

<p style="text-align: center;"><b><u>COMMITTEE</u></b></p> <p style="text-align: center;"><b>CABINET RESOURCES</b></p>
<p style="text-align: center;"><b>DATE AND TIME</b></p> <p style="text-align: center;"><b>THURSDAY, 10 FEBRUARY 2005</b></p> <p style="text-align: center;"><b>AT 7.00 PM</b></p>
<p style="text-align: center;"><b><u>VENUE</u></b></p> <p style="text-align: center;"><b>THE TOWN HALL, THE BURROUGHS,</b></p> <p style="text-align: center;"><b>HENDON, NW4 4BG</b></p>

**TO: MEMBERS OF THE CABINET RESOURCES COMMITTEE (Quorum 3)**

**Chairman:** Councillor Anthony Finn

**Councillors:**

Melvin Cohen

Mike Freer

Matthew Offord

Victor Lyon

Roy Goddard  
Head of Committee

Democratic Services contact:  
Nick Musgrove, tel. 020 8359 2024

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Town Hall  
Hendon, NW4 4BG

## ORDER OF BUSINESS

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21.	MOTION TO EXCLUDE THE PRESS AND PUBLIC:- That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 12A of the Act:	-
	<b>Reports of the Cabinet Members for</b>	
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22.	Exempt information relating to item 4 in public session – Disposal of Land at 129/129A, West Hendon Broadway, NW9	106 – 107
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	<p><b>Reports of the Cabinet Members for</b></p> <ul style="list-style-type: none"> <li>○ <b>Resources</b></li> <li>○ <b>Performance Partnerships &amp; Best Value</b></li> <li>○ <b>Environment &amp; Transport</b></li> </ul>	
28.	Exempt information relating to item 11 in public session – Disposal of land fronting 1105/111 High Road, Whetstone, N20	132 – 133
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30.	ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	-

### **Fire / Emergency Evacuation Procedure**

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Do not stop to collect personal belongings.

Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions.

Do not re-enter the building until told to do so.

**AGENDA ITEM: 4**

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Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Disposal of land at 129/129A West Hendon Broadway, NW9</b>
Report of	Cabinet Members for <ul style="list-style-type: none"><li>• Resources</li><li>• Performance, Partnerships &amp; Best Value</li><li>• Housing, Neighbourhoods &amp; Community Safety</li></ul>
Summary	To consider the freehold sale of the shop, and flat over, at 129/129A West Hendon Broadway, NW9.

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Officer Contributors	Judith Ellis, Principal Valuer
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	West Hendon
Enclosures	Plan No.1
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Judith Ellis, Principal Valuer – 020 8359 7364

## **1. RECOMMENDATIONS**

- 1.1 That the freehold sale of 129/129A West Hendon Broadway by public auction in accordance with the procedures set out in the Constitution be approved and that the appropriate chief officers be instructed to take the necessary action to implement the decision.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Resources Executive Committee 17.5.2000 - agreed that the Council should proceed with marketing the sale of the freehold interest in 129 /129a West Hendon Broadway, subject to the consent of the Secretary of State.

## **3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to 'plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.' The proposals in this report will achieve this by disposing of surplus land to realise a useable capital receipt.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 The ground floor of the premises is in poor condition. Whilst there has been limited expenditure on it in recent years it is likely that some expenditure will be required shortly just to keep it wind and water-tight. An early disposal will set a limit on the Council's potential financial liability.
- 4.2 It has been suggested that there may be merit in retaining the property for the possible future widening of Cool Oak Lane at its junction with West Hendon Broadway if required as part of the West Hendon regeneration scheme. The property is not included within the regeneration scheme boundaries. The adjoining site of 127 West Hendon Broadway (shown hatched on the plan) is included. As can be seen from the plan, if 129 was also taken for road widening purposes not only would there be the costs of buying out the first floor lessee and carrying out works to the flank wall of No.131 once No.129 is demolished, but the widening would also affect part of the developable area of the regeneration scheme and likely impact on houses in Cool Oak Lane. This has never been the intention and therefore the reservation of No.129 West Hendon Broadway for future possible road works is not considered appropriate.

## **5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 A potential capital receipt in the sum set out in the exempt report.
- 5.2 There are no staffing or ICT implications. The property issues are set out below.

## **6. LEGAL ISSUES**

- 6.1 None

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8 BACKGROUND INFORMATION**

### PROPERTY DESCRIPTION

- 8.1 This property, shown edged black on the attached plan, was originally acquired in the 1960s by the Council as part of the West Hendon Housing Compulsory Purchase Order Area. It comprises a ground floor retail unit with separate residential accommodation on two floors over. The maisonette was sold leasehold under the right to buy scheme on 27 November 1989. The ground floor retail unit, which is in poor condition, has been vacant for a number of years. Previously there was an advertising hoarding on the flank wall of the building but as this had been located without landlords or planning consents by the owner of the maisonette it was removed.
- 8.2 The ground floor retail unit has a retail area of 350sq ft with storage of 114 sq ft unit, but has no wc or kitchen facilities and is in a dilapidated condition. There is a small yard to the rear which is shared by the shop and maisonette. Access to the maisonette is via the retail unit, which creates security issues for both the shop and flat. In view of the layout, shared access, and lack of basic facilities the unit is unlikely to be lettable without considerable expenditure. Its condition and lack of amenities is the reason why it has remained vacant, together with the long-term uncertainty caused by the initial West Hendon regeneration proposals.
- 8.3 The first floor maisonette, until recently, was occupied by the original leaseholders, who purchased the lease under the Right to Buy. They have since sold their interest to an investor who has refurbished the maisonette and let it on an unsecured tenancy.
- 8.4 The Secretary of State's approval to the freehold sale of the premises was given on 18th September 2001. In view of the West Hendon regeneration area proposals and, in the early stages, the uncertainty about which properties would be included within that scheme, it was considered prudent to retain the freehold interest in the short term. It is now known that the property is not included within the scheme boundaries.

### PLANNING

- 8.5 No redevelopment of the property is envisaged at this stage, due to the density of the building and lack of additional land. It is possible that a purchaser may consider a change of use of the ground floor, but if this is achieved it is not regarded as being likely to have any significant effect on the value.



## USE OPTIONS

- 8.6 The property is not required for the West Hendon regeneration scheme. All Heads of Service have been consulted and (subject to the issue raised in paragraph 4.2 above) confirmed that the premises will not suit current nor future service delivery needs. Thus, the premises are surplus to requirements.
- 8.7 The retail unit has not been let for a number of years and is considered unlettable due to its current condition and layout, together with the lack of basic facilities. The estimated costs to repair and refurbish the shop and provide it with basic amenities are not justified by the level of rent which it would command. However, such expenditure is likely to be justified for an owner-occupier.
- 8.8 There is no benefit to the Council in retaining the freehold. At the present time there is no significant income from the residential unit and none from the shop, and the property could become a financial liability. A disposal of the freehold would eliminate these problems and provide a capital receipt. The leasehold owner of the residential part has expressed an interest in acquiring the freehold, as have others making unsolicited enquiries.

## METHOD OF DISPOSAL

- 8.9 The property could be offered for sale by tender. However, this will take some time and the price to be achieved would probably not justify the expenditure to be incurred in advertising and preparing particulars etc.
- 8.10 Because of the condition of the shop and the fact that the flat above has been sold on long lease it is likely to be of interest to investors and builders. Consequently, it is considered that the most appropriate method of disposal is by way of public auction. This will probably achieve a quick disposal at the best price reasonably achievable.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None

MO: RB

BT: CM

PLAN No.1

129/129A WEST HENDON BROADWAY, NW9

LOCATION PLAN



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NOT TO SCALE

**AGENDA ITEM: 5**

Page nos. 7 – 12

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Meeting	Cabinet Resources Committee
Date	10 February 2005
Subject	<b>Disposal of Spencer House, Station Road, NW9</b>
Report of	Cabinet Members for <ul style="list-style-type: none"><li>• Resources</li><li>• Performance, Partnerships &amp; Best Value</li><li>• Housing, Neighbourhoods &amp; Community Safety</li></ul>
Summary	To consider the freehold sale of Spencer House and approve its marketing by non-binding tender.

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Officer Contributors	Judith Ellis, Principal Valuer
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	Hendon
Enclosures	Location plan
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Judith Ellis, Principal Valuer – 020 8359 7364.

## **1 RECOMMENDATIONS**

- 1.1 That the committee agrees in principle to the freehold sale of Spencer House and the appropriate chief officers be instructed to offer the property for freehold sale by non-binding tender in accordance with the procedures set out in the Constitution, reporting the outcome to a future meeting of the committee for further consideration.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to 'plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.' The proposals in this report will achieve this by disposing of surplus land to realise a useable capital receipt.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 After all existing residents have been re-housed the building is likely to become targeted by vandals. This is likely to impact on the offers from those interested in making use of the existing building. As a measure of prevention the doors and windows will be secured with metal shuttering.

## **5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 A potential capital receipt in the sum set out in the exempt report.
- 5.2 The residents being re-housed from Spencer House are entitled to home loss and disturbance payments. These sums will be set against the capital receipt.
- 5.3 The Head of Housing has requested that the capital receipt from any disposal be ring fenced for spending on alternative elderly persons housing provision. All capital receipts should in the first instance be considered a corporate resources, and whilst the request from the Head of Housing is noted the proposals for re-investing any amount received into council services must always be done on a corporate priority basis. In this regard it should be noted that the capital receipt will be subject to pooling of 50% (i.e. only half is usable) unless receipt is used for housing purposes, in which case the pooling requirement is waived.
- 5.4 There are no staffing or ICT implications. The property issues are set out below.

## **6. LEGAL ISSUES**

6.1 None.

## **7. CONSTITUTIONAL POWERS**

7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.

7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

### PROPERTY DESCRIPTION

8.1 The attached drawing shows the site of Spencer House edged black. Spencer House is a two storey purpose built sheltered housing block which was constructed in circa 1974 and comprises 22 bedsit units, each with kitchenette and a WC. However, the units have shared bathroom facilities. The building also has a wardens flat. Because of its unsuitability for continued use as sheltered accommodation, all residents are being re-accommodated and the building will become surplus to requirements.

8.2 The area of the Spencer House site is approximately 0.57 acres (0.23 hectares).

8.3 Legal advice is awaited ,but from an initial investigation into the title, there is a right of access/ wayleave agreement granted to the Electricity Board which provides access to the substation at the rear of 154 Station Road. The agreement expires in 2004, but termination and relocation of the route are likely to have cost implications. This is unlikely to cause insurmountable problems. There is no rear access to the site and no rights of way to adjoining properties.

8.4 As the land is held within the Housing Revenue Account, a disposal will require the consent of the Secretary of State pursuant to Section 32 (2) of the Housing Act 1985.

8.5 The Head of Housing is of the opinion that the building is no longer suited to its purpose and is therefore surplus to requirements.

## USE OPTIONS

- 8.6 The following use options have been considered:
- a. ALTERNATIVE COUNCIL USE - All Heads of Service have been consulted and they have confirmed that the property is not suitable for current or future service delivery purposes.
  - b. SALE FOR CONTINUED USE – Informal planning advice is that residential use is established and that institutional uses may be possible. There has already been some interest in acquiring it from a local community group interested in up-grading the building to provide a lesser number of privately run sheltered housing units.
  - c. SALE FOR REDEVELOPMENT – This is likely to generate the greatest level of interest – particularly for residential redevelopment. The Government is committed to maximising the re-use of previously developed land and empty properties to minimise the amount of green field land being taken for development. Therefore, there are no in-principle objections to the redevelopment of the site for housing. However, any applicant would need to successfully demonstrate that the existing elderly persons sheltered accommodation is no longer needed or being provided elsewhere.
  - d. To do nothing is not really an option since it solves nothing and the property no longer meets Council service delivery needs.
- 8.7 In light of the foregoing it is considered that the best option is to offer the site shown edged black on the plan for freehold sale for re-development. If the site is redeveloped for residential purposes and there are 15 or more units there will be an affordable housing requirement which could be up to 50%. The Housing Services' priorities for affordable housing is social rent - 3 bed units. The maximum TCI that will be agreed for any scheme is 70% and that is on the basis of larger homes - for smaller units the TCI will be lower.

## METHOD OF DISPOSAL

- 8.8 It is usually preferable to offer sites for sale with the benefit of some form of planning permission. The site already has an established use and therefore obtaining an outline planning permission for residential use would not add to its marketability. With a variety of refurbishment and redevelopment options it would not be appropriate to seek a detailed planning permission.

- 8.9 Despite reports of falling house prices, there is still a ready market for residential development sites such as the site of Spencer House. The property could be offered for sale at auction. This would probably achieve a quick disposal at a reasonable figure but it would go to the highest bidder. This may well exclude the interest of community groups and similar organisations. Similarly, the binding tender process could result in an exclusion of such interest groups. The alternative is to offer the site for sale by non-binding tender in accordance with the rules set out in the Constitution. Offers can be invited on both a subject to planning basis or unconditionally. This method will probably generate a large number of offers for a wide variety of end uses and provide the Committee with further options.
- 8.10 Based upon the experience of marketing properties by way of non-binding tender, the particulars of disposal will include requirements for proper scheme proposals to be submitted and a realistic programme for obtaining planning permission and completing the purchase. The contract will have a strict timescale for making a planning application. There will also be provision for the Council to receive a significant share of any 'profit' if the purchaser sells the site on within three years of purchase without first carrying out any development.

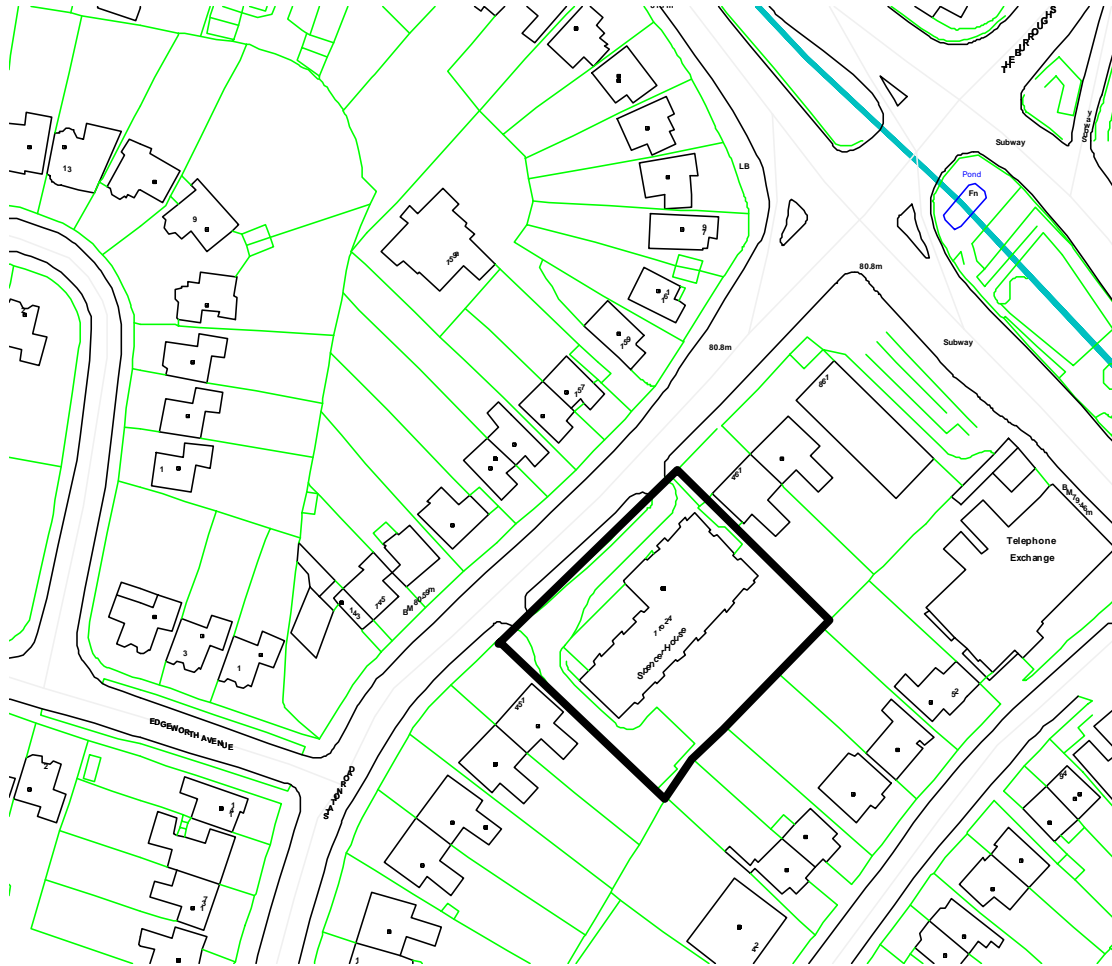
## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None.

MO: PD

BT: CM

**Spencer House, Station Road, NW4**



NOT TO SCALE

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**AGENDA ITEM: 6**      Page nos.13 – 15

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Meeting	Cabinet Resources Committee
Date	10 <sup>th</sup> February 2005
<b>Subject</b>	<b>Capital Spend: Computers for Looked After Children</b>
Report of	Cabinet Member for Children
Summary	Request to release £63,000 from Capital Budget for purchase of computers for Looked After Children

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Officer Contributors	Phil Morris, Divisional Manager, Listening to Children
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Phil Morris (020 8359 4532)

## **1. RECOMMENDATIONS**

- 1.1 That £63,000 be made available from the Capital budget 2004/5 for the purchase of computers for Looked After Children.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1.1 The improvement of educational outcomes for Looked After Children is an objective within the Corporate Plan in supporting the vulnerable within our community.
- 3.1.2 The education of looked after children is a government priority – the new Children Act places a new legal duty on the Council to promote the educational achievement of Looked After children. As Corporate Parents, this is a high priority within this Council.
- 3.1.3 Improved Educational outcomes for Looked After Children are incorporated into current LPSA targets and are a high priority within the Children and Families and Education Services and comprise specific objectives within our Performance Management Plan.

## **4. RISK MANAGEMENT ISSUES**

- 4.1.1 Looked After children have often had considerable disruption to their education, which entails them catching up once they are settled in stable placements. The provision of home computers and associated soft ware to these young people in their placements is an essential element in helping them regain ground educationally.
- 4.1.2 Failure to provide this support will result in lower educational achievement for the young people and also failure to meet our targets (including LPSAs) in respect of outcomes for Looked After Children.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 Following the introduction of the new capital finance regime from 1<sup>st</sup> April 2004 the Office of the Deputy Prime Minister has changed the way that Councils receive support for capital expenditure. Under the new system Barnet has been notified that it will receive Revenue Support Grant to finance the borrowing of £71,000 for Children's Services. This capital allocation is classified as "single capital pot" monies, so although the amount awarded is distributed using a similar basis to children's revenue funding and the guidance notes refer to this as the children's element of the single capital pot it is not ring fenced to Children's Services. (Notification was received via LASSL (2003) 9

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution, Part 3, Section 3.6: Powers of cabinet Resources Committee – Capital and Revenue Finance.

## **8 BACKGROUND INFORMATION**

- 8.1 Looked after children are children who are the subjects of legal orders or are accommodated by the Council.
- 8.2 Funding for computers for Looked After children was introduced as part of the Quality Protects initiative, which commenced in 1999. Separate funding through Quality Protects was provided to enable Local Authorities to purchase computers for Looked After Children to assist them with their homework as part of the overall objective to improve their educational outcomes.
- 8.3 Quality Protects funding ceased to be ring fenced on 31<sup>st</sup> March 2004 after which the funding was incorporated into Local Authority mainstream budgets.
- 8.4 £71,000 Information and Communication Technology funding, intended for the purchase of computers and associated software for Looked After children in 2004/5 was incorporated into the Council Capital budget, although in previous years, this money had not been included in the capital programme as the funding was specific and ring-fenced.
- 8.5 From this budget in 2002 to 2003, we spent: £25,000 on computers (mostly laptops) for Care Leavers, and £25,000 on PC packages for young people still Looked After and/or foster placements. The standard PC package we purchase from Elonex costs £1,037 ex VAT. We spent just over £15,000 on CareZone, a soft ware package specifically designed for Looked After Children providing a range of on-line services to help them reach their potential. The remaining money was spent on miscellaneous items such as security equipment for the machines in the residential units, specialist software and/or peripherals (e.g. a MIDI interface for a young man with a particular interest in music), and additional service/upgrade costs for machines already installed. The machines do come with a three-year service contract and guarantee, but there have been instances where work has been
- 8.6 The cost breakdown for this year is roughly similar. Thus far, £48,000 has been committed. A further £15,000 is required to meet outstanding requests for computers and software for this year. A total of £63,000 is therefore requested for release this financial year.

## **9 LIST OF BACKGROUND PAPERS**

- 9.1 None.

BS: PD  
BT: HG

**AGENDA ITEM: 7**

Page nos. 16 – 20

Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Property disposals</b>
Report of	Cabinet Members for <ul style="list-style-type: none"> <li>• Resources</li> <li>• Performance,</li> <li>• Partnerships and Best Value</li> </ul>
Summary	The report provides a progress up-date in respect of Council owned land and buildings which have been approved for disposal.

Officer Contributors	Dave Stephens, Chief Valuer & Development Manager, Economic and Community Development Julie Oldale, Head of Finance, Borough Treasurer's
Status (public or exempt)	Public – with a separate exempt report
Wards affected	Throughout the Borough as noted in the report
Enclosures	None
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information:  
David Stephens, Chief Valuer and Development Manager – 020 8359 7353.

## **1. RECOMMENDATIONS**

**1.1 That the report be noted.**

**1.2 That no further action be taken in respect to the sum of £5,278.11 owed in respect to the sale of public conveniences at High Road, Barnet.**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 As noted for each property in the exempt report.

2.2 Cabinet Resources Committee 8.7.04 – received the first of a standing item report upon the progress of property disposals.

## **3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 The Corporate Plan commits the Council to “plan and manage land use and development in Barnet to enhance quality of life and provide tangible benefits for the community. The ways in which the various disposals meet this objective were set out in the reports to Cabinet Resources Committee or Cabinet dealing with the disposal of individual properties.

3.2 The budget report to Council on 2<sup>nd</sup> March 2004 highlighted the dependence of the capital programme on the disposal of surplus land and property and generation of capital receipts. Capital expenditure has to be fully funded in the same financial year and therefore any shortfall would have to be funded from unplanned borrowing and generate unplanned additional revenue costs.

3.3 As part of the response to the Section 11 notice, the Council committed to develop a longer term land and property disposals plan. This plan will integrate with the Asset Management Plan to maximise the potential of the property portfolio held by the Council.

3.4 Officers will be using the Property Review process and the projects scheduled in the Asset Management Plan to identify other potential disposal opportunities.

## **4 RISK MANAGEMENT ISSUES**

4.1 The specific property risk management issues relating to individual properties have been or will be set out in the reports to Cabinet Resources Committee or Cabinet dealing with the disposal of each of those properties.

4.2 In terms of overall corporate risk, the resources made available to the Council from property disposals are integral to the capital programme and assumptions of levels of receipts were made when the budget was agreed. As indicated in 3.2 above, the achievement of the programme is dependent on adequate receipts being available in the relevant years of the forward plan. Slippage in the disposals programme therefore puts the capital programme of the Council at risk and could potentially lead to increased pressure on the revenue budgets due to the burden from additional prudential borrowing. Where this situation arises capital receipts that slip into future years should be set aside for the redemption of this un-planned borrowing rather than be used for further capital projects.

- 4.3 No disposals can be guaranteed. Consequently, other opportunity disposals will be investigated and reported upon during the year.
- 4.4 Over the last 6 months or so the progress of some disposals has faltered as a consequence of defects in the Council's title. Much of the Council's land ownership is not registered. It is not unusual for ownership problems to be revealed further into the disposal process than is desirable with consequential delays whilst work to hopefully resolve the problems is undertaken. Voluntary registration of the whole of the Council's land holdings would be beneficial and this is currently under consideration although there will be resource consequences.

## **5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The specific property issues were or will be set out in the reports to Cabinet Resources Committee or Cabinet dealing with the disposal of individual properties.
- 5.2 The introduction of the Prudential Code from 1<sup>st</sup> April 2004 means that the government no longer issue borrowing approvals to local authorities. As outlined in the budget report to Council on 2<sup>nd</sup> March, decisions on the budget must be taken in the context of the Forward Plan with particular attention to the affordability of prudential borrowing required to fund capital expenditure over a longer time frame.
- 5.3 Within the Prudential framework, decisions on capital expenditure now depend upon the availability of a series of funding streams, including capital receipts. Assumptions on the levels of capital receipts were made in setting the Council's budgets over the forward plan period, and also on the levels of revenue resources needed to finance the agreed prudential borrowing. In order to properly monitor the capital programme and sustain the prudential borrowing framework, it is essential to be able to forecast and monitor expected capital receipts over the forward planning period.
- 5.4 A schedule of potential receipts is considered as part of the Corporate monitoring processes. A prudent assessment of the achievability and timing of the disposals is made to establish the certainty of the receipt before it is included in the Capital funding equation. It is currently very difficult to forecast with confidence the levels of disposals beyond 2005-06, which in turn makes financial planning over the whole of the 4 year forward planning period difficult. However, officers are actively working on a possible programme which will be reported to a meetings.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.

