

## Notice of Meeting

### CABINET

**Tuesday, 23 May 2017 - 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 Sade Bright, Cllr Laila M. Butt, Cllr Evelyn Carpenter, Cllr Cameron Geddes, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

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### AGENDA

1. **Apologies for Absence**
2. **Declaration of Members' Interests**

In accordance with the Council's Constitution, Members are asked to declare any interest they may have in any matter which is to be considered at this meeting.
3. **Minutes - To confirm as correct the minutes of the meeting held on 25 April 2017 (Pages 3 - 8)**
4. **Revenue and Capital Provisional Outturn 2016/17 (Pages 9 - 27)**
5. **Proposed Expansion of Robert Clack and Barking Abbey Secondary Schools (Pages 29 - 49)**
6. **Housing Asset Management - Procurement Strategy 2017/18 (Pages 51 - 73)**
7. **Contract for Provision of Supported and Unsupported Accommodation with Outreach Support for Care Leavers (Pages 75 - 87)**

8. **Contract for the Supply of Automotive Fuel and Fuel Oil (Pages 89 - 96)**
9. **Any other public items which the Chair decides are urgent**
10. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

#### **Private Business**

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

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



Our Vision for Barking and Dagenham

## **One borough; one community; London's growth opportunity**

Our Priorities

### **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

### **Well run organisation**

- A digital Council, with appropriate services delivered online
- Promote equalities in the workforce and community
- Implement a smarter working programme, making best use of accommodation and IT
- Allow Members and staff to work flexibly to support the community
- Continue to manage finances efficiently, looking for ways to make savings and generate income
- Be innovative in service delivery

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## MINUTES OF CABINET

Tuesday, 25 April 2017  
(7:02 - 7:55 pm)

**Present:** Cllr Darren Rodwell (Chair), Cllr Saima Ashraf (Deputy Chair), Cllr Dominic Twomey (Deputy Chair), Cllr Sade Bright, Cllr Laila M. Butt and Cllr Cameron Geddes

**Apologies:** Cllr Evelyn Carpenter, Cllr Lynda Rice, Cllr Bill Turner and Cllr Maureen Worby

### 110. Declaration of Members' Interests

There were no declarations of interest.

### 111. Minutes (21 March 2017)

The minutes of the meeting held on 21 March 2017 were confirmed as correct.

### 112. Capital Bidding Process 2017/18

The Cabinet Member for Finance, Growth and Investment presented a report on the new capital bidding process together with the detailed schemes recommended for inclusion in the 2017/18 Capital Programme.

A total of £40.482m of new schemes were proposed for the next five years, with £20.468m relating directly to 2017/18. The Cabinet Member commented that the Council had to be increasingly innovative in how it provided services to its residents in view of the Government's failure to provide sufficient funding and he referred to a number of the projects, including the Be First and Traded Services companies, frontline service delivery improvements, enforcement, parks infrastructure, the Youth Zone and highway and car park improvements.

The Cabinet Member for Enforcement and Community Safety particularly welcomed the investment in enforcement equipment and made reference to the pro-active work being undertaken to prosecute fly-tipping.

In response to an enquiry, officers undertook to provide Members with an update on the appraisal of the Borough's future flood prevention plans.

The Cabinet **resolved** to approve the new capital schemes for 2017/18 as detailed in section 3 and Appendix A to the report.

### 113. Customer Access Strategy

The Cabinet Member for Economic and Social Development presented the Council's Customer Access Strategy which set out a renewed approach to the implementation of high quality customer services.

The Cabinet Member advised that the key aims of the Strategy were:

- easier availability, access and delivery of services provided;
- utilisation of innovative technology for more efficient and cost-effective service delivery;
- improvements in how the Council engages with customers and obtains feedback;
- effective measurement of customer service levels and performance;
- a flexible approach to demand management that will support service delivery and income generation; and
- a targeted approach to ensure all customers get the right level of support.

Cabinet Members spoke in support of the plans to improve the service to local residents and welcomed the inclusive approach that would ensure that “no one is left behind” as the Council moved to a more digital platform.

The Cabinet **resolved** to approve the new Customer Access Strategy at Appendix 1 to the report.

#### **114. Policy on the Discharge of the Homeless Duty with a Private Rented Sector Offer**

Further to Minute 63 (15 November 2016), the Cabinet Member for Economic and Social Development introduced a report on the proposal for the Council to discharge of its housing duty to those presenting as homeless by way of a Private Rented Sector Offer (PRSO).

The Cabinet Member explained that private rent levels in London and surrounding areas and an increasing reluctance of private landlords to let properties to those in receipt of Housing Benefit had led to the Council having to review its own approach to accommodation for the homeless. The gap between the level of Local Housing Allowance and average rents was over £460 a month, which placed a significant extra burden on individuals and families. In order to reduce that burden, the intention was for the Council to source properties outside of the London area subject to any mitigating circumstances which would be considered on an individual basis.

The Cabinet Member confirmed that in order to support a smooth relocation, the Council would provide training to help residents maintain their new tenancy and supply a comprehensive directory of the resettlement area covering transport networks, health and educational services’ community facilities and employment and training opportunities.

Cabinet Members expressed their dismay at the Government’s neglect of the most vulnerable in the community and for forcing the Council to follow other London Boroughs in pursuing the PRSO route. It was, however, acknowledged that the package of measures that the Council would have in place to support those who relocated were very robust and reflected the Council’s ongoing commitment to its residents.

The Cabinet **resolved** to approve the policy framework for the discharge of the homeless duty with a private rented sector offer, as set out at Appendix 1 to the report.

#### **115. Gambling Act 2005: Draft Statement of Gambling Licensing Policy 2017 - 2020 Consultation**

The Cabinet Member for Enforcement and Community Safety presented the draft Statement of Gambling Licensing Policy for 2017-2020 which set out the principles by which the Council would discharge its responsibilities, as licensing authority, in relation to gaming and betting under the Gambling Act 2005.

The Cabinet Member advised that the updated policy reflected the Council's serious concerns at the impact that a further growth in provision may have on the most vulnerable and 'at risk' areas of the Borough. The draft policy set out the Council's position, therefore, that all areas deemed to be at high overall risk of gambling-related harm would be inappropriate for further gambling establishments and operators asked not to consider locating new premises or relocating existing premises within those areas. The draft policy also set out the considerations that the Council would have when determining applications for gambling premises licences and the types of controls the Council would expect to see in place at licensed gambling establishments.

Cabinet Members spoke in support of the enhancements in the draft policy and the Leader spoke of the Council's ambition to improve the retail offer in town centre / high street areas.

The Cabinet Member for Enforcement and Community Safety confirmed that the draft policy would be subject to a 12-week public consultation before being represented to the Cabinet and submitted to the Assembly for adoption.

The Cabinet **resolved** to:

- (i) Approve the draft Barking and Dagenham Statement of Gambling Licensing Policy for 2017-2020, as set out at Appendix A to the report, for public consultation; and
- (ii) Note that a further report would be presented to Cabinet on the outcome of the public consultation and seeking endorsement of the final Policy prior to its submission to the Assembly.

#### **116. Contract for the Provision of Supported Accommodation for Older People**

The Cabinet Member for Finance, Growth and Investment introduced a report on the renewal of the contract for the provision of supported accommodation for older people, the current contract for which was due to expire on 31 October 2017.

The Cabinet Member advised that alongside the procurement, a separate piece of work was being undertaken to ensure that the provision within the Borough was 'future-proofed' in terms of the projected increase in, and needs of, the older people's population

The Cabinet **resolved** to:

- (i) Agree that the Council proceeds with the procurement of a contract for the

provision of Extra Care Accommodation in accordance with the strategy set out in the report;

- (ii) Agree, subject to the outcome of a service user and carer consultation, to procuring the Extra Care provision at either:
  - (a) three of the existing schemes (Harp House, Darcy House and Fred Tibble Court), or
  - (b) at all four schemes (Harp House, Darcy House, Fred Tibble Court and Colin Pond Court),
- (iii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Strategic Director for Growth and Homes, the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to conduct the procurement and enter into the contract with the successful bidder(s) in accordance with the strategy set out in the report.

### **117. Debt Management Policy**

The Cabinet Member for Finance, Growth and Investment reported on the outcome of a review of the Council's Debt Management Policy, first approved in October 2011.

The policy remained largely unchanged although greater emphasis was given to debt advice and prevention through early engagement and the advice services and support that would be available to individuals who were having difficulty in paying their bills. The Cabinet Member stressed that the Council would continue to take all available and necessary steps to recover outstanding debts, with particular emphasis given to those that chose not to pay.

The Cabinet **resolved** to approve the revised Debt Management Policy as set out at Appendix A to the report.

### **118. Home Services and Traded Services Full Business Cases**

Further to Minute 21 (19 July 2016), the Cabinet Member for Finance, Growth and Investment presented a report on the development of full business cases in respect of Home Services, a Council wholly-owned company which would provide a repairs and maintenance service to the Council and local corporate / institutional landlords, and Traded Services, a Council wholly-owned company for the delivery of catering, cleaning and several other services to schools.

The Cabinet Member referred to some of the challenges and opportunities associated with Home Services and Traded Services and commented that, alongside the Be First and other innovative strands of the Ambition 2020 Programme, the Council was well placed to realise its vision as London's growth opportunity.

The Leader concurred with the view that the workforce was the Council's greatest asset and he was confident that the services would flourish under the new arrangements.



The Cabinet **resolved** to:

- (i) Approve the Home Services Full Business Case at Appendix A to the report;
- (ii) Approve the Traded Services Full Business Case at Appendix B to the report;
- (iii) Agree the establishment of a new wholly-owned Council Company, in accordance with the proposals set out in the report, to manage both Home Services and Traded Services;
- (iv) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Investment and Growth and the Director of Law and Governance, to implement all steps leading to the establishment of the new company in line with the proposals;
- (v) Delegate authority to the Director of Law and Governance to execute all the legal agreements, contracts and any other documents on behalf of the Council to implement the setting up of the new company; and
- (vi) Delegate authority to the Chief Executive, in consultation with the Leader of the Council, to nominate the individuals to be appointed to the Shareholder Executive Board of the new company.

#### **119. Redevelopment of Former Garage Site at Burford Close, 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 to avoid any further delay in the signing of contracts with the developer.)

The Cabinet Member for Finance, Growth and Investment presented a report on the inclusion of the former garage site at Burford Close, Dagenham, in the Council's programme of developing vacant or under-used land for new Council housing and arrangements relating to the procurement of a design and build contractor.

By Minute 122 (19 April 2016), the Cabinet had agreed to bring forward 14 new infill sites for residential development. The Burford Close site should have been included in the listing at that time but was overlooked, although the Cabinet Member confirmed that the appropriate funding for the project had subsequently been approved by the Cabinet.

The Cabinet **resolved** to:

- (i) Agree that the Burford Close garage site be included within the list of infill sites for redevelopment;
- (ii) Agree that the site be developed as housing for older people and wheelchair users;

- (iii) Give retrospective approval to the procurement of a contract for the design and build of the development via the Council's New Build Housing Framework;
- (iv) Note the appointment of Jerram Falkus Construction Limited as the main contractor; and
- (v) Authorise the Strategic Director of Growth and Homes, in consultation with the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements with Jerram Falkus and/or other related parties.

## **120. Appointment of Architects for Gascoigne West Regeneration Project**

(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 to avoid any further delay in the signing of contracts with the contractor.)

The Cabinet Member for Economic and Social Development presented a report on the procurement of architect services for the Gascoigne West regeneration project.

By Minutes 84 (27 January 2015) and 26 (21 July 2015), the Cabinet had approved a range of proposals to progress the regeneration project, including the entering into of funding agreements with the Greater London Authority. Officers had subsequently carried out a procurement for architect services in accordance with the Public Contracts Regulations 2015, although it later became apparent that the necessary approval for the procurement under the Council's Contract Rules had been omitted in error from the previous Cabinet reports.

The Cabinet **resolved** to:

- (i) Grant retrospective approval to the procurement of a contract for architect services for the Gascoigne West project via the Council's Professional Services Framework;
- (ii) Agree to the appointment of Frasier Brown McKenna for design work for the Gascoigne West project; and
- (iii) Authorise the Strategic Director of Growth and Homes, in consultation with the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements with Fraser Brown McKenna.

**CABINET****23 May 2017**

<b>Title:</b> Revenue and Capital Provisional Outturn for 2016/17	
<b>Report of the Cabinet Member for Finance, Growth and Investment</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Katherine Heffernan, Group Manager – Service Finance	<b>Contact Details:</b> Tel: 020 8227 3262 E-mail: <a href="mailto:katherine.heffernan@lbbd.gov.uk">katherine.heffernan@lbbd.gov.uk</a>
<b>Accountable Director:</b> Kathy Freeman, Finance Director	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<p><b>Summary</b></p> <p>The Council's provisional final outturn expenditure for the financial year 2016/17 is £162.095m. This includes £6.839m of expenditure funded from specific reserves. After adjustments and transfers to and from reserves this results in a final outturn against the budget of £155.255m which is an overspend variance of £4.940m. This is broadly in line with the budget forecasts and, as previously reported, can be covered from within the Council's available General Fund reserve. The final reserves figures have yet to be confirmed but will be in the region of £17.9m, which is well above the minimum target balance of £15m.</p> <p>There are a number of requests to carry forward funding and to draw down on specific reserves which the Cabinet is asked to approve in Appendix A</p> <p>There is a revenue surplus on the Housing Revenue Account (HRA) of £1.92m. This is after an additional revenue contribution to capital of £0.313m. The surplus will be taken to the HRA reserve and will be available for use in future years according to the needs of the service. The HRA is a ring-fenced account and cannot make or receive contributions to/from the General Fund.</p> <p>The Capital Programme provisional outturn is £173.070m against a programme budget of £184.662m. The difference is mostly the result of slippage rather than underspending and the spend will be reprofiled into the 2017/18 financial year.</p> <p>It should be noted that the position reported at this time is provisional pending the finalisation and full audit of the Statement of Accounts for the year and all figures quoted may be subject to change.</p>	

## Recommendation(s)

The Cabinet is recommended to:

- (i) Note the provisional outturn position for 2016/17 of the Council's General Fund revenue budget at 31 March 2017, as detailed in sections 2 to 4 of the report;
- (ii) Approve the requests for carry forwards and transfers to and from reserves as set out in section 5 and Appendix A of the report;
- (iii) Note the provisional outturn for the Housing Revenue Account at 31 March 2017 as detailed in section 6 of the report;
- (iv) Note the projected outturn position for 2016/17 of the Council's capital budget as at 31 March 2017, as detailed in section 7 and Appendix B of the report;
- (v) Approve the proposal to capitalise the pension strain costs arising from redundancies as detailed in section 8 of the report; and
- (vi) Note that £5.101m was allocated under the Flexible Use of Capital Receipts approach, approved by the Assembly as part of the MTFS on 22 February 2017, to support the Council's transformation programme.

## Reason(s)

As a matter of good financial practice, the Cabinet should be informed about the Council's spending performance and its financial position. This will assist the Cabinet in holding officers to account and in making future financial decisions.

## 1 Introduction and Background

- 1.1 This report provides a summary of the provisional outturn for the Council's General Fund, Housing Revenue Account and Capital positions.

## 2 Revenue General Fund Summary

- 2.1 The Council's provisional outturn position for 2016/17 is £155.255m after carry forwards and transfers to and from reserves. This is an overspend of £4.940m against the approved budget which is a slight improvement but broadly in line with the previously reported forecast variance. The table below shows the impact on the Council's general reserves.

Table 1. Provisional Reserves Position – Unearmarked reserves.

<b>Projected Level of Reserves</b>	<b>£'000</b>	<b>P10</b>
Opening General Fund Balance	21,115	21,115
Draw down from available reserves	4,538	4,538
<b>Total available reserves</b>	<b>25,653</b>	<b>25,653</b>

<u>Calls on reserves:</u>		
Implementation of savings proposals	-1,400	-1,400
Return of unused Spend to Save monies to that reserve	-1,400	-1,400
<b>Revised Level of General Fund Reserve</b>	<b>22,853</b>	<b>22,853</b>
Reserves Drawdown to cover Overspending	<b>-4,940</b>	<b>-4,992</b>
<b>Provisional General Fund Reserve at 31<sup>st</sup> March 2017</b>	<b>17,913</b>	<b>17,816</b>

- 2.2 There had been a planned draw down of £2.8m to support the implementation of the 2016/17 savings. In fact, only £1.4m was required and so the remaining £1.4m will be transferred to the budget support reserve for use in future years.
- 2.3 Earmarked Reserves are approximately £23m. This is due to the fact that planned spend from Reserves such as Adult Social Care (£1.1m), Spend to save and Budget Support (£4.5m) occurred, but the ability to capitalise redundancy costs, and the underutilisation of other reserves (ICT, Budget Support) has allowed for reserves to be reprofiled.
- 2.4 The table shows the contribution of the different services to the final outturn together with a comparison to the previously reported forecast variance.

**Table 2:** Council General Fund Revenue Spend Position

<b>Service Area</b>	<b>Revised Budget (after reserves)</b>	<b>Outturn After Carry Forward</b>	<b>Variance</b>	<b>Mth 10 variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adults Care and Support	43,992	43,992	0	0
Children's Care and Support	48,317	50,076	1,759	2,081
Children's Central Items	11,116	11,167	51	0
Education Youth and Childcare	4,221	3,829	-392	(134)
Public Health and Community Safety	1,226	1,236	10	(14)
Healthy Lifestyles	242	302	61	0
Leisure	915	2,017	1,102	847
Clean and Green	7,484	9,328	1,844	997
Transport	277	423	145	0
Enforcement	11,647	11,813	166	298
Elevate Client Unit	15,715	15,943	228	338
Director CCSD	244	296	52	0
Growth and Homes and Regeneration	762	768	6	0
Culture and Recreation	4,905	4,976	71	(40)
Housing and Homelessness	1,322	4,372	3,050	2,900
Chief Exec, Law and Governance	333	-79	-412	(230)

Finance, Assurance and Counter Fraud	1,191	-195	-1,386	0
Assets and Investment	-2,799	-3,830	-1,031	(500)
Strategy and Programmes	601	639	39	0
Corporate and Central Costs	342	-82	-424	(1,550)
Transfers to/from reserves	-1,738	-1,738	0	
<b>TOTAL REVENUE GENERAL FUND</b>	<b>150,314</b>	<b>155,254</b>	<b>4,940</b>	<b>4,993</b>

### 3 CFO Commentary on the Revenue Position

- 3.1 This has been a challenging year for the Council as the continued reductions in Government funding have combined with external factors such as demography and the London housing market to create large budgetary pressures in many services. However, these pressures were detected early in the financial year and management plans put in place to contain and mitigate the impact on the Council's position. Forecasting was on the whole accurate and swift action was taken wherever possible. In some services such as Children's Social Care and Homelessness where the situation is complex and the issues are longstanding it can take time to effect a change in the budget position though even in those services there are clear signs of improvement resulting from the action plans put in place. The Children's position is particularly pleasing with a final outturn of £1.759m across the whole service (including Commissioning and Traded Services).
- 3.2 Many of these financial challenges will continue into the new financial year (2017/18). However, the same systems of budget monitoring and control will continue as will the management action plans. These will sit alongside the Council's programme management approach to the MTFs savings and the transformation of services set out in the Corporate Plan.

### 4. Major GF Variances and Risks – Overspends

#### Children's Care and Support

- 4.1 The final outturn in **Children's Care and Support** was **£1.8m overspent**. This is made up of an overspend of **£2.7m** in the Operations division offset by underspends in Commissioning and in Traded Services. This is an improved position from the forecast mostly as a result of a larger trading surplus in Traded Services.
- 4.2 The overspend in Operations arises from demographic and demand pressures and from difficulties in recruiting permanent social workers. These pressures are long standing, well understood and are shared by many other London boroughs. However, the SAFE programme and a strong service management response has succeeded in counteracting these pressures and the outturn forecast has reduced steadily during the year from an in-year peak of £3.3m.
- 4.3 There will continue to be a management action programme in 2017/18 to ensure this good progress continues. This will run alongside the MTFs savings programme.

## Healthy Lifestyles and Leisure

- 4.4 The **Leisure service** has a provisional final outturn of an **overspend of £1.102m**. The main element is a pressure against Abbey Leisure Centre (ALC) of £0.503m which is because of potential income shortfall and £0.375m is an overspend on running costs. There was also a smaller overspend on running costs at Becontree Heath centre.
- 4.5 As previously highlighted, the original business case in 2011/12 for the new ALC was based on the premise that the centre would be self-financing with high income targets. However, the opening was delayed and since the business case was drawn up, the leisure market in Barking has changed with other rival establishments being set up in the area. Since its opening the centre has grown its income but is not yet back on track with the original targets. In addition, as relatively small LA owned services there it has been difficult to contain running costs which have been increasing. The Council is about to award a contract to an not for profit partner with sector specific expertise and more scope for making efficiencies to run this and other leisure facilities.

