

<p style="text-align: center;"><u>COMMITTEE</u></p> <p style="text-align: center;">CABINET RESOURCES</p>
<p style="text-align: center;">DATE AND TIME</p> <p style="text-align: center;">THURSDAY, 17 MARCH 2005</p> <p style="text-align: center;">AT 7.00 PM</p>
<p style="text-align: center;"><u>VENUE</u></p> <p style="text-align: center;">THE TOWN HALL, THE BURROUGHS,</p> <p style="text-align: center;">HENDON, NW4 4BG</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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1.	MINUTES	–
2.	ABSENCE OF MEMBERS	–
3.	DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS	–
	Report of the Cabinet Members for Performance Partnerships & Best Value	
4.	Grant Applications 2005/06.	1 – 18
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	• Resources	
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7.	Totteridge Library	38 – 43
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9.	Former Watling Boys Club	Separately circulated
	Report of the Cabinet Member for Resources	
9A	Revenue Monitoring	To follow
10.	ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	-
11.	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:	-

Item No.	Title of Report	Page Nos.
	Reports of the Cabinet Members for <ul style="list-style-type: none"> ○ Resources ○ Performance Partnerships & Best Value 	
12.	Age Concern Barnet – writing -off of a rent debt	
13.	Exempt information relating to item 7 in public session – Totteridge Library	
14.	Exempt information relating to item 8 in public session – South Friern Library and adjoining premises	Separately circulated
15.	Exempt information relating to item 9 in public session – Former Watling Boys Club	Separately circulated
16.	ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	-

Fire / Emergency Evacuation Procedure

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AGENDA ITEM: 4 Page nos. 1 – 18

Meeting	Cabinet Resources Committee
Date	17 March 2005
Subject	Grant Applications, 2005/06
Report of	Cabinet Member for Performance, Partnerships & Best Value
Summary	This report sets out the budget framework for grant awards in 2005/06, and attaches funding assessments of three voluntary organisations for decision by the committee in accordance with the procedure for approving voluntary sector grants of between £20,000 and £50,000 pa.

Officer Contributors	Borough Treasurer Head of Community Care Head of Education
Status (public or exempt)	Public
Wards affected	N/a
Enclosures	(1) Summary of grant recommendations (appendix A) (2) Grant assessment reports: <ul style="list-style-type: none"> • East Finchley Neighbourhood Contact (appendix B(i)) • New Barnet Community Association (appendix B(ii)) • Old Barn Youth and Community Association (appendix B(iii))
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	n/a

Contact for further information: Ken Argent, Manager, Grants Unit, 020 8359 2020

1. RECOMMENDATIONS

That, subject to the Council's standard conditions of grant aid, the grants recommended be approved.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Dec 21/5/2001-6: adoption of scheme of delegated powers, reserving to the Cabinet Resources Committee approval of grants of between £20,000 and £50,000.
- 2.2 Cabinet Dec 3/9/2001-16: review of the grants programme, 1999 to 2002, and approval of principles and criteria for grant aid over the four years, 2002-06, with the primary aims of targeting support to facilitate the council's policy framework and continuing to create resources to promote new initiatives developed either by new organisations or within those currently receiving grant support.
- 2.3 Council 1/3/2005: approval of Borough Treasurer's Service Performance Management Plan and budget for 2005/06.
- 2.4 The Cabinet on 29 March 2005 will be considering recommendations on three applications involving funding of over £50,000 in 2005/06.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Corporate Plan sets out as one of the council's key priorities 'Supporting the Vulnerable in our Community', acknowledging that every sector of every community – young, old, those with particular needs – has a right to lead full and independent lives. Barnet is committed to helping people to be part of successful and well-balanced communities, helping all people to feel involved and removing barriers which prevent them from participating fully in the life of the community.
- 3.2 The grants recommended with this report will help towards meeting different patterns of need within the community, making services easier to access and delivery more flexible, and will contribute to improving the quality of life of vulnerable local residents. They accord with the Borough Treasurer's Service Performance Management Plan and the four-year development programme, which includes offering a mix of funding types to ensure that the grants programme remains flexible and responsive to changing priorities, and focusing on meeting quality standards and attaining outcomes.

4. RISK MANAGEMENT ISSUES

- 4.1 All grants are made subject to the council's Standard Conditions of Grant Aid, with which applicants are required to signify their compliance by signing a written undertaking. Amongst other things, the conditions cover how awards are spent, allowing council officers a right of access to proof thereof, and requiring notification of any change in an organisation's circumstances. The council reserves the right to withhold payment of any approved grant, or to demand full or partial repayment, if it appears that an organisation has failed to comply with any of the conditions attached to the award.

- 4.2 In common with all revenue grants of £10,000 and above, the awards recommended herewith will be released in quarterly instalments, subject to monitoring to demonstrate satisfactory compliance with targets and outcomes agreed in advance.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

2005/06 Budget - Summary

- 5.1 The budget for grants to voluntary and community organisations in 2005/06 consists of:

	£
local grants general provision	1,289,880
Edward Harvist Charity	60,000
former Borough Lottery fund	<u>15,000</u>
	<u>1,364,880.</u>

Small Grants Fund

- 5.2 In the interests of facilitating access to the programme by smaller voluntary and community groups, and in conjunction with use of a simplified application form, a sum of £70,000 is to be earmarked this year in a 'small grants' fund, to support awards of up to £5,000.

Contractual Service Agreements

- 5.3 In accordance with the policy of converting into contracts all strategic voluntary sector grants in excess of £50,000 pa, contractual service agreements currently exist with the following voluntary organisations in receipt of core funding through the main grants programme. Subject to Cabinet approval of the renewal or roll forward of the contracts, the sums payable to the two groups in 2005/06 will be:

Organisation	Payment, 2005/06
Barnet Citizens Advice Bureau Service	£354,223
Barnet Voluntary Service Council	<u>£86,647</u>
	<u>£440,870.</u>

Edward Harvist Charity and former Borough Lottery Funds

- 5.4 The following sums are also provided in the 2005/06 budget for one-off and short-term funding in accordance with established criteria and the council's priorities:

Edward Harvist Charity: main fund	-	£55,000
training fund	-	£ 5,000
Former Borough Lottery fund -		£15,000.