## 8. BACKGROUND INFORMATION

- 8.1 Notwithstanding disposals in previous years, the Council still has a large portfolio of property assets. The majority of these are either held as corporate service properties (i.e. those properties used for service delivery such as schools, offices and libraries) or investment properties (i.e. those properties producing an annual rental income for the Council – although, in terms of asset accounting purposes very few of the rented properties count purely as investments). There are also assets held for the provision of community benefits such as community centres and parks. There is a continuing decline in the number of easily identified surplus assets, such as vacant plots of vacant land, which can readily be offered for sale on the open market.
- 8.2 In accordance with both the stated Asset Management Plan project (Property Review – To review all land and property holdings to identify ... for disposal those properties not meeting the necessary criteria for future service delivery purposes) and good estate management practice, the whole of the portfolio is subject to an on-going review with a view to optimising the use and/or maximising the return from the property assets or identifying assets which may potentially be suitable for disposal.
- 8.3 The exempt report contains a schedule of those property assets which have been approved for disposal, providing a position status for each. This version of the schedule includes reference to the property assets to be transferred to our partners in the housing regeneration areas and similar redevelopment schemes although these are subject to approval by future meetings of the Cabinet Resources Committee or the Cabinet.
- 8.4 The schedule and programme are included within the exempt report because whilst some properties have been approved for disposal others have not and a significant number of the properties are still subject to the conclusion of tendering or negotiations and therefore the information could be commercially sensitive.
- 8.5 The following approved disposals have been completed within the current financial year:  
Hertford Lodge, East End Road  
Friern Barnet Town Hall (excluding the annex at this stage)  
Former Ambulance station and depot at Leicester Road/Lytton Road, New Barnet  
Land at Bittacy Rise, NW7  
Land at Greenbank Crescent, NW4  
Public conveniences, High Road, Barnet  
Land at Norfolk Close, N2  
The Leys
- 8.6 Members may recall that the public conveniences at High Road, Barnet were knocked-down at the first auction for a top bid of £92,000. The bidder paid the necessary 10% deposit (£9,200) but failed to complete the purchase. The Council retained the deposit. The property was offered for sale at a subsequent auction and sold for £87,000 – a £5,000 short-fall on the original auction bid. This sum was covered by the retained deposit. However, the Council was entitled to seek to recover the additional costs incurred and the loss of interest from the original purchaser. He was pursued for a sum of £5,228.11 but it has not been possible to recover this sum at reasonable cost and consequently the matter will not be pursued further.

- 8.7 In light of the current position with negotiations or planning applications, it is anticipated that the following additional disposals/receipts may be achieved by 31<sup>st</sup> March 2005:
- Land at Hankins Lane
  - Land at Great Strand
  - Park House
  - The Leys – balance of the receipt
  - Watling Avenue shops.

**9. LIST OF BACKGROUND PAPERS**

- 9.1 None

MO: POJ

BT: CM



**AGENDA ITEM: 8**      Page nos.    21 – 25

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Meeting                      Cabinet Resources Committee  
Date                            10 February 2005  
**Subject**                      **Former Council store at 3 Lyndhurst Avenue, N11**  
Report of                      Cabinet Member for Resources  
                                        Cabinet Member for Performance, Partnerships and Best Value  
Summary                      To consider the options for the disposal of this vacant and surplus property.

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Officer Contributors              Elisha Cohen, Valuer, Economic and Community Development  
Status (public or exempt)        Public – with a separate exempt report  
Wards affected                      Coppetts  
Enclosures                          Plan No.1  
For decision by                      Committee  
Function of                          Executive  
Reason for urgency / exemption from call-in (if appropriate)        N/A

Contact for further information: Elisha Cohen, Property Services and Valuation Group – Tel 020 8359 7357

## **1. RECOMMENDATIONS**

**1.1 If the Committee is minded to accept the offer from the Hindu Cultural Society for the grant of a 99 year lease of 3 Lyndhurst Avenue, that:**

- i. the appropriate Chief Officer be instructed to appoint (in accordance with the Constitution) an independent valuer to advise upon the acceptability of the offer from the Hindu Cultural Society; and**
- ii. subject to the independent valuer confirming that the offer represents best consideration and to the Cabinet Member for Resources giving final approval under delegated powers on the basis set out in paragraph 5.3 of the report, that the Council grants a 99 year lease of the property to the Hindu Cultural Society upon the basis set out in the report.**

**1.2 If the Committee is minded not to accept the offer from the Hindu Cultural Society, that the appropriate Chief Officer be instructed to offer the property for freehold sale by way of non-binding tender in accordance with the provisions of the Constitution and with the result thereof being reported to a future meeting of the Committee.**

## **2. RELEVANT PREVIOUS DECISIONS**

**2.1 Recreation, leisure and Arts Committee 17<sup>th</sup> November 1997. Approved decision to transfer all of the library stock that was stored at 3 Lyndhurst Ave to Hornsey Library basement**

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

**3.1 The corporate plan commits the council to 'plan and manage land use and development in Barnet to enhance quality of life and provide tangible benefits for the community'. The proposal in this report do this by facilitating the achievement of the capital receipt from the sale of this property which can be used to assist in funding the Council's approved capital programme**

## **4. RISK MANAGEMENT ISSUES**

**4.1 Notwithstanding the information set out in the exempt report.**

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

**5.1 The offer made by the Hindu Cultural Society for the acquisition of a long leasehold interest is set out in the exempt report. An estimate of the value of the site for freehold sale for redevelopment is also set out in the exempt report.**

**5.2 Notwithstanding the information set out in the exempt report, if it is decided to accept the offer from the Hindu Cultural Society it will be prudent to first seek independent advice upon the capital premium offered. The Council must be able to demonstrate that it has complied with Section 123 of the Local Government Act 1972 and obtained best consideration.**

Consequently, it is recommended that an independent valuer is appointed in accordance with the Constitution to advise upon the offer and that if the independent valuer confirms that the offer does represent best consideration, final approval to granting a long lease to the Hindu Cultural Society being given by the Cabinet Member for Resources under his delegated powers. If the independent valuer's report concludes that the offer does not represent best consideration then the matter will be referred back to a future meeting of the committee.

5.3 There are no ICT or staffing issues. The property issues are set out below.

## **6. LEGAL ISSUES**

6.1 None.

## **7. CONSTITUTIONAL POWERS**

7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.

7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

8.1 Following the cessation of use of the premises as a Libraries book store in 1997/98 the property was put to a variety of storage uses. However, consequent upon the move to offices at North London Business Park and other accommodation changes this space has become surplus to requirements.

8.2 The property is shown edged black on the attached drawing. It comprises a two storey 1900s building providing 1,680 sq.ft on the ground floor and 1,423 sq.ft at first floor level. There is no lift. Decoratively it is generally in poor condition with a need for a variety of general repairs. Because of its age substantial refurbishment will be needed to make it suitable for present day uses. The ground floor space includes two large garages and a yard. The yard is also used by the Hindu Cultural Society to gain access to their adjoining accommodation. The overall site area is approximately 0.14 acres/0.057 hectares.

8.3 All head of Service have been made aware of the availability of the premises for other uses. However, because of the type of space, its age, condition and location its is not considered suitable to meet current or future service delivery needs.

8.4 As the property is surplus to requirements it could be offered for sale on the open market in accordance with the Constitution (Rules for the Disposal of Land and Real Property). However, there has been an approach from the leasehold owners of the adjacent property, the Hindu Cultural Society, seeking to acquire a leasehold interest in 3 Lyndhurst Gardens.

- 8.5 The Hindu Cultural Society holds a lease from the Council of the premises at 321 Colney Hatch Lane (shown hatched on the drawing). The lease was granted for a term of 125 years from 22<sup>nd</sup> December 1987 (thus having approximately 108 years unexpired) at a peppercorn rent in consideration for a capital premium payment in the sum set out in the exempt report. The property is used by the Society as a community centre. The lease does not permit the lessees to redevelop the site , use the building for other purposes or assign the lease.
- 8.6 The Hindu Cultural Society wished to take a lease of the premises at 3 Lyndhurst Avenue so that it can carry out refurbishment and improvement works and use the premises as an extension to its activities in the adjacent premises.
- 8.7 From a planning view point the use proposed by the Hindu Cultural Society is likely to be acceptable. Exploratory discussions and negotiations were conducted with the Society resulting in the capital premium offer set out in the exempt report for the grant of a full repairing and insuring lease for a term of 99 years at an annual rent of a peppercorn. The lease terms will be similar to those contained in the lease of 321 Colney Hatch Lane with the use being for the purpose of cultural, educational, recreational and social activities including ancillary religious use.
- 8.8 As referred to in the exempt report, subject to obtaining independent valuation advice, it is considered that the capital premium offer from the Hindu Cultural Society represents market value for the proposed use. The Council will still hold the freehold interest, as it does with the adjacent premises at 321 Colney Hatch Lane, and therefore it will be able to influence any future redevelopment and additional value arising therefrom.
- 8.9 If it is concluded that it is not appropriate to accept the offer from the Hindu Cultural Society arising from the private treaty negotiations, then it is recommended that the property be offered for freehold sale on the open market by way of a non-binding tender. An estimate of the freehold value of the property is set out in the exempt report.

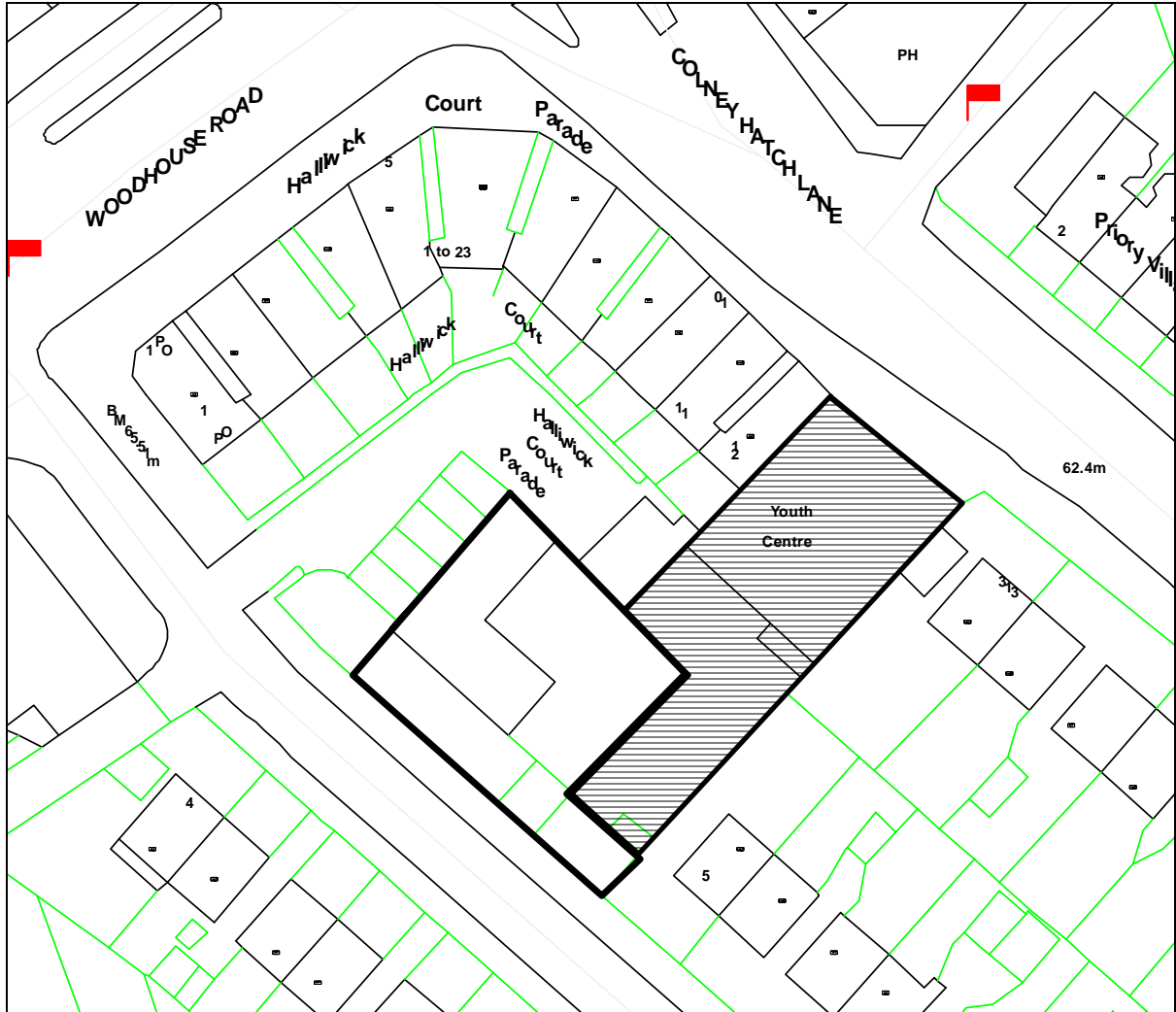
## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None.

BS: DVP  
BT: CM

PLAN No.1

Former Book Store, Lyndhurst Avenue



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**AGENDA ITEM: 9**

Page nos. 26 – 29

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Meeting	Cabinet Resources Committee
Date	10 February 2004
<b>Subject</b>	<b>Land at Grahame Park Way, NW9</b>
Report of	Cabinet Members for <ul style="list-style-type: none"><li>• Resources</li><li>• Performance, Partnerships &amp; Best Value</li></ul>
Summary	To consider the freehold or leasehold sale of the land at Grahame Park Way, NW9.

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Officer Contributors	Rob Colville, Valuer
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	Colindale
Enclosures	Site plan
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Rob Colville, Valuer – 020 8359 7363

## **1 RECOMMENDATIONS**

- 1.1 That the freehold or long leasehold sale of the land at Grahame Park Way be approved in principle, and the appropriate chief officers be instructed to offer the site for sale by non-binding tender in accordance with the procedures set out in the Constitution, reporting the outcome to a future meeting of the committee for further consideration.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to 'plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.' The proposals in this report will achieve this by disposing of surplus land to realise a useable capital receipt.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 The Head of Highways and Design considered whether this land may be needed if tentative ideas about a road link between Grahame Park and Fiveways Corner was to be adopted as a Council scheme. However, at this stage there are no definitive plans or timetable for delivery and no budgetary provision. It is considered that the benefit of a capital receipt outweighs the extremely vague possibility that the land may be included in a road scheme at some future date.

## **5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 A potential capital receipt in the sum set out in the exempt report.
- 5.2 There are no staffing or ICT implications. The property issues are set out below.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.

## **8. BACKGROUND INFORMATION**

### PROPERTY DESCRIPTION

- 8.1 The Council owns the freehold interest in a parcel of land amounting to approximately 0.1 hectares (0.25 acres) on the eastern side Grahame Park Way adjacent to the 13<sup>th</sup> Hendon Scout building. The land, which previously formed part of the scout site until recently surrendered, is now unoccupied. It is a level site which backs on to the Thameslink railway line. The site is close to the boundary of the Grahame Park housing estate regeneration area.

### PLANNING/USE ISSUES

- 8.2 Located in close proximity to a light industrial estate and a scout hut, the site is suitable for development for further B1/light industrial or storage uses and probably for a variety of community related uses. Its location next to the railway means that residential development is unlikely to be achievable.
- 8.3 There has been previous interest from occupiers of the adjacent industrial estate to acquire the land for the purposes of expanding their businesses. It is anticipated that there will continue to be interest in using the land for B1 development and therefore it would readily sell if offered for freehold sale.
- 8.4 It is not often that non-residential development sites but which are suitable for community type uses become available for sale. Even though suitable for community use, it is doubtful whether most community organisations could compete with the market for B1 use if the site is sold freehold. However, such organisations may be able to put in competitive offers if the site is available on a leasehold basis.
- 8.5 Inviting offers for both a freehold or a leasehold sale will give the Committee the opportunity of considering all bids and deciding which provides most advantage.
- 8.6 All Heads of Service have been consulted and, subject to the comment in 4.1 above, have confirmed that the land is not suitable for current or future service delivery needs.

### METHOD OF DISPOSAL

- 8.7 It is known that there is a market for small B1/light industrial development sites. The site could be offered for sale at auction. This would probably achieve a quick disposal but it is likely that most community organisations would be unable to offer sufficient to be competitive bidders. The alternative is to offer the site for sale by non-binding tender in accordance with the rules set out in the Constitution. Offers can be invited on both a subject to planning basis or unconditionally and either freehold or leasehold. This method will



allow a wider market to submit offers and outline schemes for the Committee's further consideration. For this reason sale by non-binding tender is recommended as being the appropriate route.

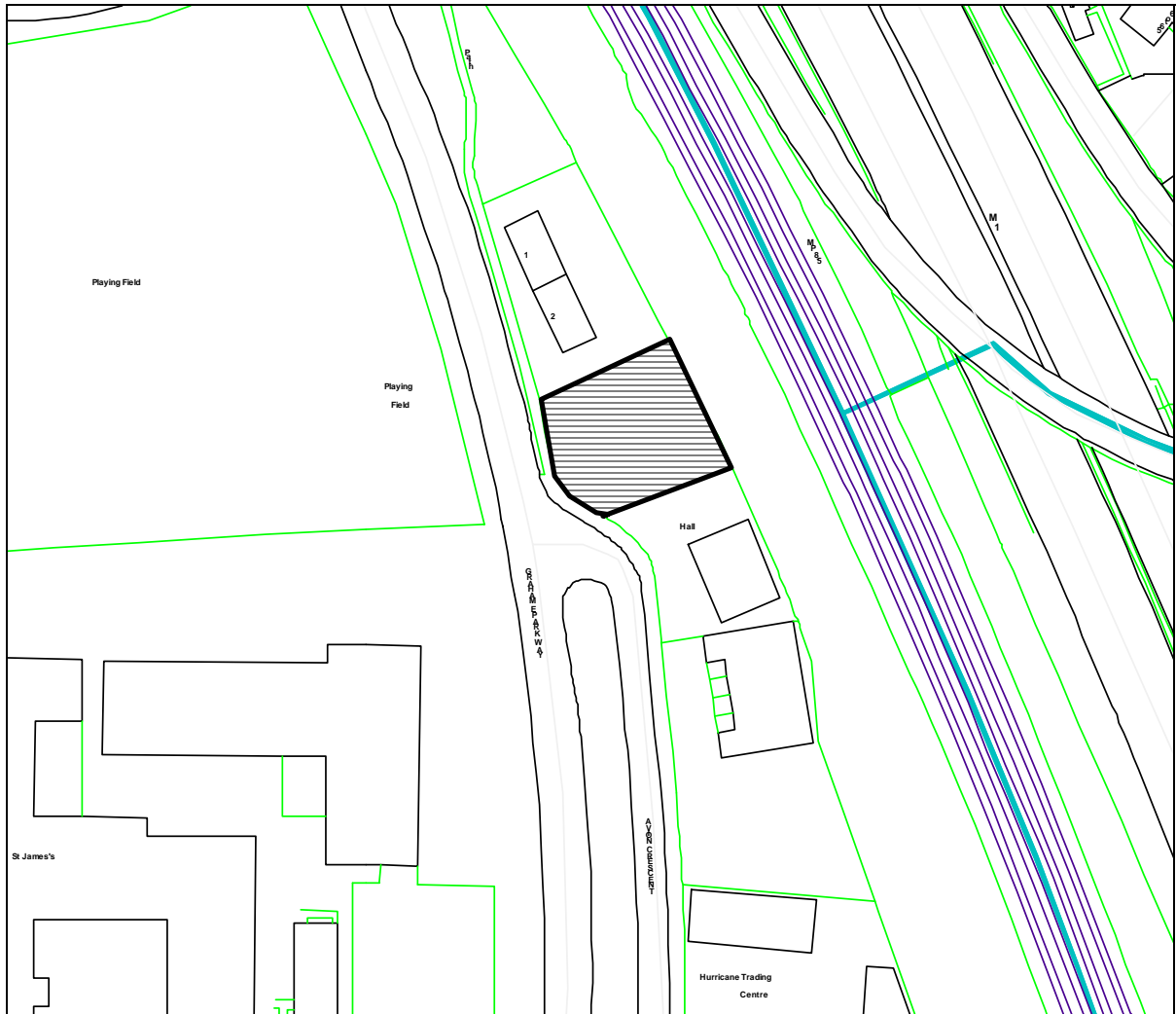
## **9 LIST OF BACKGROUND PAPERS**

8.1 None.

MO: DVP

BT: CM

# SITE AT GRAHAME PARK WAY – APPROXIMATE LOCATION



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**AGENDA ITEM: 10**

Page nos. 30 – 34

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Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Disposal of Deansbrook Day Centre, Deansbrook Road, Edgware</b>
Report of	Cabinet Members for <ul style="list-style-type: none"><li>• Resources</li><li>• Performance, Partnerships and Best Value</li></ul>
Summary	To seek approval to the freehold sale of this property

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Officer Contributors	George Church, Principal Valuer, Property Services and Valuation Group
Status (public or exempt)	Public
Wards affected	Burnt Oak
Enclosures	Plan 1
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: George Church, Principal Valuer, Property Services and Valuation Group Tel 020 8359 7353

## **1. RECOMMENDATIONS**

- 1.1 That approval be given to the freehold sale of the former Deansbrook Day Centre, Deansbrook Road, Edgware by way of non-binding tender in accordance with the provisions of the Constitution and with the result thereof being reported to a future meeting of the Committee.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Resources Executive – 22.1.2001 – agreed that the sale of the former Deansbrook Day Centre be approved in principle and that officers should enter into further negotiations with McLean Homes and report back on the results thereof.
- 2.2 Cabinet Resources – 26 September 2002 – That, subject to title and the completion of all legal documentation in a form to be approved by the Borough Solicitor, the offer from George Wimpey North London Limited to acquire the freehold interest in the former Deansbrook Day Centre, Deansbrook Road, Edgware, together with all access rights, be accepted.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to “plan and manage land use and development in Barnet to enhance the quality of life and provide tangible benefits for the community”. The proposals in this report will do this by achieving a capital receipt from the sale of the land which can be used to assist in funding the Council’s approved capital programme.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Informal planning advice is that the site may be suitable for redevelopment for three town houses. By seeking non-binding tender offers there is a possibility that potential developers may be able to produce schemes of greater density which may enhance the land value. The process will also produce high offers for unachievable schemes.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The estimated capital receipt is set out in the exempt report.
- 5.2 There are no staffing or ICT implications. The property implications are set out below.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Contract Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.
- 7.2 Constitution – Part3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

- 8.1 The property comprises a single story building with a gross internal floor area of 357.3 sq.m. (3846 sq.ft). It is located on a back land site (at the rear of 1-4 Deansbrook Cottages) of approximately 0.065 hectares (0.16 acres) – edged black on the attached plan. The land and building is accessed via a shared, private road (shown hatched on the plan) which also affords access to a new housing development, Symphony Court, on the adjacent former Boosey and Hawkes factory site.
- 8.2 The land and buildings, together with access rights over the adjoining private road were acquired in September 1964 for uses as a rehabilitation centre for handicapped people. Latterly, it was used for many years as an elderly persons day centre but was closed a few years ago and remains vacant.
- 8.3 The building is in poor condition and it was considered that the optimum value of the property lay in its redevelopment for residential purposes. Negotiations for its freehold sale were therefore entered into with the developers of the former Boosey and Hawkes site, George Wimpey North London Limited. The outcome of these negotiations was reported to and accepted by the Cabinet Resources Committee on 26 September 2002. However, the developers were not able to secure planning consent for their proposed redevelopment scheme. This resulted in the developer significantly reducing its offer and the sale did not therefore proceed.
- 8.4 The property remains vacant and in poor condition and the site is becoming subjected to fly-tipping. Heads of Service have been consulted and have confirmed that the property will not suit current or future service delivery needs. Thus, its freehold sale is still considered to be the appropriate course of action.
- 8.5 Because of its back-land location and the problems of over-looking, the informal planning advice is that the site may be suitable for a development of three town houses. However, because of the site constraints, a simple “red line” application for outline planning permission is unlikely to be acceptable. Additionally, a planning refusal would have a blighting effect on the land.
- 8.6 If the site was offered for sale at public auction without the benefit of a planning permission the bids would reflect the risk that planning permission may not be achievable. Similarly, binding tender offers would also reflect the same risk. It is difficult to assess the likely consequences of reflecting risk but it would be reasonable to suggest that offers could be up to 30% lower than with the non-binding tender process. By inviting non-binding tender offers developers will bid on the basis of what they believe can reasonably be achieved and the Council can take advantage of their efforts to maximise the planning potential. It is therefore recommended that the property be offered for sale by non-binding tender in accordance with the procedures set out in the constitution.
- 8.7 Based upon the experience of marketing properties by way of non-binding tender, the particulars of disposal will include requirements for proper scheme proposals to be submitted and a realistic programme for obtaining planning permission and completing the purchase. The contract will have a strict timescale for making a planning application. There will also be provision for the Council to receive a significant share of any ‘profit’ if the purchaser sells the site on within three years of purchase without first carrying out any development.