## Clean and Green

- 4.6 There is a provisional **overspend of £1.8m within Clean and Green**. This is partly the result of a pause in the implementation of the Green Garden Waste saving while a consultation was carried out on a paid for service. The collection of green garden waste was due to end in September 2015 which would have delivered a £0.22m saving in a full year. This service continued to the end of September 2016 at a cost of £0.125m in 2016/17. A consultation on future options for the service has been carried out and a paid for service has been introduced. The saving will therefore be achieved in full in 2017/18.
- 4.7 The balance of the overspend (£1.7m) relates to pre-existing service pressures. The Clean and Green service has been managing significant staffing pressures brought forward from previous years including from previous savings not delivered in full. It has taken some time to collate all these historical issues but there is now confidence that all have been identified. At the beginning of the year it was clear that the total staffing cost was exceeding the budgeted establishment and managers have been working to reduce this through restructuring and staff turnover. Funding has been provided in the MTFs to address some of this budget shortfall and the service under the new interim management is currently formulating a plan to ensure that it can remain within budget in the next financial year.
- 4.8 There are also other pressures including on transport and fleet costs and income pressures in Cemeteries and Park Sports. Further analysis is ongoing with the service to better understand the patterns and formulate plans to improve income.

## Passenger Transport Service

- 4.9 This is an inhouse traded service that provides transport for Education and Social Care clients. The commissioners have been seeking to reduce their usage of this service in line with their new models of personalised care provision. Over time this should allow savings to be made in conjunction with changes in the way the service

is delivered. This has not been achieved this year resulting in an overspend – partly offset by a draw down from the Adults reserve.

### **Enforcement**

- 4.10 There is a forecast **overspend of £0.106m within Enforcement** which is an improvement on the previous forecast. The service has been managing income pressures within parking where the implementation of the parking review has not yet delivered the expected savings and there has been a reduction in Penalty Charge Notice income. This pressure has been successfully offset by underspends elsewhere in the service as managers have sought to contain the impact. This has resulted in an overall overspend of £0.1m
- 4.11 £0.076m of this results the delay in the implementation of the School Crossing patrol service. As requested by members the service have used the time to examine other options such as external funding and sponsorship. No external sources have been found and so the service ceased in March 2017.

### **Elevate/Revenues and Benefits**

- 4.12 There is an **overspend of £0.228m** at year end which is mainly with respect to **Council Tax Court Costs income underachievement**. This forms part of the Elevate Contract. This first occurred in 2015/16 due to court summonses being cancelled as an incentive for Council Tax payers to repay their debts. This practice has continued into 2016/17, although cancellations are reducing and thus the underachievement also is reducing.

### **Housing General Fund**

- 4.13 The **Housing General Fund** has a provisional outturn **overspend of just over £3.0m** at the year end. This is a small worsening from the forecast which is the result of a more prudent bad debt provision. This results in a higher charge in 2016/17 but will offer more protection against the cost of debt write off in 2017/18. Without this provision, the outturn would have been slightly under the forecast (around £2.8m.)
- 4.14 The overspend is largely due to the net cost of placing people in accommodation provided by private sector landlords, which is the largest source of temporary accommodation. The income that the Council can collect from tenants is constrained by the level of Housing Benefit payable which has been frozen for several years and is now below the cost of most accommodation in the borough and neighbouring areas.
- 4.15 This issue is also a widespread one in London and has been forecast throughout the year. The November 2016 Cabinet meeting received a report on the Homelessness situation and approved the high-level strategy and an outline recovery plan. This was followed by presentation of a more detailed plan at PAASC on 5 December. Given the nature of the service it was not expected that this would reduce the overspend immediately but the pressures have been successfully contained and slightly decreased and this is expected to continue into the new year although there are many risks and external factors.



## Offsetting Underspends

- 4.16 The **Law and Governance Service** has generated an income surplus resulting in an **underspend of £0.4m**. This performance is better than forecast.
- 4.17 There is an **underspend of £1.3m** shown against **Finance**. This relates to a technical adjustment regarding Housing Benefit overpayments where the contribution required at year end was less than budgeted for. There are no significant variances in the Finance service itself.
- 4.18 The **Assets and Investment division** has achieved an **underspend of £0.9m** from increased levels of commercial rents including income from Reside. This includes £1.080m one off income in relation to some back dated rent reviews.
- 4.19 There is an underspend of **£0.8m within Corporate and Central Costs**. This arises from interest on borrowing costs being better than budget due to required borrowing being lower than anticipated and procurement savings.

## 5. Requests for Carry Forwards and Transfers to and from reserves

- 5.1 Services may request income or budget to be carried forward where it has been granted for a specific purpose that has not been fulfilled within the financial year but which will be achieved in future years. Three requests have been received totalling £0.750m and are detailed in Appendix A. Cabinet are asked to approve these requests.
- 5.2 The Council also maintains reserves for specific purposes or for the use of certain services. These may be drawn down by services with Cabinet approval. Three requests have been received requesting draw down of £1.967m. These are detailed in Appendix A and Cabinet are asked to approve these requests.
- 5.3 Three requests have been received to transfer money into reserves for potential future use. These are also detailed in appendix A and Cabinet are asked to approve these requests.

## 6. Housing Revenue Account (HRA)

- 6.1 The provisional outturn for the Housing Revenue Account is an additional revenue contribution to capital of £0.313m and an in year surplus of £1.92m as shown in the table below. This is slightly lower (£0.05m) but broadly in line with forecast.

**Table 3: HRA Summary**

HRA Classification	Budget	Outturn	Variance	Variance P10
	£'000	£'000	£'000	£'000
Rent	(90,538)	(90,868)	(330)	(280)
Non-Dwelling Rents	(807)	(755)	52	57
Other Income	(19,285)	(20,250)	(965)	(168)
Interest Received	(336)	(454)	(118)	(101)
<b>Income</b>	<b>(110,966)</b>	<b>(112,327)</b>	<b>(1,361)</b>	<b>(492)</b>

Repairs and Maintenance	17,093	16,382	(711)	(250)
Supervision and Management	42,572	45,092	2,520	(1,190)
Rent, Rates and Other Taxes	700	333	(367)	(350)
Bad Debt Provision	2,772	892	(1,880)	0
Interest Charges	10,059	9,625	(434)	0
Corporate and Democratic Core	685	685	0	0
<b>Expenditure</b>	<b>73,881</b>	<b>73,009</b>	<b>(872)</b>	<b>(1,790)</b>
<b>Net Income</b>	<b>(37,085)</b>	<b>(39,318)</b>	<b>(2,233)</b>	<b>(2,282)</b>
Revenue Contribution to Capital	37,085	37,398	313	362
Transfer to HRA Balances	0	1,920	1,920	1,920

6.2 Total **income** was £1.361m better than budgeted. Most of this relates to “other income” – that is water charges and service charges – and is offset by additional costs. However, there has also been additional rent income from lower than expected void levels. The higher level of cash balances has also resulted in higher interest income.

6.3 There is an underspend of £0.872m on total HRA **Expenditure**. In the same way as the rest of the Council, the Housing Service is working to reduce costs and improve services for tenants and residents. This included a voluntary redundancy programme funded from HRA budgets. The Improvement programme has contributed to the creation of a large overall underspend on expenditure especially within repairs and maintenance.

6.4 The apparent large change since the month ten forecast is because costs of implementing the transformation and the costs of redundancy payments and pension strain are now shown against supervision and management rather than funded from the revenue surplus.

## 7. Capital Programme 2016/17

7.1 The Capital Programme provisional outturn is £173.070m against a programme budget of £184.662m. This does not include expenditure on the Gascoigne programme which was monitored and reported in year but has now been moved onto the Reside capital programme. Both the budget and expenditure have therefore reduced by £37m from previously reported figures. The table below summarises the provisional position and more detail is provided in Appendix B. The variances are mostly the result of slippage and will be reprofiled.

Table 4: Capital Programme and Flexible Use of Receipts

	<b>Revised 2016/17 Budget</b>	<b>Actuals</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adults Care and Support	2,003	2,090	88
Leisure	311	210	(101)

Education Youth and Childcare	59,719	64,891	5,172
Enforcement and Public Realm	3,670	2,320	(1,349)
Parks	344	83	(261)
ICT	5,132	5,184	52
Assets and Investment	24,592	25,151	559
Culture and Recreation	3,541	336	(3,205)
Regeneration	16,811	13,635	(3,176)
Housing General Fund	4,160	57	(4,103)
Capitalisation of Pension Strain	1,723	1,723	0
<b>General Fund Capital Programme</b>	<b>122,003</b>	<b>115,679</b>	<b>(6,324)</b>
Housing Revenue Account	62,659	57,391	(5,268)
<b>TOTAL Capital Programme</b>	<b>184,662</b>	<b>173,070</b>	<b>(11,592)</b>
Flexible Use of Capital Receipts	5,101	5,101	0

- 7.2 Expenditure on the education is £6.4m above the profiled budget due to accelerated works in some of the major school expansion schemes - primarily the Barking Riverside Secondary Free School, Eastbury Secondary, Gascoigne (Greatfields) Secondary and Robert Clack Expansion. There is sufficient budget available in future years to cover this accelerated spend.
- 7.3 The Enforcement programme is showing an overall slippage of £1.56m primarily due to delays in finalising procurement and programme for Street Light Column and LED replacement.
- 7.4 The IT End User project has an overspend of £0.919m primarily due to increase in Hardware and Software purchases as part of the Smarter Ways of Working roll out. This has been offset by underspends in other IT capital budgets.
- 7.5 The main element of Assets and Investment programme is the Corporate Accommodation Strategy which has accelerated spend of £.0588m due to Town Hall Refurb being ahead of schedule. The Land Acquisition and Purchase of Royal British Legion building is within the agreed budgets.
- 7.6 Expenditure on the Culture and Recreation programme is under profile largely as the result of slippage – for example the deferment of the demountable pools project while the Leisure tender process is underway and the Youth Zone Development as a result of a planning delay.
- 7.7 A number of Regeneration schemes such as the Barking Town Centre, Barking Riverside Trans Link and Gurdwara Way are showing slippage. Gurdwara way is due to delays in the Environment Agency giving approval for works to commence, the Barking Trans Link project being a month behind schedule due to late sign off from the GLA and BRL - however the project is anticipated to complete on time. BTC - uncertainties around the lay out of the new Market Place and laying the ducting for the power cables.
- 7.8 The HRA programme overall is reporting a slippage of £5.27m. This is largely due

to slippage on a number of New Build schemes.

## **8. Capitalisation of Pension Strain**

- 8.1 Cabinet is asked to approve the capitalisation of the pension strain costs incurred in year as a result of early severance. When an employee over the age of fifty-five is made redundant (either on a voluntary or a compulsory basis) they become eligible to draw their pension early which results in additional costs to the pension fund. This is charged to the employer at the point of retirement but the option exists to capitalise this pension strain to spread the costs over a longer period (reflecting the fact that redundancy programmes usually result in longer term savings.) It is recommended that the Council exercise this option this year. This will mean a charge of £0.345m in 2017/18 and following years. The total sum if paid in full immediately would be in the region of £1.723m.

## **9 Flexible Use of Capital Receipts**

- 9.1 As part of the MTFs the Council has adopted a strategy for the flexible use of capital receipts to support its transformation programme. The costs funded by this method in 2016/17 are £5.101m as shown in table 4.

## **9. Financial Implications**

Implications completed by: Kathy Freeman, Finance Director

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

## **10. Legal Implications**

Implications completed by: Fiona Taylor, Director of Law and Governance

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

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

- Oracle monitoring reports

## **List of Appendices**

- **Appendix A** – Requests for Carry Forwards and Transfers to/from reserves
- **Appendix B** – Capital Programme

<b>Carry Forward Requests</b>	<b>£000s</b>	<b>REASONS/JUSTIFICATION</b>
HR Equalities project	45	This is budget for a specific project which is still running. Carrying forward the funding will allow it to continue
Carbon Reduction Commitment (CRC)	360	This is specific funding to meet the costs of the carbon levy. The funding will be required in future years.
Commercial Income in advance	310	This is rental income on commercial properties. It is requested to carry it forward to meet future costs on the commercial and property portfolio
Film Studios Project	40	Funding for the film studios project to be used in the next financial year
<b>Total Carry Forward Requests</b>	<b>755</b>	
<b>Transfers from Reserves Not Previously Approved</b>		
Transfer from Adults Reserve - Care and Support	1,097	The Adults reserve is being used to smooth the short-term funding gap in the service caused by the costs of care provision and demographic pressures.
Transfer from Adults Reserve - Transport	250	This is being used to meet the funding gap where there has been slippage on the reprovision of the service.
European Investment Bank Reserve	620	This reserve exists to smooth the interest and funding profile on the EIB deal.
<b>Total Transfers from reserves</b>	<b>1,967</b>	
<b>Transfers to Reserves</b>		
Transfer of in year VR savings	-1,799	In year savings as a result of the in-year VR exercise have already been removed from revenue budgets. These will be transferred to a reserve and used to support expenditure in 2017/18 as set out in the MTFS.
Creation of an Education Reserve	-200	There is an underspend in Education Youth and Childcare. The Commissioning Director has requested that this be used to fund a reserve to support the delivery of the Growth commission agenda of increasing educational attainment in the borough, job creation, upskilling of existing residents. Initially it will be used to support the Adult College develop its new offer in line with these objectives.
Legal Reserve	-100	This is a surplus generated by Legal trading. It is requested that it be transferred to a reserve and used to support the future development of the

		service.
Reside Rent income and funding agreement	-387	This is the current surplus on the Reside collection account that needs to be transferred to an earmarked reserve for future use.
<b>Total Transfers to Reserves</b>	<b>-2,486</b>	

## Capital Programme 2016/17 - Final Outturn 2017

Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
<b>Service Development &amp; Integration</b>				
<b>Adult Care and Support</b>				
<b>Adult Social Care</b>				
FC00106	Private Sector HouseHolds	1,064,000	1,134,045	70,045
FC02888	Direct Payment Adaptations Grant	400,000	343,304	-56,696
FC03049	Adult Social Care Cap Grant	113,000	115,386	2,386
FC03061	Social Care IT Replacement System	425,515	497,688	72,173
<b>Total For Adult Care and Support</b>		<b>2,002,515</b>	<b>2,090,423</b>	<b>87,908</b>
<b>Healthy Lifestyles</b>				
FC02870	Barking Leisure Centre 2012-14	310,617	209,956	-100,661
<b>Education, Youth and Childcare</b>				
<b>Primary Schools</b>				
FC02736	Roding Primary School (Cannington Road Annex)	129,789	0	-129,789
FC02745	George Carey CofE (formerly Barking Riverside) Primary School	23,376	450	-22,926
FC02784	Manor Longbridge (former UEL Site) Primary School	150,000	2,818	-147,182
FC02799	St Joseph's Primary - expansion	4,279	4,279	0
FC02861	Eastbury Primary (Expansion)	63,857	49,068	-14,789
FC02865	William Bellamy Primary (Expansion)	44,500	1,824	-42,676
FC02919	Richard Alibon Expansion	53,770	77,717	23,947
FC02920	Warren/Furze Expansion	350,255	401,144	50,889
FC02921	Manor Infant Jnr Expansion	39,308	36,527	-2,781
FC02923	Rush Green Expansion	115,902	114,944	-958
FC02924	St Joseph's Primary(Barking) Extn 13-14	15,072	0	-15,072
FC02956	Marsh Green Primary 13-15	882,218	654,509	-227,709
FC02957	John Perry School Expansion 13-15	17,395	5,285	-12,110
FC02960	Sydney Russell (Fanshawe) Primary Expansion	4,382,500	4,513,605	131,105
FC02979	Gascoigne Primary (Shaftesburys)	7,024,340	6,597,192	-427,148
FC02998	Marks Gate Junior Sch 2014-15	50,000	38,418	-11,582
FC03014	Barking Riverside City Farm Phase II	50,000	27,959	-22,041
FC03041	Village Infants - Additional Pupil Places	1,511,417	1,399,906	-111,511

Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
FC03053	Gascoigne Primary - 5fe to 4fe	600,000	541,106	-58,894
<b>Secondary Schools</b>				
FC02953	All Saints Expansion 13-15	112,233	0	-112,233
FC02954	Jo Richardson expansion	350,000	181,374	-168,626
FC02959	Robert Clack Expansion 13-15	3,500,000	4,226,224	726,224
FC02977	Barking Riverside Secondary Free School (Front Funding)	27,500,000	31,860,380	4,360,380
FC03018	Eastbury Secondary	2,800,000	3,616,800	816,800
FC03020	Dagenham Park	2,831,458	2,512,885	-318,573
FC03054	Lymington Fields All through School	200,000	242,707	42,707
FC03019	Eastbrook School	640,000	1,124,740	484,740
FC03022	New Gascoigne Secondary School (Greatfields)	100,000	740,836	640,836
FC03078	Barking Abbey Expansion 2016-18	100,000	29,260	-70,740
<b>Other Schemes</b>				
FC02826	Conversion of Heathway to Family Resource Centre	19,323	16,662	-2,661
FC02906	School Expansion SEN projects	164,138	33,823	-130,315
FC03042	Additional SEN Provision	250,000	134,160	-115,840
FC02909	School Expansion Minor projects	87,344	132,556	45,212
FC02972	Implementation of early education for 2 year olds	691,482	503,965	-187,517
FC02975	Barking Abbey Artificial Football Pitch	55,415	45,098	-10,317
FC02978 / FC03010 / FC03051	School Modernisation Fund	3,058,746	3,650,634	591,888
FC03085	School Condition Allocations 2017-19		103,805	103,805
FC03013	Universal infant Free School Meals Project	5,862	0	-5,862
FC03043	Pupil Intervention Project (PIP)	400,000	462,626	62,626
9999	Devolved Capital Formula	917,392	398,367	-519,025
<b>Children Centres</b>				
FC03063	Extension of Abbey CC Nursery	125,000	124,158	-842
FC03033	Upgrade of Children Centres	290,853	282,883	-7,970
FC02217	John Perry Children's	5,123	0	-5,123
FC02310	William Bellamy Children Centre	6,458	0	-6,458
<b>Total For Education Youth and Childcare</b>		<b>59,718,805</b>	<b>64,890,694</b>	<b>5,171,889</b>
<b>Enforcement and Public Realm</b>				



Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
FC03064	Street Light Replacing	976,005	185,203	-790,802
FC03030	Frizlands Phase 2 Asbestos Replacement	381,146	365,532	-15,614
FC02964	Road Safety Impv 2013-14 (TFL)	236,000	189,825	-46,175
FC02542	Backlog Capital Improvements	394,830	235,724	-159,106
FC03065	Highways Improvement Programme	705,190	701,709	-3,481
FC02982	Controlled Parking Zones (CPZ's) 2013-15	150,000	113,623	-36,377
FC03011	Structural Repairs & Bridge Maintenance	383,001	109,210	-273,791
FC03067	Abbey Green Works 2016-17	63,678	60,137	-3,541
FC03066	Parking ICT System	280,000	276,463	-3,537
FC03083	Chadwell Heath Cemetry Ext	100,000	83,021	-16,979
<b>Total For Enforcement and Public Realm</b>		<b>3,669,850</b>	<b>2,320,447</b>	<b>(1,349,403)</b>
<b>Parks</b>				
FC03026	BMX Track	226,136	3,300	-222,836
FC03034	Strategic Parks	117,840	79,281	-38,559
<b>Total For Parks</b>		<b>343,976</b>	<b>82,581</b>	<b>(261,395)</b>
<b>ICT</b>				
FC03068	ICT End User Computing	1,700,000	2,618,888	918,888
FC02738	Modernisation and Improvement Capital Fund (formerly One B & D ICT Main Scheme)	256,457	267,251	10,794
FC02877	Oracle R12 Joint Services	157,465	59,599	-97,866
FC03052	Elevate IT Investments	2,221,000	1,777,874	-443,126
FC03059	Customer Services Channel Shift	797,070	460,079	-336,991
<b>Total For ICT</b>		<b>5,131,992</b>	<b>5,183,691</b>	<b>51,699</b>
<b>Asset Strategy</b>				
FC02587	Energy Efficiency Programme	28,753	0	-28,753
FC02565	Implement Corporate Accommodation Strategy	3,000,000	3,588,228	588,228
FC03081	Land Acquisitions 2016-18 (Barking Riverside Housing Zone)	20,838,613	20,838,613	0
FC03080	Acquisition of Royal British Legion	724,534	724,534	0
<b>Total For Asset Strategy</b>		<b>24,591,900</b>	<b>25,151,375</b>	<b>559,475</b>
<b>Culture &amp; Sport</b>				
FC03060	BLC - Replacement Flooring	171,000	46,000	-125,000
FC03029	Broadway Theatre	50,000	0	-50,000
FC03062	50m Demountable Swimming Pool	1,700,000	0	-1,700,000

Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
FC03032	Parsloes Park - Artificial Turf Pitches & Master Planning	519,540	23,570	-495,970
FC03057	Youth Zone Development	1,000,000	166,000	-834,000
FC03079	Whitehouse Refurb	100,000	100,000	0
<b>Total For Culture and Recreation</b>		<b>3,540,540</b>	<b>335,570</b>	<b>(3,204,970)</b>
<b>Regeneration</b>				
FC03027	Establishment of Council Owned Energy Services Company	100,000	160,099	60,099
FC02969	Creative Industries	35,586	0	-35,586
FC02902	Short Blue Place - New Market Sqr Phase II		0	0
FC02898	Local Transport Plans (TfL)	204,000	129,696	-74,304
FC02962	Principal Road Resurfacing 2013-14 TfL	446,000	447,552	1,552
FC02963	Mayesbrook Neighbourhood Improvements (DIY Streets) 2013-14 (TfL)	200,000	207,003	7,003
FC02994	Renwick Road/ Choats Road 2014/15 (TfL)	80,000	83,426	3,426
FC02995	Ballards Road/ New Road 2014/15	0	0	0
FC02996	Barking Town Centre 2014/15 (TfL)	1,278,300	842,532	-435,768
FC02997	A12 / Whalebone Lane (TfL)	0	0	0
FC03000	MAQF Green Wall (TfL)	0	1,625	1,625
FC03023	Bus Stop Accessibility Improvements	138,000	132,574	-5,426
FC03025	Gale St Corridor Improvements	325,000	335,882	10,882
FC03028	Chadwell Heath Crossrail Complementary Measures (CCM)	811,650	967,808	156,158
FC03050	Clockhouse Avenue - Freehold Purchase	37,016	36,792	-224
FC03072	Purchase of Sacred Heart Convent, 191 Goresbrook Road, Dagenham - to convert to homeless provision	3,000,000	2,914,844	-85,156
FC03055	Barking Riverside Trans Link (Drovers Way)	9,300,000	7,345,348	-1,954,652
FC03082	Gurdwara Way - Land remediation	855,000	29,595	-825,405
<b>Total For Regeneration</b>		<b>16,810,552</b>	<b>13,634,776</b>	<b>(3,175,776)</b>
<b>General Fund Housing</b>				
FC03070	Boundary Road Hostel	400,000	16,913	-383,087
FC02990	Abbey Road Phase II New Build	360,000	363,751	3,751
FC02985	Gascoigne West (Housing Zone)	3,000,000	4,306,096	1,306,096
FC03058	Kingsbridge Development	400,000	427,911	27,911
<b>Total For General Fund Housing</b>		<b>4,160,000</b>	<b>56,864</b>	<b>(4,103,136)</b>

Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
<b>Capital Obligations</b>				
FC0xxx	Capitalisation of Pension Strain	1,722,525	1,722,525	0
<b>Grand Total for Non HRA</b>		<b>122,003,272</b>	<b>115,678,902</b>	<b>(6,324,370)</b>

Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
<b>HRA</b>				
	<b>Estate Renewal</b>			
FC02820	Boroughwide Estate Renewal	8,000,000	9,876,637	1,876,637
	<b>Sub-Total: Estate Renewals</b>	<b>8,000,000</b>	<b>9,876,637</b>	<b>1,876,637</b>
	<b>New Build schemes</b>			
FC02823	Council Housing Phase 3	400,000	0	-400,000
FC02916	Lawns & Wood Lane Bungalows	0	54,399	54,399
FC02917	Abbey Road Creative Industries Quarter	0	0	0
FC02931	Leys New Build Development (HRA)	8,550,000	6,155,942	-2,394,058
FC03071	Modular Construction Programme	1,000,000	1,000	-999,000
FC03009	Leys Phase II	3,000,000	3,198,215	198,215
FC02961	Goresbrook Village Housing Development 13-15	0	3,105	3,105
FC02970	Marks Gate Open Gateway Regen Scheme	414,997	645,899	230,902
FC02973	Infill Sites	784,100	333,221	-450,879
FC02988	Bungalows	100,000	38,171	-61,829
FC02989	Ilchester Road New Build	2,750,000	1,074,564	-1,675,436
FC03056	Burford Close	300,000	54,921	-245,079
	<b>Sun-Total: New Builds</b>	<b>17,299,097</b>	<b>11,559,437</b>	<b>(5,739,660)</b>

	<b>Investment In Stock</b>			
FC00100	Aids & Adaptations	860,000	891,052	31,052
FC02811	Members Budget	0	0	0
FC02933	Voids	5,000,000	5,023,743	23,743
FC02934	Roof Replacement Project	116,139	52,724	-63,415
FC02935	Internal Works Multiple Elements	0	0	0
FC03048 / FC02938	Fire Safety Works	1,642,300	1,680,277	37,977
FC02943	Asbestos Removal (Communal Areas)	900,000	822,643	-77,357
FC02950	Central Heating Installation Inc. Communal Boiler Replacement Phase II	1,600,000	1,577,217	-22,783
FC02939	Conversions	50,000	8,548	-41,452
FC02984	Block & Estate Management	0	0	0
FC02983	Decent Homes Central	6,900,000	6,861,069	-38,931
FC03002 / FC03047	Decent Homes South	8,087,900	7,926,910	-160,990

Project No	Project Name	Revised 2016/17 Budget	Actuals	Variance
FC03001 / FC03046	Decent Homes North	5,900,000	6,324,823	424,823
FC03003	Decent Homes (Blocks)	76,000	0	-76,000
FC03004	Decent Homes (Sheltered)	33,200	18,298	-14,902
FC03005	Decent Homes Small Contractors	0	0	0
FC03007	Window Replacement Scheme	4,400	0	-4,400
FC03036	Decent Homes Support - Liaison Teams/Surveys	90,000	90,000	0
FC03037	Energy Efficiency	500,000	337,413	-162,587
FC03038	Garages Refurbishment	450,000	344,627	-105,373
FC03039	Estate Roads & Environmental	750,000	739,728	-10,272
FC03040	Communal Repairs & Upgrades	50,000	34,013	-15,987
FC03045	External Fabrics - Blocks	3,200,000	3,126,653	-73,347
FC03074	Estate Public Realm Improvements	500,000	95,307	-404,693
FC03075	Door Entry Systems	20,000	304	-19,696
FC03076	Window Replacements	20,000	0	-20,000
FC03077	Internal Works	150,000	0	-150,000
	<b>Sub-Total: Investment in Stock</b>	<b>36,899,939</b>	<b>35,955,349</b>	<b>(944,590)</b>
	<b>Housing Transformation</b>			
FC03073	Housing Transformation Programme	460,000	0	-460,000
<b>Total For HRA</b>		<b>62,659,036</b>	<b>57,391,423</b>	<b>(5,267,613)</b>
<b>Total for Capital Programme 2016/17</b>		<b>184,662,308</b>	<b>173,070,325</b>	<b>(11,591,983)</b>

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## CABINET

23 May 2017

<b>Title:</b> Proposed Expansion of Robert Clack and Barking Abbey Comprehensive Schools	
<b>Report of the Cabinet Member for Educational Attainment and School Improvement</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> Longbridge, Whalebone and Heath	<b>Key Decision:</b> Yes
<b>Report Authors:</b> Andrew Carr, Group Manager, School Investment, Organisation and Admissions  Mike Freeman, Investment and Strategy Advisor	<b>Contact Details:</b> Tel:020 8227 2254 Email: <a href="mailto:andrew.carr@lbbd.gov.uk">andrew.carr@lbbd.gov.uk</a>  Tel: 020 8227 3492 E-mail: <a href="mailto:mike.freeman@lbbd.gov.uk">mike.freeman@lbbd.gov.uk</a>
<b>Accountable Director:</b> Jane Hargreaves, Commissioning Director, Education	
<b>Accountable Strategic Director:</b> Anne Bristow, Strategic Director for Service Development and Integration	
<p><b>Summary:</b></p> <p>At its meetings on 19 April 2016 and 19 July 2016, Cabinet approved the allocation of funding within the Capital Programme to support an investment programme to respond to the demand for additional school places in the primary and secondary age range. The reports to the aforementioned meetings, outlined arrangements that had been agreed with Head Teachers and Governing Bodies to meet demand issues at a number of the Borough's schools.</p> <p>This report seeks to formalise those arrangements through the permanent expansion of:</p> <ul style="list-style-type: none"> <li>• Robert Clack Secondary School to become an 18 form of entry (FE) Secondary School and to become an all-through school through the provision of a nursery and a 3FE Primary School.</li> <li>• Barking Abbey Secondary School to become a 12 form of entry (FE) Secondary School.</li> </ul> <p>The benefits of this proposal will be to increase school places in both the primary age range and in the secondary age range in order to meet the increasing demand for school places. This increase in demand for school places is being caused by the changes experienced in the age profile of the Borough, most notably the rise in birth rates and changes in migration patterns into the Borough.</p>	

## **Recommendation(s)**

The Cabinet is recommended to agree:

- (i) The extension of the age range for pupils attending Robert Clack Secondary School in order to accommodate primary aged pupils (3FE) and also nursery aged pupils (39 places) from September 2019;
- (ii) The expansion of Robert Clack Secondary School from 10 to 18 FE from 1 September 2019 to be a phased planned expansion in collaboration with the school; and
- (iii) The expansion of Barking Abbey Secondary School from 9 to 12 FE from 1 September 2017.

## **Reason(s)**

The decision will assist the Council in fulfilling its statutory obligations to provide a school place for every child and support the intention to the Council's Vision and Priorities, including encouraging civic pride, enabling social responsibility and growing the Borough, and delivering the ambition for excellence in education set out in our Education Strategy.

It is part of the mitigation of Corporate Risk 31 – Inability to Provide School Places.

## **1. Introduction and Background**

- 1.1 Cabinet has received regular reports about the continuing demand for school places and the need to develop additional provision, the most recent being on 15 November 2016 (Minute 62 refers). The Borough has seen an unprecedented rise in births since 2003/04 and the Council has planned for steady expansion of school places since 2007. The impact of this was first seen in the Reception Cohort in 2008/09. Appendix 1 illustrates the actual and forecast number of births in the borough from 2000 to 2020 and also demonstrates that changes do occur in forecast birth data from year to year.
- 1.2 The additional school places that have been created to date have predominantly been in the primary sector with the secondary sector now following its lead. The Council started to embark on creating more pupil places in the secondary sector since 2013 as the year groups move up from the primary sector and transfer into the secondary sector. This is in addition to continuing to increase school places in the primary sector as demand is forecast to continue to rise albeit more slowly.
- 1.3 Additional primary classes have been put in place since 2007/08 in order to meet the increased demand for pupil places and this has been detailed in previous reports to Cabinet. These additional classes have been managed by a combination of expansions, blip classes and the new schools including George Carey Church of England Primary School, Goresbrook All-Through Free School, Riverside Secondary Free School, Riverside Primary Free School and Greatfields Secondary Free School.



- 1.4 In the Secondary sector, a total of circa 65 additional Year 7 to 11 classes have been provided since 2013. This can be summarised as follows:

**Table 1 - Additional Secondary School Classes - September 2013 to 2016**

Secondary School	Number of Additional Classes Per Year Group:					Total
	Year 7	Year 8	Year 9	Year 10	Year 11	
Dagenham Park Church of England School	1.5	1.5	0.5	0.5	0.5	4.5
Riverside Secondary School	8	4	4	4	4	24
All Saints School	2	2	2			6
Jo Richardson School	2	2				4
Sydney Russell School	2	2	2	2		8
Goresbrook Free School	4					4
Greatfields School	4					4
Elutec				5	5	10
<b>Total</b>	<b>23.5</b>	<b>11.5</b>	<b>8.5</b>	<b>11.5</b>	<b>9.5</b>	<b>64.5</b>

- 1.5 Also, as previously reported to Cabinet, in addition to the increased births, the Admissions Team in Children's Services are continuing to receive high numbers of late applications for all year groups and this has compounded the difficulty in planning for the right number of school places, as this relates to new people moving into the Borough.
- 1.6 A further issue previously reported to Cabinet is the change in the retention rate regarding the number of children born in the borough requiring a Reception place. This is now at 102.4% and means that we continue to have more children moving into the borough than were born here. The retention rate has remained above 100% since 2006/2007. This and the information set out above highlights the number of new residents with larger families moving into the Borough.
- 1.7 Of all the London Boroughs, Barking and Dagenham is amongst those that has had the highest growth in the 5 to 10 year age range over the past five years. In the following years, these pupils will move up to the secondary sector as shown in Table 2 below.
- 1.8 Table 2 below also highlights the growth in the school aged population of our neighbouring boroughs.

**Table 2 - Actual and Forecast Population Growth**

Local Authority	Ages 5 to 10 Years				Ages 11 to 15 Years			
	2010 to 2015 (Actual)	% Growth (Actual)	2015 to 2020 (Forecast)	% Growth (Forecast)	2010 to 2015 (Actual)	% Growth (Actual)	2015 to 2020 (Forecast)	% Growth (Forecast)
Barking & Dagenham	5,900	36%	1,200	5%	600	5%	4,100	31%
Redbridge	3,400	15%	2,800	11%	600	3%	2,600	14%
Newham	3,500	14%	2,500	9%	200	1%	1,800	9%
Havering	2,600	17%	2,800	15%	-1,100	-7%	2,500	18%

Source: GLA 2015 Trend based projections (including new housing)

- 1.9 This increase in pupil numbers has been reflected in many London boroughs. The forecast growth in the 11 to 15 year age group are the primary aged pupils making their way up to secondary school. It is worth noting that Havering is also experiencing population growth with rising numbers in the primary sector.
- 1.10 The increase in Havering's 5 to 10 year olds over the past five years will move up to the secondary sector over the next few years. Historically, steady numbers from Barking & Dagenham have gone to Secondary Schools in Havering. This may be closing as an option over coming years.
- 1.11 The need to provide additional secondary school places can be further illustrated from the information set out in tables 3 and 4 below.

**Table 3 - Year 7 Secondary School Capacity and growth in pupil numbers**

	Year in which pupils move up to Year 7	Number Of Pupils	Yearly Increase/ (decrease)	Current Number of places
<b>Current Year 7 Capacity (as at September 2016)</b>				<b>3,099</b> [based on 270 places at Eastbrook]
				Potential shortfall of places
Number of Year 6 pupils in 2010	September 2011	2,364		
Number of Year 6 pupils in 2011	September 2012	2,437	73	
Number of Year 6 pupils in 2012	September 2013	2,524	87	
Number of Year 6 pupils in 2013	September 2014	2,673	149	
Number of Year 6 pupils in 2014	September 2015	2,849	176	
Number of Year 6 pupils in 2015	September 2016	3,103	254	
Number of Year 6 pupils in 2016	September 2017	3,257	154	(158)
Number of Year 5 pupils in 2016 *	September 2018	3,513	256	
Number of Year 4 pupils in 2016 *	September 2019	3,672	159	
Number of Year 3 pupils in 2016*	September 2020	3,627	(45)	
Number of Year 2 pupils in 2016*	September 2021	3,709	82	
Number of Year 1 pupils in 2016*	September 2022	3,721	12	
Number of Reception pupils in 2016*	September 2023	3,740	19	

NB: \* These numbers are from the October 2016 pupil count and will change during the course of the school year.

**Table 4 - Year 7 Secondary School Capacity for September 2017 and growth in pupil numbers**

Number of Year 7 Places in September 2016 (as above)	3099 places	Number of Year 6 pupils moving up to Year 7 in September 2017	Actual Forecast Year 7 pupils inclusive of demographic factors
<b>Add additional places for September 2017:</b>			
Barking Abbey School (360-279)	81 places		
Eastbrook School	90 places		
Riverside Secondary	60 places		
<b>Total Number of Places for September 2017</b>	<b>3,330 places</b>	<b>3257 (this would give 2.2% surplus capacity)</b>	<b>3100 (this would give 6.9 % surplus capacity)</b>

1.12 It should be noted that the above forecast numbers (from 2016) do not take account of in-year movements that generally increase pupil numbers such as from new housing developments. Also a number of pupils will go to out of borough schools and the Local Authority will also 'import' pupils into the borough.

1.13 The Cabinet has previously approved a range of necessary actions taken by the Corporate Director of Children's Services to respond to the demand for additional school places, and these proposals endorse the earlier decisions.

#### 1.14 **Robert Clack Comprehensive School**

1.14.1 The school was judged 'Good' at its last Ofsted short inspection in September 2016. This followed a full inspection carried out in October 2013 when it was also judged 'Good' with outstanding for both the behaviour and safety of pupils and its leadership and management.

1.14.2 At its meeting of 19 July 2016, Cabinet approved the expansion of Robert Clack School of Science, subject to the approval of the Department of Education (DfE) following formal consultation. This report forms part of the formal consultation required by the DfE, the decision of which will be sent to the DfE.

1.14.3 The funding for this proposal was also set out in the report of 19 July 2016 (Section 3) as follows:

- **DfE Basic Need Grant for 2017-2018 financial year**

A sum of £17m to be set aside from the £17,865,375 new grant identified by the DfE to support the provision of school places.

- **Existing Basic Need Grant**

The sum of £10m from the capital programme to be reserved for the Robert Clack development of the Lymington Fields site.

- **Section 106 Planning Gain**

A sum of £1.75m has been secured to support the development of education provision on the Lymington Fields site plus some land being made available. It was agreed that this funding be secured as part of the planning requirements to support the development of the school to enhance provision.

#### 1.15 **Barking Abbey Comprehensive School**

1.15.1 The school was judged 'Good' at its last Ofsted inspection in September 2012 with outstanding for the behaviour and safety of pupils.

1.15.2 At its meeting of 19 April 2016 (minute 120 refers), Cabinet were informed of the ongoing discussions with the school to provide increased capacity for additional secondary school places and it was agreed by the Governing Body to increase capacity from 9 to 12 Forms of Entry thus creating 90 extra places per year group.

- 1.15.3 A sum of £12m has been set aside for this project as set out in the aforementioned report (minute 11.1 refers).
- 1.16 Meetings with the Chair and Board of Governors of the schools have been held to discuss the wider proposals and support was received to expand the schools permanently subject to accommodation provision being made available which meet each of the Schools requirements. This will allow the schools to grow year on year.
- 1.17 The discussions that have followed with each School Governing Body, parents and the local community have placed the schools in a position to permanently expand their intake (as set out in section 2 below and Appendix 2) in order to meet current and future demand.
- 1.18 Letters were sent to Parents, Carers and Guardians of Pupils, Staff and Governors of each of the schools informing them of the proposal to expand the school and the reasons for this on 16th January 2017 for Barking Abbey School and on 28<sup>th</sup> February 2017 for Robert Clack School. Unions were copied into these letters.
- 1.19 The Council has published formal statutory notices to expand the schools as follows:
- Robert Clack Comprehensive School to be expanded from the start of the Autumn Term, 1<sup>st</sup> September 2019. The notice was published in the local press on 17<sup>th</sup> April 2017. The notice period expired on 15<sup>th</sup> May 2017.
  - Barking Abbey Secondary School to be expanded from the start of the Autumn Term, 1<sup>st</sup> September 2017. The notice was published in the local press on 6<sup>th</sup> March 2017. The notice period expired on 2<sup>nd</sup> April 2017.
- 1.20 Each of the schools have displayed a copy of their notice on their school notice board and copies of the notices were displayed at both Barking Library and Dagenham Library and also sent to other neighbouring local authorities. The standard new admission numbers for each of the schools as set out in section 2 below was set out in the notices.
- 1.21 At the time of writing this report, two responses have been received following publication of the notice and the letter sent to parents, carers and guardians of pupils, staff and governors of the school.
- 1.22 The responses have come from parents of pupils attending Barking Abbey Secondary School and have raised concerns about maintaining high attainment levels, recruiting staff of a high calibre, having sufficient funding and concerns that playground space would be reduced. All responses to the consultation have been replied to and reassurances given about the concerns raised following advice from the school's inspector and the head-teacher of the school.
- 1.23 Any further responses received subsequent to the writing of this report will be reported at the meeting.

## **2. Proposal and Issues**

The proposals are as follows:

### **2.1 Robert Clack Secondary School**

- 2.1.1 Extend the age range for pupils attending the school in order to accommodate primary aged pupils and also nursery aged pupils. The proposal is to have ninety places (3 forms of entry) per year group for Reception Year through to Year 6 and also 39 places for nursery pupils beginning in September 2019. This would mean the school would begin with up to 90 places (3 forms of entry) in Reception Year in 2019 and also the nursery places and then grow year on year (for Reception through to Year 6) until all year groups are operating by September 2025. This will mean the school will expand on a phased basis subject to an agreed rate of increase on a yearly basis.
- 2.1.2 Therefore, in September 2026 all Year 6 Robert Clack pupils will be able to move up to Year 7 of the same school.
- 2.1.3 Expand its Secondary School facility from 10fe to 18fe. This would mean an additional 240 places (8 forms of entry) per year group beginning in September 2019 with Year 7 and then growing year by year until by September 2023, Years 7 to 11 would be operating at eighteen classes per year group. (NB: The school begun taking an additional two Year 7 classes in September 2015 and will continue to expand in an agreed manner subject to discussions between the school and the Local Authority.)
- 2.1.4 Therefore, the school would grow year on year beginning with an additional six classes for Year 7 only in September 2019 (as detailed in Appendix 2). Year 7 would therefore have 18 Forms of Entry in September 2019 and Years 8 to 11 would each have 12 Forms of Entry.
- 2.1.5 The Governing Body for the school believe the move to an all through structure will have positive benefits for both secondary and primary age students. Secondary and primary staff working in closer partnership will help improve the achievement of all pupils still further. The Governing Body have also been involved in discussions regarding the expansion of the school and have agreed to its expansion to 18 Forms of Entry.
- 2.1.6 Therefore, regarding secondary level provision, the current admission number for the school is 360 in Year 7. From September 2019, the proposed admission number for Year 7 pupils will be for 540 places (and 90 places in reception year). From September 2026, the admission number for entry at age 11 will be 450 pupils, to allow for 90 pupils that will by then be attending the school in Year 6 to transfer from Year 6 to Year 7 (as noted in point 2 above). The overall number of pupils in Year 7 will be 540, with 90 pupils transferring from the existing school and 450 pupils being admitted through the normal secondary admission round.
- 2.1.7 By September 2023 Robert Clack Comprehensive School will be offering all of its additional secondary places and by September 2025, it will be offering all of its primary places proposed by these alterations. In addition, Robert Clack has been

commissioned by West Ham Football Club to provide education support to their Football Academy and this will include up to 20 year 10 and 20 year 11 pupils.