Grant Recommendations, 2005/06

- 5.5 Excluding the small grants fund, the contractual commitments and the Edward Harvist Charity and former Borough Lottery provisions, a sum of £779,010 is available for grants over £5,000 during the financial year to 31 March 2006.

- 5.6 It will be necessary to retain a balance of £370,370 for supporting fixed-term (project) grants where funding in 2005/06 has been approved in principle, subject to regular monitoring of performance against agreed **3** targets and outcomes, and to

adequate budgetary provision. The impact of fixed-term awards is reflected in the following budget summary:

Budget Item	2005/6 Budget £	Commitments £	Balance £
2005/06 general grants budget	1,289,880		
Small grants fund		70,000	
Contracts (subject to approval herewith)		440,870	
Budget available for general grants over £5,000			779,010
LESS provision for fixed-term (project) grants		370,370	
Balance remaining			408,640

5.7 Set out below is a full breakdown of the funds available for 2005/06:

Budget item	Approved budget £	Recommendations to Cabinet/ Commitments £	Funds available £	Recommended to this meeting £
General Fund:				
main fund	779,010	103,000		
less reserve for fixed-term grants		370,370	305,640	80,800
small grants	70,000	0	70,000	0
contracts	440,870	440,870	0	0
TOTAL	1,289,880	914,240	375,640	80,800

Edward Harvist Charity:				
community fund	55,000	0	55,000	0
training fund	5,000	0	5,000	0
TOTAL	60,000	0	60,000	0
Borough Lottery:				
TOTAL	15,000	0	15,000	0

6. LEGAL ISSUES

6.1 None.

7. CONSTITUTIONAL POWERS

7.1 Paragraph 3.8 of Part 3 of the Constitution reserves to the Cabinet Resources Committee the power to approve grants to voluntary organisations to the value of between £20,000 and £50,000 per annum.

8. BACKGROUND INFORMATION

8.1 Attached are funding assessments of three organisations, each indicating the contribution made to corporate policies and strategies, preceded by a summary of the recommendations (Appendix A).

9. LIST OF BACKGROUND PAPERS

9.1 Grant applications and related correspondence with the applicants.

9.2 Anyone wishing to inspect the background papers should telephone 020 8359 2020 or 2092.

BS: V W-R

BT: MG

UUUUUUUU **APPENDIX A**

SUMMARY OF RECOMMENDATIONS, 2005/06	
<u>Organisation</u>	<u>Recommendation</u>
East Finchley Neighbourhood Contact (118/C/NEI)	£23,800
New Barnet Community Association (285/C/CTY)	£25,000
Old Barn Youth and Community Association (301/E/CTY)	£32,000
	TOTAL: £80,800

GRANT APPLICATION 2005/06 – ASSESSMENT AND RECOMMENDATION

Policy	Putting the Community First	
Organisation	EAST FINCHLEY NEIGHBOURHOOD CONTACT	ref
		118/C/NEI
Address	East Finchley Neighbourhood Centre, 42 Church Lane, N2	
Contribution to policy		
<p>Through its commitment to work in partnership with local communities and voluntary groups linked to implementation of government policy such as the National Service Framework for Older People, the council wishes to help vulnerable people help themselves and ensure that those in need of support do not become socially excluded. Community-based initiatives are encouraged for the benefit of older and disabled people with medium to lower levels of need, building on the voluntary sector's abilities to develop and deliver services in their localities, aimed at maximising the independence and quality of life of vulnerable residents and helping them to remain as active as possible in the community.</p> <p>East Finchley Neighbourhood Contact (EFNC) aims to provide neighbourly help and practical assistance to elderly, disabled and isolated people living in N2, the catchment area shortly to be expanded to include much of N3, by building and supporting a network of volunteers whose skills and abilities can be offered to meet the needs of clients. It also runs two luncheon clubs primarily for more mobile older people living alone. Operating in one of the most deprived parts of the borough, the service enhances the lifestyle of vulnerable people and reduces their dependence on the local authority, besides serving a large number of clients whose needs fall short of qualifying for support from social services.</p>		
Outline of activities / service evaluation		
<p>Administered by a paid part-time co-ordinator, who carries out all client assessments, helped by two part-time assistants, EFNC currently draws on the services of 38 volunteers who undertake the following tasks:</p> <ul style="list-style-type: none"> * befriending and visiting people living alone; * helping with odd jobs in the home (eg window cleaning, sewing/mending, changing light bulbs, etc); * advocacy (ie giving advice; letter-writing and form-filling; and liaising with statutory and voluntary sector agencies on clients' behalf); * helping with shopping (including collecting pensions and prescriptions); * transporting clients to and from clinics, hospitals, shops, etc; * gardening (using both volunteer and paid helpers); * checks to ensure that clients are receiving their full statutory benefit entitlements. <p>In 2003/04, with the benefit a new co-ordinator, who has done much to re-activate EFNC's outreach policy aimed at identifying new clients in need of help, and an enlarged team of volunteers, now including secondary school students, the number of volunteer tasks performed increased by 38% to 4,171, divided fairly equally between direct volunteer support in the home and advice and assistance offered by the paid staff at the telephone. Home visits, advocacy and shopping continue to constitute the main areas of demand.</p>		

Over the last twelve months, the number of clients registered with the scheme has increased from 151 to 178, of whom 142 are in receipt of regular (weekly or fortnightly) assistance, the remainder seeking help on an ad hoc basis. 75% are over the age of 75 and most are women living alone. The majority have medium to low levels of dependency. All clients' needs are regularly monitored and re-assessed.

