent timescale which the usual procurement route via a full open market tender process does not support. However, this can be achieved more quickly by the use of an appropriate Framework arrangement. It is proposed that the most cost-effective and efficient approach to procure a new system is Option 4 (section 3.4 of this report) – through Elevate, via the CCS LASA Framework (RM1059), with a view to procuring the system in the summer of 2016.

2.4.3 The tender process will be conducted in compliance with European Union rules and principles and the Council’s Contract Rules. As the recommendation is to procure via the CCS LASA Framework (RM1059), the advert will be released to all suppliers/contractors that are part of it. This means that suppliers who are not in the Framework will not be able to submit a tender.

2.4.4 The table below summarises the expected tender timescales. Appendix 2 sets out the detailed procurement plan.

Cabinet approval	24 May 2016
Advertise and send out tender application packs	3 June 2016
Tender submissions to be returned	1 July 2016
Tender evaluations (completion)	22 July 2016
E-Auction	5 August 2016
Approval and award of contract	22 August 2016
Start of contract delivery	TBC following award

2.5 The contract delivery methodology and documentation to be adopted

2.5.1 The service is to be delivered by external providers. There will be a set of overarching framework terms and conditions that will apply to this service. At the end of the contract period, the Council will be required to take provisions to continue with the contracted supplier, or undergo a re-procurement exercise.

2.6 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract

- 2.6.1 The outcome is the award of a contract to one or more providers of housing system solutions that best meet the award criteria for the provision of a replacement housing IT system for the Council.
- 2.6.2 The savings are generated from the reduction of maintenance charges for a new system; the market leading suppliers typically charge around 20% of purchase cost as an annual fee, which usually include all legislative changes (Capita currently charges more for its dated Academy solution).
- 2.6.3 The estimated savings generated by this exercise are set out at Appendix 1.
- 2.6.4 In addition to the savings outlined above, procuring a new system will provide the Council with the opportunity to refine processes and embed service delivery improvements, as well as allowing the capture of all relevant data in the most efficient way possible. A modern and efficient system that allows flexible working and is easy to use will help drive productivity, improve service performance and increase customer satisfaction.

2.7 Criteria against which the tenderers are to be selected and contract is to be awarded

- 2.7.1 The evaluation criteria as detailed in the CCS Framework terms and conditions are as follows:
- 2.7.2 Lot 5 covers the provision of software and associated services for Social Housing.
- 2.7.3 The Framework suggests a price/quality split of 60%/40%, and that is the proposal of this report.
- 2.7.4 Price will be evaluated based upon life cycle cost analysis, including implementation costs, consultancy, licensing, maintenance etc over the proposed 5 year contract term.
- 2.7.5 Quality will be measured based upon; meeting the core specification, adaptability, functionality, aesthetics, usability, installation/ implementation proposals, resource allocation, resilience, system and software development and reference site feedback.

2.8 How the procurement will address and implement the Council's Social Value policies

- 2.8.1 In line with the 'Public Services Social Value Act' public bodies are required to consider the way in which the services they commission and procure might improve the economic, social and environmental wellbeing of the area. This is governed by the Council's Social Value policies. This procurement has no impact upon these.

3. Options Appraisal

3.1 Option 1: Do Nothing

Do Nothing: Continue using current system	
Advantages	Disadvantages
<ul style="list-style-type: none"> No investment will be required in procuring and implementing a replacement system. There is no dedicated resource time required for this option. 	<ul style="list-style-type: none"> The current issues, user dissatisfaction, value for money and technical issues with the system will continue. There will be no change or improvement to the existing systems, or the way users are working. Technology 'future-proofing' of the system is unclear. Systems integration with health systems is non-existent now, and likely to be difficult to achieve in the future specifically if the system is not fit-for-purpose. Financial savings/efficiencies will not be realised.

3.2 Option 2: EU Procurement – Open Market

EU Procurement – Open Market	
Advantages	Disadvantages
<ul style="list-style-type: none"> All suppliers that provide a Housing IT solution are able to submit a tender. 	<ul style="list-style-type: none"> The timescales are significantly longer than the framework procurement, which means that a solution may not be delivered within the required time. It is also a costly option as all tenders submitted must be evaluated, which means that resources will be required for longer periods of time.