**9. LIST OF BACKGROUND PAPERS**

9.1 None

BS: PD  
BT: CM

# Plan 1

The Deansbrook Day Centre site is shown shaded on the plan



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**AGENDA ITEM: 11**      Page nos. 35 – 38

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Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Disposal of Land Fronting 1105/1111 High Road, Whetstone, N20</b>
Report of	Cabinet Members for <ul style="list-style-type: none"> <li>• Resources</li> <li>• Performance, Partnerships and Best Value,</li> <li>• Environment &amp; Transport</li> </ul>
Summary	To seek approval to the freehold sale of this land subject to the purchaser obtaining a public highway Stopping-up Order first being obtained.

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Officer Contributors	George Church, Principal Valuer, Property Services and Valuation Group
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Totteridge
Enclosures	Plan 1
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: George Church, Principal Valuer, Property Services and Valuation Group Tel 020 8359 7353



## **1. RECOMMENDATIONS**

- 1.1 That, subject to a Stopping-Up Order first being obtained, the freehold sale of the land shown edged black on the accompanying plan (being land fronting 1105/1111 High Road, Whetstone N20) to Knightfair Limited be approved on the basis of the terms set out in the report.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to “plan and manage land use and development in Barnet to enhance the quality of life and provide tangible benefits for the community”. The proposals in this report will do this by achieving a capital receipt from the sale of the land which can be used to assist in funding the council’s approved capital programme.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 This land forms part of a 12 metre wide pavement where there is little footfall. After its sale the depth of pavement remaining for public pedestrian use will still be approximately 5 metres wide.
- 4.2 The land has been in use for in excess of 12 months by the prospective purchasers for the purpose of their adjoining restaurant business, which trades as N20. This use has been without formal consent. and there have been no complaints from the public during this time.
- 4.3 Currently the surface of the land in question is adopted public highway. It will be necessary for the purchaser to first apply to the Council in its role as highway authority for a Stopping-up Order. The Council will then apply to the Court for the Order. If this is not forthcoming then the sale will not proceed and the use of the land by the restaurant will have to cease.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The capital payment negotiated and the fees to be paid are set out in the exempt report. The purchaser will be responsible for bearing all the costs in connection with an application for a Stopping-up Order.
- 5.2 There are no staffing or ICT issues. The property issues are set out below.

## **6. LEGAL ISSUES**

- 6.1 None

## **7.0 CONSTITUTIONAL POWERS**

- 7.1 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

- 8.1 This parcel of land (the approximate position of which is shown edged black on Plan 1) has an area of approximately 0.025 hectare, (0.06 acre). It was acquired in 1935 by a predecessor Council as part of a larger land transaction for road widening purposes. The surface is adopted highway and forms part of the pavement which is approximately 12 metres wide in this location.
- 8.2 The owner of the adjoining premises at 1105-1111 High Road, Knightfair Limited, obtained planning permission for change of use of the building in January 2002 to various leisure related uses, including that of a restaurant. Permission was granted for the erection of canopies to the front of the building to incorporate outdoor seating on the pavement i.e. the subject land. The building has been used for these purposes, including outdoor seating, since completion of its refurbishment in 2003. This use has been carried on without any form of consent from the Council as Highway Authority or as landowner.
- 8.3 Discussions have been held with Knightfair Limited regarding the unauthorised use and they have asked if they can purchase the land.
- 8.4 If the land shown on the plan was taken out of pavement use (which it effectively already has been consequent upon the restaurant al fresco seating use) and sold there would still be a pavement width of approximately 5 metres. The Head of Highways and Design has confirmed that the current pavement width is far in excess of what is needed by pedestrians and there is no prospect of road widening being needed in the area within the foreseeable future. He has confirmed that he has no objection to the land being sold subject to it first ceasing to be adopted public highway. Consequently, provisional agreement has been reached to sell the freehold interest in the land upon the basis of the terms set out in the exempt report.
- 8.5 As the land is currently designated public highway before it can be legally used for non-highway purposes it will be necessary for a Stopping-up Order to be obtained. It has been agreed that the prospective purchaser will apply to the Council in its role as Highway Authority for a Stopping-Up Order. The Council will then make application to the Court for the Order. The purchaser is to bear the cost of this process, together with the cost of removing any public utility services from the land.
- 8.6 Knightfair Limited is in the position of a special purchaser i.e. there is a very limited market for this land. Nevertheless, allowing for the costs of obtaining a Stopping-up Order and moving public utility services, I am satisfied that the terms set out in the exempt report will meet the Council's obligation under Section 123 of the Local Government Act 1972 to obtain the best consideration reasonably achievable.

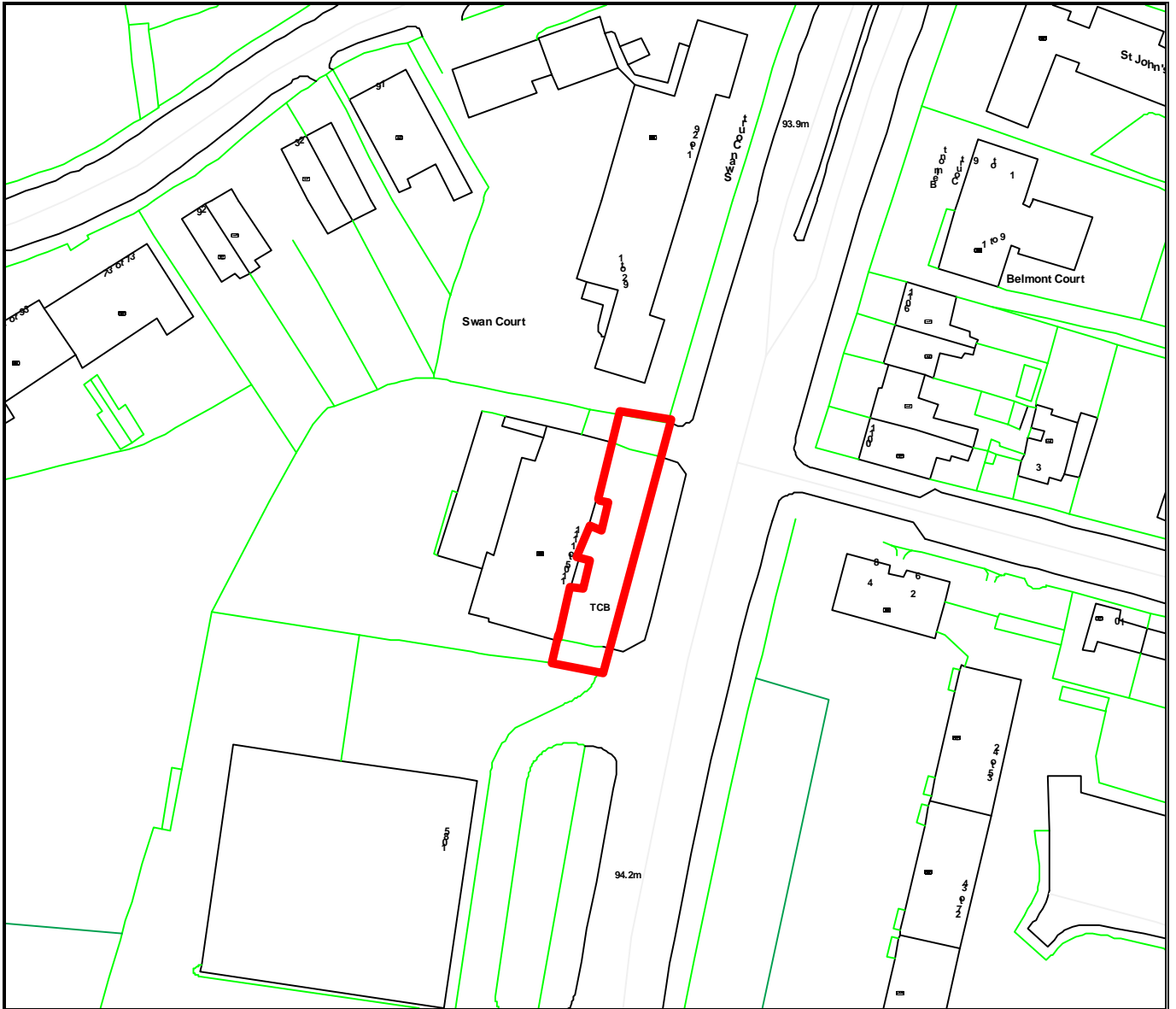
## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None

MO:SS  
BT: CM

**Plan 1**

**Part highway fronting 1105–1111 High Road Whetstone N20**



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**AGENDA ITEM: 12**

Page nos. 39 – 44

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Meeting	Cabinet Resources Committee
Date	10 February 2004
<b>Subject</b>	<b>West Hendon Playing Fields Car Park, Goldsmith Avenue, West Hendon, NW9 – Grant of a long lease</b>
Report of	Cabinet Members for <ul style="list-style-type: none"><li>• Resources</li><li>• Performance, Partnerships &amp; Best Value</li><li>• Environment and Transport</li></ul>
Summary	To approve the grant of a lease to the Greater London Magistrates Court Authority of 19 car parking spaces at the West Hendon Playing Fields Car Park, Goldsmith Avenue

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Officer Contributors	Robert Colville, Valuer, Economic and Community Development
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	West Hendon
Enclosures	Plan No.1 and Appendix A
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Robert Colville, Valuer, Property Services & Valuation, 0208 359 7363

## **1. RECOMMENDATIONS**

- 1.1 That, subject to the outcome of the advertising pursuant to Section 123 (2A) of the Local Government Act 1972, the Greater London Magistrates Courts Authority be granted a lease of parking spaces at West Hendon Playing Fields car park upon the basis of the terms set out in this report and the exempt report.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Council in Committee on 29 July 1999 required that any advertising under Section 123 (2A) of the 1972 Act of an intention to dispose of land should be reported to the appropriate Area Environment Sub-Committee for information. The advertising of the 'disposal' of this land on long lease will be reported to the Hendon Environment Sub-committee on 15<sup>th</sup> March.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Corporate Plan commits the Council to "plan and manage land use and development in Barnet to enhance quality of life and provide tangible benefits for the community". The proposal in this report does this by facilitating the redevelopment of the West Hendon Magistrates Court and provides the Council with a capital premium.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The additional use of the car park may result in increased maintenance costs but the lease to the GLMCA will include provision for the GLMCA to pay a fair proportion of such expenditure.
- 4.2 The grant of the lease to the GLMCA will remove 19 car parking spaces from public use on weekdays but this is at a time of lowest use by the public. The public may use those parking spaces outside of the court's hours of business when public demand for parking spaces is at its highest.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The GLMCA will be liable to pay the Council the capital premium set out in the exempt report together with payment of the Council's fees and costs, including the costs of advertising pursuant to Section 123 of the Local Government Act 1972.
- 5.2 There are no staffing or ICT implications. The property implications are set out below in section 8.

## **6. LEGAL ISSUES**

- 6.1 The disposal of land held for public open space purposes is permissible subject to the proposed disposal first being advertised in accordance with the provisions of Section 123 (2A) of the Local Government Act 1972. Any representations arising from the advertising must be considered by the Committee.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Part 3 - Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## 8. BACKGROUND INFORMATION

- 8.1 The Greater London Magistrates Court Authority (GLMCA) wishes to lease land for car parking from the Council. It is proposing to redevelop the West Hendon court facility in the immediate future. The preferred option involves increasing the number of courtrooms on site, resulting in a loss of car parking space. In order that such a scheme may be considered viable by the planning authority, and in order that planning permission may be granted, the GLMCA must provide an alternative source of car parking for the site.
- 8.2 The GLMCA have highlighted that the West Hendon Playing Fields Car Park, a short distance away from the magistrates court on Goldsmith Avenue, is currently under-utilised during business hours. This has been proven by both the GLMCA's own study and officer's observations. The GLMCA have therefore approached the Council with a request to lease some of the parking spaces for use by people attending the court.
- 8.3 From a planning aspect the proposed parking spaces will satisfy the parking requirements of the proposed courthouse development so long as they are available on a long-term basis.
- 8.4 It has been provisionally agreed that the GLMCA should be granted a lease upon the following principal terms:
- I. A 60 year lease be granted for the use of 19 car parking spaces at the West Hendon Playing Fields Car Park site. The term will commence from the date of the lease. The lease will be exclude from the provisions of sections 24-28 of the Landlord and Tenant Act 1954. (The car park is edged black on the attached plan and the approximate location of the leased spaces is shown hatched).
  - II. A capital premium in the sum set out in the exempt report will be paid by the lessee with an annual rent of a peppercorn exclusive of all outgoings.
  - III. The Council will be responsible for maintaining the site in good repair and condition. At the end of each year of the term the lessee will pay a fair proportion of the costs of all reasonable and necessary repairs to the site carried out by the Council. The lessee will be obliged not to cause or allow to be caused any damage to the site other than fair wear and tear.
  - IV. The lessee may only use the demised land as a car park for the attendees of West Hendon Magistrates Court, Goldsmith Avenue, West Hendon, NW9. The lessee may use the parking spaces between the hours specified in sub-paragraph XII below. The Council may use the demised land outside of the hours in sub-paragraph XII. The Council may use the remainder of the site for any purpose as it sees fit, so long as this will not adversely affect the lessee's use of the demised land.
  - V. In the event that the Council requires possession of the demised land for any purpose and cannot perform that purpose whilst the lease subsists, the Council may terminate the lease by giving the lessee at least 6 months notice subject to the Council providing the lessee with appropriate alternative car parking provision deemed suitable by the Planning Department, and to be agreed by the lessee, such agreement not being unreasonably withheld. The Council will pay the lessees reasonable costs in relation to such a change of parking provision. The lease of the new site will be for such period as remains unexpired under the original lease. None of the premium will be repaid and no further payment will be due from the lessee.
  - VI. The lessee must not assign, underlet, charge, part with possession or otherwise dispose of the premises or any part of the demised land save in connection with its use as a car parking facility for the West Hendon Magistrates Court.
  - VII. The lease will prohibit the lessee from making any alterations or additions whatsoever to the demised land save the marking of car parking spaces.

- VIII. In so far as it may be necessary, the Council is to insure the demised land and the lessee will reimburse any premium.
- IX. The lessee is to indemnify the Council and to keep the Council indemnified against all losses, claims, demands, actions, proceedings, damages, costs or expenses or other liability arising in any way from any breach of any of the lessee's obligations in the lease.
- X. The lessee will deliver up vacant possession on the expiration or the sooner determination of the term.
- XI. The lessee will pay the Council's reasonable fees and legal costs incurred in dealing with the grant of the lease.
- XII. The lessee may use the demised land between the hours of 7:30 a.m. and 6:00 p.m. Monday to Friday inclusive, excluding bank holidays. Use of the demised land by the lessee on a Saturday or Sunday is not permitted.
- XIII. The lessee is not to cause any nuisance or annoyance to the Council or to any adjoining owners or occupiers.
- XIV. The Borough Solicitor may include such other terms that he considers to be appropriate.

8.5 The car park forms part of West Hendon playing fields and therefore it has been necessary to advertise the proposed grant of the lease in accordance with the provisions of Section 123 (2A) of the Local Government Act 1972. The advert appeared in the local papers on 6<sup>th</sup> and 13<sup>th</sup> January and any representations must be received by 3<sup>rd</sup> February.

8.6 The GLMCA is anxious to progress this matter and therefore, in an attempt to cut down on timescales, this report has been prepared in advance of the outcome of the advertising. A verbal report upon any representations received will be given at the Committee meeting and, if necessary, this will be followed-up by a further report to a future meeting.

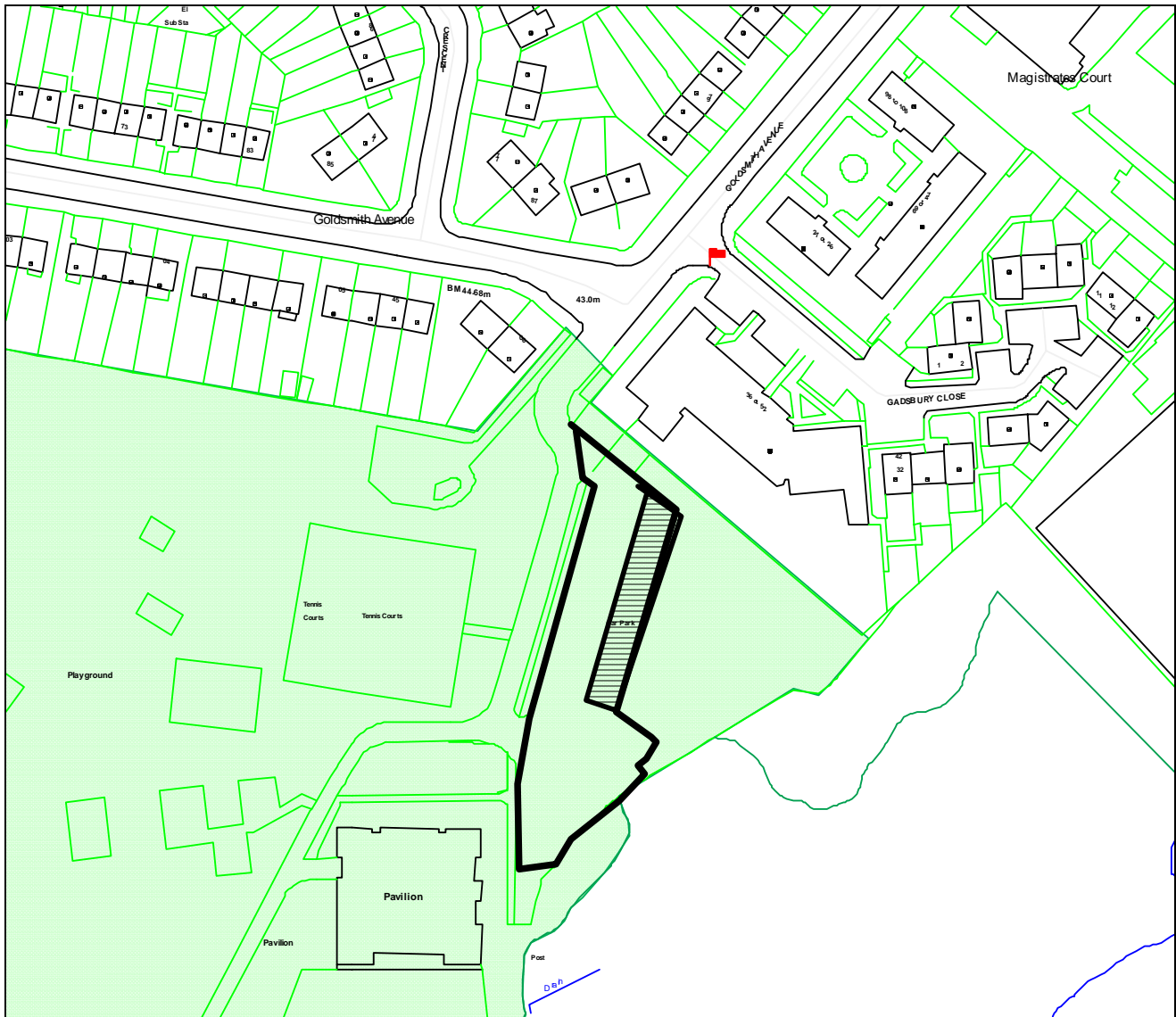
## **9. LIST OF BACKGROUND PAPERS**

9.1 Copy of the advertisement published in the local press on 6 and 13 January 2005.

9.2 Any person wishing to inspect the background papers listed above should telephone 0208 359 7363.

MO.SS  
BT CM

# WEST HENDON PLAYING FIELDS CAR PARK SITE



NOT TO SCALE

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**Copy of the advert pursuant to Section 123 (2A) of the Local Government Act 1972**

**LONDON BOROUGH OF BARNET**

DIRECTOR OF ECONOMIC AND COMMUNITY DEVELOPMENT

SECTION 123 OF THE LOCAL GOVERNMENT ACT 1972

**LAND AT WEST HENDON PLAYING FIELDS CAR PARK –PROPOSED LEASE OF CAR PARKING SPACE TO THE GREATER LONDON MAGISTRATES COURT AUTHORITY**

NOTICE IS HEREBY GIVEN that the Council is proposing to grant a lease of 19 car parking spaces on the above parcel of land to the Greater London Magistrates Court Authority for use in conjunction with the West Hendon Magistrates Court.

A plan showing the proposed lease area may be inspected at the offices of the Property Services and Valuation Group, Ground Floor Building 5, North London Business Park, Oakleigh Road South, New Southgate, London N11 1NP. The plan can be viewed between the hours of 9.00 am to 5.00 pm Mondays to Fridays (excluding public holidays).

Before making any further decision on the proposal, the Council will consider any written representations received. All written representations, which should be addressed to the Chief Valuer and Development Manager, Property Services and Valuation Group, Building 5, North London Business Park, New Southgate, London N11 1NP (quoting reference VAL/RC), must arrive no later than Thursday 3<sup>rd</sup> February 2005.

Dated Thursday 6<sup>th</sup> January 2005.

David Stephens  
Chief Valuer and Development Manager  
Ground Floor, Building 5,  
North London Business Park  
Oakleigh Road South  
New Southgate  
London N11 1NP

**AGENDA ITEM: 13** Page nos. 45 – 47

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Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Major fire incident in Cricklewood on Saturday 8 January 2005 – Emergency Action taken</b>
Report of	Cabinet Member for Resources
Summary	To note emergency action taken by the officers in responding to this major incident and to approve arrangements to meet the costs incurred.

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Officer Contributors	John Ward, Project Manager, Special Projects
Status (public or exempt)	Public
Wards affected	Cricklewood
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: John Ward, 020 8359 2033

## **1. RECOMMENDATIONS**

1.1 That the emergency action taken in response to the fire at Cricklewood on 8 January 2005 be noted.

1.2 That the cost of the emergency action be met from the Emergency Planning budget, or if this budget is insufficient will be met from balances.

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 None.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 Not applicable.

## **4. RISK MANAGEMENT ISSUES**

4.1 Not applicable.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

5.1 Final costs will be confirmed when volunteers' overtime has been calculated, but will be in the region of £19,000.

5.2 This cost will be reflected in the revenue budget monitoring report elsewhere on this agenda.

## **6. LEGAL ISSUES**

6.1 None.

## **7. CONSTITUTIONAL POWERS**

7.1 Part 3 of the Constitution, Responsibility for Functions, section 6.12, requires that any emergency action taken be reported to the relevant body as soon as possible.

## **8. BACKGROUND INFORMATION**

8.1 At around midnight on the night of Friday 7 January 2005 a fire started in Cricklewood in a builder's yard off Handley Grove NW2.

8.2 The Council's Emergency Telephone Service was contacted by the police at half past midnight requesting assistance in the relocation and emergency accommodation of up to 1,000 people.

8.3 The Police and Fire Service later declared the incident to be a Major Incident and established Gold, Silver and Bronze controllers. The fire proved to include a quantity of Liquid Petroleum gas cylinders and several Acetylene cylinders.

8.4 The Fire Brigade employed eight appliances to contain the fire and were unable to allow people to return to their homes before midday on Sunday 9 January.

- 8.5 The Council provided accommodation and care for approximately 200 people at different times during the incident. Two families were accommodated for 24 hours at the Holiday Inn, South Mimms. 80 people were accommodated for 34 hours at the Town Hall, Hendon, which was used as a rest centre.
- 8.6 St Agnes RC School was used as a local control centre by the emergency services for much of the period.
- 8.7 There were no reports of injuries to persons. One person was taken to hospital as he required replacement medication.
- 8.8 Council teams were supported throughout the incident by the Red Cross and St John Ambulance services. The Metropolitan Police provided a representative at the Town Hall throughout the incident to deal with the evacuees' worries.
- 8.9 Families were allowed to return home just after midday on Sunday 9 January after being briefed at the Town Hall by a senior police officer who explained that a large police presence had been in place throughout the incident in order to protect their homes.
- 8.10 Reports from staff members and Councillors who spoke with residents during and after the incident are that residents felt well cared for by their Council. Press coverage of the Council's response was positive in local newspapers and in television broadcasts. The Press newspaper referred to the way in which "Barnet Council's impressive Emergency Plan sprung into action" under a headline "Council's Emergency Response Plan proves to be worth its weight in gold".

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 Diary of events.
- 9.2 Personnel involved.
- 9.3 Any person wishing to inspect these documents should telephone 020 8359 2033.

BS: SM  
BT: CM

**AGENDA ITEM: 14**      Page nos.    48 – 52

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Meeting                                      Cabinet Resources Committee  
Date    10 February 2005  
**Subject**                                    **Procurement of consultancy and related services for regeneration projects**  
Report of                                      Cabinet Member for Resources  
Summary                                        To approve the establishment of a frame contract for the provision of consultancy and related services through the delegated powers process (Cabinet Member).