A co-ordinated referral procedure exists to the voluntary sector 'Handperson Scheme', administered by Age Concern Barnet, which offers professional help to vulnerable older people with home repairs and other DIY jobs that are generally beyond the scope of volunteers, thus increasing the capacity for supporting people in need in the community.

The gardening scheme is primarily operated on an agency basis on behalf of Community Care and the Housing Service, and covers a wider area encompassing N3, N10, N11 and N12. Paid helpers maintain the gardens of up to 50 elderly and disabled council tenants twice a year, supplemented by unpaid voluntary help with gardening for clients (who are in receipt of income-related benefits) living in their own properties or privately rented accommodation.

The two luncheon clubs each cater for up to 20 people a session, one serving English-style meals (for people living in N2 and N3) meeting once a week and the other serving Islamic food for elderly Muslim women (drawing in clients from across the whole borough, for whom transport is provided), meeting once a fortnight, with a full take-up of places. Both clubs are held at the Green Man Community Centre on the Strawberry Vale Estate, which offers full disabled access. The weekly club includes a core membership of older and isolated residents of the estate and has steadily grown in popularity over the last year with the advent of ancillary activities, such as talks and film shows.

A third element of the service is a shopping scheme using a hired minibus (with a volunteer driver) which operates twice a week to take less mobile elderly people to a local supermarket. At present, 45 people are registered, each being taken once every two or three weeks on a rota basis.

Many clients emanate from local publicity (such as in libraries, clinics, doctors/dentists' surgeries and the local newspaper) or through contact with social workers, health visitors, physiotherapists, etc. A quarterly newsletter is sent to clients and volunteers, and to statutory and other voluntary agencies operating in the area. Most of the members of the management committee are local residents who maintain the organisation's high profile through informal contacts. Approximately 25% of all new clients are referrals from Community Care, the local area housing team or hospital discharge services.

The introduction of more efficient office systems, including a new client database, has enabled EFNC to focus on direct client contact and more regular client assessments and reviews. Greater networking with other agencies and community groups has served to raise its profile and increase referrals of new clients. The co-ordinator is currently representing the Alliance of Barnet Good Neighbour Schemes (ABGNS) in discussions with Community Care concerning the adoption of a standard assessment process for all new clients whatever their level of need, aimed at reducing duplication of effort and streamlining referral procedures.

In common with the borough's other good neighbour schemes, the need to help clients access, and accept, statutory help where they are in transition from low/moderate to high/critical needs, but are hampered by sensory, mobility or cognitive impairments, or language problems, is a growing pressure on EFNC's resources.

Meanwhile, in response to client feedback, an occasional programme of day trips and outings has been introduced, aimed at expanding the opportunities for social contact for housebound clients and thus enhancing their quality of life.

Following discussions of the need for equivalent support for elderly and disabled residents of other parts of Finchley, and with the aid of a two-year package of funding, EFNC is about to launch a major publicity campaign, including a recruitment drive for more volunteers, to extend its services on a trial basis to Finchley Church End and West Finchley Wards, thereby encompassing much of N3. The project will initially focus on providing benefits advice to housebound people, building on EFNC's growing expertise in that area, with befriending, home support and volunteer transport services following as new networks are set up and capacity increases.

The Team Manager of Community Care's Older Adults Care Group comments that EFNC supports a large number of isolated older and disabled people who do not qualify for assistance from social services, especially since implementation of national legislation, Fair Access to Care Services, which has resulted in re-targeting of statutory services towards those who are more highly dependent with personal care requirements. EFNC's work, like all of the other good neighbour schemes, represents an effective prevention strategy for older and disabled people, prolonging their independence in the community, and complements the council's services for those client groups.

Quality and equality

The co-ordinator is responsible for training and supporting volunteers and allocating tasks, having regard to volunteers' capabilities and clients' needs. All new volunteers and those dealing with vulnerable adults on a one-to-one basis are subject to checks with the Criminal Records Bureau. Both volunteers and clients are represented on the management committee. EFNC aims to assess the needs of all new clients within seven days of referral. Eligibility criteria in use since 2000 serve to evaluate clients' mobility, health, income and specific needs with a view to prioritising services. Clients are periodically surveyed for their views and to identify areas for development. The latest survey showed a high degree of client satisfaction. There is an advertised complaints procedure.

As a member of the ABGNS, EFNC regularly liaises with the other participating schemes aimed at streamlining administrative procedures; facilitating the recruitment, training and retention of volunteers; and accessing new resources to expand the services on offer. Following completion of level one of the 'PQASSO' training scheme with Barnet Voluntary Service Council, identifying practical quality assurance measures for smaller voluntary and community groups, it has revamped its management and volunteer induction packs and much of its publicity material.

EFNC has policies on equal access to services and equal opportunities in employment. Its literature has been translated into community languages and several volunteers act as interpreters and translators. Arising from closer working relationships and alliances with a range of community groups, in particular the Afghan and Hindu communities, the proportion of clients from minority ethnic communities has increased significantly over the last two years, and currently accounts for 35% of all service users.

Cost and financial need

The 2005/06 revenue budget, adjusted to include the cost of hiring the Green Man Community Centre, which had been omitted in error, shows a projected pre-grant shortfall of £28,647, equal to the revised grant request. The comparative 2003/04 actual figure was £25,404. Net current assets at 31/3/2004 were £1,142 (1.9% of projected 2005/06 expenditure).

In 2004/05, EFNC was awarded a revenue grant of £23,800, equivalent to 65% of core costs. The only charge made is for attendance at the lunch clubs (£2.60/£3.20 per meal), which covers most of the costs, except for payment of the cooks. Fundraising and donations (from clients using the 'shopping bus' service and, occasionally, local businesses and churches) contribute towards balancing the budget. The gardening scheme is funded separately by Community Care (in the case of private tenants and owner-occupiers) and the Housing Service (with regard to council tenants).