3.3 Option 3: Implement a bespoke solution

Implement a bespoke solution – in-house or partner development	
Advantages	Disadvantages
<ul style="list-style-type: none"> The Council will be in control of the roadmap future development, and will have the flexibility to tailor the system to match changing requirements. The Council will own the system and will not be tied down to a supplier that could potentially disappear. Allows more scope for innovation when developing and designing the system. 	<ul style="list-style-type: none"> Due to the size and complexity of the system, it will take longer to implement than off the shelf products. There are significant time constraints involved. A significant amount of time will need to be invested, particularly during delivery. The cost of developing a bespoke system will be greater than off the shelf products. Ongoing costs and the support in general would be difficult to ascertain and control. Selecting appropriate developers will require additional time to scope. Financial savings/efficiencies will not be realised.

3.4 Option 4: Use an existing framework – The preferred option

Use an existing framework	
Advantages	Disadvantages
<ul style="list-style-type: none"> • A reduction in tendering time and costs results in increased efficiencies and better value compared to a full tender process. • Framework agreements comply with relevant EU procurement regulations. • Mini Competitions within the framework secure competitiveness and are less time consuming compared to a full tendering process. • The new system will be implemented earlier than alternatives and benefits will be realised sooner. 	<ul style="list-style-type: none"> • They are closed to new providers for the duration of the agreement.

4. Waiver

4.1 The Councils Contract Rule 5.1 specifically exempts procurements via frameworks from compliance with the tendering requirements of Section C of the Contract Rules.

4.2 A waiver is not therefore required.

5. Equalities and other Customer Impact

5.1 A robust and effective housing IT system is a key tool to safeguarding assets; income, expenditure and customer need by allowing accurate oversight at individual asset and service user level as well as providing the necessary macro-information to support solid performance management of services.

5.2 An application that lends itself to easy integration will allow for a cohesive 'joined-up' approach to service delivery, allowing for improved commissioning of services and a more holistic, and therefore better, experience for service users.

6. Other Considerations and Implications

6.1 Risk and Risk Management

Risk Description	Mitigating Actions	RAG Status
Budget allocation proves to have been insufficient due to the complex nature of the project realising additional pressures.	The Programme Director will inform the Programme Team and Governance bodies of the resources required and expended at all stages of the project. Robust project management methodology has been deployed.	G
Inadequate and ineffective project control resulting in cost and time over-run.	In addition to the Programme Director a dedicated Programme Team has been established to assist the Council in the delivery of the Housing Transformation	G

	Programme, its constituent projects and the new housing IT system.	
There are risks inherent in migrating data from one system to another, and this leads to slippage in the project timescale.	A data migration stream and strategy will be included where appropriate resources are allocated, data is prioritised and sufficient contingency exists within the project plan for this complex component.	G
Lack of buy-in from staff in Housing which leads to resistance to provide support during implementation.	Significant change management investment will be required to ensure staff understand the approach, are trained and familiar with the replacement system. This will require time, training and support.	G
Lack of availability of business resources and IT staff to support the implementation and change, particularly in the context of other IT transformation projects ongoing.	The Programme Director will be responsible for taking an oversight of the IT work stream. Any conflicts will be raised and managed firstly by the Programme Sponsor and then through the relevant governance arrangements.	G
Suppliers tend to underestimate costs, development and integration during the procurement phase and over promise on timescales during delivery.	Ensure a robust pre-procurement phase has been completed, with sufficient organisational and change management capacity to ensure timescales are realistic. Contract terms are clarified in advance of award.	G
The Housing Service may change requirements during implementation, delaying the project and requiring additional work.	Programme Team representatives responsible for managing implementation and engaging with the service should remain the lead throughout the duration of the project and participate in all stages of the work. Change control governance arrangements administered by the Programme Team will be implemented.	G

6.2 TUPE, other staffing and trade union implications

6.2.1 None.

6.3 Safeguarding Customers/ Staff

6.3.1 The implementation of a new housing IT system – assuming a suitable system is procured – will have a positive impact upon the Council's ability to effectively safeguard vulnerable children, young people and adults. A more user-friendly, intuitive system will promote increased accuracy of recording and data availability; ensuring staff can more easily have access to comprehensive information upon which to base decisions.

6.3.2 In addition to the above, an easier to use system is likely to support the recruitment and retention of permanent housing staff which will support continuity and

contribute toward reduced demand, all of which contribute towards a more effective service.