- 2.1.8 A further consideration in connection with the Robert Clack Secondary School proposal is the Governing Body for the school might in due course feel that the name of their school will need to include the words 'All Through School' once the age range has expanded. It is for the Governing Body of the school to decide whether or when to change the name of the school, and if it does wish to change the name of the school, to what it should change to.

## **2.2 Barking Abbey Secondary School**

- 2.2.1 Expand the schools secondary provision from 9fe to 12fe. The current admission number for the school is 279 in Year 7. From September 2017, the admission number for entry at age 11 will be 360 pupils.
- 2.2.2 By September 2021, Barking Abbey Secondary School will be offering all of its secondary places (Years 7 to 11) proposed by this alteration. This is detailed in Appendix 2.
- 2.2.3 The Governing Body have been involved in the discussions regarding the expansion of the school and have agreed to the proposed expansion of the school from to 9 to 12 Forms of Entry.
- 2.2.4 Therefore, the school would grow year on year beginning with an additional three classes for Year 7 only in September 2017 (as detailed in Appendix 2). Year 7 would therefore have 12 Forms of Entry in September 2017 with Years 8 to 11 remaining at 9 Forms of Entry.
- 2.3 Both schools will continue to admit pupils into Year 7 at age 11 years using the admission criteria of the Local Authority.
- 2.4 The schools have agreed to the above and the Council will work in partnership to ensure each of the two schools has the support it needs to accommodate the additional pupils and that the expansions are both disability friendly and utilise the latest building thinking to support CYP with a wide range of need in order to provide a good learning and support environment for all the mainstream children educated there in the future. The Council are working closely with the schools together with the DfE who have indicated their support for these proposals.
- 2.5 This is in line with the Council's Vision which is to encourage growth and unlock the potential of Barking and Dagenham and its residents and thereby allow every child to be valued so they can succeed. The residents of Barking and Dagenham can look to the future with confidence, assured that their council will do what it can to provide the educational, academic and vocational opportunities they need.
- 2.6 The outcome would be for a borough with excellent schools, constantly improving and which are growing to meet the demands for pupil places.
- 2.7 Further, this proposal meets with the Education Strategy whereby the overarching responsibility for Education in the Borough is to improve the life chances and help

drive, support and fulfil the ambitions of all the children, young people and adults who live and study here.

- 2.8 In particular, the Education Strategy sets out the agreement for a programme for developing school places subject to the proviso that it may need revision in the light of changed demand for places and resources available.

### **3. Options Appraisal**

- 3.1 **Do Nothing** - This is not practical due to the legal and statutory obligation placed on the Council to provide sufficient school places and the pressures currently faced across the Borough.

- 3.2 **Expansion of Schools** - This preferred option has the support of each School's Governing Body and local community and forms part of the wider development of the Schools for which funding has been made available within the Capital Programme.

### **4. Consultation**

- 4.1 As set out in Section 1.16 to 1.20 of the report, discussions have been held with the head teachers and governing bodies of each of the schools regarding the expansion of their schools, letters were sent to all parents, carers and guardians, members of staff and members of the governing body for each of the schools allowing them six weeks to put forward any comments or views. Trade Unions were copied into the letters.

- 4.2 A formal statutory notice was published in The Barking and Dagenham Post on 8th March 2017 for Barking Abbey Comprehensive School and on 17<sup>th</sup> April 2017 for Robert Clack Secondary School regarding the proposals to expand the schools with effect from 1 September 2017 and 1 September 2019 respectfully allowing a further four weeks for views to be brought forward.

- 4.3 Ward Councillors were sent details as part of the consultation process.

### **5. Financial Implications**

Implications completed by: Daksha Chauhan, Group Accountant, Children's Finance

- 5.1 This report requests approval for the extension of the age range for pupils attending Robert Clack Secondary School to accommodate primary aged pupils (3FE) and also nursery aged pupils (39 places) from September 2019. Approval is also sought for an expansion of the school from 10 FE to 18 FE from 1 September 2019. Approval is also sought for the expansion of Barking Abbey Secondary School from 9 to 12 FE from 1 September 2017.
- 5.2 Funding for Robert Clack is to be met from Basic Need Funding and S106 monies as detailed in Paragraph 1.13.
- 5.3 Cabinet in July 2016 approved setting aside £12m for the expansion of Barking Abbey School.

- 5.4 These schemes are within the Capital Programme and progress and any risks will be reported through the Capital Monitoring process.

## 6. Legal Implications

Implications completed by: Lucinda Bell, Education Lawyer

- 6.1 By Section 14 of the Education Act 1996 the Authority must secure sufficient schools for primary and secondary education. The Authority must have regard to the necessity to secure places for special educational needs pupils to ensure sufficient provision is made for pupils who have special educational needs.
- 6.2 The process of making changes to schools is governed by regulations and there is statutory, namely, Guidance for Proposers and Decision-Makers, April 2016.
- 6.3 All representations received following consultation on proposed changes must be given conscientious consideration.

## 7. Other Implications

- 7.1 **Risk Management** - The Council has a statutory obligation to make provision for additional pupil places in the Borough and these proposals mitigate Corporate Risk 31 - the risk of failing to provide suitable numbers of places for pupils' learning.
- 7.2 **Staffing Issues** - The schools will need to increase the numbers of teaching and non-teaching staff to support the increase in pupil numbers. This will be funded through the school's DSG budget and the increased share which the school will receive.
- 7.3 **Corporate Policy and Customer Impact** - The decision will assist the Council in fulfilling its obligations to provide a school place for every child and support the intention of the Council's Vision and Priorities, including encouraging civic pride, enabling social responsibility and growing the Borough. It is also part of the mitigation of Corporate Risk 31 – Inability to Provide School Places.

Further, the increase in pupil places from these proposals will improve the available places for parents expressing a preference for their children to attend Robert Clack and Barking Abbey Secondary Schools. It will also ensure that pupils have better access to education provision in both the primary sector and secondary sector and are more likely to be able to attend schools in their local area.

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

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



young people. The proposal will result in additional accessible school places and this will have a positive impact on all equality groups.

7.5 **Crime and Disorder Issues** - Appropriate consideration of the development of individual projects will take into account the need to design out potential crime problems and to protect users of the building facilities so to be secured by design.

7.6 **Property / Asset Issues** - Where necessary, as detailed above, the schools will be expanded with new buildings and/or new classrooms and through internal and external building alterations to meet the increased size of the schools. The projects will be subject to planning requirements in which pupil movement to and from school sites and any traffic implications will be considered as part of these applications.

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

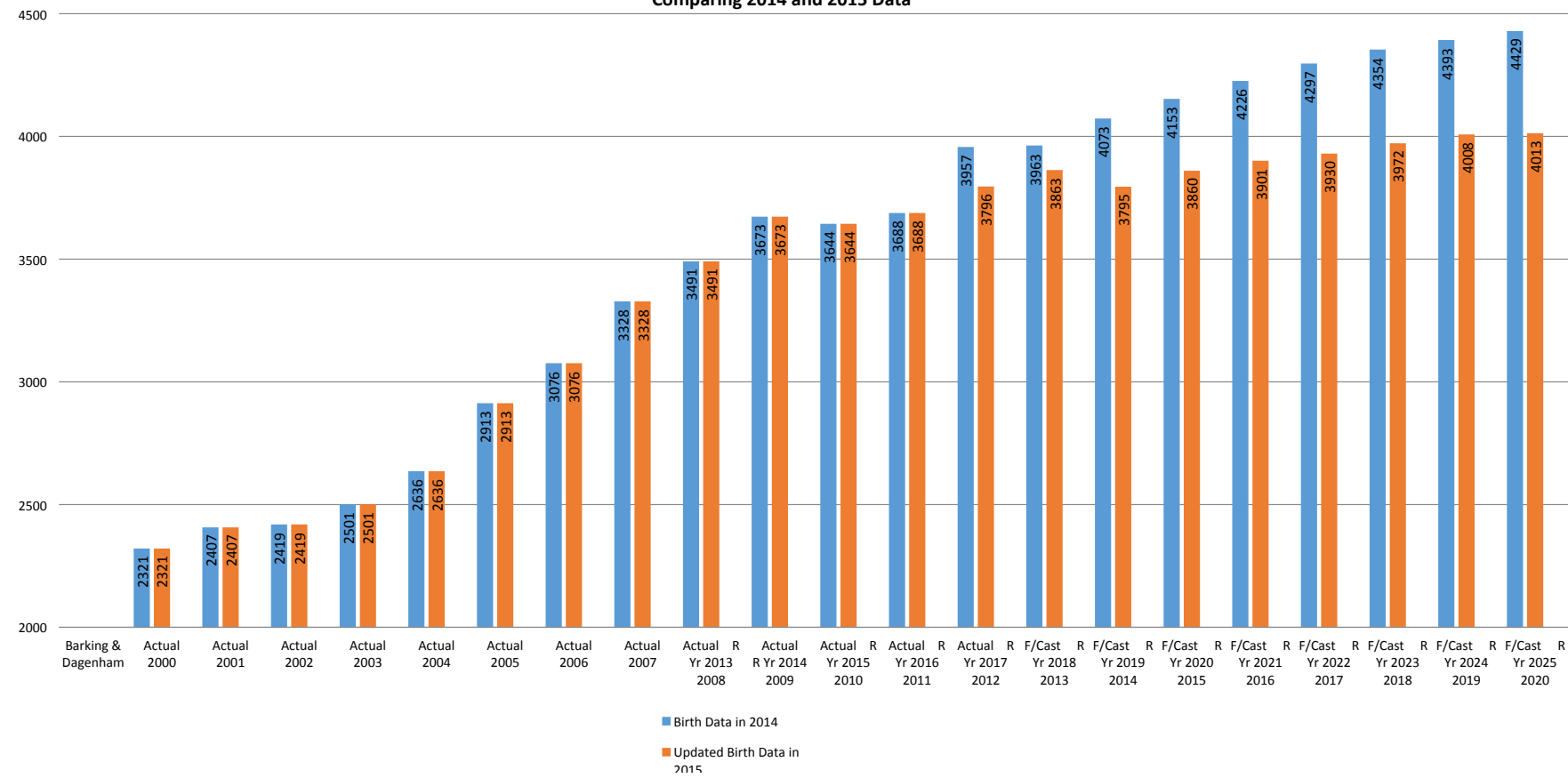
- Notices Published 6 March 2017 and 17 April 2017 (<http://www.lbbd.gov.uk/Education/Pages/Home.>)

#### **List of appendices:**

- **Appendix 1** – Birth Data (Actual and Forecast) 2000 to 2020
- **Appendix 2** – Timeline of changes to Robert Clack and Barking Abbey Comprehensive Schools
- **Appendix 3a & b** – Primary & Secondary Forecasts
- **Appendix 4** – Number of Secondary School Places

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**Births in Barking & Dagenham (GLA April 2015)**  
**Comparing 2014 and 2015 Data**



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## Appendix 2

### Robert Clack Secondary School – Timeline of Proposed New Primary Provision

September	Nursery	Reception	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2019	39 places	3 classes						
2020	39 places	3 classes	3 classes					
2021	39 places	3 classes	3 classes	3 classes				
2022	39 places	3 classes	3 classes	3 classes	3 classes			
2023	39 places	3 classes	3 classes	3 classes	3 classes	3 classes		
2024	39 places	3 classes	3 classes	3 classes	3 classes	3 classes	3 classes	
2025	39 places	3 classes	3 classes	3 classes	3 classes	3 classes	3 classes	3 classes

### Robert Clack Secondary School – Timeline of Proposed New Secondary Provision

September	Year 7	Year 8	Year 9	Year 10	Year 11
2019	6 classes				
2020	6 classes	6 classes			
2021	6 classes	6 classes	6 classes		
2022	6 classes	6 classes	6 classes	6 classes	
2023	6 classes	6 classes	6 classes	6 classes	6 classes

### Barking Abbey Secondary School – Timeline of Proposed New Secondary Provision

September	Year 7	Year 8	Year 9	Year 10	Year 11
2017	3 classes				
2018	3 classes	3 classes			
2019	3 classes	3 classes	3 classes		
2020	3 classes	3 classes	3 classes	3 classes	
2021	3 classes	3 classes	3 classes	3 classes	3 classes

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**Appendix 3a**

**Forecast Pupil Numbers (including Pupil Yield from New Housing Data) - Based on May 2016 PLASC**

<b>YEAR</b>	<b>R</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>	<b>Y6</b>	<b>INFANT</b>	<b>JUNIOR</b>	<b>TOTAL (SCAP 2016)</b>
<b>2010-11 - Actual</b>	3,125	3,017	2,782	2,593	2,508	2,415	2,364	8,924	9,880	18,804
<b>2011-12 - Actual</b>	3,472	3,200	3,038	2,822	2,626	2,521	2,437	9,710	10,406	20,116
<b>2012-13 - Actual</b>	3,554	3,507	3,230	3,039	2,821	2,652	2,524	10,291	11,036	21,327
<b>2013-14 - Actual</b>	3,600	3,637	3,537	3,212	3,047	2,843	2,673	10,774	11,775	22,549
<b>2014-15 - Actual</b>	3,635	3,623	3,636	3,531	3,252	3,057	2,849	10,894	12,689	23,583
<b>2015-16 (Actual)</b>	3,702	3,711	3,628	3,641	3,525	3,244	3,103	11,041	13,513	24,554
<b>2016-17 (forecast)</b>	3,858	3,780	3,777	3,680	3,706	3,589	3,305	11,415	14,280	25,695
<b>2017-18 (forecast)</b>	3,973	3,963	3,856	3,845	3,761	3,784	3,668	11,792	15,058	26,850
<b>2018-19 (forecast)</b>	3,914	4,067	4,040	3,928	3,922	3,826	3,858	12,021	15,534	27,555
<b>2019-20 (forecast)</b>	3,921	4,007	4,136	4,084	3,995	4,000	3,917	12,063	15,995	28,058
<b>2020-21 (forecast)</b>	4,026	3,983	4,053	4,171	4,154	4,064	4,073	12,062	16,462	28,524
<b>2021-22 (forecast)</b>	4,081	4,075	4,009	4,077	4,242	4,216	4,129	12,164	16,664	28,828
<b>2022-23 (forecast)</b>	4,193	4,196	4,191	4,094	4,147	4,317	4,304	12,579	16,862	29,441
<b>2023-24 (forecast)</b>	4,270	4,239	4,215	4,177	4,103	4,206	4,382	12,725	16,868	29,592
<b>2024-25 (forecast)</b>	4,334	4,277	4,229	4,225	4,208	4,173	4,286	12,840	16,892	29,732
<b>2025-26 (forecast)</b>	4,478	4,464	4,369	4,296	4,290	4,301	4,263	13,311	17,150	30,461
<b>2026-27 (forecast)</b>	4,502	4,500	4,468	4,377	4,339	4,358	4,367	13,470	17,441	30,912
<b>2027-28 (forecast)</b>	4,624	4,565	4,556	4,503	4,442	4,415	4,438	13,745	17,799	31,544

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## Forecasts Including Pupil Yield from New House Building

Academic Year	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 7 to 11	Yr 12	Yr 13	Yr 14	Sixth Form	Total - 2016 SCAP
2010-2011 (Actual)	2,131	2,162	2,272	2,194	2,063	10,822	1,298	1,054	164	2,516	13,338
2011-2012 (Actual)	2,184	2,154	2,198	2,313	2,113	10,962	1,284	1,041	-	2,325	13,287
2012-2013 (Actual)	2,183	2,199	2,189	2,225	2,250	11,046	1,377	927	26	2,330	13,376
2013-2014 (Actual)	2,237	2,221	2,220	2,212	2,145	11,035	1,392	1,045	16	2,453	13,488
2014-2015 (Actual)	2,409	2,282	2,255	2,199	2,130	11,275	1,192	980	10	2,182	13,457
2015-2016 (Actual)	2,570	2,436	2,304	2,330	2,219	11,859	1,227	924	6	2,157	14,016
2016-2017 (forecast)	2,835	2,635	2,498	2,362	2,309	12,639	1,669	982	14	2,665	15,303
2017-2018 (forecast)	3,100	2,926	2,705	2,560	2,336	13,627	1,758	1,331	15	3,104	16,731
2018-2019 (forecast)	3,490	3,175	2,983	2,763	2,528	14,940	1,793	1,382	20	3,195	18,135
2019-2020 (forecast)	3,660	3,509	3,216	3,042	2,728	16,155	1,941	1,398	21	3,360	19,515
2020-2021 (forecast)	3,709	3,669	3,551	3,277	3,004	17,209	2,097	1,513	21	3,631	20,840
2021-2022 (forecast)	3,834	3,700	3,708	3,618	3,236	18,095	2,298	1,633	23	3,954	22,050
2022-2023 (forecast)	3,935	3,859	3,763	3,786	3,574	18,917	2,483	1,799	25	4,306	23,223
2023-2024 (forecast)	4,013	3,888	3,901	3,822	3,735	19,360	2,701	1,938	27	4,666	24,026
2024-2025 (forecast)	4,034	4,043	3,953	3,977	3,776	19,782	2,817	2,141	29	4,986	24,768
2025-2026 (forecast)	4,021	4,135	4,130	4,040	3,928	20,254	2,857	2,237	32	5,127	25,381
2026-2027 (forecast)	3,952	4,034	4,201	4,215	3,989	20,390	2,972	2,262	34	5,267	25,657
2027-2028 (forecast)	4,026	4,018	4,106	4,291	4,164	20,605	3,007	2,353	34	5,394	26,000
2028-2029 (forecast)	4,102	4,116	4,084	4,198	4,239	20,739	3,143	2,390	35	5,568	26,308

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Appendix 4

Number of Secondary Pupil classes for 2016/2017

School	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
All Saints	8	8	8	6	6
Barking Abbey	9	9	9	9	9
Dagen Park C of E	9	8	8	8	8
Eastbrook	9	6	6	6	6
Eastbury	10	10	10	10	10
Jo Richardson	10	10	8	8	8
Robert Clack	12	12	10	10	10
Warren Comprehensive	8	8	8	8	8
Sydney Russell	12	12	12	12	10
Riverside Secondary	8	4	4	4	4
Goresbrook Free School	4				
ELUtec				5	5
Greatfields	4				

<b>TOTAL SECONDARY - classes</b>	<b>103</b>	<b>87</b>	<b>83</b>	<b>86</b>	<b>84</b>
Number of pupils per class	30	30	30	30	30
<b>TOTAL SECONDARY - places</b>	<b>3090</b>	<b>2610</b>	<b>2490</b>	<b>2580</b>	<b>2520</b>

Note: Barking Abbey has 279 pupils per year group and so the actual number of pupil places in Year 7 is 3099.