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Officer Contributors                      Alison Young, Strategic Development Unit  
Status (public or exempt)                Public  
Wards affected                              All  
Enclosures                                    Annex 1 – Consultancy and related services frame contract – work areas  
For decision by                              Cabinet Resources Committee  
Function of                                    Executive  
Reason for urgency / exemption from call-in (if appropriate)                      None

Contact for further information: Jane Saunders, Strategic Development Unit. Tel: 020 8359 7278

## **1. RECOMMENDATIONS**

- 1.1 That approval be given for the establishment of a frame contract for the provision of consultancy and related services.
- 1.2 That it be noted that, on completion of the tendering process, the agreement as to the names of the successful consultants with whom the Council will enter consultancy agreements will be dealt with via the delegated powers process (Cabinet Member).

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Consultancy services are required to progress objectives associated with the regeneration schemes set out in the Corporate Plan under Housing Regeneration, Planning, Cricklewood and Strategic Development sections.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Regeneration schemes supported by the Council include those that are of a scale and complexity that require certain areas of expertise and knowledge that is unavailable within the Council. Specialist consultant services are required to minimise the Council's risk in the development and delivery of these schemes.
- 4.2 It is important that due process is followed in the establishment of the framed contract in order to demonstrate probity and to avoid any risk of legal challenge on aspects of scheme development and delivery informed by external advice. The tendering process applied for the letting of the framed contract has been run in consultation with the Council's Strategic Procurement Team. In addition, the process will be subject to the Gateway Review Process which will quality assure procurement and ensure that appropriate contract monitoring arrangements are in place post contract award.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The establishment of the framed contract, in itself, has no immediate financial implication for the Council. Organisations will be appointed to become panel members but are not guaranteed any contract for works or services as a result of their membership of the panel. However, panel members will be approached to tender under a streamlined tendering process (mini-tender) for specific pieces of work arising over a three year period. Mini-tendering processes will be run in accordance with the Council's Contract Procedure Rules and therefore authorisation for the creation of a contract and approval of its value will be required as and when expertise is required.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Council's Contract Procedure Rules – the Framework within which the Council may procure works, supplies and services.
- 7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6. Functions delegated to the Cabinet Resources Committee – to agree exceptions to Standing Orders, all decisions relating to approved lists and agreed national registers, authorise post tender negotiations and accept tenders which are not the lowest.

## **8. BACKGROUND INFORMATION**

- 8.1 Consultancy services are required in order to progress a range of regeneration projects supported by the Council (for example, the Cricklewood, Brent Cross and West Hendon Regeneration Scheme, the regeneration of four priority housing estates and the regeneration of the Colindale Development Framework area).
- 8.2 Responsibility for these schemes is cross-departmental (Housing Regeneration, Planning, Strategic Development Unit). In order to take a joined-up approach to procuring the expertise to inform the work of these departments, officers are in the process of letting a frame contract with consultants who have the ability to provide a wide range of expertise including, advice on the preparation of development plans, urban planning, transport planning, design and delivery of new schools, urban regeneration and economic development. The contract will be let for 3 years and will be subject to Council review procedures.
- 8.3 The key reasons for establishing a frame contract for these services are listed below:
- to provide a ready source of diverse expertise required for the progression of cross-departmental regeneration schemes. Some schemes, for example the Cricklewood, Brent Cross and West Hendon Regeneration scheme, are of a large scale and complex nature and require certain areas of specialist advice which cannot be provided in-house.
  - to maximise opportunity for best value – for example, any increase in daily rates over the three-year period of the contract will be controlled by the conditions of contract signed by the consultants. In addition, volume discounts can be explored at contract negotiation stage
  - to speed up contract negotiations when awarding contracts for specific pieces of work – inclusion on the frame contract is conditional on acceptance of the Council's general conditions of contract
  - to contribute to meeting the Corporate Plan objective of mainstreaming regeneration activity through a cross-departmental approach to procurement strategy

8.4 The selection process for the frame contract has already commenced and is in compliance with European Procurement Directives. Organisations have been invited to demonstrate their ability to provide services under 16 work areas (please see Annex 1). 219 tenders from 59 organisations are currently being assessed. It is expected that assessment will be completed by the end of January. Council officers will meet with shortlisted applicants for contract negotiations (associated with panel membership) at the beginning of February with a view to establishing a list of preferred consultants for the frame contract. Approval of this list will be sought through the delegated powers process should the Committee agree to proceeding in this way.

## **9. LIST OF BACKGROUND PAPERS**

9.1 Annex 1: Consultancy and related services frame contract – work areas

BS: DVP

BT: CM



**CONSULTANCY AND RELATED SERVICES FRAME CONTRACT – WORK AREAS**

- (a) The preparation of development plans (UDPs, Local Development Documents, Area Action Plans, Supplementary Planning Documents) masterplans/development frameworks or strategies for key development sites or locations, including area development frameworks and local action plans, planning or development briefs
- (b) The provision of advice from an urban design perspective in respect of specific projects or schemes
- (c) The provision of financial consultancy advice including advice on sources of development funding and provision, cost consultancy, financial modelling and management and scrutiny of overall development budget
- (d) The provision of advice and guidance on the principles of sustainable development related to masterplanning, urban design and planning issues
- (e) The provision of advice on affordable housing and business planning for joint development schemes with private sector partners and registered social landlords, property related services including development and master development plans advice
- (f) Corporate asset strategy implementation and options appraisal advice
- (g) Advice upon and assistance with the making, justification, promotion and implementation of compulsory purchase orders
- (h) Advice upon and assistance with housing estates and other regeneration scheme partnerships and the associated lands transactions
- (i) Valuation advice for both acquisition and disposal of a wide range of property types including leasehold enfranchisement cases
- (j) Other services to include property disposals services, landlord and tenant advice, estate management services, rating advice
- (k) The provision of advice on design specification, planning cycles and timescales
- (l) The provision of advice covering statutory requirements for establishing new schools, education premises services including, refurbishment of buildings
- (m) The design and delivery of new schools
- (n) Transport planning and transport assessments
- (o) Liaising and consulting with other interested bodies including local councils, statutory agencies community groups and other interested parties during the preparation and development phases of any masterplan/development framework or strategy or urban design advice
- (p) The provision of advice on urban regeneration and economic development

**AGENDA ITEM: 15** Page nos. 1 – 13

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Meeting Cabinet Resources Committee  
 Date 10 February 2005  
**Subject 2004/05 Capital Programme Monitoring**  
 Report of Cabinet Member for Resources  
 Summary This report provides an update on the capital programme and seeks approval for variations.

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Officer Contributors	Borough Treasurer
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix A Capital Monitoring Summary (Non-Housing) Appendix B Funding Analysis Appendix C Summaries of Variations to Non Housing Capital Programme Appendix D Capital Programme & Funding Summary (Housing) Appendix E Non-Housing Slippage to 2005/06
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Ade Olagbaju 020 8359 7184

## **1. RECOMMENDATIONS**

- 1.1 That the financial performance to date and the projected outturn for the current year, as outlined in section 7 and detailed in Appendices A and D, be noted.
- 1.2 That the variations to the Capital programme in respect of the changes outlined in Appendix C be approved to increase the revised budget from £67.366m to £68.113m.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Budget Report to Council 2<sup>nd</sup> March 2004
- 2.2 Cabinet Resources Committee – 25 November 2004

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Sound financial management of resources. Prudential code requires monitoring of capital programme and impact on resources.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The limited capital and revenue resources of the Council leave minimal margins to contain overspends.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 Variations to the latest approved capital programme outlined in Appendix C are externally funded with the exception of Grahame Park Community Sports Pitch, NLBP and Road Traffic Act capitalisation. There is a net increase in prudential borrowing of £0.177m.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Part 3 Para3.10 of Financial Standing Orders – The Borough Treasurer will make regular reports to Cabinet Resources Committee on budget monitoring.

## **8. BACKGROUND INFORMATION**

- 8.1 The November Capital Monitoring Report to Cabinet Resources Committee outlined the General Fund schemes and amounts projected to slip into 2005/06.

### The Non-Housing capital programme

- 8.2 The current and revised budget for 2004/5 totals £67.366m, which includes slippage from 2003/04 (£8.5m) and schemes approved since the current programme was agreed by Cabinet in February 2004 (£8.6m). The projected outturn for the current year is £42.662m, £24.704m below the current revised budget.

- 8.3 The programme has slipped a further £11m since the last report in November. A summary of net slippage by service is provided at Appendix A, with the most significant areas being Education (£11.8m) and Information Systems (£4.7m). Appendix E provides more detailed information on slippage and how this has changed since November.
- 8.4 School based schemes such as School Access Initiatives (E60), NDS Devolved Formula Capital (E89), and Specialist Schools Capital Grant (E113) are profiled to substantially spend their budget in 2004/05. As these are managed by schools and schools can carry forward their funding, there is a level of uncertainty about whether this spend (a total of £4.064m of grant related spend and funding) will be achieved in the current year.
- 8.5 There is always a risk that external funding will be lost where expenditure slips beyond any time limits that might apply but this is not an issue at this point in time.
- 8.6 A funding analysis for the projected outturn is provided in Appendix B and a summary of variations to the capital program is outlined in Appendix C. These variations are taken into account in the projected outturn. In respect of the funding summary, this can change as the Borough Treasurer has authority within Financial Regulations to change the funding of individual schemes if this is to the council's advantage
- 8.7 External funding in the form of Government and other grants, section 106, insurance settlements etc. have been taken into account, leaving £27.689m to be funded from capital receipts, supported and unsupported (prudential) borrowing.
- 8.8 To minimise the capital financing costs incurred on borrowing, capital receipts will normally be utilised in the first instance. It is estimated that £12.581m capital receipts will be available for use in the current year, leaving a balance of £15.108m to be funded through supported and unsupported (prudential) borrowing.
- 8.9 The Housing capital programme
- The Housing programme is split into HRA and General Fund elements. HRA includes Barnet Homes and Regeneration.
- Stock Refurbishment and Renewal Programme
- 8.10 The projected outturn is now £16.541m, and the underspend will roll forward into 2005/6. Barnet Homes was successful in achieving two stars from the Inspection by the Audit Commission, releasing some £4m of funding in the current year and a further £15m in 2005/6. It has now appointed three partners for the delivery of a major part of the five-year capital programme and the pre-commencement programme is now underway.
- Cash Incentives
- 8.11 As in previous years there has been significant demand in this area, releasing Council dwellings for letting very economically. The estimated outturn is increased to £0.750m.

### Housing Regeneration Programme - HRA

- 8.12 The projected outturn for the Housing Regeneration Programme shows an estimated underspend of £0.26m. The Housing regeneration programme is funded by directly offsetting cost against Housing Capital Receipts as per government Housing regulation under the scheme of Pooling of Housing Capital receipts.
- 8.13 The underspend will need will need to be carried forward to 2005/2006 to fund the committed housing regeneration programme.

### Housing Association/Private Sector Programme – General Fund

- 8.14 The projected outturn for the current year is £3m, an underspend of £1.5m against the current estimate. The current estimate is the figure included in the 2004 Housing Investment Programme and is made up of Social Housing Grant of £4.1m and Other Support for Registered Social Landlords of £0.4m. Some of the schemes in the programme are awaiting planning permission.
- 8.15 These schemes will go ahead as soon as planning permission is given. There is a budget in 2005/2006 to support the second phase of these schemes. It is essential that the underspend of £1.5m is carried forward to 2005/06. The £1.5m is inclusive of £400k S106 funding.
- 8.16 The Disabled Facilities expenditure is needs led and so to an extent is the renovation expenditure. Currently, they are both projecting an overspend for 2004/2005. The Housing Service is currently taking action to try to reduce this overspend.

## **9. LIST OF BACKGROUND PAPERS**

- 9.1 None.

MO: JEL

BT: CM

## CAPITAL MONITORING SUMMARY (NON HOUSING) - SPEND

2004/05 Revised Budget includes slippage from 2003/04 and additional approvals since March 2004

Service	2004/05						
	Original Budget	Slippage from 03/04	Approved In-Year	Revised Budget	LAFIS Spend to 15/01/05	Projected Outturn	Forecast Net Slippage
	£000	£000	£000	£000	£000	£000	£000
Central Expenses	8,038	302	(680)	7,660	214	5,485	2,175
Childrens Services		15		15		82	(67)
Community Care		(146)	732	586	129	560	26
Corporate Performance Office	5,374	318	3,162	8,854	1,827	4,161	4,693
Customer Care	2,178	584	122	2,884	1,267	2,698	186
Education	19,625	5,702	(105)	25,222	6,801	13,060	12,162
Environmental Services	898	446	2,415	3,759	350	2,048	1,711
Highways	11,886	566	2,532	14,984	6,314	13,116	1,868
Planning	27	(1)		26	27	27	(1)
Public Offices	1,893	1,058		2,951	944	1,260	1,691
Strategic Development	378	(334)	381	425	2	165	260
<b>Totals</b>	<b>50,297</b>	<b>8,510</b>	<b>8,559</b>	<b>67,366</b>	<b>17,875</b>	<b>42,662</b>	<b>24,704</b>

Variations that will increase revised budget detailed in Appendix C 747

Amended Revised Budget 68,113

<b>CAPITAL FINANCING (NON HOUSING)</b>							
<b>Service</b>	<b>2004/05</b>						
	<b>SCEC (Govt Grant)</b>	<b>Other Grants</b>	<b>S.106</b>	<b>Sch &amp; Other Contribs</b>	<b>Insurance</b>	<b>Borrowing/ Cap Receipts</b>	<b>TOTAL</b>
	£000	£000	£000	£000	£000	£000	£000
Central Expenses	929					4,556	<b>5,485</b>
Childrens Services						82	<b>82</b>
Community Care						560	<b>560</b>
Corporate Performance Office	350					3,811	<b>4,161</b>
Customer Care			150			2,548	<b>2,698</b>
Education	5,374	303		402	1,615	5,366	<b>13,060</b>
Environmental services		183	149	71		1,645	<b>2,048</b>
Highways		5,447				7,669	<b>13,116</b>
Public Offices						1,260	<b>1,260</b>
Strategic Development						165	<b>165</b>
Planning						27	<b>27</b>
<b>Totals</b>	<b>6,653</b>	<b>5,933</b>	<b>299</b>	<b>473</b>	<b>1,615</b>	<b>27,689</b>	<b>42,662</b>

Capital Receipts	12,581
Supported Borrowing	3,387
Unsupported /Prudential Borrowing (includes increase of £0.177m included in this report)	11,721
	<u>27,689</u>

<b>Capital Receipts</b>	<b>2004-5</b>	<b>2005-6</b>	<b>2006-7</b>
	£000	£000	£000
Brought Forward	4,875	0	0
Disposals	7,706	3,313	200
Applied	12,581	3,313	200
	(12,581)	(3,313)	(200)
<b>Surplus / (Deficit) Carried Forward</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CAPITAL PROGRAMME - VARIATIONS TO BUDGETS Jan 05 based on projection to 31 3 05

Schemes requiring variations to budget are shown below. Explanation for variations are provided for schemes varying by 10% from the original budget and by at least £10,000. Cost variations below these cut off points are often due to (relatively minor) modifications to schemes when works go on site or to price variations.

Ref	Service/Scheme	Current budget	Projected outturn	Variation	Comments
		£000	£000	£000	
	<b>EDUCATION</b>				
<b>E65/E66</b>	<b>Secondary School Expansion</b>				
	<b>Mill Hill School</b>	3,287	3,339	52	As reported to Cabinet Resources Committee on 8 July 04 the predicted outturn cost was £3,286,332 but this was subject to completion of the final account. The additional costs are in respect of finalisation of the contractor's approved claim for extension of time, additional costs in connection with the temporary works road and additional backfilling to retaining walls.
<b>E88</b>	<b>New Deals for Schools - Condition Funding</b>				
	<b>2002/03 Programme</b>				
	Q.E. Girls pool block roof replacement	376	468	92	Full Mechanical ventilation and additional plant capacity required
	Hendon boiler phase 2	49	78	29	Budgeted cost was for oil to oil boiler replacement. Conversion from oil to gas fired boiler required.
	<b>2003/04 Programme</b>				
	Tudor rewire	170	187	17	Additional costs for asbestos removal to main entrance foyer and dining hall.
	Wessex Gardens roof	180	250	70	Additional works to rainwater pipes and associated scaffolding. Also, as some works now being carried out in term time, there are additional Health and Safety measures incorporated to protect pupils and staff.
	Church Hill Primary kitchen	120	189	69	Increased cost due to additional roofing and structural requirements relating to the provision of adequate ventilation.
	Friern Barnet window renewal	329	391	62	Removal of existing windows and scaffolding provision not included in specification.
<b>E107a</b>	<b>Modernisation - all schools need</b>				
	Dollis Infants Heating	198	174	(24)	Underspend - tenders received below original estimate
	Colindale - boiler	195	126	(69)	Underspend - tenders received below original estimate
	Moss Hall Jnr - pool rewire	22	12	(10)	Underspend - tenders received below original estimate
	Danegrove - annexe rewire	142	30	(112)	Originally intended to rewire but Conservation officer requirements (Listed Building) mean that costs will increase considerably beyond budget - design work only in 04/05 and full scheme to be postponed.



## CAPITAL PROGRAMME - VARIATIONS TO BUDGETS Jan 05 based on projection to 31 3 05

Schemes requiring variations to budget are shown below. Explanation for variations are provided for schemes varying by 10% from the original budget and by at least £10,000. Cost variations below these cut off points are often due to (relatively minor) modifications to schemes when works go on site or to price variations.

Ref	Service/Scheme	Current budget	Projected outturn	Variation	Comments
	Cromer Road - boilers	80	49	(31)	Underspend - only one boiler needed to be replaced, not two as planned.
	Summerside Heating replacement Ph3	62	37	(25)	Underspend - tenders received below original estimate
	Underhill Infants - new equipment and counters	55	40	(15)	<b>Scheme has been revised with school agreement.</b> Kitchen equipment is being replaced, not complete refurbishment as originally planned.
	Barnet Hill Demolition & reinstatement	44	13	(31)	Scheme has been revised to demolition only.
	Tudor Boiler	91	139	48	Additional two boilers had to be replaced because of failure of Nursery Heating. Also additional asbestos removal.
	Parkfield - kitchen	55	25	(30)	<b>Scheme has been revised with school agreement.</b> Kitchen equipment is being replaced, not complete refurbishment as originally planned.
<b>E108a</b>	<b>Sure Start - Wingfield</b>		50	50	£150k Additional Funding allocated for 04/05 by Surestart. £100k projected to slip to 2005/06.
<b>E109</b>	<b>New Opportunities Funded schemes</b>				
	Bell Lane - Sports Hall	777	777		Additional 55k approved as part of Modernisation/Condition DPR. Additional 5k from Contingency. 10k school contribution
<b>E113</b>	<b>Specialist Schools (capital grant)</b>		300	300	£300k allocation paid via standards Fund. Allocation was published after 2004/05 budget book.
	<b>CRICKLEWOOD &amp; STRATEGIC DEVELOPMENT</b>				
R94	Grahame Park Regeneration - Community Sports Pitch	381	506	125	Due to unforeseeable and unavoidable decontamination and electrical connection works, the construction costs of the Grahame Park sports pitch has increased by approximately £125K. Efforts are being made to make savings and to source external funds. However, it should be noted that the project has already secured substantial external grant funding of over £1m and the scope for savings at this stage of the contract is extremely limited. There is also no particular expectation of success in securing external funding at this stage. Under the terms of the contract, cost overruns will have to be met by the Council if external funding cannot be found.

## CAPITAL PROGRAMME - VARIATIONS TO BUDGETS Jan 05 based on projection to 31 3 05

Schemes requiring variations to budget are shown below. Explanation for variations are provided for schemes varying by 10% from the original budget and by at least £10,000. Cost variations below these cut off points are often due to (relatively minor) modifications to schemes when works go on site or to price variations.

Ref	Service/Scheme	Current budget	Projected outturn	Variation	Comments
<b>PUBLIC OFFICES</b>					
R75	NLBP	6,970	7,120	150	Additional budget required for IT Equipment and associated costs at NLBP. This is because staff numbers being located at NLBP are higher than originally budgeted for.
R85	HTH - Refurbishment of Public Areas	65		(65)	Not proceeding with the scheme
R86	Relocation of telephonists	30		(30)	Part of accommodation strategy - expenditure subsumed into costs charged to NLBP.
<b>ENVIRONMENTAL</b>					
R64	CCTV - North Finchley and Control Centre	728	709	(19)	Nature of works require substantial contingency to be included in scheme budgets - only minor amounts have been required.
R64	CCTV - East Barnet and Hampden Square	229	208	(21)	Nature of works require substantial contingency to be included in scheme budgets - only minor amounts have been required.
R64	CCTV - Control Room	695	765	70	Separate DPR being processed
R69	Crime Hotspot Lighting - Phase 2	60	0	(60)	Separate DPR being processed
<b>COMMUNITY CARE</b>					
S52	Mental Health - Barnet Infokiosks		158	158	This is an addition to the Capital Programme and is to be funded externally by the Mental Health SCER Allocation
<b>HIGHWAYS</b>					
P43	Road Traffic Act - SPA	382	550	168	The variation is mainly due to the fact that costs originally to be charged to revenue are now being capitalised.
<b>CUSTOMER CARE</b>					
D77	Burnt Oak Youth & Community Centre	3,622	3,544	(78)	The variation is mainly due to the fact that original budget was overstated.
D82	People's Network ICT in Libraries	675	622	(53)	Budget used to restore contingency on Hendon Library refurbishment - no longer required.
	<b>Total</b>	<b>20,069</b>	<b>20,856</b>	<b>787</b>	

## Capital Monitoring - December 2004 (Month 9)

	2004 HIP SUBMISSION	Original Estimate	Current Estimate	2004-2005 to Week 39 Spend to date	2004/2005 Forecast Outturn	2004/2005 Forecast Variance	% spend against Forecast Outturn
	£000	£000	£000	£000	£000	£000	
<b>Housing Revenue Account</b>							
Housing Renovation Programme	17,642	17,642	17,642	11,039	16,541	(1,101)	0.67
Cash Incentives	500	500	500	483	750	250	0.64
Housing Regeneration	0	0	1,020	625	760	(260)	0.82
<b>Total</b>	<b>18,142</b>	<b>18,142</b>	<b>19,162</b>	<b>12,147</b>	<b>18,051</b>	<b>(1,111)</b>	<b>0.67</b>
<b>General Fund</b>							
Housing Associations	4,500	6,011	4,500	256	3,000	(1,500)	0.09
Disabled Facilities	893	1,033	893	952	1,269	376	0.75
Renovation Grants	500	500	500	454	605	105	0.75
<b>Total</b>	<b>5,893</b>	<b>7,544</b>	<b>5,893</b>	<b>1,662</b>	<b>4,875</b>	<b>(1,018)</b>	<b>0.34</b>
<b>Grand Total</b>	<b>24,035</b>	<b>25,686</b>	<b>25,055</b>	<b>13,809</b>	<b>22,926</b>	<b>(2,129)</b>	<b>0.60</b>

## FUNDING OF HOUSING CAPITAL PROGRAMME 2004/2005

	Capital Programme Current Estimate	Supported ALMO	Borrowing Grant	Capital Grant	Capital Receipts Deduction	Capital Receipts	Capital Receipts Transitional Allowance	s106 Funding	MRA	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Housing Renovation Programme	17,642	(4,005)	(2,673)				(1,877)		(9,087)	(17,642)
Cash Incentives	500					(500)				(500)
Housing Regeneration	1,020				(1,020)					(1,020)
<b>HRA Total</b>	<b>19,162</b>	<b>-4,005</b>	<b>-2,673</b>		<b>(1,020)</b>	<b>(500)</b>	<b>(1,877)</b>		<b>(9,087)</b>	<b>(19,162)</b>
Housing Associations	4,500		(1,641)			(2,459)		(400)		(4,500)
Disabled Facilities Grant	893			(480)		(413)				(893)
Renovation Grant	500					(500)				(500)
<b>GF Total</b>	<b>5,893</b>	<b>0</b>	<b>(1,641)</b>	<b>(480)</b>		<b>(3,372)</b>		<b>(400)</b>		<b>(5,893)</b>
<b>Grand Total</b>	<b>25,055</b>	<b>(4,005)</b>	<b>(4,314)</b>	<b>(480)</b>	<b>(1,020)</b>	<b>(3,872)</b>	<b>(1,877)</b>	<b>(400)</b>	<b>(9,087)</b>	<b>(25,055)</b>