6.4 Customer Experience

- 6.4.1 The current customer experience is fragmented and in a majority of instances the housing IT system does not support resolution of service requests. Data is incomplete/ incorrect, held in many locations and is inaccessible to those dealing with customer contact.
- 6.4.2 It is important for the Council to have in place a system capable of meeting the challenge of ongoing increasing customer expectation, legislative changes, flexible working and more efficient assessment, planning and reviewing of service delivery.

6.5 Property / Asset Issues

- 6.5.1 The Elevate ICT Service Transformation Strategy states that 75% of current back office infrastructure is either end of life or scheduled to be end of life within the upcoming 12 months requiring approximately a £2.5m replacement cost.
- 6.5.2 Procuring a new housing IT system will reduce the need for additional hardware renewal and on-going fixed costs, it will include a 24/7/365 supplier maintenance support service, improve the effectiveness of the Housing Service, support increased customer satisfaction, reduce incidence of failure, streamline processes and increase flexible working for staff.

7. Consultation

- 7.1 Consultation for this tender exercise has taken place through the HTP design phase and circulation of this Cabinet Report. The draft report - after having been circulated to the consultees as listed at the beginning of this report - was presented and approved at the Corporate Procurement Board and Corporate Strategy Group meetings of April 2016.
- 7.2 Consultation for the HTP was performed throughout the entirety of its development; this included Strategic Leadership, Commissioning Leads, Group Managers and staff. The HTP was formally approved by the Housing Transformation Programme Board in December 2015.

8. Corporate Procurement

Implications completed by: Euan Beales – Head of Procurement

- 8.1 The value of this procurement will necessitate a full OJEU compliant procurement exercise if a framework is not utilised.
- 8.2 Under the Council's Contract Rules all spend over £50,000 is required to be conducted through a competitive tender process. It is proposed that the tender exercise be conducted by mini-competition within and between providers on, the Framework.

- 8.3 The use of the Crown Commercial Services (CCS) Local Authority Software Applications (LASA) Framework (RM1059) or an equivalent would reduce the costs of performing a full open tender process as the providers on Lot 5 have already been selected through a rigorous process. The time and expense involved in a two stage procurement process is reduced through the need to only evaluate the response from the performance of the mini-competition.
- 8.4 The Framework has 13 suppliers listed and this would be sufficient to establish competition.
- 8.5 Corporate Procurement recommends that the procurement be conducted through the framework based upon the extension period being granted. The supplier list is large enough to provide a good level of competition and the price/quality split will allow sufficient quality which is important for such a large investment, whilst also ensuring value for money is obtained.

9. Financial Implications

Implications completed by: Tasleem Kazmi, Group Accountant

- 9.1 The HTP has a HRA capital budget of £1.750m set aside within the HRA capital programme for 2016/17, which was approved by Cabinet in January 2016 to fund the HTP and the enhancement of the existing housing IT systems.
- 9.2 The HTP via this report seeks to now procure a replacement housing IT system to ensure it is fit for purpose to meet the changing needs and requirements of the Council.
- 9.3 Any cost of procuring a replacement housing IT system above that set aside in the current housing capital programme and any additional on-going revenue costs will need to be contained within existing HRA housing transformation budgets or offset by additional HRA savings identified by the HTP.
- 9.4 The cost of any procurement resulting from the proposed implementation should be contained within the existing HRA budget, as a contractual payment of £305k has already been made in 2016/17 to cover any HRA procurement in year.

10. Legal Implications

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

- 10.1 This report is seeking approval for the procurement of IT facilities and services for Housing Service use. The contract is intended to be procured via the Crown Commercial Service (CCS) Local Authority Software Applications (LASA) Framework (RM1059) or an equivalent framework agreement, and is proposed to run for a period of five years, with a two year extension option.
- 10.2 Section C of the Council's Contract Rules require that procurements for contracts with a value of £50,000 or more must be procured by competitive tender in accordance with the Contract Rules unless a waiver is first obtained. Contract Rule 5.1 however provides for exemption from the full operation of the Rules and allows

qualifying procurements to be conducted in accordance with the requirements of a qualifying Framework exempt from the provisions of Section C.