The expansion of services into N3 accounts for £11,615 of total projected 2005/06 expenditure of £57,929 and will be met from a two-year grant of £34,000 from the Pension Service Partnership Fund, extending to March 2007. The grant for 2005/06 will pay for an extension of the co-ordinator's hours (from 24 to 30 a week) and the appointment of a part-time project assistant, and will cover publicity, marketing, volunteer recruitment/training and administrative costs. It also includes a contribution of £2,773 to the cost of continuing to make benefits checks on clients in N2 and a one-off sum of £2,050 to purchase a new computer and photocopier.

The award is a commendable outcome of a more dynamic approach being taken by EFNC to fundraising, which has also resulted in one-year sponsorship from the Finchley Charities to maintain the shopping bus service on two days a week. This expansion of other sources of funding means that the grant recommended for 2005/06, which replicates the existing level of revenue support, will reduce to 43% as a proportion of core costs.

The programme of outings and social activities is largely organised on a self-financing basis.

Grant recommendation, type and conditions**£23,800**Project grant One year revenue grant One-off/Start-up grant **Special conditions:**

None.

Duration of project and exit strategy (project grants only)

n/a

Target grant outcomes (for monitoring and evaluation)

To provide advice, support and practical assistance in the home; one weekly and one fortnightly lunch club; and a shopping service for elderly and disabled people living in N2, befriending and home support to be expanded to include vulnerable residents of N3 over the next twelve months.

Date:

March 2005

GRANT APPLICATION 2005/06 - ASSESSMENT AND RECOMMENDATION

Policy	Putting the Community First	
Organisation	NEW BARNET COMMUNITY ASSOCIATION	ref 285/C/CTY
Address	New Barnet Community Centre, 48-50 Victoria Road, New Barnet	
Contribution to policy		
<p>The council attaches a high priority to working in partnership with local communities and especially with groups that add value to council services and make a positive difference in their area, assisting vulnerable people to help themselves and lead a full life. Community-based initiatives fulfil an important role in helping older people with medium to lower levels of need to maintain their independence and remain as active as possible in the community, and averting the risk of their becoming socially excluded.</p> <p>The council is also supportive of out-of-school activities for children, including breakfast clubs, after school clubs and holiday playschemes, focused on the three objectives of providing good quality childcare to help working parents; educational achievement; and opportunities for children to play. Provision within the voluntary sector makes a significant contribution to helping the authority achieve its strategic targets, set by the DfES, of sustainable out-of-school childcare places.</p> <p>New Barnet Community Association (NBCA) offers these and other activities to residents young and old living in New Barnet and beyond, providing a focus for community involvement; contributing to the quality of life in its area, particularly for isolated older people; and enabling parents (who are unable to pay commercial childcare rates) to continue working, or studying, full-time, or to have respite from the care of disabled children.</p>		
Outline Of activities / service evaluation		
<p>The association provides:</p> <ul style="list-style-type: none"> * a lunch club, with transport, social activities, talks and advice, for older people on three days a week during school term-time; * a 40-place after school club for children aged five to eleven from four local primary schools, held each afternoon from 3.30 pm to 5.45 pm, Monday to Friday, also during term-time, with activities such as sports, games, arts and crafts, and including provision for children with disabilities through the Integrated Play Opportunities Project (IPOP); * a breakfast club (and 'take to school' service) (begun in 2001), offering 24 places a day, accommodating children from the same four schools; * a school holiday playscheme for eight weeks of the year, with capacity for 40 children a day and IPOP assistance for the disabled; * a fully inclusive youth club for two hours on Wednesday evenings, catering for 48 able-bodied and disabled young people aged eleven and upwards; * accommodation within the community centre for other local groups, including an under fives playgroup; a weekly social club for pensioners; the local St John's Ambulance Brigade; and various local clubs and recreational classes. 		

Activities are co-ordinated by a paid centre manager (35 hours a week), with twelve part-time staff or sessional workers to run or assist with the various parts of the programme, including a luncheon club organiser; play and youth club teams; and a special needs co-ordinator for the children's clubs (in addition to the one-to-one support provided through IPOP). The paid staff are supported by a team of volunteers, including students on work experience placements and offenders undertaking community service (who help with tasks such as building maintenance and gardening).

The lunch club has 37 registered members and serves up to 100 meals each week. Transport, using the centre's own minibus, is provided for up to ten disabled people at each session. Members are supported in a number of ways, including benefits checks and liaison with other agencies. Co-operative arrangements exist with Friend-in-Need Community Centre (in East Barnet) (which supplies volunteer drivers) to provide social outings for members of both groups, besides facilitating greater sharing of information and resources.

170 children, including 24 with disabilities and/or a statement of special educational needs, plus another ten from families in crisis referred by the Children and Families or Early Years, Family and Play Services, are on the combined register for the after school club and holiday playscheme, both of which operate for most of the year at maximum capacity with a waiting list for places. The take-up of places at the breakfast club has stabilised this term at between twelve and fifteen a day.

The youth club, started in 2000 and one of the few genuinely integrated youth clubs in the borough (with one-to-one helpers), now has 53 young people registered, all but five of whom have a disability or special needs of some sort. Attendance averages 27 per session. One of the part-time workers running the club is now seconded from the new Inclusive Youth Clubs Project, thus reducing the call on NBCA's own resources. The in-house programme of activities is complemented by weekend outings once a month.

Altogether, NBCA has a membership of over 400 households and successfully harnesses the energy and enthusiasm of members and volunteers to assist those users who need extra help. The services available are widely publicised, not least through word of mouth recommendations, complemented by posters and circulars about the children's clubs distributed to the schools in the locality. As well as council sources, referrals are received from health visitors, carers and neighbours.