## CAPITAL PROGRAMME - PROJECTED SLIPPAGE TO 05/06 AS AT JAN 2005

## Schemes projecting significant slippage to 2005/06

Ref	Service/Scheme	Revised budget	Projected outturn	Current Slippage Projected	Slippage reported in Nov	Movement	Comments
		£000	£000	£000	£000	£000	
<b>EDUCATION</b>							
E60	School Access Initiative	813	628	(185)		(185)	
E87	Secondary Language Unit - The Edgware School	165		(165)	(165)		
E100	NDS Modernisation (SCA )				(2,459)	2,459	Allocation now refocused to be spent on Parkfield
E102	The Compton	2,358	1,675	(683)		(683)	
E104	Frith Manor	4,531	2,061	(2,470)	(1,682)	(788)	Budget was originally misprofiled
E107a	Modernisation All Schools Need 2004/05	3,189	1,562	(1,627)	(1,567)	(60)	
E107b	Modernisation - Primary School Need				(1,385)	1,385	Allocation now refocused to be spent on Parkfield
E107c	New Pupil Places	468	52	(416)	(468)	52	Programme to be determined
E108	Sure Start - Underhill Ward (Location to be decided)	75		(75)	(1,075)	1,000	£1m has been refocused to be spent on Parkfield
E109	Bell Lane Sports Hall & Other NOF schemes	1,692	150	(1,542)	(1,394)	(148)	Only received approval from Lottery Fund on schemes at tail end of 2004. Design work is now in progress.
E111	Underhill Infants - new Nursery	230		(230)	(201)	(29)	Work has not proceeded due to lack of design staff. Architect now appointed, design work has commenced - spend will be in 2005/06.
E112	Dollis Infants	194		(194)	(182)	(12)	Work has not proceeded due to lack of design staff. Architect now appointed, design work has commenced - spend will be in 2005/06.
E114	Parkfield School	4,964	120	(4,844)		(4,844)	Scheme was approved in December 2004. 2004/05 Capital Grant and Supported Borrowing Allocations held back to fund. Budget was originally mis-profiled.
<b>Total - Education</b>		<b>18,679</b>	<b>6,248</b>	<b>(12,431)</b>	<b>(10,578)</b>	<b>(1,853)</b>	
<b>INFORMATION SYSTEMS</b>							
R73	Local Government on line	545	504	(41)		(41)	
R81	ICT Infrastructure	98	81	(17)		(17)	
R87	Information Systems Recovery Plan	2,582	93	(2,489)		(2,489)	Due to delays in procurement stage of the project.
R92	Modernising Core Systems	5,629	3,483	(2,146)		(2,146)	Due to delays in procurement stage of the project.
<b>Total - IS</b>		<b>8,854</b>		<b>(4,693)</b>		<b>(4,693)</b>	
<b>HIGHWAYS</b>							
P26	Carriageway Reconstruction	3,405	2,702	(703)		(703)	
P47	Edgwarebury Brook Flood Alleviation - Phase 1	56		(56)	(56)		
P68	Silkstream Flood Alleviation	1,100		(1,100)	(1,100)		Environment Agency only now progressing works in Barnet. As a result, scheme has been deferred to 2005/06.
D85	Cartwright Memorial, St Mary's Church	42	8	(34)	(40)	6	
<b>Total - Highways</b>		<b>4,603</b>	<b>2,710</b>	<b>(1,893)</b>	<b>(1,196)</b>	<b>(697)</b>	
<b>PUBLIC OFFICES</b>							
R75	NLBP	1,327	1,147	(180)		(180)	

## CAPITAL PROGRAMME - PROJECTED SLIPPAGE TO 05/06 AS AT JAN 2005

## Schemes projecting significant slippage to 2005/06

Ref	Service/Scheme	Revised budget	Projected outturn	Current Slippage Projected	Slippage reported in Nov	Movement	Comments
		£000	£000	£000	£000	£000	
R80	Barnet House	963	68	(895)		(895)	A redesign to accommodate FirstContact in the reception has delayed commencement of works but this is now due at end February hence costs slipped into 2005/6.
R84	Friary House	280	15	(265)		(265)	
R93	Council Offices Security Systems	180		(180)		(180)	
	<b>Total - Public Offices</b>	<b>2,750</b>	<b>1,230</b>	<b>(1,520)</b>		<b>(1,520)</b>	
	<b>ENVIRONMENTAL</b>						
D45	Parks Infrastructure - Old Crthse Rec Grd Catering	18	8	(10)		(10)	
D89	Nortel Bowling	71	71		(10)	10	
D90	Friary Park and New Southgate Rec Ground	116	70	(46)	(27)	(19)	
D92	Darlands Lake / Stonegrove Park	16	9	(7)	(7)		
D93	Watling Park	129	70	(59)	(59)		
D94	Glebelands Open Space	75		(75)		(75)	
R64	CCTV	1,094	686	(408)	(205)	(203)	
P45	Crime Hot spot Lighting	60		(60)	(60)		Now refocused - to be spent on CCTV Control Room.
P45	Garden Bins LPSA Target 9	632	410	(222)		(222)	
	Woodfield Park Pavilion	922	100	(822)		(822)	Implementation delayed by insurance negotiations. Construction commenced at the end of January. Slippage will not affect grant funding.
	<b>Total - Environmental</b>	<b>3,133</b>	<b>1,424</b>	<b>(1,709)</b>	<b>(368)</b>	<b>(1,341)</b>	
	<b>CENTRAL</b>						
R77	Pericles - Revenues and Benefits System	1,000	559	(441)		(441)	This project has continued to slip due to delays by Anite in providing a software solution that matches the specification set out in the contract, and the project board has determined that it would be too high a risk to attempt to go live with the full system until these issues have been resolved. The business rates module did go live on 2 February, which was an imperative since the legacy system is not capable of processing bills under the new transitional relief scheme from 1 April 2005.
R82	Local Land Charges	138	11	(127)		(127)	Software supplier was selected last week. The project has slipped due to the necessity to analyse compatibility with other relevant systems operating within the council and building this into the selection process.
R88	Capitalised Redundancies	5,000	3,500	(1,500)	(1,500)		
	<b>Total - Central</b>	<b>6,138</b>	<b>4,070</b>	<b>(2,068)</b>	<b>(1,500)</b>	<b>(568)</b>	
	<b>CHILDRENS</b>						
R88	Commitments on completed schemes	15	15		(15)	15	
	<b>Total - Childrens</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>(15)</b>	<b>15</b>	
	<b>CUSTOMER CARE</b>						
D75	Arts Centre Development - Services Diversion	1,305	1,305		(50)	50	
D87	Hendon Library: Refurbishment & Lift	780	765	(15)		(15)	
	<b>Total - Customer Care</b>	<b>2,085</b>	<b>2,070</b>	<b>(15)</b>	<b>(50)</b>	<b>35</b>	
	<b>CRICKLEWOOD &amp; STRATEGIC DEVELOPMENT</b>						
R50	Town Centre Regeneration and Improvement	153		(153)		(153)	

## CAPITAL PROGRAMME - PROJECTED SLIPPAGE TO 05/06 AS AT JAN 2005

## Schemes projecting significant slippage to 2005/06

Ref	Service/Scheme	Revised budget	Projected outturn	Current Slippage Projected	Slippage reported in Nov	Movement	Comments
		£000	£000	£000	£000	£000	
R60	Town Centre Initiatives - North Finchley Regeneration	223	5	(218)		(218)	
	<b>Total - Cricklewood &amp; Strategic Dev</b>	<b>376</b>	<b>5</b>	<b>(371)</b>	<b>0</b>	<b>(371)</b>	
	<b>Total</b>			<b>(24,700)</b>	<b>(13,707)</b>	<b>(10,993)</b>	

**AGENDA ITEM: 16**

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Meeting	Cabinet Resources
Date	10 February 2005
<b>Subject</b>	<b>Revenue Monitoring 2004/05</b>
Report of	Cabinet Member for Resources
Summary	To consider a report on revenue monitoring in the current year and instruct officers to take appropriate action.

Officer Contributors	Borough Treasurer
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A – 2004/05 Forecast Outturn Appendix B – 2004/05 Savings Implementation Monitor Appendix C – Efficient Savings Implementation Monitor
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Clive Medlam 020 8359 7110.

## **1. RECOMMENDATIONS**

- 1.1 That the provisions for the repayment of national non-domestic rates (NDR) credits and the non-payment of the TfL grant be transferred to General Fund balances.**
- 1.2 That the General Fund and Housing Revenue Account budget monitoring position be noted.**
- 1.3 That Heads of Service be instructed to take appropriate management action to (i) achieve the budgeted savings, (ii) contain emerging budget pressures and (iii) identify further savings to achieve the target of £5m balances by 31 March 2005.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Council 2 March 2004, Cabinet Resources 28<sup>th</sup> July 2004, Cabinet Resources 23<sup>rd</sup> September 2004 and Cabinet Resources 25<sup>th</sup> November 2004.

## **3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Robust revenue monitoring is essential to ensure that resources support the Council's priorities as set out in the Corporate Plan.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 The risks posed by budget pressures are addressed in Section 8 below. Management action is being taken to address budget pressures. Failure to contain these pressures will impact on the council's available balances.

## **5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 The 2003/4 Outturn report presented to this committee on 28 July 2004 advised that General Fund balances at 31 March 2004 amounted to £0.93m. The 2004/5 budget included a contribution to balances of £3m which brings the total of General Fund balances to £3.93m, before considering the effects of monitoring during the year. Further comments are contained in Section 7.

## **6 LEGAL ISSUES**

- 6.1 None.



## 7 CONSTITUTIONAL POWERS

- 7.1 This Committee is responsible for capital and revenue finance, forecasting, monitoring, borrowing and taxation. (Constitution Part 3, Section 3.6)

## 8 BACKGROUND INFORMATION

- 8.1 Variances previously considered and approved by Cabinet Resources Committee in July, September and November produce a forecast of balances of £3.368m at 31 March 2005 – this was the result of a combination of approved budget variations and forecast outturn variations.

- 8.2 The following variations to the approved budget are being recommended in this report:-

### Contributions to balances

Provision for repayment of NNDR credits	£785,000
Provision for TfL grant	£400,000.

- 8.3 Taking account of (i) budget variations approved at previous meetings and recommended in paragraph 8.2 above, and (ii) forecast variations set out in Appendix A, the forecast of balances at 31 March 2005 is £4.856m. This figure excludes any redundancy costs that may arise during the year for which a capitalisation Direction will again be sought from the ODPM.
- 8.4 The forecasted balances figure is very close to the Council's target balances level of £5.0m by the end of the financial year and it is essential that Heads of Service continue to monitor their budgetary position and, particularly where compensatory savings have been identified to offset known overspends, that the position presented in this report is delivered.
- 8.5 Whilst Appendix A sets out all forecast variances, the major changes since the last report to this committee in November 2004 are commented on in the following paragraphs.

### Borough Solicitor

Local Land Charges – the downturn in the housing market continues to impact on the income budget. A base budget adjustment of £500,000 was approved by this committee in November 2004, however, a further deterioration in the housing market over the Christmas period is expected to result in a year end variance of £250,000 over the revised budget.

### Children's Services

External Placements – this is a volatile expenditure area due to the nature of the service. The current forecast outturn is based upon a reduction in the cost of foster care placements.

Asylum Seekers – more detailed monitoring has identified that the grants for adults, families and unaccompanied asylum seeking children should cover virtually all expenditure.

#### Community Care

Section 117 Clients – ongoing review of entitlement has identified a reduced number to be repaid. The numbers have decreased from 18 to 11 though the costs in each instance are highly variable and the relationship is not linear.

#### Education

Travel Passes – the forecast for the number of passes has been revised following the commencement of the 2004/05 academic year with the number of passes issued having dropped by over one hundred.

SEN Placements – the number of placements has increased by 5 since the report in November plus the funding of the specialist unit at the London Academy has been agreed.

SEN Transport – the impact of single status was not factored into the base budget and this has resulted in additional costs of £132,000.

Early Years – the current forecast is based on the actual take up for the 2004/05 academic year which is approximately 280 places less than budgeted and has only been established since the last report was presented.

#### Highways & Design

Special Parking Account – the current projection is based on having fewer parking attendants in post over the second half of the year than previously anticipated.

Car Park Income – lower than anticipated usage has been experienced following the increase in fees and charges. This has been further affected by the level of vandalism and other attacks which have led to coin boxes being stolen and machines rendered unusable.

IT Development/Reprogramming – the project to upgrade Highways IT systems in parallel with MCS needs to be reprogrammed and re-evaluated so that a comprehensive specification can be prepared to incorporate the consequences of MCS.

RASWA Income – additional inspections and defaults are projected to increase 2004/05 income as a consequence of utility companies failing to meet their obligations. Future compliance is anticipated.

Rechargeable Works Income – increase in demand for vehicle crossovers and private works reinstatement have increased income projections.

### Public Offices

NLBP Estates & Service Charge Income – more detailed monitoring has identified that the accruals raised for 2003/04 closure did not fully cover the subsequent invoices with regard to costs for 2002/03. This detailed monitoring is ongoing and it is anticipated that the overall year end position for public offices will be more favourable than presented in this report.

- 8.6 Work is ongoing to finalise the impact on the General Fund of the creation of Barnet Homes. Any variation on the current contingency provision of £400,000 will be reported to a future meeting.
- 8.7 A traffic light monitor on budgeted savings is attached at Appendix B, and one for efficiency savings is attached at Appendix C. The forecast variations shown in these two monitors are included in Appendix A, so that this appendix provides a comprehensive position statement.
- 8.8 Cabinet Members are aware of the impact that non-achievement of budgeted savings and new emerging pressures could have on balances, and are working with Heads of Service to contain these costs.
- 8.9 The position on the Housing Revenue Account (HRA) is being monitored in partnership by Barnet Homes and London Borough of Barnet. The latest position was reported to the Barnet Homes management board on 17<sup>th</sup> January 2005 and any variations from budget will be met from the accumulated HRA balance.

## **9 LIST OF BACKGROUND PAPERS**

- 9.1 None.

MO: MM

BT: CM

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
<b><u>Borough Solicitor</u></b>							
Local Land Charges - £500k base budget adjustment approved at CRC in November so total variance from original budget is £750k	B	529		250		(279)	
Other Variations - principally registration income		0		(31)		(31)	
			529		219		(310)
<b><u>Borough Treasurer</u></b>							
Salary overspends in Accountancy supporting MCS and Community Care		200		200		0	
Managed salary underspends and use of MCS backfilling provisions		(200)		(260)		(60)	
			0		(60)		(60)
<b><u>Central Expenses &amp; Contingency</u></b>							
External Audit & Inspection fees		30		30		0	
Coroners Service - additional IT costs in relation to 2003/04		0		25		25	
			30		55		25
<b><u>Children's Services</u></b>							
External placements (continuing pressures, including New Park House placements)	B	1,620		1,452		(168)	
Family Placements (in-house) and adoption costs	B	66		13		(53)	
Barnet residential units - New Park House & 68A Meadow Close	B	(89)		(156)		(67)	
Children with Disabilities	B	88		96		8	
Asylum Seekers - variation in forecasted numbers	B	(88)		(300)		(212)	
Social Workers - staffing costs	B	(620)		(695)		(75)	
Other Family Support Services & Leaving Care	B	(304)		(344)		(40)	
Grants (principally Safeguarding Children's Grant)	B	(500)		(500)		0	
SWIFT		310		251		(59)	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
			483		(183)		(666)
<b><u>Committee &amp; Administration</u></b>							
Projected Cost of Cricklewood Fire		0		20		20	
Vacancy Savings		(45)		(49)		(4)	
			(45)		(29)		16
<b><u>Community Care</u></b>							
Client costs, impact of new home care contracts, provider units & staffing including corporate agency recharges		(549)		(425)		124	
Potential s117 repayment		396		234		(162)	
Grant allocation (£675k) - £307 transferred to support expenditure, £368 returned to centre (efficiency saving review)	C	(368)		0		368	
		(307)		(307)		0	
Employment Tribunal		100		100		0	
Head of Community Care recruitment and handover		122		134		12	
SWIFT		146		163		17	
Closure Springwood Day Centre	B	72		72		0	
			(388)		(29)		359
<b><u>Corporate Performance Office / Information Systems</u></b>							
Unachieved vacancy factor / Other Variations		27		18		(9)	
MCS project - costs reported to Joint Resources / ICT Cabinet		600		600		0	
MCS project - planned capitalisation (to be discussed with external auditors)		(600)		(600)		0	
			27		18		(9)
<b><u>Cricklewood &amp; Strategic Development</u></b>							
Employee cost savings		0		(30)		(30)	
			0		(30)		(30)

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
<b>Customer Care</b>							
Branch Library Income		40		40		0	
South Friern Library - planned closure reversed	B	72		72		0	
Building Cleaning tender		50		50		0	
Libraries Staff Vacancy Savings		(135)		(140)		(5)	
Out of Hours Telephone Service - delay in restructuring	B	56		55		(1)	
Print Income		50		51		1	
Translation - Community Helpline	B	30		10		(20)	
Communications (Agency Costs - Transferred from Strategic Directors)				28		28	
Other Variances - Mainly Staff Vacancy Savings		(50)		(59)		(9)	
Ex Leisure & Youth Service budgets:-							
GLL Contract - final BAFO costs	B	92		100		8	
Copthall Stadium - loss of anticipated funding	B	120		120		0	
Welsh Harp - premises costs	B	10		10		0	
Advertising Income (previous Leisure & Youth Service budget)	B	125		125		0	
			460		462		2
<b>Education</b>							
Planning Access & Resources							
Net position on salaries and other employee costs		(19)		(9)		10	
PFI Primary Strategy budget		(78)		(91)		(13)	
Net effect Travel passes		0		(139)		(139)	
Net effect OLA's Extra District income & expenditure		0		(76)		(76)	
Buisness and Performance							
Net position on salaries and other employee costs		0		(4)		(4)	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
Barnet Schools Technical Support / Portable Electrical Appliance Testing		(15)		0		15	
Ongoing effect of previous years' early retirements		59		113		54	
<b>Standards &amp; Effectiveness</b>							
Staff vacancies		(29)		(12)		17	
School income shortfall		0		31		31	
Qualified Teachers & Special Educational Needs Co-ordinators - budget transfer from Early Years & Play		(95)		(105)		(10)	
Premises expenditure		0		30		30	
Central support charges		0		50		50	
<b>Standards &amp; Inclusion - SEN</b>							
Primary Pupil Referral Unit - surplus budget		(69)		(69)		0	
Net position on salaries budget		(81)		(142)		(61)	
Vacancy - transport client officer	C	(20)		(20)		0	
Net position on placements underspend and therapies overspend - based on October pupil placements		(129)		41		170	
Transport - based on current costs and excluding impact of single status	B	15		154		139	
Hospital Recoupment - increase in claims from other boroughs		70		70		0	
<b>Youth</b>							
Various ( Overall Youth Target Saving to achieve (£100K))		(58)		(89)		(31)	
<b>Early Years - Family &amp; Play</b>							
Three & Four year old funding projected underspend		0		(131)		(131)	
Children & Family Centres - Staff vacancies		(119)		(125)		(6)	
Qualified Teachers & Special Educational Needs Co-ordinators Budget transfer to S & E		0		0		0	
After-School Service - staff vacancies		(41)		(46)		(5)	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
Childminding support services		(11)		(11)		0	
Playschemes staffing vacancies		(25)		(12)		13	
			(645)		(592)		53
<b><u>Environmental &amp; Neighbourhood Services</u></b>							
Golf Courses - retained in Council control but no budget. (based on 18.08.04 CRC report and excluding redundancy costs of £45,000)		108		108		0	
Locking of Parks - increased cost of tender	B	115		115		0	
Management action to contain above two items within zero-based budget review		(223)		(223)		0	
Parks & Open Spaces - further developments on locking of parks	B	(25)		(25)		0	
Hendon Cemetery & Crematorium - reduced activity	B	35		35		0	
Hendon Cemetery & Crematorium - Tree Works		0		32		32	
Residential Services/Works in Default (net position) - vacancies		(15)		(7)		8	
Watling Market - lettings income shortfall		15		15		0	
Management Restructure - delay in implementation		(50)		(50)		0	
Street Trading - additional licence fees	B	15		15		0	
Mortuary - additional costs for leave cover		0		0		0	
Civic Amenity Site - acoustic fence (provisional estimate). Scope for capitalisation to be reviewed once final costs are known		46		46		0	
Parks and Open Spaces - works to dangerous trees and weed removal		29		29		0	
Golf Courses - income shortfall		10		10		0	
Green Waste & Recycling - expansion of service including organic waste, facilitated by DEFRA grant of £95,000 (per CRC 28.07.04)		(96)		(96)		0	
Domestic Refuse - special collection income		(13)		(13)		0	
Domestic Refuse - saving on vehicle hire costs		0		(45)		(45)	



	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
Trade Waste - projected adverse position allowing for bad debt provision	B	0		33		33	
Roads structural repairs - subject to confirmation		(34)		(55)		(21)	
Parks & Open Spaces - management		0		0		0	
Street Enforcement Service	C	(150)		(150)		0	
Abandoned Vehicles	C	(12)		(12)		0	
CCTV and Business Performance - vacancies		(53)		(60)		(7)	
Human Resources - vacancy factor on devolved budget that will not be achieved		7		14		7	
Employment Tribunal - building cleaning		35		35		0	
Catering - projected shortfall on school meals income	B	152		142		(10)	
Other minor variations		0		3		3	
			(104)		(104)		0
<b><u>Highways &amp; Design</u></b>							
Special Parking Account - Income Shortfall (net)	B	750		1,341		591	
Car Parks - reduced income	B	0		400		400	
Highways - Planned Maintenance		(750)		(830)		(80)	
Street Lighting - capitalisation of urgent replacements		0		(250)		(250)	
IT Development - reprogramming		0		(100)		(100)	
Street Lighting - prioritisation of replacements and new equipment with lower maintenance		(200)		(200)		0	
Miscellaneous Routine Work		(50)		(50)		0	
War Memorials		(20)		(20)		0	
Traffic Census		9		0		(9)	
Other expenses - reduced income		30		33		3	
General - supplies and services		(10)		(17)		(7)	
Highways staffing	C	(8)		2		10	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
Winter Maintenance - includes costs of thermal maaping and route optimisation		0		120		120	
Safer Routes to schools		0		(23)		(23)	
RASWA - income		0		(400)		(400)	
Highways/Design - additional fee income		0		(50)		(50)	
Building Control - lower income due to reduced demand		0		79		79	
Rechargeables - additional income		0		(150)		(150)	
Water Courses - deferral of non-essential works		0		(86)		(86)	
Traffic Management		0		20		20	
			(249)		(181)		68
<b><u>Housing</u></b>							
Housing Benefit Admin (staffing pressure)		123		151		28	
Housing Benefit Subsidy		2,179		3,305		1,126	
Temporary accommodation (net) income		(2,302)		(3,456)		(1,154)	
			0		0		0
<b><u>Human Resources</u></b>							
HR Operations - Shortfall in HRA Income	B	97		92		(5)	
Staffing vacancies		(80)		(75)		5	
			17		17		0
<b><u>Planning</u></b>							
UDP Enquiry and regeneration consultants (now being funded from PDG contingency)		0		0		0	
			0		0		0
<b><u>Property &amp; Valuation</u></b>							
Claremount Way - recognition of rental income on an accruals basis		0		17		17	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
Claremount Way - Flytipping		5		0		(5)	
Miscellaneous Residential Properties		(31)		0		31	
Properties pending sale		53		0		(53)	
Other Properties and Estates - income shortfall		(14)		1		15	
Rent Assistance - none to be provided		0		(13)		(13)	
			13		5		(8)
<b><u>Public Offices</u></b>							
Facilities : East Area		(35)		(37)		(2)	
Buildings : NLBP - Estate and Service charges (including prior years)		0		104		104	
Facilities : NLBP		0		31		31	
Buildings : West Area - Stag House recharge to HRA net of Print building running costs		0		(44)		(44)	
Office moves		0		61		61	
			(35)		115		150
<b><u>Strategic Directors</u></b>							
Beacon Status Income / Minor Variations		0		(25)		(25)	
			0		(25)		(25)
<b>Total (net forecast overspend)</b>		<b>93</b>	<b>93</b>	<b>(342)</b>	<b>(342)</b>	<b>(435)</b>	<b>(435)</b>
General Fund Balances @ 1.4.2004		(3,931)		(3,931)			
Budget variations approved by Cabinet Resources Committee 28/7/04:-							
Corporate purchasing savings		600		600		0	
Age Concern grant	B	50		50		0	
NLBP office moves		129		129		0	
Homecare Contract (Housing 21)	B	(50)		(50)		0	
Barbara Langstone House - net rent income		(350)		(350)		0	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		November		February		£000	£000
		£000	£000	£000	£000		
Licensing Act (Committee & Legal Services)		(59)		(59)		0	
Budget variations approved by Cabinet Resources Committee 23/9/04:-							
Street Lighting PFI Consultants Fees - 2003/04 provision unused		150		150		0	
Efficiency Savings - returns to centre approved by Cabinet Resources Committee 23/9/04:-							
Community Care	C	0		(368)		(368)	
Budget variations approved by Cabinet Resources Committee 25/11/04:-							
Local Land Charges Income - base budget adjustment	B	0		500		500	
Transfer of provisions to balances							
NNDR Credits		0		(785)		(785)	
TfL money		0		(400)		(400)	
			(3,461)		(4,514)		(1,053)
<b>Forecast Balances @ 31.3.2005</b>		<b>(3,368)</b>	<b>(3,368)</b>	<b>(4,856)</b>	<b>(4,856)</b>	<b>(1,488)</b>	<b>(1,488)</b>