- 10.3 The CCS LASA Framework (RM1059), from which the contract is to be procured, was established under the Public Contracts Regulations 2006 (Regulations). Under the Regulations, a local authority may select a provider from an established framework agreement, in accordance with the contract procedures laid down in the relevant framework agreement. It is proposed that a provider of the housing IT system and services be appointed following a mini-competition within the Framework. The Framework is a qualifying framework and as such officers may use it instead of going out to tender in the manner prescribed by Section C. Details of the application, duration and use of the Framework are set out elsewhere in the body of this report.
- 10.4 Provided the procedure for conducting competitions under this framework is adhered to and the prescribed selection and evaluation criteria are applied, the Council may award the contract to the successful bidding contractor from this framework.
- 10.5 The Law and Governance Team are available to assist the client department with the review and execution of relevant contracts in respect of this procurement.

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

List of Appendices

Appendix 1 – Housing IT System (Estimated Contract Value and Savings)

Appendix 2 – Housing IT System (Procurement Plan)

Estimated Contract Value

The contract values split below show implementation cost (in the first year) as well as the ongoing support and maintenance costs. The Housing Transformation Programme (HTP) costs are included in the approved Housing Revenue Account (HRA) Budget.

Cost of New Contract

Year 1: Initial system cost = £716,315 (approximate market cost).

Future Years: Annual maintenance = £307,622 per annum (approximate market cost).

Total Year 1 system cost: £716,315 (included within HRA Budget 2016/17)

Total Year 2-5 Support and Maintenance Contract cost: £1,230,488

Summary of Expected Savings

The cost estimate table below indicates a net saving of £73k per annum as a result of this exercise. During the first five-years (the initial term of the contract) the total net saving is estimated as £294k.

Projected Savings (excluding implementation costs)

Component	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	Yr 1 ¹	Yr 2	Yr 3	Yr 4	Yr 5	
Baseline Costs	£381,000	£381,000	£381,000	£381,000	£381,000	£1,905,000
Total	£381,000	£381,000	£381,000	£381,000	£381,000	£1,905,000
Cost (Old System)	£381,000	-	-	-	-	£381,000
Cost (New System) ²	-	£307,622	£307,622	£307,622	£307,622	£1,230,488
Total	£381,000	£307,622	£307,622	£307,622	£307,622	£1,611,488
Net (Savings)	£0	(£73,378)	(£73,378)	(£73,378)	(£73,378)	(£293,512)

The table above does not include the Year 1 system costs of approximately £716k. This has been secured within the Housing Transformation Programme and funded from the Housing Revenue Account.

¹ Full revenue Savings would be realised from Year 2 as the existing licence would need to be paid in Year 1 during the implementation phase of the new system.

² The 'new' cost figures are based on the average (mean) of all the figures collated during the Elevate and Housing Transformation Programme market analysis.

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Appendix 2 - Housing IT System - Draft Procurement Plan

Ref	Activity	Responsible	Duration	End Date	Notes	RAG
Initial Preparation						
	Register item on forward plan for Cabinet	MA		31-Mar	Complete	G
	Agree time input required from Elevate	MA / EB		31-Mar	Complete	G
Develop and Approve Procurement Strategy						
	Draft Procurement Strategy developed	MA		25-Mar	Complete	G
	Strategy reviewed / refined by Procurement	EB		28-Mar	Complete	G
	First version of Procurement Strategy issued for comments	MA		29-Mar	Complete	G
	Procurement Strategy - Legal / Financial Comments	Legal / Proc	5 days	04-Apr	Complete	G
	Procurement Strategy submitted to Procurement Board	MA		07-Apr	Complete	G
	Procurement Board	MA		11-Apr	Approved	G
	Procurement Strategy submitted to CSG	MA		14-Apr	Complete	G
	Corporate Strategy Group (CSG)	CS		21-Apr	Approved	G
Prepare for Issuing Tender						
	Develop system specification	MA	4 weeks	10-Jun	Not required until tender published	A
	Complete CCS Framework access agreement	EB		10-Jun	Complete before tender is issued	A
	Review and approval by Corporate Performance Group	MA		TBC	Fortnightly meetings - Board date to be confirmed	A
	Refine and confirm framework evaluation criteria	MA / EB		10-Jun	60/40 basis - Also confirm dates to suppliers for system demonstrat ions	A
	Review / refine framework T&Cs	Legal / Proc		03-Jun	To do before tender is issued	A
Cabinet Approval						
	Forward Plan confirmed	MA		22-Apr	Complete	G
	Forward Plan published	AD		25-Apr	Complete	G
	Final DRAFT Cabinet Report	MA		27-Apr	Complete	A
	Approve Cabinet Report	CS		29-Apr	Claire Symonds to sign off	A
	Final Cabinet Report	MA		04-May	Issue to Democratic Services	A
	Cabinet briefing	CS		10-May	Claire Symonds to lead	
	Cabinet			24-May		
Initiate Procurement & Evaluate Suppliers						
	Issue competition notice	EB	4 wks	03-Jun	Assumes Cabinet Report/ Decision is not called in	
	Tenders received			01-Jul		
	Tenders evaluated			22-Jul		
	Clarification with suppliers			22-Jul		
	System demo by suppliers			22-Jul	Evaluation criteria for demonstrat ions to be specified in tender	
	E-Auction			05-Aug		
	E-Auction clarification			10-Aug		
Award Stage						
	Standstill period expires		5 days	10-Aug		
	Preferred supplier confirmed			10-Aug		
	Provide feedback to unsuccessful bidders			10-Aug		
	Ten day stand still period			21-Aug		
	Draft award report	MA		22-Aug	To be signed off by Claire Symonds / Jonathan Bunt	
	Set supplier up on Oracle			22-Aug		
	Issue PO			23-Aug	Authorisation dependant on PO value	
Implementation initiated						
	System implementation commences	Supplier		TBA	Draft implementation plan to be included in tender submission	