Forecast number of Pupils for  
2016/2017 **2835**

Number of Secondary Pupil classes planned for 2017/2018

School	Year Groups				
	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
All Saints	8	8	8	8	6
Barking Abbey	12	9	9	9	9
Dagen Park C of E	9	8	8	8	8
Eastbrook	12	9	6	6	6
Eastbury	10	10	10	10	10
Jo Richardson	10	10	10	8	8
Robert Clack	12	12	12	10	10
Warren Comprehensive	8	8	8	8	8
Sydney Russell	12	12	12	12	12
Riverside Secondary	10	8	4	4	4
Goresbrook Free School	4	4			
ELUtec				5	5
Greatfields	4	4			
<b>TOTAL SECONDARY - classes</b>	<b>111</b>	<b>102</b>	<b>87</b>	<b>88</b>	<b>86</b>
Number of pupils per class	30	30	30	30	30
<b>TOTAL SECONDARY - places</b>	<b>3330</b>	<b>3060</b>	<b>2610</b>	<b>2640</b>	<b>2580</b>

Forecast number of pupils for  
2017/2018 **3100**

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**CABINET****23 May 2017**

<b>Title:</b> Housing Asset Management - Procurement Strategy 2017/18	
<b>Report of the Cabinet Member for Finance, Growth and Investment</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
<b>Report Author:</b> Sean Gallagher, Head of Asset Management	<b>Contact Details:</b> Tel: 020 8227 3035 E-mail: sean.gallagher@lbbd.gov.uk
<b>Accountable Director:</b> Hakeem Osinaike, Operational Director - Housing Management	
<b>Accountable Strategic Director:</b> John East, Strategic Director of Growth and Homes	
<p><b>Summary:</b></p> <p>This report seeks approval to proceed with the procurement of a mix of 32 capital and revenue contracts with contract durations ranging from a minimum period of 6 months to a maximum 5-year term commencing between October 2017 and April 2018. The contracts are a mix of construction and servicing and maintenance arrangements which are designed to improve the living standards of residents and quality of housing stock and ensure conformity with landlord statutory obligations.</p> <p>The budget provision for the proposed contracts are to be contained within the following budgets:</p> <ul style="list-style-type: none"> <li>• Housing Revenue Account- Asset Management</li> <li>• Housing Revenue Account- Repairs and Maintenance</li> <li>• Housing Revenue Account- Housing Management</li> <li>• HRA Capital Investment in Stock</li> <li>• General Fund Revenue</li> <li>• General Fund Capital</li> </ul> <p>This paper brings together a significant number of contracts that are required either because new works are necessary under the capital programme, some existing servicing and maintenance contracts expire in April 2018 or there are existing works being carried out under insecure contract arrangements that require formal arrangements to be in compliance with council procedures. There are also contracts proposed for works that are not currently being carried out and should be such as roof safety, renewable energy system maintenance and external painting and decoration.</p> <p>The opportunity to undertake joint procurement that will support delivery of housing and corporate: fire, lift, electrical and communal heating servicing and maintenance responsibilities has also been included in the procurement proposal</p>	

**Recommendation(s):**

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of the 32 contracts as detailed in Appendix 1 to the report and in accordance with the proposed strategy; and
- (ii) Delegate authority to the Strategic Director of Growth and Homes, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to approve the final procurement strategy for the appointment of a main contractor and to conduct the procurement and award and enter into the contracts and all other necessary or ancillary agreements with the successful bidder(s) following its endorsement by the Procurement Board, in accordance with the Council's Contract Rules, the European Tendering Regime and Public Contract Regulations.

**Reason(s)**

The successful procurement of these contracts will advance the Council's housing capital and revenue programmes, which are committed to improving the living standards of residents, improving the quality of housing stock and ensuring conformity with landlord statutory obligations.

It will also support the Direct Labour Organisation (DLO) deliver repair and maintenance services and the Disabilities Team provide Aids and Adaptations to some of our most vulnerable residents. In addition, and through joint procurement, the procurement proposal will support delivery of: fire, lift, electrical and communal heating servicing and maintenance responsibilities in corporate buildings.

**1. Introduction and background**

- 1.1 The overall HRA programme was presented and approved by Cabinet on 13 February 2017 as part of the HRA business planning process.
- 1.2 This paper brings together a significant number of contracts that are necessary either because new works are required under the capital programme, some existing servicing and maintenance contracts expire in April 2018 or there are existing works being carried out using insecure provisions that require formal contractual arrangements to be put in place in compliance with council procedures. There are also contracts proposed for works that are not currently being undertaken and should be such as: roof safety, renewable energy system maintenance and external painting and decoration.
- 1.3 The proposed contracts are listed below and will form part of the Housing capital and revenue programme for 2017/18 and beyond. They have been planned according to priority and budget across the housing stock and estate.
  1. Estate Environment Improvements
  2. External Fabric - Blocks

3. Communal Roof Replacements
4. Conversions
5. Green Smart Street Project
6. Estate Road Re-surfacing
7. Electrical Lateral Replacements
8. Decent Homes (North and South)
9. Fire Safety Improvement Works
10. Lift Replacement Programme
11. Disabled Adaptations (Building Works)
12. Disabled Adaptations (Mechanical & Electrical)
13. Water Tank Replacements
14. Roof Safety & Access Systems -provision and renewal
15. Communal Heating Replacement (Hollidge Way)
16. Communal Heating Replacement (Turner Ct/Aidan Close)
17. Fencing & External Works
18. Asbestos Surveying Consultancy Services
19. Water Hygiene Risk Assessment & Testing Services
20. Fixed Wire Testing (Domestic & Communal)
21. Lift Servicing and Maintenance
22. Lifting Equipment, Stair lifts & Hoist Maintenance
23. Fire Safety Equipment Maintenance
24. Roof Safety & Access Systems – Servicing and Maintenance
25. Renewable Energy systems Maintenance
26. External & Communal Painting and Decorating Programme
27. Fire Risk Assessments
28. Stock Condition Survey (Internal, External + M&E Surveys)
29. Electric Gates Servicing & Maintenance
30. DLO Material Supply Contract
31. DLO Vehicle Lease Management
32. Communal Heating servicing & maintenance

- 1.4 The opportunity to undertake joint procurement that will support delivery of housing and corporate: fire, lift, electrical and communal heating servicing and maintenance responsibilities has also been included in the procurement proposal.
- 1.5 The Direct Labour Organisation (DLO) will directly manage three of the contracts procured under this proposal. The contracts are: Material Supplies, Vehicle Fleet Leasing and Fencing & External works. To accommodate flexibility after the incorporation of Homes Services, these contracts will contain early break clauses. Similarly, those contracts where Home Services may, in future, seek to undertake the works directly will also contain early break clauses or are call-off arrangements that may be determined at 13 weeks' notice.
- 1.6 Disabled Adaptations contracts will be assigned to the Disabilities Team from May 2017 for responsibility of the delivery of the procurement process outlined in the report and management of service delivery.
- 1.7 The remaining contracts will be commissioned and/or managed by Housing Asset Management until the creation of My Place in October 2017. This will herald a new procurement approach across all borough assets. However, the new approach will not be up and running for two years. Accordingly, the proposed contracts will also contain early break clauses as appropriate or are call-off arrangements or contracts

that may be determined at 13 weeks' notice, to facilitate future flexibility.

## **2. Proposed Procurement Strategy**

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

2.1.1 Each contracted service or construction will have an individual specification of requirements drafted and agreed prior to commencement of the procurement phase. Further details are set out in Appendix 1.

### **2.2 Estimated Contract Value, including the value of any uplift or extension period**

2.2.1 It is estimated that HRA capital and revenue spending of £66.04M and £32.95M resp. and General Fund spending of £1.58M will be required to provide the services that are outlined in appendix 1.

2.2.2 This is set in the context of 5-year HRA budgets for capital and revenue related to maintaining and improving the existing housing asset, the details of which are included in appendices 2 and 3.

### **2.3 Duration of the contract, including any options for extension**

2.3.1 Please refer to appendix 1 for an outline of the contract durations expected to be applied.

### **2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.4.1 Appendix 1 contains the scope and contract values estimated for each project or service.

2.4.2 Where any of the contract values are estimated to exceed EU regulatory financial thresholds for services or works, EU regulations will be applied as appropriate on each occasion. Where an open framework has been recommended as the vehicle best placed to deliver value and service, it is assumed EU principles and procedures have been incorporated in a compliant manner to prepare the framework.

### **2.5 Recommended procurement procedure and reasons for the recommendation**

2.5.1 Appendix 1 outlines the proposed route to market for each contract.

### **2.6 The contract delivery methodology and documentation to be adopted**

2.6.1 It is expected that where appropriate, the Council's standard terms and conditions will be used with any variable special terms being applied for any industry specific scenarios.



2.6.2 However, it is also intended, where appropriate professional contract toolkits exist that would protect the Council's interests, for example JCT contract documentation, then they may be considered and used.

2.6.3 It is intended to return to the Procurement Board for final sign-off of each individual methodology in agreement with the Responsible Officers and the Portfolio Holder. This will assist in reducing the volume of reports that the Cabinet will be asked to consider and grant approval. As the Transformation Programme gathers pace in delivering the Council's required objectives it is expected that a large number of reports will be submitted.

## **2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

2.7.1 The successful procurement of the proposed contracts will facilitate delivery of Housing's capital and revenue programmes that are aimed at improved living conditions and quality of housing stock. This includes improved energy efficiency, safety and maintaining and improving the social and economic value of the housing asset.

2.7.2 At the time of preparation of this report, the levels of savings cannot be outlined but will be reported to the Procurement Board through Divisional updates.

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 Appendix 1 outlines the proposed quality/price mix to establish a preferential bidder.

## **2.9 How the procurement will address and implement the Council's Social Value policies**

2.9.1 The works and services delivered by the successful contractors will contribute to the improvement of housing stock and wellbeing of residents. An aim will be to reduce the demand for other council services, such as housing repairs.

2.9.2 Where practicable and without placing a financial risk upon the Council, contract documentation will require successful tenderers to include the use of local labour and suppliers to support contracted service delivery. This will include the engagement and training of apprentices during the currency of longer term contracts.

2.9.3 This will aim to reduce youth unemployment and improve the skills and qualifications of residents within the borough. Youth employment has a knock-on effect at reducing other social issues such as offending, social exclusion and mental health services.

2.9.4 The contracts will also look to obtain the commitment of successful contractors in supporting local community events and initiatives that are led by the Council. Every contract will look to reduce the environmental impact within the borough and reduce carbon emissions. Initiatives such as reducing the number of heavily polluting vehicles or the numbers of miles driven by contractors will contribute to this. Reducing the environmental impact that contractors will

have will result in a positive effect in areas such as air quality which will have a positive effect on residents' health and reduce healthcare costs.

- 2.9.5 Where possible, the use of social enterprises will be utilised. This will help develop local social enterprise and voluntary organisations that inherently contribute to the local area.

### **3. Options Appraisal**

- 3.1 For all projects, the option to do-nothing has been appraised and rejected as this will not support the Council to achieve its strategic aims.
- 3.2 The other options considered are the utilization of an open framework or to procure contracts through the open market. Both of these options have been considered (and accepted or rejected) on the basis of the requirements of each project. The proposed routes to market are outlined in Appendix 1 for ease of reference.

### **4. Waiver**

- 4.1 Not applicable

### **5 Equalities and other Customer Impact**

- 5.1 All contracts concerning improving and maintaining the council's housing stock require contractors, suppliers and project team members to be cognisant of and responsive to the needs of all residents regardless of background and circumstances. For example, this would include a wide range of considerations such as the timing of works to prevent disruption to residents' daily schedules through to the provision of translation services where appropriate. Contract documentation will also require the contractors to demonstrate a commitment to supporting the Council implement high quality customer care always.

### **6. Other Considerations and Implications**

- 6.1 **Risk and Risk Management** - Definitive future years' capital programmes will rely on the development of a new asset management strategy following the provision of a stock condition survey, including an engineering services condition survey, in 2017/18. These surveys, which will report in January 2018, are likely to alter existing asset management strategies in terms of where investment (and at what level) is prioritised. Therefore, some of the budget figures outlined in appendix 2 represent holding figures. In the meantime, the direction and shape of future programmes has been agreed by the Housing Investment Group and at Cabinet in February 2017.
- 6.2 **TUPE, other staffing and trade union implications** - At the time of preparation of this report TUPE is not expected to apply. This will be reviewed as part of each individual procurement process and any implications that may arise will be detailed within individual Delegated Authority reports.
- 6.3 **Safeguarding Children** - The implication of the delivery of the contracts discussed in this report with respect to improving the wellbeing of children in the borough, will be reviewed as part of each individual procurement process

and will be detailed within individual Delegated Authority reports where applicable.

6.4 **Health Issues** - The implication of the delivery of the contracts discussed in this report with respect to health issues and whether the proposals are likely to have a positive or negative affect on the local community, will be reviewed as part of each individual procurement process and will be detailed within individual Delegated Authority reports where applicable.

6.5 **Crime and Disorder Issues** - The implication of the delivery of the contracts discussed in this report with respect to crime and disorder reduction, will be reviewed as part of each individual procurement process and will be detailed within individual Delegated Authority reports where applicable

6.6 **Property / Asset Issues** - The delivery of the contracts discussed in this report will maintain and improve the social and economic value of the housing stock and estate.

## 7. Consultation

7.1 Cabinet have provided approvals in principle at its meeting in February 2017 for the funding and general scope of works for the contracts described in this report following consultation at Housing Investment Group and the HRA Business Planning team.

7.2 The proposals in this report were endorsed by the Procurement Board on 13 March 2017.

## 8. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

8.1 The Council's contract rules require all spend over £50,000 to be tendered. The use of accessible frameworks make the route to market partially exempt from the Councils contract rules.

8.2 The routes to market outlined within the report and the Appendices will, on face value, look to drive efficiency and financial benefit to the Council.

8.3 Where possible the Services should be reviewed and where synergies with Corporate contracts can be agreed economies of scale or a reduction in procurement cost will add benefit to the process.

8.4 The main routes to market being recommended are "open market procurement" and "accessible framework", both are deemed to be the route that will enable the best outcome to the Council based on the assumptions detailed.

## **9. Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager – Services Finance

- 9.1 This report seeks approval to proceed with the procurement exercise for a mix of 32 capital and revenue contracts as per the strategy set out within this report across both housing and corporate functions. The contract duration will range from a minimum period of 6 months to a maximum 5-year term commencing between July 2017 and April 2018 with a break clause built in after two years where appropriate.
- 9.2 The budget provision for the proposed contracts within this report are to be contained within the following budgets:
- Housing Revenue Account- Asset Management
  - Housing Revenue Account- Repairs and Maintenance
  - Housing Revenue Account- Housing Management
  - HRA Investment in Stock Capital (5 year HRA Business Plan - Feb 2017 Cabinet)
  - General Fund Revenue
  - General Fund Capital
- 9.3 The cost of all the new contracts must be contained within the approved revenue and capital budgets. If the prices achieved in these procurement exercises are greater than the previous contract or the funding available, then compensating savings must be found by the commissioners and managers of the services in question.
- 9.4 Any resulting savings will be subject to Elevate gainshare. Any HRA savings can be used to contribute to the HRA business plan while for General Fund savings the presumption should be that any large net savings achieved should be offered as a contribution towards the closing the MTFs funding gap.
- 9.5 Potentially there are two of the proposed contracts partly delivered by the Council's own Repairs service. The associated income and expenditure is included in the budget for that service. If this procurement exercise results in changes to these arrangements the impact on the Repairs service will need to be assessed and mitigation action taken.
- 9.6 Delegated authorities and/or Waivers, with detailed financial, legal and HR implications, are required for all the individual contracts before they can proceed to the delivery stage.

## **10. Legal Implications**

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Law & Governance

- 10.1 This report is requesting approval for the procurement of 32 contracts relating to various housing capital and revenue projects.
- 10.2 Where a proposed contract value exceeds £4,104,394 for works there is a legal requirement to competitively tender the Contract in accordance with the Public

Contracts Regulations 2015 (the Regulations).

- 10.3 Appendix 1 of the report sets out the proposed procurement routes for all the projects. It is noted that the responsible directorate intends for all the programmes to be procured by way of a mini competition via a framework or a tendering process. This report sets out the range of frameworks which may be used and it is noted that some of these are Council owned framework and some are third party frameworks. The Regulations allow local authorities to select providers from established Framework Agreements. Providing the third-party framework specifically permit this Council to use the framework and the contract award occurs within the framework agreement terms, the requirements for competitive tendering should be met.
- 10.4 Where any of the proposed projects fall below the thresholds for works, and therefore have no legal requirement to be competitively tendered, officers should be aware that in line with the Council's Contract Rule 28.5, contracts above £50,000 should be subject to a competitive tendering process. Further there is a requirement to comply with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in conducting the procurement exercise. The process described by the report author above should comply with these requirements.
- 10.5 Column 2.6 of Appendix 1 sets out the types of contract or framework to be used and column 2.8 sets out the quality/price ratio to be used when selecting tenderers.
- 10.6 This report advises that proposed project budgets were approved by Cabinet in February 2017 however it is noted that the Cabinet report does not provide for delegated authority to award the individual contracts or approve the procurement strategies. Therefore, where any contract exceeds £500,000 approval will need to be sought from Cabinet for delegated authority to award the respective contract(s).
- 10.7 The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercises. Legal Services are on hand and available to assist and answer any questions that may arise.

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

**List of appendices:**

- Appendix 1 - Proposed Procurement Strategy for 32 Contracts
- Appendix 2 - Asset management and compliance - Capital programme budgets
- Appendix 3 - Asset management and compliance - Revenue programme budgets
- Appendix 4 - Asset management and compliance contract procurement plan - Capital
- Appendix 5 - Asset management and compliance contract procurement plan - Revenue

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## Proposed Procurement Strategy for 32 Contracts

Item No	Contract	Outline Specification	Estimated Contract Value	Contract Duration	Recommended Procurement Procedure	Contract Delivery Methodology	Criteria against which the tenderers are to be selected and contract is to be awarded
1	Estate Environment Improvements	This work stream is the preliminary feasibility work to improve the environment of estates following decent homes work: to improve the way in which tenants and visitors circulate within the estate, enhance their security and improve the management of parking and refuse, softening hard landscapes where practicable.	£125,000	9-months	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	It is expected that the Council's standard terms and conditions will be used with any variable special terms being applied for industry specific scenarios.	An 80:20 cost/quality evaluation will be applied to the tender evaluation.
2	External Fabric (Blocks)	External refurbishment of blocks of flats, inc. window renewal, concrete repairs, renewal of roof coverings, communal area refurbishment and improved external wall insulation for some blocks inc. redecorations where required.	£6,550,000	2-years	New Council Housing Refurbishment Framework.  The Cabinet decision to obtain the New Housing Refurbishment Framework was made on 4 August 2014.	The intended route to market is via the New Housing Refurbishment Framework. This will include contracts derived from a mini-tendering process. This process will commence once Section 20 leasehold consultation is completed. PPC 2000 contract is to be utilised for this project	The Procurement Board of 23 May 2016 approved a 60:40 cost/quality evaluation to be applied to the mini-tender evaluation.
3	Communal Roof Replacements	Some communal roofs will require replacement before March 2019 with a contract introduced to the 2017-18 programme for roofing and window/door replacements.	£900,000	2-years	New Council Housing Refurbishment Framework.  The Cabinet decision to obtain the New Housing Refurbishment Framework was made on 4 August 2014.	The intended route to market is via the New Housing Refurbishment Framework. This will include contracts derived from a mini-tendering process. This process will commence once Section 20 leasehold consultation is completed. JCT 2011 D & B contract will be utilised for this project.	An 60:40 cost/quality evaluation to be applied to the mini-tender evaluation.
4	Conversions	This programme will consider unused spaces located within blocks of flats e.g. Caretakers' stores for conversion into new dwellings.	£1,260,000	2-years	The Council's small contracting framework (Lot 2) will be used to deliver this project	JCT Intermediate Form of Contract with contractor's design will be utilised for this project.	The Procurement Board of 23 May 2016 approved a 70:30 cost/quality evaluation will be applied to the tender evaluation.
5	Green Smart Street Project	An exemplar project to address the energy efficiency and consumption needs of households in a decarbonised future on the Becontree Estate. Using a whole-house approach and utilising innovative technologies, this pilot seeks to deliver a retrofit project to external fabrics, decentralised energy production and storage, renewable energy, microgeneration, electric heat trials and smart heating controls. The scheme will be delivered in two streets and will be tested for replicability.	£1,800,000	1-year	Some works are expected to be provided through our framework contractors; there may be tendering to the market for non-familiar products and some elements may be trialled for the first time. The suite of technologies is still subject to appraisal but are likely to attract public subsidy to support installation or pay-back through: •Energy Company Transition Obligation (ECO2) funding; •Solar PV Feed-In-Tariff (FITs) and Grid Export Tariff •Renewable Heat Incentive (RHI) •Pilot costs from energy partners	At the time of preparation of this report, the Contract Delivery Methodology cannot be outlined but will be reported to the Procurement Board through Divisional updates.	TBA

Item No	Contract	Outline Specification	Estimated Contract Value	Contract Duration	Recommended Procurement Procedure	Contract Delivery Methodology	Criteria against which the tenderers are to be selected and contract is to be awarded
6	Estate Road Resurfacing	Re-surfacing of non-adopted roads serving housing estates inc. including paved areas and modifying parking arrangements.	£765,000	1-year	Highways Measured Term Contract.	Contract award using the existing term contract which has been procured for Highways Maintenance work.	Not applicable.
7	Electrical Lateral Replacements	The programme of Electrical Lateral renewals will address the replacement of aging electrical supply cables to dwellings within blocks where the landlord has responsibility for electrical intake rooms and sub-mains distribution. Works will also be undertaken to improve the emergency and communal lighting for each block to meet current standards.	£1,800,000	2-years	Single-stage competitive tendering via the Council's Delta e-Tendering portal.	JCT Intermediate Form of Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender evaluation.
8	Decent Homes (North & South)	The properties included in this programme have been identified for internal works e.g. new kitchen, bathroom, re-wiring and heating to meet the decent homes standard by March 2019.	£27,540,000	2-years	New Council Housing Refurbishment Framework.  The Cabinet decision to obtain the New Housing Refurbishment Framework was made on 4 August 2014.	The intended route to market is via the New Housing Refurbishment Framework. This will include contracts derived from a mini-tendering process. This process will commence once Section 20 leasehold consultation is completed. PPC 2000 contract is to be utilised for this project.	The Procurement Board of 23 May 2016 approved a 60:40 cost/quality evaluation to be applied to the mini-tender evaluation.
9	Fire Safety Improvement Works	Following completion of Fire Risk Assessments of residential blocks, an improvement works programme is identified to improve the fire safety of the buildings for the safety of residents.	£3,730,000	2-years	New Council Housing Refurbishment Framework.  The Cabinet decision to obtain the New Housing Refurbishment Framework was made on 4 August 2014.	The intended route to market is via the New Housing Refurbishment Framework. This will include contracts derived from a mini-tendering process. This process will commence once Section 20 leasehold consultation is completed. JCT 2011 D & B contract will be utilised for this project.	A 60:40 cost/quality evaluation to be applied to the mini-tender evaluation.
10	Lift Replacement Programme	A programme will be developed using data collected by the stock condition survey for the refurbishment and renewal of passenger lifts in blocks of flats.	£1,620,000	2-years	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Intermediate Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
11	Disabled Adaptations (Building Works)	Building works to support tenants living with disability, covering: wet rooms, ramps, disabled kitchens etc. This contract was previously combined with the provision of stair lifts and hoists. This arrangement has not ensured best value owing to the premium to be paid to a building contractor to order the installation of a stair-lift. It is proposed to separate engineering work from building work so that orders for stair-lifts can be placed directly with lift specialist companies to ensure a value-for-money outcome for the Council.	£3,168,000	3 + 2 years	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Measured Term Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender award.