**Reconciliation to Savings Implementation Monitors**

	£000
Items included on savings implementation monitoring (Appendix B)	3,182
Items included on efficiency savings implementation monitoring (Appendix C)	(548)

**APPENDIX B**

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
		£	£	£	
1	<b><u>Borough Solicitor</u></b>				
2	Staffing efficiencies resulting from IT investment	62,000	62,000	0	Staff savings are currently being made but in the long-term savings are still dependant on IT systems being implemented.
3	Electoral Registration - reduction in temporary staff	20,000	20,000	0	Achieved
4	Citizenship Ceremonies	100,000	100,000	0	The present number of ceremonies being performed indicate that this target will now be achieved.
5	Burnt Oak Registry Office - designate as approved premises	20,000	20,000	0	Will be achieved
6	Local Land Charges - income	250,000	(500,000)	750,000	Not achievable due to downturn in the property market - overall shortfall estimated at £530k
7	Legal fees	50,000	50,000	0	Will be achieved
8					
9	<b><u>Borough Treasurers</u></b>				
10	Reduction of one Principal Auditor post	38,000	38,000	0	Established post deleted - saving achieved
11	Reduction in use of Enepeyz contract for schools audits	15,000	15,000	0	Achieved
12	Reduce management team by one post	50,000	50,000	0	Achieved
13	Outsourcing of document scanning and indexing	HB Administration transferred to Housing. See Housing			
14	Reduction in Accountancy staffing	100,000	100,000	0	Minor restructure in progress, with interviews taking place.
14	Grants to voluntary organisations	295,000	295,000	0	Achieved
16					
17	<b><u>Central Expenses</u></b>				
18	Car leasing	40,000	40,000	0	Potential underachievement from higher insurance premiums
19	ALG levy - London Housing Unit Committee	40,000	40,000	0	Achieved
20	Office expenses	30,000	30,000	0	Achieved
21	Leisure & Youth advertising income 2003/04 - transfer to central contingency	125,000	0	125,000	This income target was not achieved in 2003/4 and is considered high risk
22					
23	<b><u>Children &amp; Families</u></b>				

**APPENDIX B**

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
24	Implementation of Children's Services Strategy	1,235,000	1,669,590	(434,590)	Excluding expenditure on the joint IS system with Community Care (SWIFT) the Department's budget is projecting an underspend of £434k. Costs of external placements and adoption are significantly higher than projected but offset partially by the savings in the running costs of New Park House and in-house fostering. The savings requirement will be substituted by other Departmental budgets eg social workers staffing, asylum seekers and grant substitution of £500k (Safeguarding Children).
25					
26	<b><u>Committee &amp; Admin</u></b>				
27	Restructuring in Support services	77,500	77,500	0	Achieved
28	Restructuring Democratic Services	50,000	50,000	0	Delay in implementation of Licensing Act but go ahead given to recruit two posts at October F&PR meeting
29					
30	<b><u>Community Care</u></b>				
31	Renegotiate Housing 21 contract	50,000	100,000	(50,000)	Achieved - another 50k taken already
32	Administrative staff - 2 posts in contracts	35,000	35,000	0	Saving transferred to Physical Disabilities and Learning Disabilities as posts have been identified in these units for deletion
33	Flightways centre	100,000	100,000	0	Achieved
34	Reduction in grant to Age Concern	150,000	100,000	50,000	CRC on 28/7/2004 approved the variation to the budget of £50k. £75K one off budget transfer from highways.
35	Learning Disabilities - residential and day care efficiency savings	200,000	200,000	0	Significant work being undertaken in service - dependent on care costs. This saving is reliant on the closure of the Leys being on time and as this is on course it should be achieved. Leys closed 30th June.
36	Accelerated reprovision of The Leys centre	200,000	200,000	0	Centre will close, saving dependent on reprovisioning costs for current clients. 3 clients moved to other in-house provision all staff are expected to move to their new post in the other homes soon . The home is expected to close 30 June . On target.

**APPENDIX B**

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
37	Close Springwood day centre	300,000	228,000	72,000	Cabinet on 22 March 2004 received an update report on Springwood, which advised that there was a risk of falling £72,000 short of the budgeted saving. The report advised that efforts will be made to contain these costs within the overall Community Care budget. The centre has been closed.
38					
39	<b><u>Communications</u></b>				
40	Cease media training for members and Directors	14,500	14,500	0	Achieved
41	FIRST TEAM - Reduce to bi-monthly	33,000	33,000	0	Achieved
42					
43	<b><u>Customer Care</u></b>				
44	Reduction in Marketing Service Budget	25,000	25,000	0	
45	Restructuring of Customer Services	100,000	45,000	55,000	Saving will not be achieved in full in 2004-05 - due to time necessary to restructure - likely to be operational by January 04
46	Translation and Interpretation Service - restructure	20,000	10,000	10,000	Decision taken to stop helpline and outsource day-time interpretation delayed. Finally approved at Council Sept 04
47	Restructuring of Libraries / Close Totteridge Library	75,000	75,000	0	This saving now relates to staff savings and this depends on vacancies arising
48	Reduction in Libraries Media Fund	12,000	12,000	0	
49	Further reduction to Media Budget	44,500	44,500	0	
50	Closure of South Friern Library	72,000	0	72,000	Library remains open and partly funded via book fund. Decision taken to keep library open for rest of year.
51	Restructure of Leisure & Youth	255,670	35,670	220,000	Base Budget shortfall of £250k identified across the Leisure areas that have moved to Customer Care. In year problem partly offset by vacancies which leaves £175k projected variance in 2004-05.
52	Reduction in Greenwich Leisure Ltd. management fee	44,000	44,000	0	
53	Fitness for Life scheme to become self-financing	23,000	23,000	0	

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
54	Reduction in Leisure & Youth staff support cost due to smaller establishment	10,000	10,000	0	
55	Reduction in Leisure & Youth staff training budget	10,000	10,000	0	
56	Withdraw support from London Towers Basketball scheme in schools	30,000	30,000	0	
57	Close the Welsh Harp Sailing Base whilst major building works are undertaken	77,000	67,000	10,000	
58					
59	<b><u>Corporate Performance Office</u></b>				
60	Restructuring of admin and management support in CPO/IS	100,000	100,000	0	Achieved - Zero base budget now achieved
61	Merger and restructuring of CPO and IS	689,000	689,000	0	Achieved - Zero base budget now achieved
62	Corporate purchasing savings not achieved 2003/04	600,000	600,000	0	CRC on 28/7/2004 approved the write-off of £600k base savings target carried over from 2003/4. Balance of £600k considered achievable at this point. Approx £80k relating to mobile phones savings agreed with services and in process of being reclaimed. Agency savings also now identified
63					
64	<b><u>Education</u></b>				
65	Standards & Effectivenss - reduction in running costs	40,000	40,000	0	Achieved
66	CIS post paid for through grant	23,000	23,000	0	Achieved
67	Transport savings from reduced outborough placements	100,000	(54,000)	154,000	Single status award included, estimated at £132K out of a total projected overspend of £154K. No contingency provision allocated for this award.
68	Music service - shift to fully traded service	17,000	17,000	0	Achieved
69					
70	<b><u>Environmental Services</u></b>				
71	Trade Waste - review of fees and enforcement	25,000	(8,000)	33,000	Profiled to achieve gross income target. Projected collection rate requires increase in bad debt provision reflected in monitoring position.
72	Street Enforcement Service - efficiency savings & revised shift pattern	573,000	573,000	0	Achieved



**APPENDIX B**

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
73	Abandoned vehicles - increased income	30,000	30,000	0	Profiled to achieve
74	Air quality monitoring - reduction in monitoring station	7,000	7,000	0	Achieved
75	Pest control - reconfigure service	150,000	150,000	0	Achieved
76	Hendon Cemetery and Crematorium - increased income	60,000	25,000	35,000	Year to date activity lower than 2003/04. Further promotion of activity will be undertaken with local undertakers.
77	Street Trading - new license income	15,000	0	15,000	Members have decided not to implement.
78	Care & Repair - increased income	25,000	25,000	0	Profiled to achieve
79	Works in default - deletion of post	21,000	21,000	0	Achieved
80	Quality & Systems - deletion of posts	45,000	45,000	0	Achieved
81	Catering - elimination of subsidised services	100,000	(41,700)	141,700	Projected shortfall on school meals income.
82	Recycling - ECT contract	50,000	50,000	0	Achieved
83	Recycling - increased credits from higher collection	150,000	150,000	0	Profiled to achieve
84	Mill Hill depot - review of running costs	40,000	40,000	0	Achieved
85	Greenspaces - reduction in admin staff	15,000	15,000	0	Achieved
86	Greenspaces - withdrawal from annual Countryside Management service	36,000	36,000	0	Achieved
87	Management Restructure	95,000	95,000	0	Achieved
88	Review of waste & sustainability - reduction of posts	65,000	65,000	0	Achieved.
89	Private Sector Housing - reduced intervention	95,000	95,000	0	Achieved
90	Trading Standards - reduced service provision / posts	89,000	89,000	0	Achieved
91	Perimeter protection scheme - reduction in budget for security measures	47,000	47,000	0	Achieved

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
92	Parks - locking - revised operational arrangements	25,000	(65,000)	90,000	Increased tender bid received from contractor. Alternative options currently being implemented. Compensatory savings identified through zero based budget process.
93	Leisure & Youth restructure savings - impact on Greenspaces	38,330	38,330	0	Achieved
94					
95	<b><u>Highways Building Control &amp; Design</u></b>				
96	Highways Administration – reduction in posts	70,000	70,000	0	Achieved through vacancies
97	Design - restructure	250,000	250,000	0	Achieved
98	Highways Services - reduction in posts	233,000	233,000	0	Achieved through vacancies
99	Capitalisation of highways work	1,000,000	1,000,000	0	Achieved
100	Special Parking Account - increased net income	1,441,000	100,000	1,341,000	Review of parking income being undertaken. PCN issue rate remains low.
101	Pay & Display Fees - increased income	599,000	199,000	400,000	Review of parking income being undertaken
103	Infrastructure Team - increased income	120,000	120,000	0	Increased net income identified
104	Gully Cleansing - contract savings	6,000	6,000	0	Achieved
105	Traffic Census - efficiency savings	5,000	5,000	0	Achieved
106	School Patrols - reduced demand	25,000	25,000	0	Achieved
107	Public Transport - minor works reduction	16,000	16,000	0	Achieved
108	Traffic & Road Safety - alternative funding	89,000	89,000	0	Achieved
109	Reduction in contract prices negotiated as part of the carriageway contract extensions	200,000	200,000	0	Achieved
110	<b><u>Housing</u></b>				

**APPENDIX B**

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
13	Outsourcing of document scanning and indexing (formerly in Borough Treasurer's)	75,000	75,000	0	Budget assumed contract starting in July, but likely to slip to September - will remain amber until contract implemented.
111	Rent increase on all B&B	190,000	190,000	0	On target but profile of reductions may be reviewed due to market changes
112	Rent increase on hotel accommodation for single people	80,000	80,000	0	On target but profile of reductions may be reviewed due to market changes
113	Conversion of Hotel Annexes to PSL	270,000	270,000	0	On target but profile of reductions may be reviewed due to market changes
114	Full year effect of rent rollup scheme	400,000	400,000	0	On target but profile of reductions may be reviewed due to market changes
115	Reduced administrative costs	35,000	35,000	0	Achieved
116					
117	<b><u>Human Resources</u></b>				
118	Restructuring of Learning and Development	178,000	178,000	0	Achieved
119	Mainstreaming Equalities	87,000	87,000	0	Achieved
120	Restructure Health and Safety team	55,000	55,000	0	Achieved
121	Restructure Strategy Unit	58,000	58,000	0	Achieved
122	Conferences	20,000	20,000	0	Achieved
123	Equipment	20,000	20,000	0	Achieved
124	Postage	20,000	20,000	0	Achieved
125	Print / stationery	30,000	30,000	0	Achieved
126	Rent payments	20,000	20,000	0	Achieved
127	HR Operations - restructuring & devolution	300,000	208,000	92,000	Costing of Devolution of HR operations now completed. Virements to Services have now been actioned. Unachievable income target from HRA remains.
128					
129	<b><u>Planning</u></b>				
130	Planning advice - new charge	35,000	35,000	0	Achieved
131	Section 106 - additional income	15,000	15,000	0	DPR Report on increased Section 106 fees

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
132	Planning fees - additional income	10,000	10,000	0	Dependant on demand - reactive to property market and national economic conditions
133					
134	<b>Valuation</b>				
135	Valuation- external income from developers	40,000	40,000	0	Expected to be achieved.
137					
138	<b>Public Offices</b>				
139	Rates Reduction at NLBP	287,000	287,000	0	Rates reduction expected to be achieved - awaiting formal notification/decision
140	Maintenance cut to Public Offices (West)	35,000	35,000	0	Achieved
141					
142	<b>Directors Group</b>				
143	Regrouping	210,000	210,000	0	Achieved
144					
145					
146	<b>TOTALS</b>	<b>14,367,500</b>	<b>11,186,390</b>	<b>3,181,110</b>	
147					
148	<b>Summary</b>				
149		<b>7,936,830</b>	<b>7,936,830</b>	<b>0</b>	
150		<b>3,288,000</b>	<b>3,505,590</b>	<b>(217,590)</b>	
151		<b>3,142,670</b>	<b>(256,030)</b>	<b>3,398,700</b>	
152	<b>Totals</b>	<b>14,367,500</b>	<b>11,186,390</b>	<b>3,181,110</b>	

Ref	Service Area	Description	Details	Total Saving £	Start Date	Saving 2004-05 £	Forecast Outturn £	Variance £	Progress & Risks of not achieving by 1 April
	<b>Borough Solicitor</b>								
AS01	Borough Solicitor	Supplies and Services	Supplies and Services	27,151	01.01.2005	6,788	-	6,788	
AS02	Borough Solicitor	Services	Court Fees	10,000	01.01.2005	2,500	-	2,500	
AS03	Borough Solicitor	Services	Land Registry Fees	2,500	01.01.2005	625	-	625	
AS04	Borough Solicitor		Counsels Fees	33,000	01.01.2005	8,250	-	8,250	
AS05	Borough Solicitor	IT	IT	20,800	01.01.2005	5,200	-	5,200	
AS06	Borough Solicitor	Registrars Income	Registrars Income	19,500	01.01.2005	4,875	-	4,875	
AS07	Borough Solicitor	Legal Fees - Receipts	Legal Fees - Receipts	35,000	01.01.2005	8,750	-	8,750	
AS08	Borough Solicitor	Court Costs Awarded	Court Costs Awarded	10,000	01.01.2005	2,500	-	2,500	
AS09	Borough Solicitor	Copying Charges	Copying Charges	1,000	01.01.2005	250	-	250	
	<b>Borough Treasurer</b>							0	
BS01	Borough Treasurer	Staff	Cashiers - Close Wood Street	30,000	01.01.2005	7,500	-	7,500	
BS02	Borough Treasurer	Staff	Internal audit - Delete one post	15,000	01.01.2005	3,750	-	3,750	Saving achieved through vacancy - already accounted for in budget monitoring
BS03	Borough Treasurer	Staff	Administration - Delete one post	25,000	01.04.2005	0	-	0	
BS04	Borough Treasurer	Other Expenses	Expenses service wide	15,000	01.01.2005	3,750	-	3,750	
BS04	Borough Treasurer	IT	Reduce IT budgets service wide	30,000	01.04.2005	0	-	0	
BS05	Borough Treasurer	Staff	Car allowances service wide	20,000	01.01.2005	5,000	-	5,000	
BS06	Borough Treasurer	Transport	Corporate - Car leasing	16,000	01.01.2005	4,000	-	4,000	
BS07	Borough Treasurer	Staff	CAFT - Vacancy factor	15,000	01.01.2005	3,750	-	3,750	
BS08	Borough Treasurer	Staff	Welfare rights - Delete one post	21,000	01.01.2005	5,250	-	5,250	Saving achieved through vacancy - already accounted for in budget monitoring
BS09	Borough Treasurer	Staff	Accountancy - Mini restructure	80,000	01.09.2005	0	-	0	
BS10	Borough Treasurer		Grants	25,000	01.04.2005	0	-	0	
BS11	Borough Treasurer	Staff	Assessments - Delete one post	25,000	01.04.2005	0	-	0	
	<b>Central Expenses</b>							0	
CS1	Central Expenses	Misc	Democratic Health Network	690	2004-05	690	-	690	
CS2	Central Expenses	Misc	London Team Against Fraud	7,500	01.04.2005	0	-	0	
	<b>Children's Services</b>							0	
DS2	Children's Services	Efficiency review		278,000	2004-05	278,000	-	278,000	Efficiency target agreed by Cabinet before CPO completed their work to recommend how the savings may be achieved. This work is now completed and the proposals accepted but there will be no saving in 2004-5.
	<b>Committee</b>							0	
ES01	Committee		Reduction of one manager post	18,000	15.11.2005	0	-	0	Will be achieved in 2005/06
ES02	Committee		Reduction of 1/2 x FTE post within Member Support Team	13,000	01.04.2005	0	-	0	Will be achieved in 2005/06
ES03	Committee		Reduction of 1 1/2 x FTE posts in Office Support Team.	37,000	01.04.2005	0	-	0	Will be achieved in 2005/06
ES04	Committee		Supplies & Services	3,000	01.04.2005	0	-	0	Will be achieved in 2005/06
ES06	Committee		Transport	2,000	01.04.2005	0	-	0	Will be achieved in 2005/06
	<b>Community Care</b>							0	

Ref	Service Area	Description	Details	Total Saving £	Start Date	Saving 2004-05 £	Forecast Outturn £	Variance £	Progress & Risks of not achieving by 1 April
FS1	Community Care	Services	Placements	450,000	£338K 09.04	338,000	338,000	0	
FS2	Community Care	Supplies and Services	IT	15,660		15,660	15,660	0	
FS3	Community Care	Supplies and Services	Printing & Stationery	13,895		13,895	13,890	5	
	<b>CPO &amp; IS</b>							0	
GS3	CPO & IS	Equipment & Materials	Procurement savings	300,000	01.04.2005	0	-	0	
GS1	CPO & IS	Services	HBS Business Services - Print Contract	60,000	01.04.2005	0	-	0	
GS1	CPO & IS	Services	IS Partners	15,000	01.04.2005	0	-	0	
GS2	CPO & IS	Staff	IS vacancies	30,000	01.04.2005	0	-	0	
	<b>Customer Care</b>							0	
HS05	Customer Care	Staff	Cessation of Translation Service	65,460	01.01.2005	16,365	-	16,365	
HS07	Customer Care	Equipment & Materials	Savings on running costs	27,659	01.04.2005	0	-	0	
HS08	Customer Care	IT Services	Savings on IT expenditure	24,550	01.04.2005	0	-	0	
HS09	Customer Care	Media Fund	Savings on purchase of stock	30,000	01.04.2005	0	-	0	
HS10	Customer Care	Staff	Staff restructure	221,320	01.04.2005	0	-	0	
	<b>Design</b>							0	
KS15	Design	Services	Design services	250,000	01.04.2005	0	-	0	Phase 2 restructure
	<b>Development</b>							0	
	Development	IT		3,080	01.01.2005	770	-	770	
NS06	Development	staff savings		14,295	01.04.2005	0	-	0	
	<b>Education</b>							0	
IS04	Education	Planning, Access & resources	reorganisation	95,000	01.04.2005	0	-	0	
IS05	Education	Planning, Access & resources	travel passes	50,000	01.04.2005	0	-	0	
IS08	Education	Planning, Access & resources	Publications	10,000	01.04.2005	0	-	0	
IS07	Education	Standards & Inclusion	Delete transport client officer post	20,000	01.04.2004	20,000	20,000	0	Vacant post will be deleted 01/04/2005
IS09	Education	Early Years, Families, Play & Youth	Reorganisation	70,000	01.04.2005	0	-	0	
IS10	Education	Children & Family Day Centres	salaries reduction	40,000	01.04.2005	0	-	0	
IS11	Education	Play & After School service	staffing reductions	10,000	01.04.2005	0	-	0	
IS12	Education	Fees & Charges	Traded Services	50,000	01.04.2005	0	-	0	
IS13	Education	Standards & Effectiveness	increased use of grant income to fund posts	50,000	01.04.2005	0	-	0	
IS14	Education	Standards & Inclusion	Grant income to fund posts	25,000	01.04.2005	0	-	0	
IS15	Education	Standards & Effectiveness	reduce EBP grant by 3% -efficiency saving	2,500	01.04.2005	0	-	0	
IS16	Education	Standards & Effectiveness	Reduced running costs	7,500	01.04.2005	0	-	0	
	<b>Environment</b>							0	
JS06	Environment	Services	LA 21 Grants	5,000	01.04.2005	0	-	0	
JS07	Environment	Staff	Parks & Open Spaces - management	115,000	01.04.2005	0	-	0	Redundancy notices issued. Interviews carried out.
JS08	Environment	Staff	Staff - overtime	3,500	01.04.2005	0	-	0	

Ref	Service Area	Description	Details	Total Saving £	Start Date	Saving 2004-05 £	Forecast Outturn £	Variance £	Progress & Risks of not achieving by 1 April
JS08	Environment	Staff	Management and Support	500	01.04.2005	0	-	0	
JS09	Environment	Equipment and Materials		50,000	01.04.2005	0	-	0	
JS09	Environment	Services	Street Cleansing - external graffiti	12,000	01.04.2005	0	-	0	
JS10	Environment	Equipment and Materials	Domestic Refuse - bin purchase	15,000	01.04.2005	0	-	0	
JS10	Environment	Equipment and Materials	Domestic Refuse - protective clothing	4,000	01.04.2005	0	-	0	
JS10	Environment	Fees & Charges	Domestic Refuse - special collection income	10,000	01.04.2005	0	-	0	
JS11	Environment	Services	Road structural repairs	35,000	01.04.2005	0	-	0	
JS12	Environment	Services	Allotments	50,000	01.04.2005	0	-	0	
JS13	Environment	Staff	Street Enforcement Service	805,000	01.01.2005	201,250	150,000	51,250	Restructure approved by General Functions (November 2004).
JS14	Environment	Fees & Charges	Golf Courses - running costs	108,000	01.04.2005	0	-	0	
JS15	Environment	Services	Abandoned Vehicles	12,000	01.10.2004	6,000	12,000	-6,000	
JS16	Environment	Training	Grounds Maintenance	10,000	01.04.2005	0	-	0	
JS17	Environment	Services	Highways Maintenance	50,000	01.04.2005	0	-	0	
JS18	Environment	Services	Mill Hill Depot	100,000	01.01.2005	0	-	0	
JS19	Environment	Stationery	SES/Street Cleansing	870	01.04.2005	0	-	0	
JS19	Environment	Printing	SES	166	01.04.2005	0	-	0	
JS19	Environment	Stationery	Refuse	350	01.04.2005	0	-	0	
JS20	Environment	Equipment and Materials	SES	1,216	01.04.2005	0	-	0	
JS21	Environment	IT	Residential Services/Catering	4,920	01.04.2005	0	-	0	
JS22	Environment	Fees & Charges	Recycling - increase in green waste collection	44,000	01.04.2005	0	-	0	
	<b>Highways</b>								0
KS03	Highways	Staff	Staffing	32,000	01.01.2005	8,000	- 2,000	10,000	
KS07	Highways	IT	IT - invest to save	50,000	01.04.2005	0	-	0	
KS08	Highways	Equipment and Materials		2,864	01.04.2005	0	-	0	
KS08	Highways	General Office Expenses		500	01.04.2005	0	-	0	
KS08	Highways	IT		11,520	01.04.2005	0	-	0	
KS08	Highways	Other Expenses		50,808	01.04.2005	0	-	0	
KS08	Highways	Printing		3,946	01.04.2005	0	-	0	
KS08	Highways	Stationery		1,444	01.04.2005	0	-	0	Expenditure to be contained within budget
KS09	Highways	Services	Street Lighting - maintenance	300,000	01.04.2005	0	-	0	Close work planning and management of work necessary
KS10	Highways	Misc	Misc - Routine Works	40,000	01.04.2005	0	-	0	Close work planning and management of work necessary
KS11	Highways	Fees & Charges	Private Works Reinstatement - Developers Income	10,000	01.04.2005	0	-	0	Fees and charges increased
KS11	Highways	Fees & Charges	Rechargeables	20,000	01.04.2005	0	-	0	Fees and charges increased
KS12	Highways	Equipment and Materials	Car Parks - repairs/maintenance	8,000	01.04.2005	0	-	0	Expenditure to be contained within budget
KS12	Highways	Equipment and Materials	Disabled Crossing Facilities	5,000	01.04.2005	0	-	0	Expenditure to be contained within budget
KS12	Highways	Staff	Schools Crossing Patrols	5,000	01.04.2005	0	-	0	Expenditure to be contained within budget
KS13	Highways	Equipment and Materials	Home Zones - works budget	30,000	01.04.2005	0	-	0	Expenditure to be contained within budget
KS14	Highways	Fees & Charges	Parking Income	50,000	01.01.2005	12,500	-	12,500	Fees and charges increased - income subject to demand

Ref	Service Area	Description	Details	Total Saving £	Start Date	Saving 2004-05 £	Forecast Outturn £	Variance £	Progress & Risks of not achieving by 1 April
	<b>Housing -General Fund</b>							0	
LS01	Housing -General Fund	Community centre staffing		13,000	01.01.2005	3,250	-	3,250	
LS02	Housing -General Fund	IT		16,800	01.10.2004	8,400	-	8,400	
LS03	Housing -General Fund	Temporary Accomodation		50,112	01.04.2005	0	-	0	
	<b>Human Resources</b>							0	
MS06	Human Resources	Equipment and Materials	Service Wide	25,000	01.04.2005	0	-	0	
MS06	Human Resources	Staff	Service Wide	125,000	01.04.2005	0	-	0	
	<b>Planning</b>							0	
NS02	Planning	Employees		13,298	01.01.2005	3,325	-	3,325	
NS03	Planning	Transport		2,330	01.01.2005	583	-	583	
NS04	Planning	Supplies & Services		10,207	01.01.2005	2,552	-	2,552	
NS05	Planning	Income		61,606	01.01.2005	15,402	-	15,402	
	<b>Public Offices</b>							0	
	Public Offices	Equipment and Materials		889	01.04.2005	0	-	0	
	Public Offices	Equipment and Materials	Floral Decorations	154	01.04.2005	0	-	0	Will be achieved in 2005/06
	Public Offices	General Office Expenses		142	01.04.2005	0	-	0	
	Public Offices	Printing		400	01.04.2005	0	-	0	
	Public Offices	Staff		10,598	01.04.2005	0	-	0	
	Public Offices	Staff		279	01.04.2005	0	-	0	
	Public Offices	Staff		105	01.04.2005	0	-	0	
	<b>Strategic Directors</b>							0	
PS01	Strategic Directors	Executive Directors Running Costs	Reduced Printing, Conference and Stationery Budgets	25,160	01.10.2004	12,580	-	12,580	
PS02	Strategic Directors	Consultants Fees	Remove Consultants Fees budget for Arts Depot	31,000	01.04.2005	0	-	0	
PS03	Strategic Directors	Young Peoples Team	Efficiency Savings within Young Peoples Team	15,000	01.01.2005	3,750	-	3,750	
PS04	Strategic Directors	Communications	Reduce First team to 4 issues a year	11,000	01.10.2004	5,500	-	5,500	
	<b>Valuation</b>							0	
HS10	Valuation	Equipment and Materials		4,000	01.04.2005	0	-	0	
HS10	Valuation	Staffing		14,600	01.04.2005	0	-	0	
	<b>TOTAL</b>			<b>5,274,344</b>		<b>1,039,208</b>	<b>547,550</b>	<b>491,658</b>	



**AGENDA ITEM: 17**      Page nos.    80 – 88

Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Stonegrove / Spur Road housing estates – progressing the estates regeneration scheme</b>
Report of	Cabinet Members for <ul style="list-style-type: none"> <li>• Housing Neighbourhoods and Community Safety</li> <li>• Resources</li> <li>• Performance, Partnerships &amp; Best Value</li> </ul>
Summary	This report makes proposals that seek to progress the estates regeneration scheme and to safeguard the Council's capital finance position. The report reminds Members of (i) the primary objectives of the regeneration scheme and (ii) the financial liabilities already arising, and to consider an early disposal of part of the scheme land to commence achievement of (i) and significantly reduce the risks arising from (ii).