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CABINET

24 May 2016

Title: Council Sites - Land Disposals and Acquisitions	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report with Exempt Appendices 2, 3 and 4 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as amended)	For Decision
Wards Affected: Heath, Thames, Village and Whalebone	Key Decision: Yes
Report Author: Andy Bere, Asset Strategy Manager	Contact Details: Tel: 020 8227 3047 E-mail: Andy.bere@lbbd.gov.uk
Accountable Director: Jonathan Bunt, Strategic Director of Finance and Investment	
<p>Summary:</p> <p>By Minute 90 of its meeting on 27 January 2015, Cabinet agreed to the disposal of 12 land sites, with an estimated capital receipt of £5.7m. Many of these disposals have now been completed.</p> <p>This report seeks approval to the following matters:</p> <ul style="list-style-type: none"> • 64 - 68 Church Street: approval to an alternative disposal route to that agreed in January 2015, by making an offer to acquire the adjoining site and redeveloping the larger site for regeneration purposes (subject to a formal valuation); • Former Ship and Anchor Public House site: approval to proceed with the preferred bidder; and • Barking Riverside Gateway Housing Zone: acquisition of an opportunity site as part of the wider land assembly proposals for the area. 	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ol style="list-style-type: none"> (i) Approve the alternative disposal route in respect of the Council's freehold interest in 64 - 68 Church Street, Dagenham by making an offer to acquire the adjoining site (subject to a formal valuation), as outlined in this report; (ii) Approve the disposal of the Ship and Anchor site to the preferred bidder as outlined in the report; (iii) Approve the acquisition of an industrial site within the Barking Riverside Gateway Housing Zone that will contribute to the wider regeneration of the Riverside area as set out in the report; 	

- (iv) Delegate authority to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to negotiate terms and agree the contract documents to fully implement and effect the transactions of the above sites; and
- (v) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, to execute all of the legal agreements, contracts and other documents on behalf of the Council.

Reason(s)

To assist the Council in achieving its corporate priorities of 'encouraging civic pride' and 'growing the borough' by disposing of surplus Council owned land to facilitate development.

1. Introduction and Background

- 1.1 At its meeting on 27 January 2015, Cabinet agreed to the disposal of 12 sites. Many of these disposals have now been completed.
- 1.2 Negotiations on the disposal of 64-68 Church Street Dagenham have led to an alternative disposal option being developed, different to that originally agreed by Cabinet in January 2015. Approval is therefore sought to amend the disposal option for 64-68 Church Street by making an offer to acquire the adjoining site from the current owner, as set out in this report and subject to a formal valuation.
- 1.3 This report provides an update on the joint disposal of the Ship and Anchor site, Becontree Heath following a marketing exercise agreed by Cabinet in January 2015.
- 1.4 The report also sets out proposals for the Council to acquire a 2.04 acre site within the Barking Riverside Gateway Housing Zone (that was agreed by Cabinet on 19 April 2016) that will contribute to the wider regeneration of the Riverside area.