Since completion of phase one of a two-stage building development programme in 2002, the community centre has offered improved facilities for disabled users, particularly amongst children and young people, and is successfully promoting more integrated activities. It is anticipated that the proposed refurbishment of the outdoor play area and garden, including restoration of a ball kicking area and new surfacing, which will add to the range of play opportunities, will be completed this spring, following disruption of the supply of volunteers through the Community Service Order Scheme to carry out the work.

Overall, NBCA delivers a well-structured programme that complements and supports council objectives and services.

The luncheon club contributes to delivery of Community Care's prevention strategy for older and disabled people. Out-of-school and holiday play provision is a focus area for the Early Years, Family and Play Service and NBCA's clubs and playscheme help implement strategic targets set for Barnet in terms of the creation and maintenance of childcare places. Support for voluntary and community sector youth clubs, particularly those serving young people with disabilities and special needs, accords with the Youth Service's strategy of building capacity, particularly in areas such as New Barnet, where, at present, there is no council provision.

Quality and equality

Quality in the children's services is underpinned by standards set, and an annual OFSTED inspection carried out, under the Children Act 1989; regular training opportunities for staff, revamped to comply with more stringent national childcare standards; and participation in the Kids Club Network (now renamed '4 Children') quality assurance programme. NBCA is now working through a new national quality accreditation ('Quality in Play') brokered by the Barnet Play Association and expects to achieve level 2 standard following assessment of its latest portfolio. Its play team, which is relatively new, is progressing through the scale of NVQ playwork qualifications.

Feedback from clients is obtained by way of newsletters and questionnaires used in each of the three main areas of activity. All parents of children attending the clubs receive a guidebook setting out quality standards. There is an advertised complaints procedure. All regular user groups are represented on the management committee, which also includes two council representatives.

NBCA operates an equal opportunities policy and works collaboratively with local schools and other statutory and voluntary agencies to ensure that its services are widely known and inclusive. The premises are fully accessible and offer fully adapted toilet and washing facilities. 23% of the current membership of the children's clubs is from minority ethnic communities.

Cost and financial need

The 2005/06 revenue budget shows a projected pre-grant shortfall of £37,060. This assumes that the Early Years, Family and Play Service will be continuing to support the four-week summer holiday playscheme, which is currently under review, but makes no allowance for renewal of charitable funding for two part-time posts, which expires this summer. Replication of the existing level of support for the posts will reduce the projected deficit to £26,650. The comparative 2003/04 actual figure was £25,883. Net current assets at 31/3/2004 were £440, of which £26 were restricted funds, leaving an uncommitted balance of £414 (less than 1% of projected 2005/06 expenditure).

The grant request is for £30,072, specifically to fund the core posts of centre manager and (part-time) secretary; an honorarium paid to the luncheon club organiser; and sessional payments to the minibus drivers. In 2004/05, the association was awarded a revenue grant of £25,000, representing 29% of core costs, comprising £20,000 for community activities and £5,000 for the out-of-school programme.

Fees to the after school club (£4.50 a session) and the holiday playscheme (£5 to £11 per half day/day) meet up to 70% of the costs of those services. The breakfast club, originally set up with a one-year grant from the National Lottery New Opportunities Fund, is run on a largely self-financing basis through the imposition of a daily charge of £3. Admission to the youth club is 50p per evening, with additional charges for special activities. Income to the lunch club covers the cost of meals and contributes towards transport expenses. With regard to all of the other community activities at the centre, membership fees, lettings income, donations and fundraising generally meet between 30% and 40% of annual revenue expenditure.

NBCA continues to be successful in attracting charitable grants, especially towards the development of the children's programme, which recently included an award from the Children's Fund for new play equipment and children's outings. A fixed-term grant, referred to above, from BBC Children in Need has been supporting the part-time posts of special needs co-ordinator for the children's activities and the leader of the youth club, but expires in June. The association is proposing to apply for a further grant from the charity, or to identify alternative sources of funding for the two posts.

Attainment of the 'Quality in Play' level 2 accreditation will result in a one-off award of £1,000.

Grant recommendation, type and conditions

£25,000 (comprising £20,000 for community activities + £5,000 for the out-of-school programme)

Project grant
 One year revenue grant
 One-off grant

Special conditions:

None.

Duration of project and exit strategy (project grants only)

n/a

Target grant outcomes (for monitoring and evaluation)

To provide (i) a lunch club for vulnerable older people on three days a week; (ii) out-of-school childcare and play opportunities, Monday to Friday, for children aged five to eleven whose parents need affordable provision to enable them to work or study, comprising an after school club and a breakfast club during term-time and an all-day holiday playscheme for eight weeks of the school holidays; (iii) an integrated youth club; and (iii) lettings to community groups.

Date:

March 2005

GRANT APPLICATION 2005/06 – ASSESSMENT AND RECOMMENDATION

Policy	Putting the Community First	
Organisation	OLD BARN YOUTH AND COMMUNITY ASSOCIATION	ref 301/E/CTY
Address	Old Barn Youth and Community Centre, 20 Fallows Close, N2	
Contribution to policy		
<p>The council is supportive of out-of-school activities for children, including breakfast clubs, after school clubs and holiday playschemes, focused on the three objectives of providing good quality childcare to help working parents; educational achievement; and opportunities for children to play. Provision within the voluntary sector makes a significant contribution to helping the authority achieve its strategic targets, set by the DfES, of sustainable out-of-school childcare places.</p> <p>A high priority is attached to working in partnership with local communities and with groups that add value to council services and make a positive difference in their area, helping vulnerable people to help themselves; reducing the risk of social exclusion; and encouraging community cohesion.</p> <p>The Old Barn Youth and Community Association (OBYCA) is the largest voluntary sector provider of out-of-school activities in Barnet, offering the full range of children’s activities in an area of social deprivation. Occupying the borough’s only full-time play centre, it caters for a large number of children referred by the Children’s and Early Years, Family and Play Services, including those with disabilities, and enables parents (who are unable to pay commercial childcare rates) to continue working, or studying, full-time. It has also developed a broad range of other community activities, helping to promote community involvement and improve the quality of life in an area of social housing and known need.</p>		
Outline of activities / service evaluation		
<p>OBYCA’s year-round programme of activities focuses on out-of-school clubs for children aged five to thirteen and comprises:</p> <ul style="list-style-type: none"> * a 60-place after school club (operating up to 6 pm, Monday to Friday, during school terms); * a 12-place breakfast club (every weekday morning in term-time from 7.30 am); and * a 60-place holiday playscheme (for ten weeks of the school holidays, and on INSET days). <p>Activities include sports, games, arts and crafts, theme projects and day trips, with special provision made for children with disabilities through the Integrated Play Opportunities Project (IPOP). Those attending the after school club are also provided with a snack. Supervised by a part-time playleader and staffed by six part-time play workers (with another two paid workers helping on the holiday playscheme), children are collected from (and, in the case of the breakfast club, taken to) six local primary schools using the centre’s own minibus.</p> <p>The capacity of the after school club was increased (by ten places a day) in 2000 in response to parental demand, but take-up subsequently fell following the opening of a privately run club and holiday playscheme at Martin Junior School, which also took pupils attending Tudor JMI School, being two of the schools supplying children using the Old Barn’s facilities. Local publicity and other promotional activities have since served to re-build membership and over the last two years the take-up of places has stabilised at 65% of available capacity. Eight places a day are at present filled by children deemed to be ‘in need’, sponsored by the Children’s Service, whilst an average of four disabled children attend each session with one-to-one support from IPOP.</p>		

OBYCA remains committed to restoring membership of the club to its former level (85% of capacity), possibly through extending membership to children attending other primary schools further afield if transport can be provided.

The breakfast club generally fills up to eight of the twelve available places each morning.

The holiday playscheme, which last summer had 22 social services-sponsored places, continues to be well supported, take-up over the last twelve months reaching 98% of capacity.

During 2003/04, 311 children up to the age of thirteen attended the children's clubs, of whom 35 (11%) had one-to-one support in view of their special needs. At present, there are 210 children from 157 families registered at the centre.

The Early Years, Family and Play Service comments that out-of-school provision is identified as a priority in the Early Years Development and Childcare Plan, and that groups such as OBYCA help in meeting the strategic targets set for Barnet regarding sustainable out-of-school childcare places and play provision.

OBYCA also offers a fully inclusive youth club, run on a semi-independent basis as part of the Inclusive Youth Clubs Project (IYCP) set up in 2003, in which OBYCA is the lead partner.

With the support of Barnet Youth Service and IPOP, the aim of the IYCP is to develop integrated youth clubs and activities across the borough for young people of all abilities aged eleven to eighteen. The project employs a full-time development worker and nine sessional youth workers, who deliver activities at three other integrated youth clubs, including the club at New Barnet Community Centre and one at Norwood's Kennedy Leigh Centre in NW4. The OBYCA's youth club at present has 72 members, of whom 39 are disabled, with attendance averaging 35 per session. The Acting Youth Service Manager endorses the value of the clubs in integrating disabled and able-bodied young people and building a more inclusive society.

The association's programme is co-ordinated by a full-time manager, who is also responsible for supervising the overall use and operation of the community centre, which is leased by the council to OBYCA and includes an accessible adventure playground designed for children with disabilities. Last summer, it was decided to appoint a part-time assistant, who works during the school terms, to relieve the manager of some of the day to day responsibilities and enable him to focus on development issues and fundraising.

The premises provide an administrative base for two other voluntary groups, Home-Start Barnet (which offers support and help to vulnerable families with young children) and the Barnet Play Association (BPA) (the umbrella body for voluntary sector play provision for primary school-age children in Barnet), which occupy offices on the first floor.

Other community activities run independently at the centre include:

- * a 24-place pre-school age playgroup each weekday morning in term-time;
- * a parents and toddlers group;
- * a weekly 'open door drop-in' run by Barnet Mencap for parents and children under five with a learning disability;
- * Barnet College outreach classes in English as a second language;
- * speech therapy classes for children with Downs Syndrome;

- * a Saturday morning Gujarati school;
- * a karate club;
- * a range of other community lettings during the daytime, evenings and weekends.

In addition to OBYCA's own clubs, there are up to 400 other users of the centre each week.

Subject to securing the balance of funding required from the Big Lottery Fund, OBYCA is aiming to commence work later this year on an extension to the ground floor of the premises to create a dedicated playwork assessment centre and training room, primarily for use by BPA, but also to be made available for hire by community groups, thus generating additional income from lettings to support the operation of the centre as a whole.

Quality and equality

Quality in the children's services reflects standards set, and an annual inspection carried out by OFSTED, which, following its last inspection (in 2003), awarded OBYCA its top rating in ten out of fourteen national standards. The association follows quality assurance procedures recommended by '4 Children' (formerly the Kids Club Network) and is participating in the new quality assurance scheme, 'Quality in Play', being brokered by the BPA. Guaranteed standards are published in a handbook for parents, who receive a bi-monthly newsletter. There is an ongoing programme of staff training; a published complaints procedure; and regular feedback from parents and children. The management committee mainly comprises parents and representatives of user groups, and includes two council representatives.

The centre is fully accessible to people with disabilities. In partnership with user groups, OBYCA targets disadvantaged communities and seeks to extend access to play and recreational opportunities to all children and young people with special needs in accordance with its policy of equal opportunities. Staff speak six minority community languages. Over 50% of children attending the clubs and holiday playscheme are from Asian, black or other minority ethnic communities.