Item No	Contract	Outline Specification	Estimated Contract Value	Contract Duration	Recommended Procurement Procedure	Contract Delivery Methodology	Criteria against which the tenderers are to be selected and contract is to be awarded
12	Disabled Adaptations (Engineering Works)	Engineering works to support tenants living with disability, covering: through-floor lifts, stair lifts and hoists etc. Previously combined with building works and now separated to ensure a value-for-money outcome for the Council. Please refer to contract no. 11 above	£1,107,000	3 + 2 years	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Measured Term Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender award.
13	Water Tank Replacement	A programme will be developed using data collected by the stock condition survey for the renewal of communal water tanks in blocks of flats.	£552,000	2-years	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Intermediate Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender award.
14	Roof Safety & Access Systems (Provision & Renewal)	A programme will be developed using data collected by the stock condition survey for the renewal and provision of roof safety & access Systems in blocks of flats.	£540,000	2-years	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Intermediate Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
15	Communal Heating Replacement: Hollidge Way	This procurement stream recognises the urgency of replacing the communal heating system at Hollidge Way where two of the three existing boilers have failed.	£540,000	6-months	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Intermediate Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender award.
16	Communal Heating Replacement: Turner Court & Aidan Close	This procurement stream recognises the importance of timely renewal of communal heating systems, together with providing the capability for heat metering regulations at Turner Court & Aidan Close.	£540,000	6-months	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Intermediate Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender award.
17	Fencing & External Works.	This is a DLO contract for the renewal of fencing and gates and associated external works.	£450,000	2 + 3 years	Single-stage competitive tendering via the Council's Bravo e-Tendering portal.	JCT Measured Term Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender award.
18	Asbestos Surveying Consultancy Services	Asbestos Surveying Consultancy Services to provide 3 <sup>rd</sup> party refurbishment surveys, reassurance air testing and general support in the management of asbestos risk.	£877,500	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender award.
19	Water Hygiene Risk Assessment & Testing Services	A contract to provide a contract for Water Hygiene Risk Assessment & Testing Services in compliance with the requirements the L8 Water Regulations.	£855,000	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
20	Fixed Wire Testing (Domestic & Communal)	This work stream will secure a contract to establish a fixed wire testing programme for both domestic & communal electrical installations. NB: this is a joint procurement in conjunction with the Corporate FM team. Combination of HRA + General Fund budgets	£2,119,500, £250,000(GF)	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.

Item No	Contract	Outline Specification	Estimated Contract Value	Contract Duration	Recommended Procurement Procedure	Contract Delivery Methodology	Criteria against which the tenderers are to be selected and contract is to be awarded
21	Lift Maintenance & Breakdown Contract.	This work stream will establish a maintenance & breakdown contract for passenger lifts. NB: this is a joint procurement in conjunction with the Corporate FM team. Combination of HRA + General Fund budgets.	£1,116,000, £100,000(GF)	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
22	Lifting Equipment, Stair-lifts & Hoist Maintenance Contract.	A contract for maintenance & breakdown services for lifting equipment, stair-lifts & hoists within domestic properties.	£855,000,	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
23	Fire Safety Equipment Maintenance.	This work stream will establish a contract for the servicing & maintenance of fire safety equipment e.g. emergency lighting, fire detection and fire extinguishers. The existing arrangements to deliver this work currently are a collection of six individual contacts. This procurement strategy will replace these six contracts with one. Further aggregation of similar work is anticipated owing to a joint procurement initiative in conjunction with the Corporate FM team. Combination of HRA + General Fund budgets.	£675,000, £350,000 (GF)	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and ESPO.	An 60:40 cost/quality evaluation will be applied to the tender adjudication.
24	Roof Access Systems Servicing & Maintenance.	This is a new contract to establish the servicing and maintenance of roof access systems e.g., anchor points, roof access systems, roof edge protection and platforms etc.	£180,000	2 + 3 years	Competitive tendering via the Council's Bravo e-Tendering portal.	JCT Measured Term Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
25	Renewable Energy Maintenance.	This is a new contract to establish the servicing and maintenance of renewable energy equipment e.g. PV panels, heat-pumps, heat exchange units.	£472,500	2 + 3 years	Competitive tendering via the Council's Bravo e-Tendering portal.	JCT Measured Term Contract 2011.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
26	External & Communal Painting and Decorating Programme.	This is a new contract to deliver external and communal painting and decorating programme (inc. pre-paint repairs). The scope of this contract will be informed by the data collected from the stock condition survey.	£3,600,000	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
27	Fire Risk Assessments.	This is a new contract to undertake periodic fire risk assessments to blocks using an external fire safety consultant.	£440,000	9 months	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.

Item No	Contract	Outline Specification	Estimated Contract Value	Contract Duration	Recommended Procurement Procedure	Contract Delivery Methodology	Criteria against which the tenderers are to be selected and contract is to be awarded
28	Stock Condition Survey.	This is a new contract to establish a Stock Condition Survey across the Council's housing stock to capture data against 100% external fabric and 20% of internal elements + a detailed condition data of M&E equipment for life-cycle information and renewal costs.	£500,000	9-months	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21, Pagabo and Procure Plus.	A 60:40 cost/quality evaluation will be applied to the tender adjudication.
29	Electric Gate Servicing & Maintenance (inc. surveys).	This is a new contract to establish the servicing and maintenance of electric gates, inc. a condition surveys identifying any essential safety related remedial works.	£90,000	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	One frameworks identified: Fusion 21.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
30	DLO Material Supply Contract.	A contract for the supply of materials to the DLO.	£15,750,000	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Fusion 21, Cirrus Consortium Materials Framework and Procure Plus.	An 60:40 cost/quality evaluation will be applied to the tender adjudication.
31	Vehicle Lease Management.	A contract for the supply of leased vehicles to the DLO.	£1,350,000	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence: Procurement-for-Housing, Crown Commercial Services and Procure Plus.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.
32	Communal Heating Servicing & Maintenance	This is contract is new to housing and will establish the servicing and maintenance of communal heating equipment providing heating and hot-water to blocks of flats and corporate buildings. <b>NB:</b> this is a joint procurement in conjunction with the Corporate FM team. Combination of HRA + General Fund budgets.	£864,000, £880,000(GF)	2 + 3 years	The value of this contract exceeds the OJEU threshold for services and therefore the use of an Open Framework is recommended.	The following frameworks have been identified as suitable. Final selection will follow appropriate due diligence. Fusion 21 and South East Consortium.	An 80:20 cost/quality evaluation will be applied to the tender adjudication.

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**Asset Management, Compliance and DLO  
Capital Programme Budgets**

**Appendix 2**

<b>Procurement Board March 2017 Contract Ref. No</b>	<b>Work Stream</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5-year Total</b>
1	Estate Environment Improvement	125,100	1,000,000	6,950,000	8,250,000	8,250,000	24,575,100
2	External Fabric inc EWI - Blocks	3,282,900	4,000,000	9,000,000	9,000,000	9,000,000	34,282,900
3	Communal Roof Replacements	500,000	500,000	1,500,000	1,500,000	1,500,000	5,500,000
4	Conversions	700,000	700,000	700,000	700,000	700,000	3,500,000
5	Green Smart Street & Energy Efficiency	2,000,000	500,000	500,000	500,000	500,000	4,000,000
6	Estate Roads re-surfacing	850,000	892,000	-	-	-	1,742,000
7	Electrical Lateral Replacement	1,000,000	1,000,000	1,430,000	1,180,000	1,180,000	5,790,000
8	Decent Homes (North) 2017/19 Programme.	7,400,000	7,900,000	-	-	-	15,300,000
8	Decent Homes (South) 2017/19 Programme.	7,400,000	7,900,000	-	-	-	15,300,000
9	Fire Safety Improvement Works	1,742,000	2,400,000	1,500,000	-	-	5,642,000
10	Lift Replacement Programme	50,000	750,000	1,000,000	1,000,000	1,000,000	3,800,000
11, 12	Disabled Adaptations - HRA	950,000	950,000	950,000	950,000	950,000	4,750,000
13, 14	Compliance (Asbestos, Tanks, Re-wires)	900,000	900,000	900,200	900,000	900,000	4,500,200
15, 16	Communal Heating Replacement	1,200,000	1,000,000	700,000	700,000	700,000	4,300,000
17	Minor works and replacements	150,000	150,000	300,000	300,000	300,000	1,200,000
n/a	Decent Homes (Central) 2017/19 Programme.	7,500,000	6,000,000	-	-	-	13,500,000
n/a	Window and Door Replacements	50,000	500,000	500,000	500,000	500,000	2,050,000
n/a	Voids	3,000,000	2,000,000	1,500,000	1,180,000	1,180,000	8,860,000
n/a	Decent Homes 2019/22 Programme	-	-	2,000,000	2,000,000	2,000,000	6,000,000
n/a	Domestic Heating Replacement	900,000	900,000	900,000	900,000	900,000	4,500,000
n/a	Box-Bathroom Refurbs (Apprenticeships)	50,000	1,000,000	1,300,000	-	-	2,350,000
n/a	Garages	450,000	350,000	-	-	-	800,000
n/a	Public Realm Improvements	500,000	-	-	-	-	500,000
n/a	Door Entry Systems	50,000	50,000	50,000	50,000	50,000	250,000
<b>TOTAL INVESTMENT IN STOCK</b>		<b>40,750,000</b>	<b>41,342,000</b>	<b>31,680,200</b>	<b>29,610,000</b>	<b>29,610,000</b>	<b>172,992,200</b>
<b>HRA BP investment envelope</b>		<b>40,750,000</b>	<b>41,342,000</b>	<b>31,680,200</b>	<b>29,610,000</b>	<b>29,610,000</b>	<b>172,992,200</b>

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Asset Management and Compliance Revenue Programme Budget

Procurement Board March 2017 Contract Ref. No	Work Stream	2017-18	2018-19	2019-20	2020-21	2021-22	5-year Total
18	Asbestos Surveying Consultancy Services	£320,000	£320,000	£320,000	£320,000	£320,000	£1,600,000
19	Water Hygiene Risk Assessments & Testing Services	£190,000	£190,000	£190,000	£190,000	£190,000	£950,000
20	Fixed Wire Testing (EICR) Domestic & Communal	£0	£471,000	£471,000	£471,000	£471,000	£1,884,000
21	Lift Servicing & Maintenance	£200,000	£200,000	£200,000	£200,000	£200,000	£1,000,000
22	Lifting Equipment - Stair Lifts / Hoists	£190,000	£190,000	£190,000	£190,000	£190,000	£950,000
23	Fire Safety Equipment - Servicing and Maintenance	£150,000	£150,000	£150,000	£150,000	£150,000	£750,000
24	Roof Safety and Access Systems Servicing & Maintenance	£40,000	£40,000	£40,000	£40,000	£40,000	£200,000
25	Renewable Energy Maintenance (MVHR and PV Panels)	£25,000	£105,000	£105,000	£105,000	£105,000	£445,000
26	External and Communal Painting and Decorating Programme (Asset)	£0	£200,000	£800,000	£800,000	£800,000	£2,600,000
27	Fire Risk Assessments	£440,000	£60,000	£60,000	£440,000	£60,000	£1,060,000
28	Stock Condition Survey (Internal & External + M&E Surveys) (Asset)	£500,000	£0	£0	£0	£0	£500,000
29	Powered (automatic) Gates, Barriers and Doors	£20,000	£20,000	£20,000	£20,000	£20,000	£100,000
30	DLO Materials Supplies (DLO)	£3,500,000	£3,500,000	£3,500,000	£3,500,000	£3,500,000	£17,500,000
31	Fleet Management (DLO)	£300,000	£300,000	£300,000	£300,000	£300,000	£1,500,000
32	Communal Heating Servicing & Maintenance inc HEU/ Pumps/ Vessels	£192,000	£192,000	£192,000	£192,000	£192,000	£960,000
n/a	Lightning Protection	£12,000	£12,000	£12,000	£12,000	£12,000	£60,000
n/a	Carbon Monoxide Detectors	£0	£85,000	£0	£0	£0	£85,000
n/a	Third Party Auditing and Specialist Surveys	£30,000	£15,000	£15,000	£30,000	£15,000	£105,000
n/a	Equality Act 2010 – Assessments	£0	£50,000	£0	£0	£0	£50,000
n/a	Equality Act 2010 – Reasonable Physical Changes	£0	£0	£100,000	£100,000	£100,000	£300,000
n/a	Playgrounds and Play Equipment Inspections & Maintenance	£30,000	£30,000	£30,000	£30,000	£30,000	£150,000
n/a	Tree Management	£174,000	£174,000	£174,000	£174,000	£174,000	£870,000
n/a	Land Risk Assessments inc Contaminated Land	£50,000	£50,000	£50,000	£50,000	£50,000	£250,000
n/a	IT Systems and Databases	£20,000	£15,000	£15,000	£15,000	£15,000	£80,000
n/a	Window Catches	£0	£10,000	£10,000	£10,000	£10,000	£40,000
n/a	Carbon Reduction & Emissions	£0	£20,000	£20,000	£20,000	£20,000	£80,000
n/a	Radon Levels	£0	£10,000	£10,000	£10,000	£10,000	£40,000
n/a	Lead Pipe Replacement	£0	£50,000	£50,000	£50,000	£50,000	£200,000
n/a	Fire Safety - Remedial Works	£20,000	£20,000	£20,000	£20,000	£20,000	£100,000
n/a	Portable Appliance Testing	£2,000	£2,000	£2,000	£2,000	£2,000	£10,000
n/a	Warrants	£10,000	£8,000	£6,000	£4,000	£2,000	£30,000
n/a	Employee Training	£0	£10,000	£10,000	£10,000	£10,000	£40,000
<b>TOTAL</b>		<b>£6,415,000</b>	<b>£6,499,000</b>	<b>£7,062,000</b>	<b>£7,455,000</b>	<b>£7,058,000</b>	<b>£34,489,000</b>

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Appendix 4 - Asset Management and Compliance Contract Procurement Plan (Capital)

No	Work Stream	Contract Value	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
1	Estate Environment Improvements	£125,000						Data review and initial scoping.	Consultation and Development of consultant brief	Consultant procurement.	Tender eval. & sign-off	Tenant & Councilor engagement to understand develop vision and its identify brief for the programme. Site surveys and evening meetings reqd		
2	External Fabric Blocks	£6,550,000	Tender preparation and leasehold team engagement		Tendering and evaluation and leasehold team engagement		Leaseholder consultation 2nd batch. Approval and appointments		Contractor Mobilisation Period	Commence Works				
3	Communal Roof Replacements	£1,000,000			Data review, & validations Prepare consultant brief		Tendr & Appoint consult.	Tender docs & Lease/H 1 consult.	Tendering and evaluation and leasehold team engagement	Leasehold Consultation Stage 2. Approval and appointments		Contractor award mobilise	Commence Works	
4	Conversions	£1,260,000	Tender preparation		Tendering and evaluation		Approval and appointments	Contractor award, mobilise and surveys	Commence/Complete Works					
5	Green Street Project	£1,800,000	Preliminary design phase.	Cabinet Approval	Agree final design phase.	Procurement phase				Project commencement and delivery phase.				
6	Estate Road Re-surfacing	£850,000			Agree brief & scope of works with Housing and Highways team.		Approval and appointments.	Contractor Mobilisation Period	Commence/Complete Works					
7	Electrical Lateral Replacements	£1,800,000	Tender preparation and leasehold team engagement	Leasehold Consultation Stages 1 & 2.	Tendering and evaluation and leasehold team engagement		Leasehold Consultation Stages 2 Approval and appointments		Contractor mobilise.	Commence works				
8	Decent Homes (North & South) 17/19	£27,540,000	tender preparation process.		Tender and evaluation..		Approval and appointments	Contractor award, mobilise.	Commence works					
9	Fire Safety Improvement Works	£3,730,000	Tender preparation and leasehold team engagement		Tender and evaluation and leasehold team engagement		Leasehold Consultation Stages 2. Approval and appointments		Contract award and Contractor, mobilise	Commence Works				
10	Lift Replacement Programme	£1,620,000										Utilise M&E stock condition survey data & develop procure strategy.		
11	Disabled Adaptations (Building Works) 19/20	£3,520,000			Data review, surveys, specification and prepare & contract/tender documents.				Procurement team and framework	Tender period, and evaluation		Approval and appointments	Contract mobilisation for 'Go-live' on 01 April 2018.	
12	Disabled Adaptations (Mechanical & Electrical) 19/20	£1,240,000			Data review, surveys, specification and prepare & contract/tender documents.				Procurement team and framework	Tender period, and evaluation.		Approval and appointments	Contract mobilisation for 'Go-live' on 01 April 2018.	
13	Water Tank Replacements	£552,000										Utilise M&E stock condition survey data & develop procure strategy.		
14	Roof Safety & Access Systems (Provision & Renewal)	£600,000										Utilise M&E stock condition survey data & develop procure strategy.		
15	Communal Heating Replacement (Hollidge Way)	£600,000			Design brief, tender and Appoint consultant		Tender preparation and leasehold consultation Stage 1.		Tender Period and evaluation	Leasehold Consultation Stage 2.	Approval and appointments	Contractor award + mobilisation.	Commence communal	
16	Communal Heating Replacement (Turner Ct/Aidan Close)	£600,000				Design brief, tender and Appoint consultant		Tender prep, leasehold consultation Stage 1.		Tender Period and evaluation	Leasehold Consultation Stages 2.		Approval and appoint	
17	Fencing & External Works (DLO)	£500,000										Utilise stock condition survey data & develop procurement strategy.		