2. Disposal of 64-68 Church Street, Dagenham

- 2.1 In January 2015, Cabinet gave approval for the Council's interest in 64-68 Church Street to be disposed to the adjoining owner and due to be developed with Estuary Housing Association. The disposal included negotiations with a third party with an interest in an adjoining vacant piece of land. The Council's interest comprises a terrace of three tertiary shops (1 let) in a poor condition.
- 2.2 Negotiations have since been unable to conclude a satisfactory arrangement that meets the original approval given by Cabinet and as a consequence, Cabinet are asked to consider an alternative route where the Council would make an offer to acquire the adjoining vacant land site, combine it with the shops owned by the Council and redevelop the larger site for regeneration purposes (subject to a formal valuation).

3. Joint disposal of the former Ship and Anchor Public House, Becontree Heath, Dagenham

- 3.1 Cabinet gave approval in January 2015 for the joint marketing of land adjacent to the Ship and Anchor in Becontree Heath and adjacent land parcels owned by the Council to facilitate the regeneration of the entire site.
- 3.2 The proposed joint venture with the adjoining land owner meant that the combined land interest in both sites would provide a greater opportunity to deliver an integrated, larger scheme. Consequently, the site was marketed in accordance with the Planning Brief for the site.
- 3.3 Five offers were subsequently received and evaluated and are set out in Appendix 2, which is in the exempt section of the agenda as it contains commercially confidential information and the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Approval to agree final terms and negotiate the contract documentation to fully implement and effect the sale of the site is suggested to be delegated to the Strategic Director of Finance and Investment, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance.
- 3.4 Cabinet is therefore requested to approve the progress made with this joint disposal and to negotiations with the highest bidder on the sale of the site based on the percentage split of the land ownership.

4. Proposed Land Acquisition – Barking Riverside Gateway Housing Zone

- 4.1 A report to Cabinet on 19 April 2016 outlined the Barking Riverside Gateway Housing Zone proposals and the significant plans to regenerate the Thames Road area with £30m grant funding for a phased development of around 3,000 homes. The Housing Zones are a significant tool for speeding up the delivery of new homes.
- 4.2 An opportunity to acquire the long leasehold interest of an industrial unit within the Barking Riverside Gateway Housing Zone has recently presented itself, with the Head Lessee requiring expressions of interest to have been received in April 2016.
- 4.3 Acquiring this site would begin the important land assembly required to deliver the Housing Zone and the site itself, represents one of the Gateway plots to the overall development. Given the timetable for offers set by the Head Lessee, the Council expressed an interest in pursuing the acquisition of the site in accordance with the Council's Land Acquisition processes.
- 4.4 Following further investigations into the site and a site valuation, some initial negotiations with the Head Lessee have taken place and the details of the site are contained within Appendix 4 of this report, which is in the exempt section of the agenda as it contains commercially confidential information and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 4.5 Cabinet are therefore asked to approve the acquisition of the site pending the successful negotiations with the Head Lessee as set out in Appendix 4.

- 4.6 Plans to minimise the holding costs of this site have been drafted and a review of the existing under lease arrangements undertaken to ensure the Council seeks to maintain a market income from the site whilst plans for its regeneration are undertaken. A plan of the site is included at Appendix 3 for information.
- 4.7 A future report will be brought to Cabinet setting out the business case for the proposed future development of this site and this will also provide details of the planned residential property types and tenure mixes.

5. Options Appraisal

- 5.1 A table summarising the standard options appraisal assessment framework that has been used to assess each site is set out at Appendix 1.
- 5.2 This options appraisal framework has been developed in line with the Council's developing Corporate Asset Management strategy.

6. Financial Implications

Implications completed by: Richard Tyler, Acting Finance Group Manager

- 6.1 There are three specific proposals set out in this report; the financial implications for each are set out below.
- 6.2 **64 - 68 Church Street Dagenham** - It is now proposed for the Council to acquire the land adjacent to these properties and then examine the future development options for the whole site. If this course of action was to be pursued, a further report will be brought to Cabinet setting out the business case for the proposed new development.
- 6.3 **The Former Ship and Anchor Public House** - This site includes a parcel of land owned by the Council together with the site of the former public house which is in private ownership. The proposed course of action is for the whole site to be jointly marketed and sold to a private developer. The Council's proportion of the marketing costs can be met from existing budgets. Once the site is sold, the Council would then receive an appropriate proportion of the capital receipt based on the area of the Council's land interest.
- 6.4 **Barking Riverside Site Acquisition** – The financial implications associated with this site are set out in Appendix 4 in the exempt part of the agenda.