Officer Contributors	David Stephens, Chief Valuer, Resources Directorate Jonathan Lloyd-Owen, Regeneration Manager
Status (public or exempt)	Public
Wards affected	Edgware
Enclosures	N/A
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Contact for further information: Dave Stephens, Property Services and Valuation –  
Tel: 020 8359 7353

## **1. RECOMMENDATIONS**

- 1.1 That agreement be given in principle to the freehold sale of the land on the Stonegrove/Spur Road housing estates shown edged black on plan No.1 attached to the report to Family Housing Association subject to:**
- i. the grant of consent by the ODPM; and**
  - ii. final approval by the committee of the financial arrangements as a condition of the land transfer.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1** Cabinet 10 December 2001 - Agreed that Family Housing Association be approved as the Council's preferred development partner for the regeneration of the Stonegrove and Spur Road estates and the appropriate Chief Officers be instructed to work with Family Housing Association to progress the regeneration proposals, reporting to future meetings of Cabinet on property acquisition and land transfer issues as appropriate
- 2.2** Cabinet 9 September 2002 – Agreed that the Heads of Terms agreed with the consortium of Family Housing Association and Unitary and with Edgware School as set out in the report, including the underwriting provisions, be approved in principle and the Borough Solicitor be instructed to complete the necessary documents in forms to his approval subject to the final financial arrangements being approved by a future meeting of the Cabinet Resources Committee.
- 2.3** Cabinet Resources 4 November 2003 – considered a report detailing the financial provisions of the Underwriting Agreement and the events which would trigger payment by the Council to the consortium. The committee agreed to enter into the Underwriting Agreement.
- 2.4** Planning and Environment Committee – 22 September 2004 – approved, subject to conditions and reserved matters, the grant of an outline planning application for the Stonegrove/Spur Road Regeneration Scheme.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1** The Corporate Plan commits the Council to 'plan and manage land use and development in Barnet enhance quality of life and provide tangible benefits for the community.' The proposals in this report will do this by (i) achieving an early implementation of the regenerations scheme; and (ii) significantly reducing the Council's exposure to financial risk.
- 3.2** The Council is required by the ODPM to bring its housing stock up to Decent Homes standard by 2010. The Council has undertaken to achieve this standard on the regeneration estates substantially through redevelopment and the re-provision of the existing housing.

## **4. RISK MANAGEMENT ISSUES**

- 4.1** The main risks to the Council's regeneration policy objectives and its financial exposure are set out in the report.

- 4.2 The proposals expressly provide for the contingency of the overall regeneration scheme not proceeding and the Council's payment obligations in the underwriting agreement being triggered. In such an instance the financial arrangements will provide for the Council to achieve full market value for the phase C land (based upon the scheme to be built) which can be used to offset the underwriting agreement liability and is expected to also produce a capital surplus which can be used for other capital programme priorities.
- 4.3 The Business Plan for the Stonegrove scheme has assumed a Housing Corporation contribution to the affordable housing element. The £8.6m on offer for the phase C scheme is an early 'win' but the money must be committed shortly otherwise there is a risk that this funding could be lost to the Borough. If this happens then there is a chance that it will adversely impact upon the chances of other Housing Corporation funding becoming available.
- 4.4 The disposal for either scenario is conditional upon the consent of the ODPM and to the grant of planning permission.
- 4.5 This report is agreeing in principle to certain land transactions taking place ahead of the Principal Development Agreement being signed. The result of further discussion and negotiation with the development partner will be reported back to a subsequent meeting of this committee, at which time a full risk assessment on each of the possible outcomes will be provided.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 If the report proposals are agreed, officers will enter into detailed discussions with Family Housing Association regarding the financial arrangements for each of the scenarios, reporting the outcomes to a future meeting of the committee for further consideration.
- 5.2 If the land transfer ultimately proceeds then it is expected that the £8.6m Housing Corporation funding will be secured.
- 5.3 When reporting back to the Committee upon the results of the further negotiations with Family Housing Association, the issues of the Council's £8m contribution to the overall scheme and any restrictions on spending any capital receipt from the Phase C site will be addressed.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Council Procedure Rules – Financial Standing Orders & Rules for Disposal of Land and Real Property.
- 7.2 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

### **REASON FOR THE REGENERATION SCHEME**

8.1 It was reported to the 10.12.01 Cabinet meeting that in July 2001 the then Department for Transport, Local Government and the Regions (DTLR) had issued guidance to Local Authorities on meeting 'Decent Homes' standards. The guidance set out the criteria for determining whether homes failed the reasonable state of repair test. In particular the guidance referred to a home failing the test if it lacked three or more of the following:

- i. A reasonably modern kitchen;
- ii. A kitchen with adequate space and layout;
- iii. A reasonably modern bathroom;
- iv. An appropriately located bathroom and WC;
- v. Adequate noise insulation;
- vi. Adequate size and layout of common areas for blocks of flats.

Homes should also provide a reasonable degree of thermal comfort.

8.2 It was stated in the 2001 report that it was known from the stock condition information available at the time that on the Stonegrove and Spur Road estates the kitchens, bathrooms and windows would fail the criteria tests, and in particular that poor windows and inadequate heating systems lead to severe condensation, substantial heat loss and fuel poverty. The DTLR had issued all Local Authorities with a target date of 2010 for all homes to meet the standards. This would be a major task for the Council and therefore the regeneration of the Stonegrove and Spur Road estates was seen as an ideal opportunity to have nearly 500 homes re-provided to fully meet the decent homes criteria.

8.3 In response to the need to address the heating, condensation and general structural repair problems and the modernisation requirements for the homes on these estates, opportunities of working with a Housing Association partner to regenerate the estates were investigated. It was clear from the consultation with the residents that they had firm aspirations about what they expected from any regeneration of the housing estates. As well as modern, comfortable, energy efficient homes, they also want a thriving community – good parking, well lit streets, recreational and community facilities, shops, good public transport links, employment opportunities, and integration with the proposals for the new Edgware School City Academy. It was considered that this presented a clear opportunity for the Council to meet the Governments requirement of Local Authorities to ensure their housing stock met the Decent Homes Standards.

- 8.4 Residents support has been strong throughout the consultation, design and planning phases of the scheme; in August 2003 88% of estate households voted in favour of the regeneration proposals on a turnout of 75%. A Partnership Board with strong resident representation has been established to guide and drive the development and the long-term management of the neighbourhood.

#### BASIS OF AGREEMENT WITH THE CONSORTIUM

- 8.5 The following principal terms agreed with the consortium of Family Housing Association and its developer partner, Unitary, were considered and approved by the committee at its meeting on 9 September 2002:
- i. The Council to transfer to the consortium the majority of the land and buildings on the Stonegrove and Spur Road housing estates with vacant possession and on a phased basis for the sum of £1.
  - ii. The Council to also transfer to the consortium the freehold of the 3.34 hectares approximately of the existing Edgware School land subject to (a) the prior construction by the trustees of new buildings to accommodate the London Academy on the remainder of the Edgware School land; and (b) the acquisition by the trustees of a sufficient interest in the green belt land on the north side of Spur Road for use as playing/sports fields.
  - iii. As the project was being promoted by the Council, the consortium was seeking an agreement for the Council to underwrite part of its development costs. The exempt report included a schedule of the costs which were likely to be incurred by the consortium up to the date when the project becomes unconditional. The costs will be incurred incrementally and thus the full amount of the agreed underwriting may not become payable. Additionally, the costs will not be payable if the consortium withdraws for any reason other than those within the underwriting agreement. The schedule of the costs likely to be incurred by the consortium up to the date when the matter becomes unconditional and the regeneration works start on site were subject to further negotiation but it was anticipated that the final figure could be in the region of £1.2m to £1.3m.
- 8.5 It was further reported that if it was agreed that these costs were to be underwritten by the Council the expenditure could be met from the sale by the Council of the surplus school lands for residential development. If the housing estates regeneration was not proceeding but the London Academy scheme did go ahead, the Council would still need to sell this land so that the school/DfES could receive the agreed £6m. It is understood that the consortium's costs have now exceeded £1.3m.
- 8.6 Although there has been significant progress on various elements of the project, Officers have not so far been in a position to report to the Committee on the overall financial package and therefore none of the land has yet been transferred.

## CURRENT POSITION/COMMITMENTS

- 8.7 The Planning and Environment Committee at its meeting on 22 September 2004 resolved to grant outline planning permission for the housing estates regeneration scheme subject to referral to the Secretary of State and the Mayor of London and to the applicant entering into a Section 106 Agreement. Formal grant of the outline planning permission has not yet happened.
- 8.8 Whilst there have been on-going discussions with Family Housing Association and Unitary, the Principal Development Agreement has not been finalised and works remains to be done on preparing the Compulsory Purchase Order (CPO). There has however been positive progress on both of these issues.
- 8.9 Whilst the grant of the outline planning permission, assuming it happens, will remove one of the triggers which would require the Council to make payment pursuant to the under-writing agreement, other triggers are still capable of occurring. These include:
- i. Failure to achieve a confirmed CPO;
  - ii. Non-release of the 'surplus' former Edgware School lands for use as part of the housing regeneration scheme;
  - iii. If the Council withdraws from the project;
  - iv. The project is financially unviable.
- 8.10 In regard to the 'surplus' former Edgware School lands, whilst there has been provisional agreement with All Souls College to take an appropriate interest in the land on the north side of Spur Road for use as playing fields by the Academy, the transaction has not yet been completed. Thus, an element of risk still attaches to this trigger.
- 8.11 As previously reported, it was hoped that the release of the 'surplus' school lands would realise sufficient money from Family Housing Association to cover the costs of acquiring the All Souls land. Unfortunately, because of timing issues this is no longer possible. The purchase price and other costs linked to the All Souls land purchase is to be covered by prudential borrowing of around £3m. Thus, the Council now has the revenue burden of this borrowing as well as an on-going risk of having to pay out £1.3m on the under-writing agreement with that latter sum not being covered by the suggested land transaction whilst the All Souls land 'purchase' is outstanding.
- 8.12 In addition to the above commitments and risks the meantime the Council still has a duty to take action to ensure that its housing stock meets Decent Homes Standards. The residents on the estates have the same expectation.

## AN OPPORTUNITY TO PROGRESS THE SCHEME AND MITIGATE RISK

- 8.13 The Council needs to take forward the regeneration scheme and at the same time look for opportunities to improve its financial position, and in particular to reduce its financial risk. Consequent upon the issues referred to in paragraph 8.11 above officers have given consideration as to how the under-writing liability can be off-set without impacting on capital receipt expectations elsewhere. It is believed that an opportunity to do this exists within the Stonegrove/Spur Road regeneration area.
- 8.14 Attached to the report is a plan showing part of the existing housing estate. It comprises a community centre (which is used infrequently, but in the main by Barnet College), 44 garages in blocks - 30 of these are currently occupied upon a weekly rental basis, and some grassed amenity areas. The whole has an area of approximately 0.7 hectares/1.7 acres. Within the outline regeneration scheme this is known as the Phase C site. The scheme shows this as potentially being developed with a scheme of 74 one, two and three bedroom affordable housing units. In isolation, the site has the potential for generating value as well as progressing the regeneration scheme in a logical fashion.
- 8.15 The Phase C site has been selected because (i) its redevelopment does not require the rehousing of any residents; (ii) within the current redevelopment scheme, it will provide new affordable housing which will be used to start the decanting from other phases; and (iii) it is not deemed to be the highest value land on the estates which will be required to deliver maximum value to provide cross-subsidy for the scheme as a whole.
- 8.16 Officers have taken the initiative and discussed with Family Housing Association the possibility of this site being developed in advance of confirmation of the overall development as an early win. The idea being that the site would initially be transferred to the Housing Association at nil value but upon the following basis:
- i. If the regeneration scheme is to proceed then the site will be developed with the intended 74 affordable housing units. The land value for such a scheme will be agreed and provision made in the transfer agreement for that to be properly factored into the regeneration scheme business plan. This would be in line with the principal terms already provisionally approved and as referred to in paragraph 8.5 (i) above.
  - ii. If the regeneration scheme is not to proceed then Family Housing Association will seek planning permission to develop the site with a mix of private and affordable housing. The transfer arrangements will include provision for the Council to receive full market value from Family Housing Association for the land based upon the granted planning permission.
- 8.17 This report is seeking an in principle agreement to the proposal so that Officers can take engage with Family Housing Association on land values and how that value will be maximised to the Council's benefit in either scenario, with the outcome being reported to a future meeting of the committee for further consideration.

- 8.18 In both scenarios the Council will have 100% nomination rights to the affordable housing. If the Stonegrove scheme proceeds then the nomination rights will be used for the re-housing of tenants from other parts of the estate. If the regeneration scheme does not proceed then the nomination rights are likely to assist with whatever other course of action the Council pursues for improving the standard of housing on the estate. Both scenarios are subject to the grant of a detailed planning permission.
- 8.19 Family Housing Association has done some work on the proposals. By taking the land for the 74 unit scheme it can secure Housing Corporation grant of £8.6m to support this part of the scheme provided works start on site before 1<sup>st</sup> April 2006 – this sum was always assumed within the Business Plan, but delays within the project have now made this deadline more critical. If scenario (ii) is pursued a lesser sum of grant money may be available and secured proportionate to the reduced number of affordable units to be provided.

#### BENEFITS FOR THE COUNCIL

- 8.20 The most significant advantage for the Council is that this arrangement will fully mitigate the liability for the £1.3m potentially due under the under-writing agreement. If the scenario i. development goes ahead then it means that the whole project is proceeding and the under-writing agreement is no longer operable. However, if scenario ii. Is pursued then the Council can expect a sufficient capital receipt to cover the under-writing agreement liability and leave other capital to be invested in alternative capital schemes or possibly to repay part of the prudential borrowing for the All Soul's College land purchase.
- 8.21 If scenario i. proceeds it will attract £8.6m of investment in improving the housing stock in the Borough and will facilitate the next stage of the regeneration project. If scenario ii. Proceeds the nomination rights will be available to assist the borough in meeting the housing needs of those on the housing register.
- 8.22 Were it not for the regeneration scheme officers would be looking for in-fill sites such as this where housing development schemes can have the advantage of solving local problems and providing much needed modern housing – the development on the Gold Lane garages site in Burnt Oak is a good example of this.

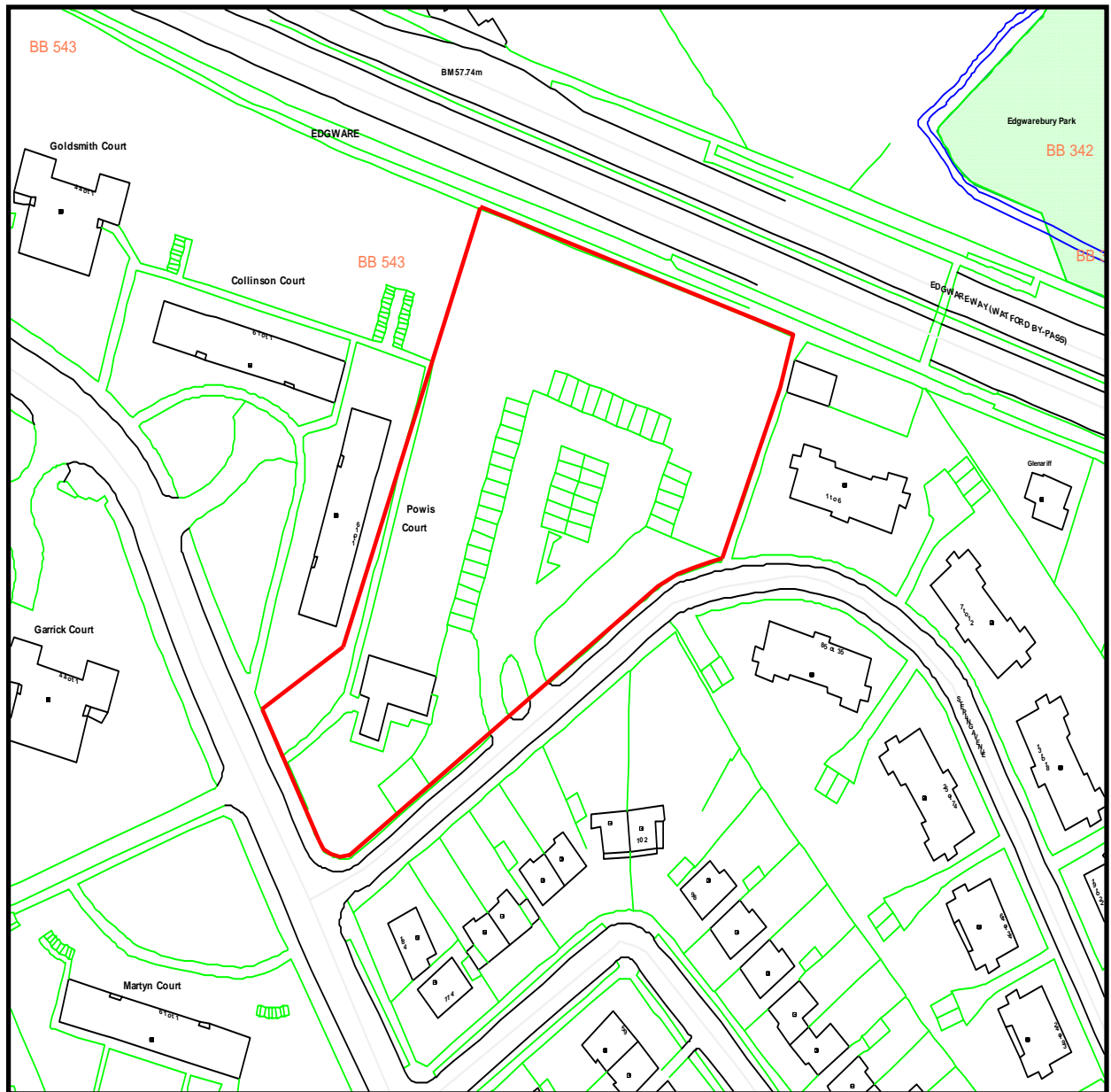
#### 9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: POJ  
BT: CM



## Plan 1- Community centre, garages and adjoining land, Stonegrove Spur Road



Not to scale

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**AGENDA ITEM: 18**      Page nos.    89 – 100

Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Government consultation paper – three-year revenue and capital settlements</b>
Report of	Cabinet Member for Resources
Summary	Government plans to introduce three-year revenue and capital settlements for local authorities, police authorities and fire and rescue authorities in 2006/07 and is seeking views from local authorities and other stakeholders on proposals for implementing this. The consultation period ends 11 March 2005.

Officer Contributors	Borough Treasurer
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Clive Medlam

## **1. RECOMMENDATIONS**

- 1.1 That the Borough Treasurer be instructed to respond to the Office of the Deputy Prime Minister (ODPM) along the lines set out in this report.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Improvements in the way Government announces grant settlement could have a significant impact on the council's ability to do effective forward planning.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Government grants are a critical funding element of local government. Fixing funding for three years will increase stability and predictability at the expense of accuracy of grant allocated based on the most up to date information. This will result in grant losses or gains when compared to grant allocations based on annually updated data.
- 4.2 The council will therefore need to decide whether it supports increased certainty in its grant allocations with the risk that there may be a loss (or gain) of grant if the most up to date information had been used.

## **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 None.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution, Part 3, Section 3 – Responsibilities of the Executive.

## **8. BACKGROUND INFORMATION**

- 8.1 A consultation on proposals for giving authorities greater certainty and stability in funding was published on 15 December by the Office of the Deputy Prime Minister.
- 8.2 Government plans to introduce three-year revenue and capital settlements for local authorities, police authorities and fire and rescue authorities in 2006/07. As part of taking this forward, the Government is seeking views from local authorities and other stakeholders on proposals for implementation. A copy of the consultation paper has been placed in the Group rooms and can be viewed at [http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_033478.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_033478.pdf)
- 8.3 The consultation paper also contains proposals requiring local authorities to publish forward indications of budget levels and council tax. The final chapter considers current reforms including the Lyons review of local government funding, the Gershon efficiency agenda, ring fenced funding for schools, a new central and local government strategy, local area agreements, regional funding, the HRA and legislation requirements.

- 8.4 The remainder of this report summarises the content of each chapter of the consultation document. The boxes following each section set out comments on the proposals and outlines the intended response to Government.

### **Chapter 1 - The Government's overall approach to three year settlements**

Government outlines the current regime and its views on the limitations of annual allocations:-

- Authorities have little time to plan budgets with certainty.
- Changes to functions and corresponding finance are made late in the day.
- Specific grant allocations may come too late to be taken into account in budget setting decisions.
- Grant is based on the latest available data but annual settlements hinder effective medium term planning.
- It is difficult to take decisions on longer term projects.
- Council tax rises can be volatile due to the inability to plan.
- Voluntary and community sector bodies cannot rely on long term funding from local authorities.

Government has set the following key objectives for three-year settlements:-

- Greater certainty for funding local services. Authorities to have as much certainty as possible about funding second and third years of the Government's Spending Review period.
- Authorities to use this greater certainty to strengthen financial management, forward planning and more efficient use of resources.
- Authorities should introduce multi-year funding for external organisations and projects. Government agencies should also introduce three-year funding certainty.
- Better local management of risk and greater stability in council tax.