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**Appendix 5  
Asset Management and Compliance Contract Procurement Plan (Revenue)**

No	Work Stream	Contract Value	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
18	Asbestos Surveying Consultancy Services	£975,000							Data review, surveys, specification & produce contract/tender documents	Procurement team and framework.	Tender period.	Tender receipt & evaluation	Tender report & Contract award	Contract mobilisation for 'Go-live'
19	Water Hygiene Risk Assessment & Testing Services	£950,000		Consult brief.	Tender, evaluate & appoint consultant.	Data review, surveys, specification & contract/tender documents.	Leasehold & Resident Consultation	Procurement team and framework	Tender period.	Tender receipt and evaluation	Leasehold Consult. Stages 2 & 3.	Tender report & Contract award	Contract mobilisation for 'Go-live'	
20	Fixed Wire Testing (Domestic & Communal)	£2,355,000		Consult brief.	Tender, evaluate & appoint consultant.	Data review, surveys, specification & contract/tender documents.	Leasehold & Resident Consultation	Procurement team and framework	Tender period.	Tender receipt and evaluation	Leasehold Consult. Stages 2 & 3.	Tender report & Contract award	Contract mobilisation for 'Go-live'	
21	Lift Maintenance	£1,240,000		Consult brief.	Tender, evaluate & appoint consultant.	Data review, surveys, specification & contract/tender documents.	Leasehold & Resident Consultation	Procurement team and framework	Tender period.	Tender receipt and evaluation	Leasehold Consult. Stages 2 & 3.	Tender report & Contract award	Contract mobilisation for 'Go-live'	
22	Lifting Equipment, Stair lifts & Hoist Maintenance	£950,000			Consult brief.	Tender, evaluate & appoint consultant.	Data review, surveys, specification & produce contract/tender documents.	Procurement team and framework.	Tender period.	Tender receipt & evaluation	Tender report & Contract award	Contract mobilisation for 'Go-live'		
23	Fire Safety Equipment Maintenance	£750,000		Consult brief.	Tender, evaluate & appoint consultant.	Data review, surveys, specification & contract/tender documents.	Leasehold & Resident Consultation	Procurement team and framework	Tender period.	Tender receipt and evaluation	Leasehold Consult. Stages 2 & 3.	Tender report & Contract award	Contract mobilisation for 'Go-live'	
24	Roof Safety Access Systems (Servicing & Maintenance)	£200,000										Utilise M&E stock condition survey data & develop procurement strategy.		
25	Renewable Energy Maintenance	£525,000										Utilise M&E stock condition survey data & develop procurement strategy.		
26	External & Communal Painting and Decorating Programme.	£4,000,000										Utilise stock condition survey data & develop procurement strategy.		
27	Fire Risk Assessments (Consultancy Works)	£440,000			Data review, surveys, specification & produce contract/tender documents.	Procurement team and framework.	Tender period.	Tender receipt & evaluation and award	Contract mobilisation for 'Go-live'	Commence and complete programme.				
28	Stock Condition Survey (Internal & External + M&E Surveys)	£500,000		Data review, surveys, specification & produce contract/tender documents.	Procurement team and framework	Tender period.	Tender evaluate, report & award	Contract mobilisation for 'Go-live'	Works and report					
29	Electric Gates Servicing & Maintenance (inc. surveys)	£100,000				Data review, surveys, specification & contract/tender documents.	Leasehold & Resident Consultation	Procurement team and e-Tender	Tender period.	Tender receipt and evaluation	Leasehold Consultation. Stages 2 & 3 + Resident Service Charge Consultation.	Tender report & Contract award	Contract mobilisation for 'Go-live'	
30	DLO Material Supply Contract	£17,500,000					Data review, specification and prepare & contract/tender documents.	Procurement team and framework	Tender period.	Tender receipt and evaluation.	Tender report & Contract award	Contract mobilisation for 'Go-live' on 01 April 2018.		
31	Vehicle Lease Management	£1,500,000					Data review, specification and prepare & contract/tender documents	Procurement team and framework	Tender period.	Tender receipt and evaluation.	Tender report & Contract award	Contract mobilisation for 'Go-live' on 01 April 2018.		
32	Communal Heating Servicing & Maintenance	£960,000			Data review, surveys, specification & produce contract/tender documents.	Leasehold & Resident Consultation	Procurement team and framework	Tender period.	Tender receipt and evaluation	Leasehold Consult. Stages 2 & 3.	Tender report & Contract award	Contract mobilisation for 'Go-live'		

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## CABINET

23 May 2017

<b>Title:</b> Contract for Provision of Supported and Unsupported Accommodation with Outreach Support for Care Leavers	
<b>Report of the Cabinet Member for Social Care and Health Integration</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
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<b>Accountable Director:</b> Chris Bush; Commissioning Director for Children's Care and Support	
<b>Accountable Strategic Director:</b> Anne Bristow, Strategic Director for Service Development and Integration	
<p><b>Summary:</b></p> <p>The Council has a statutory duty under the Children's (Leaving Care) Act 2000 to act as Corporate Parents for young people leaving care. This duty requires the local Authority to provide accommodation and support tailored to the needs of each vulnerable young person.</p> <p>There are approximately 270 care leavers in various categories of accommodation and outreach support packages for care leavers depending on age and length of time in care.</p> <p>The approach outlined in this strategy aims to formalise the current agreements with providers and standardise the quality and specification requirements to ensure the Council is achieving value for money and simplify the commissioning process for all parties concerned.</p> <p>In order to meet these objectives, the Council will work with a number of highly experienced providers within the private and voluntary sector to secure appropriate, high quality accommodation and outreach support via a framework contract of approved suppliers for a four-year period in order to promote the best possible outcomes for young people and assist them in achieving a successful transition to adult life.</p> <p>The cost of accommodation and support payable by the Council to providers listed on the approved framework will be fixed at the levels agreed in this tender and then reviewed after an initial two-year period.</p> <p>This report requests authorisation to conduct a procurement exercise for the provision of supported and unsupported accommodation together with outreach support.</p> <p>This exercise will culminate in the creation of a framework of suitably qualified and</p>	

experienced providers for our Care Leavers, securing the peace of mind that a rigorously vetted framework of this nature offers.

It is anticipated that the new arrangements will take effect from September 2017 with the contracts awarded for a period of four years. Forecasts indicate that total expenditure in this area over the four-year period will be approximately £6.4m, though this approach i.e. a Framework Contract commits the Council to no minimum level of expenditure.

### **Recommendation(s)**

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a four-year framework contract for the provision of supported and unsupported accommodation together with outreach support for Care Leavers in accordance with the strategy set out in this report; and
- (ii) Delegate authority to the Strategic Director of Service Development and Integration, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer, and the Director of Law and Governance, to award and enter into the contract and access agreements.

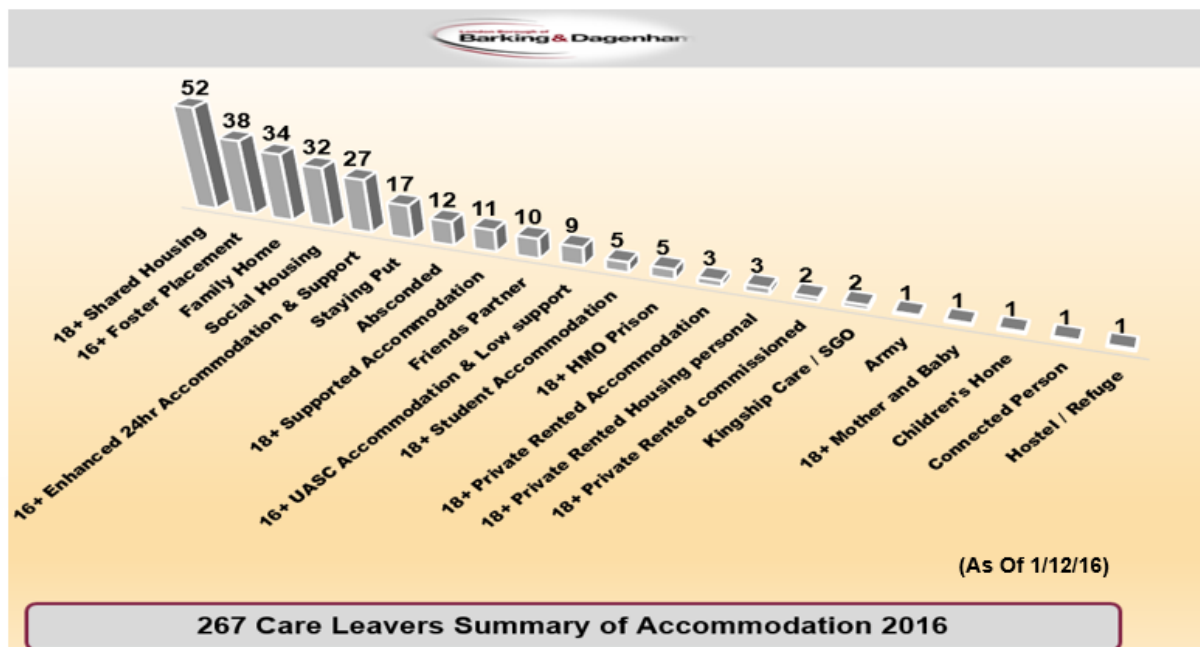
### **Reason(s)**

1. To provide an appropriate, best-value service that delivers excellent outcomes for young people.
2. The Framework will standardise the quality of accommodation provided to young people to ensure an equitable position for all Care Leavers provided with accommodation and support where relevant.
3. To help relieve budget pressures by ensuring the best value for money options are available to the Nominated Officer when seeking to place a young person.

## **1. Introduction and Background**

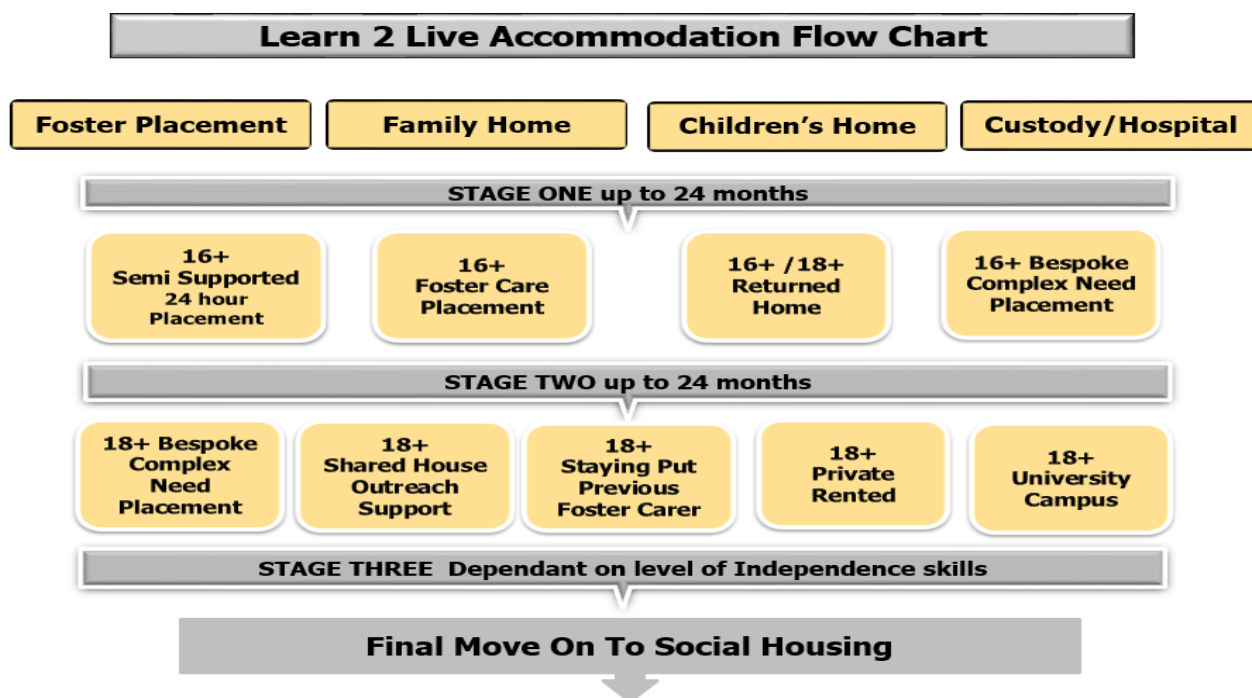
- 1.1 The purpose of this paper is to explain the reasons for establishing a Framework Contract for supported and unsupported accommodation together with outreach support provision and seek approval to proceed further.
- 1.2 The Council currently provides accommodation to 267 Care Leavers and has a duty under the Children's (Leaving Care) Act 2000 to provide relevant accommodation and support to particular groups of young people. The current profile of accommodation provision can be seen in the table below:

## Current Care Leaver Accommodation Profile



### Notes

1. Number and allocation of young people figure is as of 1<sup>st</sup> December 2016
- 1.3 As Council budgets continue to come under pressure, Children's Care and Support have been working closely with the SAFE Programme, private providers and the Council's Housing Services to source quality accommodation at a reduced cost against current provision for Care Leavers. This and other initiatives have gone some way to relieving pressure on budgets, reducing spend in 2016/17 by circa. £500k, with the full-year effect of this for 2017/18 equating to circa. £870k.
- 1.4 To formalise the approach to commissioning this provision, a new operating model is being designed with this framework at its centre to standardise agreements on quality, maximize value for money, maintain current good practice and simplify and shorten the commissioning process for Care Leaver accommodation and support. Savings from moving Care Leavers to private accommodation average £4,550 each. For 20 young people this amounted to £91k of savings which should be replicated in 17/18 for each young person moved together with savings estimated at £172k from moving young people to social housing based on being allocated 35 voids. Savings derived from other provision and support will be known upon completion of the tender exercise.
- 1.5 Where Social Housing is not available in sufficient number, suitable location, or in such a way as it is able to cater for specific young people's needs or circumstances, the proposed framework contract will fill the gap. This is intended to form part of a wider solution to accommodating and supporting Care Leavers together with the proposed allocation of social housing. As the social stock comes on stream we will be able to scale down the level of private housing and the nature of the proposed framework is that we only pay for occupancy with no long-term commitment.
- 1.6 The flow of how the young person moves through the various stages of accommodation through to fully independent living is shown in the slide below:



## 2. Proposed Procurement Strategy

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

- 2.1.1 Prior to the full tender a Prior Information Notice (PIN) was issued in February 2016, resulting in forty providers registering their interest to participate in the full tender which, illustrating the high level of interest in delivering these services locally.
- 2.1.2 The Council will invite responses from suitably qualified and experienced private and voluntary providers interested in joining a Framework Agreement to provide a range of supported and unsupported accommodation together with outreach support for Care Leavers, including provision for specific requirements such as teenage parent's disability, mental health or other needs. Supported accommodation is housing and 24hr care provision for 18 and 16-17 year old's, young parents and Care Leavers who have physical, mental health or other issues requiring supervision. Unsupported accommodation is private housing without 24hr supervision and is provided for 18+ young people as part of their pathway to independent living.
- 2.1.3 The framework will be accessible to all providers irrespective of whether they have provided an expression of interest to be included in this Framework.
- 2.1.4 The maximum number of participating firms will be forty and the Framework Agreement will run for 4 years with a two year no fault termination clause from the anticipated commencement date of September 2017. The framework will comprise 5 lots as follows:
1. 16-17 years' enhanced 24 hour supported accommodation;
  2. 16-17 years' accommodation and low-level support;
  3. Supported accommodation for young people who are parents;
  4. 18+ supported community accommodation;
  5. 18+ enhanced 24-hour supported accommodation.



The rationale for having a maximum of forty providers on the framework is to ensure that the performance of each provider can be monitored within the resources of the transport commissioning office

2.1.5 There are a number of accepted advantages to agreeing a contractual framework over spot-purchasing.

- Quality assurance monitoring can take place across the service both with regard to statistical returns, as well as regular meetings with providers;
- Good practice and training opportunities can be shared amongst providers through forums and bulletins;
- Good quality services lead to more consistent, needs-focused accommodation and support for our young people to assist them on their pathway to independent living;
- A pre-agreed pricing structure that commits the providers to maintain their prices across the term of the contract;
- Guaranteed pricing structure to enable LBBD in our financial planning and forecasting for budget setting and monitoring purposes.

2.1.6 The contractual method recommended to Cabinet, that is a Framework Agreement, would have additional advantages. It would not oblige the local authority to purchase any volume from a provider but it guarantees the rates we will be charged for at least a minimum of two years.

## **2.2 Estimated Contract Value.**

2.2.1 The contract will be a Framework Contract that will have no minimum value, nor will any commitment to expenditure by the Council be stipulated within the contract itself. Expenditure will only be incurred when referrals are made. The current expenditure for LB Barking and Dagenham is circa. £1.6m per annum (circa. £6.4m in total). The total value of the contract would, therefore, be circa. £6.4m.

## **2.3 Duration of the contract, including any options for extension.**

2.3.1 The framework contract will be for 4 years with a two year no fault termination clause to allow for any changes in the content of the framework.

## **2.4 Is the contract subject to the (EU) Public Contracts Regulations 2015? If Yes and the Contract is for services, is it subject to the light touch regime?**

2.4.1 This contract is subject to the (EU) Public Contracts Regulations 2015 and is thought to be subject to the light touch regime but clarification is sought from the Procurement Board.

## **2.5 Recommended procurement procedure and reasons for the recommendation.**

2.5.1 The tender process will be conducted in compliance with any European Union rules and principles and the Council's Contract Rules. The tendering of this service will be advertised on the Council's website and on Contract Finder Contracts Finder which is a free service for businesses, government buyers and the public. The service comes from the government under its commitment to transparency and allows suppliers to find contract opportunities.

2.5.2 There is a requirement for the tender to be advertised in the OJEU as it is subject to the Regulations. The Council's own Contract Rules require a formal tender process to be followed and the EU Treaty principles of transparency, non-discrimination and equality of treatment do apply. The route of a tender process has previously worked well: providers engaged with and had no issues with the way in which the procurement process was run. Interested parties will be invited to tender on the basis of a compliant tender process

2.5.3 All providers who express an interest in the tender will be issued with a tender pack which will give clear details on the price/quality criteria and weightings. The proposed weighting will be 70% quality and 30% price This will be a single stage tender using the Open Process, this will offer the opportunity and support to less experienced providers to submit a tender for this framework contract.

2.5.4 The proposed weightings are based on previous experience of the large amount of poor quality accommodation and support in this market. A higher focus on cost has resulted in multiple moves for young people and increased costs for short term emergency provision together with an increased work load for all concerned. Over the past year, Children's Services has been successful in obtaining higher quality, lower cost private accommodation for 20 young people by working with providers to understand the need for high quality and has realised savings of £91,000 as a result of this increased emphasis on quality. In addition, our responsibility as corporate parents to ensure a high level of safeguarding for these vulnerable young people make it essential to provide the best environment possible in which to support their transition to independent living. The weightings are expected to be as follows (this is an overview; tenderers will be made aware of any sub criteria in the tender documents):

- Quality 70% (covering seven areas each making up a % of the total quality score)
  - Continuous Improvement
  - Safeguarding
  - Health & Safety
  - Accommodation Standards
  - Service Delivery
  - Equalities
  - Property Inspections
- Pricing 30%
  - For accommodation and Support per person per week based on the requirements listed in each specification
  - For stand-alone outreach support on a per hour basis (without travelling expenses, which will not be paid by LBBD)

**Note:** If there are any revisions to the weightings during the tender exercise all providers who have requested a tender pack will be informed immediately.

2.5.6 Providers will be ranked on the framework according to the % of the quality score from their tender submission.

## Proposed Tender Milestones

Cabinet approval	May 2017
Advertise and send out tender application packs	June 2017
Tender submissions to be returned	July 2017
Tender evaluations and unannounced site visits	August 2017
Approval and award of contract	August 2017
Start of contract delivery	September 2017

2.5.7 Following the evaluation of the tenders, providers will be advised which specific Lots they have been successful and awarded a framework contract listing for

### **2.6 The contract delivery methodology and documentation to be adopted.**

2.6.1 The Service will be delivered by external providers and will not open to other Local Authorities. Documentation to be adopted will be the Council's standard terms and conditions.

2.6.2 Tenders will be assessed on a balance between the cost of the service and the quality of the service they offer, that is to say 'the value for money' they offer the authority. This is the optimum balance of whole-life costs and benefits that meet the customer's requirements. The Council will request written Statements to detail how they will meet the individual evaluation criteria below using the same headings.

2.6.3 The Tenderer may decide how much detail to include in each Statement but should ensure that the Statement "collectively" demonstrates to the Council that the Contractor is able consistently to provide a high-quality service under a complex contract of this type. Each Statement must NOT exceed 400 words. The evaluation will determine the most economically advantageous offer by means of applying the following main criteria:

Quality: 70%, Price: 30%

2.6.4 Referrals will be made by the Local Authority directly to the Provider in accordance with the Referral Process described below. Placements will be identified for both planned (Regular Referral Process) and unplanned (Expedited Referral Process) placements based on the criteria set out below.

2.6.5 The Nominated Officer will issue a referral request detailing the requirements for meeting the specific needs of the young person to be placed. This request could be to a number of or a single provider and will include a risk assessment of the young person and an initial assessment of the young person's needs and the support package required. The referral request and the deadline to respond will be emailed to the Provider(s) in the relevant Lot who can meet the specialist services relevant to the young person.

- 2.6.6 The Provider must respond to the Nominated Officer confirming how they propose to meet the requirements of the placement and confirming the rates applicable to the proposed placement based on the Pricing Details in the Provider's final tender. No responses submitted after the deadline set will be assessed.
- 2.6.7 The Nominated Officer will assess the Proposals and select the Provider that best meets the requirements of the specific placement.
- 2.6.8 The assessment of the proposals will be against criteria which will be ranked by descending order of importance on a case by case basis according to the requirements of the specific placement and set out in the referral document. The criteria are:
- Geographical Location
  - Compatibility of profile / Skills of the proposed Keyworker with the young person's needs
  - Overall suitability of the Provider for meeting the young person's needs
  - Weekly price of delivering the requirements of the placement
- 2.6.9 A record of the referral request/assessment will be kept by the Nominated Officer. Once a preferred Provider has been selected for the placement, the following will be discussed with the Provider either by telephone or in a pre-placement meeting:
- A pre-placement visit to the accommodation by the young person
  - A placement planning meeting date agreed on or before the date of admission
  - A date for the placement to start.

In the instance of an emergency placement, the Nominated Officer retains the right to expedite the process as they see fit based on the needs and situation of the YP. Once satisfactory arrangements have been fully agreed, an Individual Placement Agreement will be completed with the Provider for that placement.

## **2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.**

- 2.7.1 Standardising the specification and quality of accommodation and support will ensure that all relevant young people will be assured of the highest quality service and provision from their corporate parent.
- 2.7.2 A test of the market to ensure that LBBB are receiving the best value for money possible and where possible contribute to relieving pressures on budgets via a reduction in costs.
- 2.7.3 Enabling the sharing of best practice and learning amongst providers to ensure continual improvement of service provision for Care Leavers in order for them to be able to move to independent living from a stable base.
- 2.7.4 Fixed prices for the first two years of the framework will assist LBBB in financial planning and budget setting/monitoring.
- 2.7.5 Simplifying and shortening the commissioning process will save time for LBBB staff and reduce the cost of managing the service.

2.7.6 From the perspective of the five Every Child Matters outcomes, accommodation impacts on 'staying safe' in its broader interpretation.

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 The price quality ratio upon which contracts will be awarded will be 70% quality and 30% price. Providers will be ranked in each lot based on the quality % of their tender submission.