Cost and financial need

The 2005/06 revenue budget, which, pending its establishment as a separately constituted body, incorporates the full staffing complement of the IYCP shared with the three other integrated youth clubs, shows a projected pre-grant shortfall of £39,500, equal to the grant request. The comparative 2003/04 actual figure was £31,217. At 31/3/2004, OBYCA had net current liabilities of £4,846.

In 2004/05, the association was awarded a revenue grant of £32,000, apportioned as £19,760 for the out-of-school programme and £12,240 for community activities. A one-off grant of £15,000 approved in November 2003 in response to a joint bid with BPA towards the capital cost of the proposed new playwork assessment and training room (estimated to be £70,000) has yet to be released pending confirmation of the necessary consents for the work and that the balance of funding required has been secured.

47% of OBYCA's annual expenditure is currently met from membership fees and admission charges to the children's clubs and holiday playscheme. Daily rates are £3 and £5.50 for the breakfast and after school clubs respectively, and £16 for the holiday playscheme. Concessions apply in the case of siblings; children who are in receipt of free school meals; and families who qualify for Working Tax Credit.

The other main sources of income are lettings/hire charges; grants from charitable trusts and businesses towards specific elements of the programme; and fundraising.

The Early Years, Family and Play Service supports the four-week summer holiday playscheme through a service agreement with OBYCA, although no decisions have yet been taken on funding of this summer's scheme and any reduction from last year's award will serve to increase the projected 2005/06 deficit.

Originally set up with a pump-priming grant from the former (National Lottery) Community Fund, the cost of the youth club is substantially met from a funding package for the IYCP as a whole totalling £72,000, which includes fixed-term grants from North London Connexions, the London Youth Trust and the Milly Apthorp Charitable Trust. The proposed formation of a consortium of local groups committed to inclusive youth provision is aimed at increasing other funding opportunities to support the development and expansion of the project.

The re-focusing of the manager's time towards marketing and fundraising is projected to result in a further increase in self-generated income in 2005/06, with lettings and hire charges expected to yield £30,000, an increase of £4,000 on this year, one of the objectives being to restore a working balance for the first time in a number of years. Combined with a more vigorous approach to external fundraising, OBYCA is demonstrating greater diversity in its budgeting such that the core grant recommended for 2005/06 will reduce, from 20% to 15%, as a proportion of annual turnover.

Grant recommendation, type and conditions

<p>£32,000 (comprising £19,760 for the out-of-school programme and £12,240 for community activities)</p>	Project grant	<input type="checkbox"/>
	One year revenue grant	<input type="checkbox"/> *
	One-off/Start-up grant	<input type="checkbox"/>

Special conditions:
None.

Duration of project and exit strategy (project grants only)

n/a

Target grant outcomes (for monitoring and evaluation)

To provide (i) out-of-school childcare and supervised play opportunities, Monday to Friday, for children aged five to thirteen whose parents need affordable childcare provision to enable them to work or study, comprising a breakfast club and an after school club during term-time and an all-day holiday playscheme for ten weeks of the school holidays and (ii) a range of other activities for the benefit of the local community.

Date:	March 2005
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AGENDA ITEM: 5 Page nos. 19 – 33

Meeting	Cabinet Resources
Date	17 March 2005
Subject	Treasury Management
Report of	Cabinet Member for Resources
Summary	To approve the Treasury Management Strategy and Annual Investment Strategy for 2005/06.

Officer Contributors	Borough Treasurers
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix A: Treasury Management Strategy Statement and Annual Investment Strategy Appendix B: Interest Rate Forecasts
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Patrick Towey 0208 359 7119

1. RECOMMENDATIONS

- 1.1 That the Treasury Management and Annual Investment Strategy for 2005/06 be approved.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources 22 April 22 April 2004

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 In order for the Council to be able to deliver effective services within the Council's policy framework to members of the public it is necessary to have a sound financial base.

4. RISK MANAGEMENT ISSUES

- 4.1 N/A.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 One of the prime objectives of CIPFA's Code of Practice on Treasury Management and subsequent Treasury Policy Statements is to ensure that, by using prudent and proper practices, the financial resources of local authorities are protected and best used.

6. LEGAL ISSUES

- 6.1 Referred to elsewhere in the report.

7. CONSTITUTIONAL POWERS

- 7.1 The Borough Treasurer has delegated powers to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

8. BACKGROUND INFORMATION

- 8.1 General power to borrow for both revenue and capital purposes is contained in Section 3 of the Local Government Act 2003.

- 8.2 Powers to authorise investments are contained in Section 15(1) (a) of the Local Government Act 2003.

- 8.3 The Council's policy is to operate within the legal constraints.

- 8.4 Treasury Strategy Statement 2005/06.

- 8.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised edition of the Treasury Management in the Public Services Code of Practice in 2002.

- 8.6 This code was adopted by the Council on 7 January 2003.

9. LIST OF BACKGROUND PAPERS

- 9.1 Treasury Management in the Public Services – CIPFA’s Code of Practice and Cross-Sectoral Notes.

BS: JEL
BT: CM

APPENDIX A

Treasury Strategy Statement

1 Introduction

1.1.1 The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy; this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The ODPM's investment guidance was issued too late for the Annual Investment Strategy to be included in the Treasury Strategy Statement for 2004/05. However, the guidance did state that in future years, authorities could combine the Treasury Strategy Statement and Annual Investment Strategy into one report; the Council has adopted that suggestion and the Annual Investment Strategy is therefore included in paragraph 9.

1.2.1 The suggested strategy for 2005/06 in respect of the following aspects of the treasury management function is based upon the Treasury Officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Sector Treasury Services Limited.

The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;
- debt rescheduling;
- the borrowing strategy;
- the investment strategy;
- further discussions with Barnet Homes on their capital programme may alter the borrowing strategy.