7. Legal Implications

Implications completed by: Evonne Obasuyi, Senior Lawyer

- 7.1 The Council's disposal powers are pursuant to section 123 of the Local Government Act 1972 which enables local authorities to dispose land held in any manner it wishes provided it secures best consideration reasonably obtainable otherwise the consent of the Secretary of State will be required. Formal valuation of the sites should be obtained to ensure the transactions are carried out in compliance with legislation and Council's acquisition and land disposal rules.

8. Other Implications

- 8.1 **Risk Management** - Vacant sites are vulnerable to the risks of illegal occupation, vandalism and public liability claims. The sale of sites therefore helps to reduce this risk and transfer liability for the site to another owner.
- 8.2 **Contractual Issues** - The proposed transactions including the sale of the Council's freehold interest in a property where appropriate will include contractual documentation and the Legal Services Team will be instructed to prepare the appropriate legal documents to ensure compliance with the Council's Contract Rules.
- 8.3 **Safeguarding Children** - The development of sites for family housing will improve conditions for those families in housing need who are housed in them. Residential developments could increase the child population and could have an impact on school places and health resources.
- 8.4 **Health Issues** - Sites which are vacant and overgrown could become a haven for vermin and fly tipping posing health risks to anybody entering the premises as well as any neighbouring developments.
- 8.5 **Crime and Disorder Issues** - A vacant site is vulnerable to illegal occupation.
- 8.6 **Property / Asset Issues** - Retaining ownership of vacant property encumbers the Council with ongoing costs of maintenance and insurance.

Where appropriate, and in accordance with delivering the corporate objectives and Corporate Asset Management Strategy objectives, disposal or redevelopment of property assets is considered to make best use of Council assets and achieve value for money outcomes for the community.

- 8.7 **Planning Issues** - All options appraisals for the proposed disposals and redevelopment will be made accordance with the Council's Planning policies.
- 8.8 **Equality Issues** - The disposal of property identified as surplus to requirements has no specific equality issues but will generate capital receipts that could support other council initiatives.

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

List of appendices:

- **Appendix 1** - Options Appraisal Process
- **Appendix 2** - Marketing results for the Ship and Anchor (Exempt document)
- **Appendix 3** - Site plan of proposed acquisition within the Barking Riverside Gateway Housing Zone (Exempt document)
- **Appendix 4** - Details of the proposed acquisition within the Barking Riverside Gateway Housing Zone (Exempt document)

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Options Appraisal Process

1. The table below summarises the standard options appraisal assessment framework that has been used to assess each site.
2. This options appraisal framework has been developed in line with the Council's developing Corporate Asset Management strategy.

Option 1	Do nothing	<ul style="list-style-type: none"> • This is the default 'do minimum' option which sets the baseline against which each site evaluation is measured • To be proposed for disposal the proposals must provide greater financial and, where appropriate, social and economic return to the Council than retention and redevelopment
Option 2	Retention for use by a Service within the Council	<ul style="list-style-type: none"> • Sites considered surplus will be evaluated for use by Services within the Council and other public and third sector organisations where appropriate
Option 3	Retention for redevelopment by the Council for use by a Service or for investment purposes	<ul style="list-style-type: none"> • Where a site is not required by the Council or an appropriate partner the site will be considered for redevelopment when this makes financial sense and contributes to achieving long-term financial sustainability of the Council
Option 4	Negotiated disposal adjoining land owners if appropriate and likely to yield a greater return to the Council	<ul style="list-style-type: none"> • Where a surplus site is not required by the Council for its own use or for development the site will be evaluated for disposal to an adjacent owner where this is considered to offer the Council a higher return than disposal on the open market
Option 5	Disposal on open market	<ul style="list-style-type: none"> • Where a site is not required by the Council for its own use or redevelopment the site will be evaluated for disposal on the open market • Where appropriate such sales will be on a Leasehold basis and will be offered for sale subject to an overage provision to ensure the Council benefits from any enhanced value in the event of site is redeveloped for residential use or developed to a higher density than anticipated. • All disposals are subject to a 3% transaction fee

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