## **2.9 How the procurement will address and implement the Council's Social Value policies.**

2.9.1 The Council's Social Value policies and the Social Value Act 2012 are broadly aligned, and thus, these contracts will address and implement the aims by:

- **Promoting employment and economic sustainability:** tackle unemployment and facilitate the development of skills amongst providers
- **Building the capacity and sustainability of the private and voluntary sector:** enabling companies to provide the service and encourage volunteering and employment of local residents where applicable
- **Creating opportunities for SME's and social enterprises:** Enabling the development of local businesses in the provision of this service.

## **3. Options Appraisal**

### **3.1 Option 1: Do nothing**

Current agreements with providers have varying quality standards and pricing which together with the administration of spot purchasing governance and documentation has resulted in an inefficient process that does not deliver proven value for money. If we do nothing this will continue to add pressure to service budgets and provide an inconsistent service to our young people.

### **3.2 Option 2: Join an existing framework**

There are no suitable existing frameworks in place that will enable LBBD to specify the providers and standards of delivery we require across the geographical boundaries stipulated in our tender.

### **3.3 Option 3: Put in place an LBBD framework contract**

This will enable LBBD to select providers based on our standards of quality and specification and ensure we have achieved maximum value for money and efficiency in delivering services to our young people.

## **4. Waiver**

4.1 Not applicable.

## **5 Equalities and other Customer Impact**

- 5.1 Wellbeing of children in the borough: and ensuring that potentially vulnerable children and young people are safely housed and supported based on their needs, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.
- 5.2 Integrated service provision: the ability for children and young people to be safeguarded while being housed allows them to experience services within the community in a safe way, thereby, contributing to positive life chances, educational and social development.

## **6. Other Considerations and Implications**

### **6.1 Risk and Risk Management**

- 6.1.1 As a Framework Agreement there is no specific guarantee to any provider of a level of service and, by extension, expenditure. A Framework is likely to attract a higher level of interest from potential providers than spot purchasing, so encouraging more competitive pricing and minimising the risk from default by any individual provider.
- 6.1.2 Given the statutory duty upon the Council, a suitable and safe provision for children, young people and adults with special needs and/or disabilities could be considered as risk mitigation. This framework would tie providers into contractual obligations that would better ensure continuity of provision, as well as service quality for service users. The key elements of this can be summarised as follows:
- 6.1.3 The Providers are required to ensure that all staff working with young people shall be trained or have attained the following minimum qualification in Social Care:
- Manager: NVQ Level 4 or equivalent;
  - Keyworker: NVQ Level 3 or equivalent.
- 6.1.4 The Providers are required to ensure where staff are currently attaining relevant qualifications there shall be a comprehensive training and development plan in place.

#### **VETTING:**

- 6.1.5 The Provider shall appropriately vet all staff within the organisation prior to taking up a post. The Provider shall obtain:
- Verification of ID (passport, birth certificate);
  - Proof of address (bank statement, utility bill etc)
  - Enhanced Criminal Records Bureau Checks and ensure that all staff have a full enhanced DBS with a validity of 3 years; DBS to include POCA & POVA);
  - Work Permit (if appropriate);
  - Drivers Licence (if appropriate);
  - Certificates of training;
  - Confirmation of qualifications
  - General Social Care Council Register (or equivalent)

- 6.1.6 The Rehabilitation of Offenders Act 1974 does not apply and therefore all staff working in the Service shall declare any previous convictions prior to taking up any appointment. If a member of staff declares or is found to have any previous convictions. The Provider shall ensure continued employment is agreed with the Local Authority's.
- 6.1.7 Upon recruitment of all new staff a new enhanced DBS check must be requested. This member of staff shall not commence work on the Service until the DBS has been received.
- 6.1.8 The risk to service users will be minimised considerably through providers being held to key quality standards within the terms of the Framework Agreement, such as:
- Ensuring compliance with its duties under the Children Acts;
  - Demonstrating that its functions are discharged having regard to the need to safeguard and promote the welfare of Children & Young People;
  - Ensuring Enhanced DBS checks are undertaken for all staff
  - Adopting the London Child Protection Procedures and work to the Local Safeguarding Children Board guidance and procedures whilst ensuring that they comply with child protection procedures relevant to the local authority in which the young person is placed. This shall be reflected in the Provider's internal policies and procedures;
  - Ensuring that there is a designated Named Senior Officer within the organisation who will deal with all aspects of Child Protection including all allegations. This person shall receive appropriate training or briefing on their role and responsibilities and will be known as the Named Senior Officer;
  - Ensuring that all staff receive child protection training within their period of induction and thereafter regular updates; and
  - Ensuring that all staff recruitment complies with guidance on 'Safer Recruitment' as outlined by the Children's Workforce Development Council – [www.cwdcouncil.org.uk](http://www.cwdcouncil.org.uk).

**(Full details of the quality and safeguarding required of providers are contained in the framework specification which is attached in appendix A)**

## **6.2 Safeguarding Children**

- 6.2.1 Wellbeing of children in the borough: ensuring that potentially vulnerable children and young people are safely housed and, where appropriate, supported, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.
- 6.2.2 Integrated service provision: the ability for children and young people to be housed and supported in a joined-up provision allows them to experience life within the community in a safe way and improve their progress to fully independent living.

## **6.3 Health Issues**

- 6.3.1 A Framework Agreement that delivers common high standards of quality will ensure that the housing and support needs of vulnerable members of society are better

supported, particularly with regard to where young people have complex physical, psychological and/or sensory needs.

## **7. Consultation**

- 7.1 Consultation for this tender exercise has taken place through circulation of this Cabinet Report. The draft report after having been circulated to all required consultees as listed at the beginning of this report was then put forward and approved at the Corporate Procurement Board Meeting of 18<sup>th</sup> April 2017.

## **8. Corporate Procurement**

Implications completed by: Francis Parker – Senior Procurement Manager

- 8.1 Setting up a framework is the most applicable option for this service. It offers flexibility but also means that less administration is necessary for the service to operate.
- 8.2 The Price/Quality split is suitable for this type of procurement. Quality must be obtained through the tender process due to the vulnerable service users, therefore a high weighting is necessary. Pass/Fail criteria could be used as an alternative to ensure a minimum standard of quality is delivered and then the price weighting could be higher.
- 8.3 Forty providers is a sensible number to ensure there is competition through the framework. An Open procurement will ensure that the widest number of providers are able to apply and therefore those chosen for the framework will have already gone through the most thorough competition already.

## **9. Financial Implications**

Implications completed by: Daksha Chauhan, Group Accountant, Children's Finance

- 9.1 This report requests approval to run a procurement exercise for a four-year framework contract for the provision of supported and unsupported accommodation together with outreach support for Care Leavers.
- 9.2 There will be no commitment of spend on this contract as it is a framework agreement and the total spend value will be dependent on individual service budgets and their requirements.
- 9.3 Spend will be managed within existing individual service budgets.

## **10. Legal Implications**

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Law & Governance

- 10.1 This report is seeking approval to tender a four-year framework, on a 2 year + 2-year basis, for the provision of supported and unsupported accommodation with outreach support for LBBD Care Leavers from 1<sup>st</sup> September 2017.



- 10.2 The services being procured appear to be subject to the Light Touch Regime under the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this regime is currently £589,148. The value of the proposed contract is above this threshold meaning that it will need to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime, therefore the Council may use its discretion as to how it conducts the procurement process provided that it discharges its duty to comply with the Treaty principles of equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides in the OJEU advert; and ensures that the time limits that it imposes on suppliers, such as for responding to adverts is reasonable and proportionate. Following the procurement, a contract award notice is required to be published in OJEU.
- 10.3 Clause 2.5.1 of this report states that the contract will be advertised in OJEU as well as on the Council's website and Contracts Finder and 2.5.3 notes that the process will follow an Open tender process as set out in the Regulations. This appears to comply with the requirements of the Regulations and the Council's Contract Rules and therefore would appear to be following a compliant tender process.
- 10.4 Contract Rule 28.7 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval.
- 10.5 In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 10.6 The report author and responsible directorate are advised to keep the Law and Governance Team fully informed at every stage of the proposed tender exercise. The team will be on hand and available to assist and answer any questions that may arise.

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

**List of Appendices:** None

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**CABINET****23 May 2017**

<b>Title:</b> Contract for the Supply of Automotive Fuel and Fuel Oil	
<b>Report of the Cabinet Member for Finance, Growth and Investment</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> Alan Bowley, Director of Public Realm	<b>Contact Details:</b> Tel: 020 8227 2974 E-mail: <a href="mailto:alan.bowley@lbbd.gov.uk">alan.bowley@lbbd.gov.uk</a>
<b>Accountable Director:</b> Alan Bowley, Director of Public Realm	
<b>Accountable Strategic Director:</b> Claire Symonds, Chief Operating Officer	
<p><b>Summary:</b></p> <p>The current contract for the provision of automotive fuel and fuel oil expires on 11 August 2017. The Council will need to have a contractual agreement in place for the supply of the service in order to ensure that the provision of fuel is available across a range of Council services.</p> <p>This report details the options available to the Council to ensure a compliant and cost effective supply of automotive fuel and fuel oil to the Council.</p> <p>The current annual spend attributed to the service in 2016/17 is estimated to be c£0.91m.</p>	
<p><b>Recommendation(s)</b></p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> <li>(i) Agree that the Council proceeds with the procurement of a contract for the provision of automotive fuel and fuel oil in accordance with the strategy set out in the report; and</li> <li>(ii) Delegate authority to the Director for Public Realm, in consultation with the Cabinet Member for Finance, Growth and Investment and the Director of Law and Governance, to conduct the procurement and award the contract to the successful bidder in accordance with the strategy set out in the report.</li> </ul>	
<p><b>Reason(s)</b></p> <p>To ensure the provision of the services which are compliant with EU Procurement legislation and the Council's procurement rules.</p> <p>To enable the Council to access market competitive prices throughout the purchasing period through the aggregated purchasing power of the CCS Framework.</p>	

To ensure commercial and financial risks to the Council are mitigated by the Framework Terms and Conditions.

## 1. Introduction and Background

1.1 The Council currently utilises a framework agreement, managed by Crown Commercial Services (CCS), but this agreement is due to expire on 11/08/2017. CCS will be replacing the existing framework with a new version due to commence on 12/08/2017. This paper sets out the options available to the Council to ensure that the provision of Automotive Fuel and Oil remains cost effective.

1.2 The spend for 2016/17 on fuel and oil to end of period 11 is:

Type	Supplier	Estimated Cost to P11 (2016/17)
Gas Oil (Red Diesel)	Birlem	£34,612
Derv (Diesel)	Harvest Energy	£788,120
Unleaded Petrol	Harvest Energy	£10,479
<b>Total</b>		<b>£833,211</b>

1.3 The Council currently has 2 points of delivery and has the capacity to store the Automotive Fuel and Fuel Oils, they are as follows;

- Frizlands Depot –

Tank	Type	Maximum Capacity
1	Gas Oil (Red Diesel)	9,000 litres
2	Unleaded Petrol	22,700 litres
3	Derv (Diesel)	22,690 litres
4	Derv (Diesel)	47,000 litres

- Hollidge Way Old Persons Flats

Tank	Type	Maximum Capacity
1	Gas Oil (Red Diesel)	10,000 litres

1.4 The profile of current spend for 2016/17 identifies five main users:

Fuel Usage by Service User

Service	No. Vehicles	Forecast Spend 16/17	Percentage Use
Waste Management	23	£275,000	33%
Housing Repairs	118	£200,000	24%
Street Cleansing	23	£92,000	11%
Passenger Transport	25	£75,000	9%
Grounds Maintenance	37	£75,000	9%
All other services	84	£116,000	14%
<b>Total</b>	<b>310</b>	<b>£833,000</b>	<b>100%</b>

## **2. Proposed Procurement Strategy**

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

The service required is summarized as follows;

- Conduct mini competition on behalf of the Council
- Establish delivery site details and tank capabilities
- Enable timely deliveries of liquid fuel and fuel oil to the Councils designated delivery points
- Produce and issue accurate invoicing based on actual delivery volumes

### **2.2 Estimated Contract Value, including the value of any uplift or extension period.**

Estimated value per annum is £910,000, giving a total contract value of £1,820,000, although this value could fluctuate based on actual volume requirements in the two-year contract period.

### **2.3 Duration of the contract, including any options for extension.**

Two years

### **2.4 Recommended procurement procedure and reasons for the recommendation.**

Open Framework managed and procured by CCS  
The framework provides fuel procurement to over 400 customers with an annual throughput of circa £240,000,000 and delivers to in excess of 6,000 sites, which will enable the Council to capitalise on the economies of scale being represented.

### **2.5 The contract delivery methodology and documentation to be adopted.**

The terms and conditions which will govern the service delivery will be as follows:

- CCS Overarching framework terms and conditions
- CCS Call Off order form including special LBBB terms

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

- Reduce Procurement timescales as framework has already been compliantly procured in line with EU legislation
- CCS to conduct the mini competition based on LBBB requirements
- On time deliveries of liquid fuel and fuel oil to the required locations
- Scalable delivery volumes to match service requirements
- Accurate billing
- Weekly prices issued by CCS to ensure accurate budget forecast
- CCS contract management re service levels and KPI performance
- Comprehensive management information available from CCS
- Utilise economies of scale to reduce or remove small load premiums and reduce supplier margins

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

The evaluation will be based solely on cost in accordance with the mandatory criteria set by the Government Procurement Service.

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

Not applicable to this procurement

**3. Options Appraisal**

3.1 Set out below is an assessment of options:

**Option 1 – Full Competitive Tender via OJEU**

The Council could choose to undertake a full competitive tendering process via OJEU for the provision of automotive fuel and oil. This has been discounted for the following reasons:

- A full competitive tender via OJEU will take around 9 months to complete meaning any new arrangements are unlikely to be in place before February 2018 when the current contract ends.
- Furthermore, the relatively low volumes of fuel and oil purchased by the Council, when compared to the terms of the current GPS framework agreement, means that any tendered prices may not reflect best value because similar economies of scale may not be achieved.
- A full competitive tender would increase the procurement costs without, as noted above, providing best value for the Council.

**Option 2 - CCS Framework Agreement (Recommended Option)**

The CCS framework will seek to utilise wider economies of scale to enable stronger negotiation points on elements of the full fuel cost such as small load premiums and supplier margin. The framework allows for a scalable option in terms of volume to be delivered to the agreed delivery points, this would enable a flexible solution that would be able to accommodate and flex which is a direct result of the Ambition 2020 transformation programme. This would mean that the Council is not tightly bound by volume. The Framework will provide an opportunity for the Council to run a mini-competition from a list of pre-approved suppliers to determine the best value option in terms of cost and supply arrangements.

Given the economies of scale obtainable from a Framework Agreement it is expected that this option will deliver better prices when compared to option 1. This option also provides best value in terms of procurement costs.

**Option 3 – Fuel Cards**

CCS has an open framework (RM536) for the provision of Fuel Cards that the Council could utilise going forward.

The framework operates with a number of national suppliers including well-known forecourt names such as BP & Shell.

The Council would be charged **AT PUMP** prices per litre via the card transaction. Each card will be required to be assigned to a vehicle to reduce the risk of fraudulent purchases and would require fuel only transactions.

Dependant on the annual volume of fuel purchased a rebate will be applied retrospectively to reduce the overall cost to the Council.

This option requires strict management controls to be in place to ensure compliance and spend. In order to achieve a similar pricing structure when compared to the expected unit prices achieved under from bulk fuel framework the Council will be required to use a large volume of fuel (a likely outcome) and pay by direct debit, which will increase cash flow pressures, when compared to the bulk fuel framework that operates on a credit basis.

Although this option carries a number of operational and compliance risks, as described above, it may provide some flexibility going forward because of the Council's Ambition 2020 programme of change. Unlike the bulk fuel framework, the Council is not required to maintain the local depot infrastructure for vehicle fuelling which does incur additional overhead costs. Given that the direct provision of fleet may change as new models of service delivery changes because of Ambition 2020 these costs may start to become disproportionately high. Table 1.4 helps show how proportionate the financial and operational risk associated with this option will be for the main service users given the current usage profile

At this stage, this option is not considered to be the preferred route to market. However, this option should remain 'under review' as the demand for direct fuel provision may change as an outcome of Ambition 2020 programme.

#### **Option 4 – No Action Taken**

The Council would still require the provision of Automotive Fuel and Oil therefore individuals would need to either purchase via high street forecourts which would be both expensive and administratively burdensome or be obliged to operate under any supplier's standard terms and conditions and price banding which would not provide best value. In addition, this would be non-compliant with the Councils procurement rules and EU Procurement Legislation as the service value dictates that a full, robust and complaint process would be required.

- 3.2 After evaluation, the **recommended option** would be to market test the provision of the service using the established CCS Framework Agreement (option 2) and award a two-year contract. This would provide a period for continuity of service provision as the Council implements the A2020 vision and ensure that new commercial entities have a period of stability and to assess their individual requirements prior to seeking their own competitive procurement process.
- 3.3 This option also balances the need to deliver a value for money service alongside managing the procurement and commercial risks that exist with option 1, and provides stronger financial controls when compared to option 3.

#### 4. Waiver

- 4.1 Not Applicable as the use of a pre-procured open and accessible framework is partially exempt from the Councils Contract Rules.

#### 5 Equalities and other Customer Impact

- 5.1 There could be an impact on the services provided to the Council's constituents, if in the event that a new agreement is not entered into. I.e. after 12/08/2017 the supplier will not be held accountable for non or delayed delivery of the fuel, which may cause shortages or vehicles being delayed in their deployment of their front line tasks.

#### 6. Other Considerations and Implications

- 6.1 **Risk and Risk Management** - There are number of risks associated with this procurement, they are as follows:

Risk	Impact	Mitigation
Non-compliant status of procurement	No compliant with Council and EU legislation	Access of CCS framework and Mini compete the Councils requirements
Non-availability of the CCS open framework	Market rates (pump price) charged and potential to be non-compliant with Council and EU legislation	Access an alternative open framework for supply of liquid fuels or move to fuel cards in the interim
The Council requires a reduction in volume as a result of A2020 transformation	Potential cost increases	The framework will allow for fluctuations in volume with small minimum deliveries
Non-delivery of fuel	Potential service disruption	CCS contract management processes will ensure corrective and timely action is taken to avoid service disruption

- 6.2 **Property / Asset Issues** – There are no issues at the moment, however in the event that the Depot is moved outside of its current use provision would be required to make safe the fuel storage tanks.

#### 7. Consultation

- 7.1 Consultation for this tender exercise has taken place through circulation of this report.
- 7.2 The proposals within this report were endorsed by the Council's Procurement Board on 18 April 2017.



## **8. Corporate Procurement**

Implications completed by: Euan Beales, Head of Procurement

- 8.1 The use of the CCS framework is a compliant route to market, that should enable the Council to benefit from the aggregated buying power of Central and Local Government users.
- 8.2 The criteria on which the mini competition will be conducted is 100% price as CCS have already ascertained the quality element in awarding the suppliers onto the main framework. This will ensure competition is maintained.
- 8.3 The two-year contract term is long enough to leverage cost but is also short enough for the Council to review its options in terms of fuel delivery as the size and shape of the Council evolves.
- 8.4 Corporate procurement is satisfied that this route to market offers the Council a flexible and cost effective service.

## **9. Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager Services Finance

- 9.1 Procurement of liquid fuel and fuel oil is managed by the Fleet services in Public Realm. Costs are then reallocated to individual services in the council based on their demand/usage. These costs are funded from service budgets. Table 1.4 above proves a profile of usage across council services.
- 9.2 Over 50% of current demand is with services under the Public Realm umbrella. The division is currently reviewing existing fleet which could result in changes to the demand level. The recommended option allows for fluctuations in volume which will accommodate changes resulting from this and similar reviews.
- 9.3 The estimated value of the contract is £1,820,000 over 2 years. Actual spend will be dependent on service demand.
- 9.4 The contract will be subject to gainshare on the same basis and baselines as the current expiring contract (Elevate 20% : LBB 80%)

## **10. Legal Implications**

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Law & Governance

- 10.1 This report is seeking approval to tender a two-year contract for the provision of automotive fuel and fuel oil from 12th August 2017. The proposed procurement being considered is estimated to have a total value above the EU threshold for supplies and service contracts (currently set at approximately £164,176). This means that there is a legal requirement to competitively tender the contract via the Official Journal of the European Union (OJEU).

- 10.2 This report advises that it is the intention of officers to conduct a mini-competition on the Crown Commercial Services (CCS) Liquid Fuels Framework. The Public Contracts Regulations 2015 (the Regulations) allows local authorities to select providers from established Framework Agreements and the Council's Contract Rule 5.1 (a) advises that it is not necessary for officers to embark upon a separate procurement exercise when using a Framework Agreement providing the Framework being used has been properly procured in accordance with the law and the procurement is made in line with the Framework terms and conditions.
- 10.3 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders on the framework.
- 10.4 Contract Rule 28.7 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. Furthermore, In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 10.5 The report author and responsible directorate are advised to keep the Law & Governance team fully informed at every stage of the proposed tender exercise. The team will be on hand and available to assist and answer any questions that may arise.

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

**List of appendices: None**