To meet the objectives, Government considers the design arrangements should meet the following principles –

- The approach will mirror the Spending Review so that Departments cascade their own three-year settlements to authorities as far as possible.
- The approach applies to both capital and revenue unless there is a clear rationale for not doing so.
- Resources should be allocated in as transparent a way as possible.
- Authorities should publish three-year budget plans and consequences for council tax in these years.
- Changes in responsibilities should be aligned to the Spending Review and not made during the three-year period.

Government plans to move to three year settlements in 2006/07 so that revenue and capital allocations for 2006/07 and 2007/08 are made in Autumn 2005. An added complication is that the 2007/08 formula grant will need to reflect council tax revaluation but draft valuations from the Valuation Office Agency are not due until September 2006. So as not to delay the introduction of three-year settlements, provisional allocations will be announced to be amended as a result of the revaluation.

Function changes would only be undertaken as part of the Spending Review process so that firm three-year formula grant settlements can be delivered (although funding changes may be in years two or three of the review). Any unplanned function changes within a three-year period will be funded by specific grant on the basis it will be rolled in revenue support grant at the next opportunity.

Unforeseen circumstances will need to be addressed from an authority's reserves subject to major emergencies subject to Bellwin grant.

There must be a rolling three-year forecast, not simply a fixed three year forecast linked to each Spending Review. Without this, forward planning only has any meaning in Year 1 of the fixed three year approach. A fixed three-year settlement is also contrary to the Prudential Code, which is supported by the Government and rightly sees ongoing financial forward planning as a three to four year rolling forecast as a minimum.

Government proposes retention of its capping powers, which would not improve stability as Government is still not prepared to pre-announce capping criteria. It also poses unanswered questions about how an a council would be capped at any point in the three year period, and how this would impact on future year's' budget projections and service plans. An example best illustrates the dilemma – would a council planning a 5% rise in Year 1 followed by a planned 1% increase in Year 2 be capped the following year (a compound increase of 6.05%) whereas a council planning a 3.5% rise in both years (a compound increase of 6.09%) escape capping? Government should scrap capping and allow authorities the freedom to undertake meaningful financial forward planning.

If Government intend to retain capping, whilst extolling three-year financial forward planning, they must publish their capping levels and criteria for the three-year period to enable authorities to plan with greater certainty.

## **Chapter 2 - Formula Grant Settlement**

Government sets out two options for providing three-year formula grant settlements, both of which use grant floors as a central element and include advance announcement of grant floors for each of the three years.

This is a positive move away from equalising council tax at the level of Formula Spending Shares (FSS) and notional assumptions about the relative cost of providing services. Greater certainty in the level of future years' grant has to be welcomed.

One option is to redesign the grant system to offer each authority a minimum fixed increase (equivalent to the floor), with two variable top-ups representing relative service costs calculated by formula and resource equalisation. The top-up would lend itself to marginal funding for new functions but reduces perceived equity of the current system.

A second approach might simply involve a flat rate percentage increase over the three years. Alternatively there could be differential increases between groups of authorities.

A third option could be a simpler formula using only three to four indicators.

The first option involving floors and top-ups appears the most complex but may enable some fine tuning of the three-year settlement. Any decision on the method of top-up must be fully explored with the Local Government Associations and consulted on before implementation. There is a risk that Ministerial judgment may be introduced and this would not be welcomed.

Whilst three-year settlements would result in some loss of accuracy (insofar as national indicators can ever be accurate proxies for local spending needs), every effort should be made to incorporate as much fairness into allocations as possible, even if this involves a more complex formula. Certainty of grant is maintained by the top-ups being calculated for three years and not changed for that period.

Councils might be willing to trade some grant increase for greater certainty if that enabled them to improve financial forward planning and make more effective decisions on resource allocation across services.

Government propose issuing three-year settlements in line with Spending Reviews so that the third year becomes the first year of the next. The third year's grant would still be fixed with any new funding in that year distributed as specific grant, however, the third year's formula grant (the first year of the new Spending Review) would be recalculated for data and formula changes thereby creating a notional base to allocate the grant for years two and three.

The first year of the new Spending Review would be the logical point at which to up-date data.

Government are considering only updating data at the point that formula and grant totals are revised. The alternative approach proposed would be to use forward projections of population and council tax base and freeze other data items.

Some forward projection of population data would appear reasonable, but the updating of the council tax base is not supported unless it merely involves a national uplifting of all authorities tax bases in order to calculate the Assumed National Council Tax without affecting distribution patterns between authorities.

It is difficult to see how the proposed ring-fenced school grant would be calculated for three years. It is assumed that this will be addressed as part of the DfES paper in 2005.

The longer data is not updated the greater the potential volatility in grant when data is finally updated. Government is against retrospective distribution adjustments and suggest setting floors at higher levels in the change years to negate the need for special treatment of the worst affected authorities.

Retrospective amendment to formula grant is not supported as this would effectively represent no change to having annual grant settlements.

A key risk is the turbulence caused by updating the grant redistribution following a long period of stability. The use of higher floors may be the only acceptable method to avoid significant variations in grant for authorities. In such cases, Government should announce the floors as soon as possible or authorities will face major difficulties in forward planning for the new three-year period.

Government recognises the trade off of in stability for three years at the expense of fairness and accuracy. It may be that some form of modelling of options using assumed three year estimated data compared to actual data for recent years could be used to quantify the divergence of grant allocations and methods of stabilising distribution when new Spending Reviews are undertaken.

### **Chapter 3 - Specific Grants**

Specific grants represent a significant element of local authority finance and will, wherever possible, be included in three-year settlements. The exceptions proposed are:-

- **Grants paid on an expenditure basis** (including housing and council tax benefit subsidy) although the rules and criteria and how grant will be calculated will be announced on a three-year basis.

- **Bid-based grants** which are subject to government assessment of which projects offer best value.
- **Grants based on performance** such as Public Service Agreements reward grant and Planning Delivery Grant.
- **Pilots** are grant funded for testing new approaches and depends on local outcomes.

Specific grants supporting annual expenditure must be incorporated into three-year settlements otherwise authorities will still be faced with uncertainty each year in funding ongoing services. This is especially true of the significant sums allocated via education and social services grants (and to an increasing extent Planning Delivery Grant), where short notice of annual allocations causes extreme difficulty in annual budgeting and makes it almost impossible to budget for future years.

The bid-based, performance and pilot grants outlined in the consultation paper should only relate to one-off expenditure or investment and can therefore be excluded from detailed three-year allocations subject to the Government making clear announcements at each Spending Review of amounts, criteria and timing of allocations for one-off grants.

#### **Chapter 4 - Capital allocations**

Government provides support for borrowing costs through Formula Grant based on notional debt including capital allocations and also capital grants. It proposes that, as far as practicable, there should be firm three-year capital allocations following a similar timetable to announcements on formula grant allocations.

Bid based programmes would cover the three years. This would restrict the introduction of new initiatives to every two years instead of annually. However, advantages are predicted in greater joined up funding, more time between bids being approved and starting with less abortive work and better cost effectiveness.

As with revenue, there is still the issue that programmes are not based on rolling three year plans, but instead three year fixed periods, which creates uncertainty towards the end of each Spending Review period. It may be that indicative allocations are provided for years 4 and 5 to at least provide some guidance that can be used in rolling three year capital programmes.

Despite there being no individual capital performance reward grants at present, Government mentioned these as being less immediate if subject to three-year allocations.

These principles appear reasonable, although the issue arising from introducing Prudential Borrowing of whether Government funding of capital should be provided by revenue support or capital grant has not been re-opened. Greater certainty is provided through capital grants and this case could be remade to the Government in this response.

Government propose retaining an element of funding to deal with emergencies, otherwise any cost would fall wholly on the authorities affected. This would cover transport, safety issues in schools, remedial works on contaminated land and tackling air pollution hot spots. Specific sums would be set aside for three-year periods based on actual demand.

Retention of funding by the Government to meet specific problems is acceptable provided any surplus resources are retained for local authority purposes in later years if not previously allocated. An alternative would be for Government to create ring-fenced emergency funds with planned annual contributions to maintain them at an adequate level. Should the funds exceed the required level, reduced or no annual contributions would be required, the provisions for which could be included as additional funds for local authorities.

Large one-off projects including transport schemes and Building Schools for the Future involve switching allocations between projects that slip or whose cost profile reduces materially and those that can be brought forward. Government wish to maintain this flexibility of 'returning allocations to the centre' so as to manage projects more effectively by transferring funding to where it is needed, when it is needed.

Government is unsure as to how to define a 'large project', which might be done by referring to one or more cash value thresholds or a threshold based on an authority's ongoing capital programme.

In contrast, small-scale bid-based projects might also be considered under a similar process<sup>1</sup> where appropriate.

As the paper states, the size of authorities makes the definition tricky. A simple cash threshold would bar smaller authorities from taking advantage of opportunities so a variable threshold by class of authority would seem more appropriate. However, it would need to be adjusted for regional variations by a form of Area Cost Adjustment.

It may be that a £10m threshold could be set for counties and this is set for other classes of authorities pro-rata to ANCT<sub>(1)</sub> or estimated total SCE(R)<sub>(1)</sub> for each class. Some exemplification of possible options is needed so as to assess the relative effects of the different options.

Thresholds based on a percentage of each authority's ongoing capital programme would create uncertainty and complicate the process in terms of variations in local programmes as major schemes drop out and how the base for application of the threshold percentage is to be calculated. This approach is not supported.

#### Implications for formula grant

Government believes that emergencies and large one-off projects should be funded by capital grants as the Formula Grant will not be able to take them into account until the next Spending Review. This would be supported by effectively freezing the Debt Charges FSS for three years and only updating it at the beginning of the next three-year cycle.

#### Housing Capital and Revenue Support Grant interface

This is a technical issue involving the splitting of housing capital financing between the Housing Revenue Account (HRA) and General Fund. Three-year housing capital support will require a change to current practice to enable revenue support to be allocated between HRA subsidy and Formula Grant.

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<sup>1</sup> ANCT = Assumed National Council Tax. SCE(R) = Supported Credit approval by revenue support grant.



### The Private Finance Initiative (PFI)

Government are concerned that whilst most PFI projects involve three-year lead times, there are a few maintenance projects that are considerably shorter and the scope and funding of some projects may alter. This means it will not be possible to absolutely fix PFI allocations for three years. This also affects the amount of PFI grant to be top-sliced from the Capital Financing FSS although reasonable forecasts should be possible.

Aligning the PFI grant calculation to those used in the Capital Financing FSS may result in gains or losses for authorities due to changes in interest rates in later years. As PFI grant is fixed in the long term it is important that the base year is as accurate as possible. Whilst it is accepted that this approach may cause a mismatch between the calculation of FSS and PFI grant support, the loss to individual authorities undertaking PFI may be critical as opposed to any losses shared over all authorities' FSS. In this case it is suggested that any tilting of the level playing field is made towards authorities undertaking PFI.

### **Chapter 5 – Three year budget and council tax information**

Government wants authorities to publish forward indications of budget levels and, as far as practicable, council tax. It sees this as a way of passing on greater certainty of grant settlements to council tax payers and also of obtaining indications of likely trends in future expenditure and council tax. In support of this move, Government are looking at the option of introducing legislation requiring levying bodies to publish forward projections of budgets.

The publication of additional information should be a matter for local discretion given the political sensitivity of council tax increase and remaining difficulties in predicting future expenditure and income requirements. Best practice guidance based on the Prudential Code could be introduced but local authorities should be free to decide on the extent of publication (see below).

Legislative requirements for indicative projections of levies would assist where they are significant. It may be that levies over a certain threshold would be subject to legislation.

Some levies are significant within their own right, specifically North London Waste Authority and Concessionary Fares, and Government should consider legislation to give them the same status as precepts which would remove the expenditure from authorities' budgets so that they would not impact on the local authorities' own tax increases and capping.

Government believes there should be a legal requirement to publish budget and council tax projections in the information accompanying council tax bills. It is also looking at voluntary arrangements in advance of a statutory basis.

The Prudential Code already requires authorities to produce financial forward plans. These are made available at the annual council tax setting meeting for any interested parties to review and are subsequently available on the internet.

Fixed three-year settlements will secure the accuracy of future years' grant estimates but will not negate the need for grant estimations for year three onwards in order for authorities to produce three year rolling forward plans to comply with the Prudential Code and Comprehensive Performance Assessment.

Consultation is an important aspect of local governance but legislation should not be introduced to force authorities into publishing forecasts as final that will certainly change in the future.

Publication of best practice guidance building on the Prudential Code, which sets out the forward planning requirements might be considered, thereby leaving authorities with the scope to decide on the information published according to local requirements and circumstances.

A section entitled 'Freedom to depart from published figures' looks at alterations to the projections that will be required for unforeseen circumstances (including changes in administration). Controls could be put in place to ensure changes are only made in given circumstances on either a statutory or voluntary basis.

This does not make sense. Financial forward plans cannot be held up as final just because the Government provides three-year grant figures. Just a few examples of variations that will arise over any three-year period:-

- **Future taxbase figures** are dependant on local house building and occupancy levels, and also impact on the share of levies.
- **Inflation and pay awards** can be subject to significant change on an annual basis.
- **Pension costs.** Government is well aware of problems with increases in employer's contributions due to the downturn in the stock market and ageing population.
- **Insurance costs** can be subject to annual variation due to increase claims.
- **Interest rates** can vary considerably over even short periods of time and have a significant impact on the cost of short term borrowing and investment.
- **Adult and childrens placement** costs are spiralling and it is not possible to predict future years' budgets with great accuracy.
- **Demographic changes in population.** Whilst estimates can be made, changes are often unforeseeable and must be dealt with at short notice
- **Levies.** Barnet contributes to the North London Waste Authority (NLWA) and Concessionary Fares Scheme which have shown huge increases in costs in recent years. Whilst NLWA have provided forecasts for several years they have often proved to be inaccurate and resulted in significant changes to the council tax.
- **Loss of income due to changes in circumstances.** This applies to Barnet in respect of land charges fees where the sudden down turn in the property market can result in substantial reductions in income.
- **New initiatives** may be desirable to take advantage of an investment opportunity, e.g. Barnet leased new office accommodation at favourable rates which whilst adding to costs in the short term will provide savings in future years.
- **Impact of legal decisions.** An example here is the Hillingdon judgement which resulted in additional costs.

It makes no sense to suggest that departure from published figures should be limited to a definable set of circumstances. Forward plans must be flexible and subject to updating as more accurate information becomes available.

Government intend retaining its capping powers under a three year-settlement regime but will examine the interrelationship between these and any future statutory requirement for authorities to publish three-year budgets and council tax.

Comments on the issue of capping are dealt with in Chapter 1 due to its importance.

## **Chapter 6 – Context for implementation**

There are several reforms currently being explored by the Government. Brief consideration is given to these areas.

### Lyons Inquiry.

This will report on local government funding by the end of 2005, but three-year settlements should not prejudice future decisions.

### Efficiency Review.

Sir Peter Gershon saw the cascading down of three-year settlements across the public sector as an important part of the efficiency agenda, especially in supporting partnership working.

### Ring-fenced funding for schools.

At present, local authorities will be responsible for distributing ring-fenced government grant between schools at local level and can top-up Schools Budget using their own resources if they want. Government see three-year settlements as a way of providing certainty about the level of any top-up. DfES will issue a consultation paper early in 2005 on the introduction of the ring-fenced grant and three-year, academic year budgets for schools, including transitional protections for authorities currently spending in excess of their formula allocation. No authority will receive less funding than it currently spends.

### Strategy for local government.

Government is developing a strategy to be published in 2005 which will provide the framework for a new relationship between central and local government and other bodies having a stake in delivering local services. The strategy will take into account the move to three year-settlements.

### Local Area Agreements (LAAs)

These provide a mechanism to bring together the variety of supplementary funding streams that are directed to local authorities (often as specific grants) and other partners. Piloting of LAAs has only just begun and it is not clear whether they will be rolled out across England. Any roll out would align them to the cycle of three-year settlements.

### Regional funding

Any new regional funding initiatives would need to recognise three-year settlement for local government.

### Housing Revenue Account

The HRA should also move to a three-year settlement arrangement. However, as with Formula Grant, there is a risk of subsidy not matching needs and thereby creating shortfalls. The introduction of damping measures such as floors, ceilings or caps on subsidy, it is suggested, could reduce the risk, as would a move to per-dwelling allowance. Working of HRA subsidy on an annual allowance basis allows the regime to be responsive to changes in housing strategy, so losing the ability to respond annually will require greater flexibility initially

### Legislation

Current legislation requires an annual Local Government Finance Report to be approved by Parliament. The NNDR can also only be announced following the availability of two previous September retail price indices (RPI). Despite this constraint, Government can announce future grant allocations at the time of the settlement as its 'firm intentions'. However, under existing legislation the possibility that final allocations might differ from intended allocations cannot be ruled out. Longer term, legislation will need to be adapted to tailor it to three-year settlements including allowing the Secretary of State to set future NNDR distributions, requirements for authorities to publish forward indications of council tax and requirements for forward indications by levying bodies.

## **8. LIST OF BACKGROUND PAPERS**

- 8.1 ODPM Three-year revenue and capital settlements consultation paper issued 15 December 2004  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/page/odpm\\_locgov\\_033478.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_033478.pdf)
- 8.2 Any person wishing to inspect the background papers listed above should telephone  
  
Clive Medlam

BS: JEL

**AGENDA ITEM: 19**

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Meeting	Cabinet Resources Committee
Date	10 February 2005
<b>Subject</b>	<b>Management of the All Weather Pitch at Grahame Park.</b>
Report of	Cabinet Members for <ul style="list-style-type: none"> <li>• Culture, Community Engagement and HR.</li> <li>• Cabinet Member for Resources.</li> </ul>
Summary	This report proposes that Leisure Services manage the all weather pitch for the period February 2005 – December 2005 during evenings, weekends and holiday periods, and work with Pinnacle Education Sports Trust, or another partner, for them to build up their capacity to manage the facility from January 2006.

Officer Contributors	A.Hatvani	Acting Leisure Services Manager
Status (public or exempt)	Public	
Wards affected	Colindale Ward	
Enclosures	Appendix A – Risk Management	
For decision by	Cabinet Resources	
Function of	Executive	
Reason for urgency / exemption from call-in (if appropriate)	N/A	

Contact for further information: A.Hatvani Acting Leisure Services Manager 020 8359 7840

## **1. RECOMMENDATIONS**

- 1.2 That an agreement be reached for the Leisure Services to manage the all weather facility at Grahame Park for the period February 2005 – December 2005 inclusive during evenings, weekends and holiday periods.**
- 1.3 That the Leisure Services work with Pinnacle Education Sport Trust or another partner to build up their capacity so that they have the ability to manage the facility from January 2006.**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 Relevant Unitary Development Plan Policies: Barnet Adopted Unitary Development Plan (adopted 1991): G1, T1. 1, EDN3. 1, L1.3, L1.4. Barnet Revised Deposit Draft Unitary Development Plan (revised (2001):GBEnv1,D1, D2, D5, L19, L20, L21, M14, CS5.

2.2 Relevant history:

- The decision by Cabinet on 17 February 2002 to give approval to undertake the steps necessary to successfully deliver the construction of a Community Sports Pitch on Land owned by St James High School at Grahame Park.
- Planning granted for the sports pitch on 18 June 2003
- Cabinet Resources report, 4 November 2003. Grahame Park Community Sports Pitch (Report of cabinet Member for Borough Development and Planning and Cabinet Member for Community Development and Youth. Decision by Cabinet Resources to appoint a single contractor to construct the sports pitch and changing facilities
- Action taken by Cabinet Member(s) under delegated powers agreement to (i) amend to Cabinet Resource Committee's decision of 04.11.03 to issue a works order prior to finalisation of contract with AP Thompson Ltd (the contractor) in respect of the construction of an all weather sports pitch at Grahame park; and (ii) an interim arrangement to enable advance payment to be made to AP Thompson Ltd via a works order.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 The community sports pitch supports the corporate aims of the Council by:

- Tackling Crime/Supporting Vulnerable people

Engaging the local youth population in sporting activities which will help to reduce levels of crime and disorder.

Working closely with the Police, Barnet's youth offending and drugs teams will offer diversionary activities for those most at risk of offending and re-offending.

- Creating a Cleaner, Greener Borough

The creation of the new pitch has enabled the Council to position the facility where there was no sports provision in the past.

- First Class education.

Local schools will be supported through their use of the facility and there will be the opportunity for young people to develop their skills to assist with future employment opportunities.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 These are attached in Appendix A.

#### **5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS**

- 5.1 It is envisaged that the Leisure Services appoint part time recreational staff on fixed term contracts to oversee the facility during the evenings, weekends and holiday periods.

Staff will be supported by the Football Development officer and Sports Development team who are currently based at North London Business Park.

It is anticipated that the facility will be managed at nil cost to the Council between Feb 2005 and Dec 2005, as the cost of running the facility will be matched by a combination of grant income received and fees from users of the pitch.

#### **6. LEGAL ISSUES**

- 6.1 Incorporated in the body of the report.

#### **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution, Part 3, Section 3 – responsibility for functions: paragraph 3.6, responsibilities of Cabinet Resources Committee: all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

#### **8. BACKGROUND INFORMATION**

- 8.1 In 2000 the London Development Agency awarded the Grahame Park Partnership £2.5 million of SRB Round 6 funding to deliver the *Putting New Heart into Grahame Park* regeneration programme. The Council has developed the community sports pitch project in partnership with the Board of the Grahame Park SRB programme, St James' Catholic High School, the Pinnacle Education Sports Trust (PEST) and Choices for Grahame Park.
- 8.2 The project involved the construction of a 60 metre by 40 metre all weather sports pitch, with associated fencing and floodlighting, and the provision of single storey changing room building on land owned by the school. During school hours the sports pitch will be available for use by St James' School and two primary schools on the Grahame Park Estate, Blessed Dominic and the Orion. Outside of school hours, at weekends and during the school holidays the pitch will be available for a range of community use.

- 8.3 The Council's Leisure Service will oversee the management and operation of the facility during the period February 2005 – December 2005, inclusive. During this period it will work proactively with PEST, or another suitable potential partner, to assist and develop their ability and increase their capacity to possibly manage the facility in the future. Leisure Services will report back to Cabinet Resources Committee at a future date with the progress it makes. This will allow for further decisions to be made regarding the future management of the facility subject to the compliance with contract procedure rules of the Council.
- 8.4 Grahame Park's young people have very few community facilities or leisure opportunities. The motorway link and the rail link that run between the estate and the nearest leisure facility, Barnet Copthall Leisure Centre, exacerbate the isolation of Grahame Park in terms of leisure facilities. The all weather pitch aims to address this by developing a successful, sustainable and viable community resource that will offer an inclusive programme of healthy activities.
- 8.5 The local community will benefit from a co-ordinated programme of activities delivered at the pitch. The design of the pitch is ideally suited for community use. A half-sized facility enables focused sessions and creates a better learning environment for younger children attending after school groups. The potential for real community benefit arising from the project has been demonstrated by the substantial support that it has received from local groups.
- 8.6 It was hoped that the facility would be available for use in December 2004, but complications with site issues, namely the positioning of an electricity sub station, prevented this. It has also not been possible to finalise arrangements for Pinnacle Education Sport Trust to manage the facility when it is expected to open in February of this year.
- 8.7 It is with this in mind that the end user service, namely the Leisure Service, is planning to manage the facility on behalf of the Council and work with various partners to develop the facility and programmes so that as many different user groups have access to the pitch.

## **9. LIST OF BACKGROUND PAPERS**

MO: RB

BT: MG



**Appendix A** Leisure Service: Future Management of Grahame Park all weather facility.

January 2005

Ref	Risk	Early Warning Mechanisms / Mitigating Actions	Residual Risk (H, M, L)		Further action proposed (including timetable and officers responsible)
			Likelihood	Impact	
1	<b>Strategic</b> - not enabling the Leisure Services to manage the facility for the period February – December 2005 inclusive.	Facility would be seen as a waste of a brand new resource in an area deficient of leisure and sporting opportunities. The scheme is a key component of the Grahame Park SRB programme and has received funding from a number of bodies who need to see the facility in use by the community for which it was intended.	H	H	None if recommendation agreed. Situation to be monitored accordingly
2	<b>Operational</b> – Facility only available to schools during the day time and not used in the evenings, weekends and holiday periods	Proposals contained in main body of report.  Facility could be prone to vandalism and mis-use due to the fact that there would be no on site supervision until a partnership/management arrangement is in place.	H	H	None if recommendation agreed. Situation to be monitored accordingly
3	<b>Financial</b> – Leisure Services to operate the overall management of the facilities within budget and at nil cost to the Council.  Intention of the original preferred partner to manage the facility	Strict operating and financial procedures to be in place to minimise the risk of any overspend.  Stringent checks and balances would need to be in place to allow this to happen	L  H	L  H	None if recommendation agreed. Situation to be monitored accordingly  If the recommendation is agreed, then the risk is removed because the facility would be managed by Council for a period of time.  Situation to be monitored accordingly. Leisure Services would work with the preferred partner during the course of the year to reassess their suitability and report back to the appropriate committee.