2 Treasury Limits for 2005/06 to 2007/08

It is a statutory duty under S.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. In England and Wales the authorised limit is the legislative limit for borrowing as designated by the aforementioned act.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax/rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion in the capital programme incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

3 Prudential Indicators for 2005/06 – 2007/08

The following prudential indicators are relevant for the purposes of setting an integrated treasury management strategy.

The Council is also required to indicate if it has adopted the CIPFA code of Practice on Treasury Management. This was adopted on 7 January 2003 by the full Council.

PRUDENTIAL INDICATOR	2003/04	2004/05	2005/06	2006/07	2007/08
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORT					
	actual	probable outturn	estimate	estimate	estimate
Capital Expenditure	£'000	£'000	£'000	£'000	£'000
Non - HRA	40,595	47,155	62,642	28,427	18,446
HRA (applies only to housing authorities)	11,947	18,311	28,668	27,679	29,628
TOTAL	52,542	65,466	91,310	56,106	48,074
Ratio of financing costs to net revenue stream					
Non - HRA	0.37%	0.53%	1.44%	1.83%	2.13%
HRA (applies only to housing authorities)	23%	39%	40%	41%	42%
Net borrowing requirement	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	27,209	28,500	95,860	149,393	166,988
carried forward 31 March	36,100	12,792	23,800	28,560	34,270
in year borrowing requirement	-8,891	15,708	72,060	120,833	132,718
In year Capital Financing Requirement					
Non - HRA	48,548	15,007	29,770	12,457	2,379
HRA (applies only to housing authorities)	0	6,678	17,977	18,957	15,216
TOTAL	48,548	21,685	47,747	31,414	17,595
Capital Financing Requirement as at 31 March					
Non - HRA	48,548	63,555	93,325	105,782	108,161
HRA (applies only to housing authorities)	0	6,678	24,655	43,612	58,828
TOTAL	48,548	70,233	117,980	149,394	166,989

PRUDENTIAL INDICATOR	2003/04	2004/05	2005/06	2006/07	2007/08
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000	£'000
	actual	probable outturn	estimate	estimate	estimate
Authorised limit for external debt -					
borrowing	53,548	98,497	148,777	181,446	194,713
other long term liabilities	10,000	15,000	25,000	35,000	45,000
TOTAL	63,548	113,497	173,777	216,446	239,713
Operational boundary for external debt -					
borrowing	48,548	62,000	110,000	142,000	160,000
other long term liabilities	5,000	5,000	10,000	20,000	20,000
TOTAL	53,548	67,000	120,000	162,000	180,000
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments:-	100%	100%	100%	100%	100%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments:-	30%	30%	30%	30%	30%

Maturity structure of fixed rate borrowing during 2005/06	upper limit	lower limit
under 12 months	70%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	75%	15%
10 years and above	95%	25%

4. Current Portfolio Position

The Council's treasury portfolio position at 31/12/04 comprised:

		Principal		Ave. rate
		£m		%
Fixed rate funding	PWLB	19		
	Market	<u>9.5</u>	28.5	4.32
Variable rate funding	PWLB	0		
	Market	<u>0</u>	0	0
Other long term liabilities			<u>0</u>	
TOTAL DEBT			<u>28.5</u>	4.32
TOTAL INVESTMENTS			58.8	4.78

The Council redeemed £30m PWLB debt at the end of the last financial year, and was debt free at 31 March 2004. By becoming debt free the Council was able to qualify for a transitional reduction in the payment of HRA capital receipts into the national pool. It was also able to apportion the premia costs from the debt redemption between the general fund and the housing revenue account; if the debt was repaid after 2003/04 then HRA set-aside receipts arising from Right to Buy sales would have resulted in 100% of the premia falling on the general fund.

5. Long-term Borrowing Requirement

	2003/04	2004/05	2005/06	2006/07	2007/08
	£'000	£'000	£'000	£'000	£'000
	Actual	Probable	Estimate	Estimate	Estimate
New borrowing	48,548	21,685	47,747	31,414	17,595
Alternative financing arrangements					
Replacement borrowing					
TOTAL	48,548	21,685	47,747	31,414	17,595

The borrowing requirement is the underlying need to borrow for capital purposes, the capital financing requirement, and is not the actual level of borrowing the Council has on its books.

6. Prospects for Interest Rates

The Council has appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Appendix B draws together a number of current City forecasts for short term or variable (the base rate or repo rate) and longer fixed interest rates. The following table gives the Sector central view.

Sector View: Interest rate forecast – January 2005

	Q/E1 2005	Q/E2 2005	Q/E3 2005	Q/E4 2005	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006	Q/E1 2007	Q/E2 2007	Q/E3 2007
Base Rate	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.25%	4.25%	4.25%	4.50%	4.50%
5 yr Gilt Yield	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%
10 yr PWLB Rate	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
25 yr PWLB Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%

Economic background

UK

- Economic data currently indicates GDP above previously forecasted trend; however there are indications of weakening activity ahead.
- Slowdown in household spending and weakening housing market.
- Benign inflation at present may rise in 2005 as high street competition cannot sustain the current situation against the effect of rising oil prices.
- Sterling expected to remain at \$1.80 or above.

International

- US - measured interest rate raising by the Federal Reserve; weak trend employment data.
- Consumer slowdown shows no signs of abating and this will be compounded by high oil prices, rising interest rates, the fading effects of past tax cuts and a faltering labour market.
- US inflation benign.
- ECB has held repo rate at 2.00% since June 2003.
- Weak domestic demand/export led growth indicates an economy about to suffer as world economy expected to slow.

Interest rate forecast

- The base rate is expected to rise to 5.00% in Q1 2005, but is nearing the peak of the cycle, and is consequently expected to fall back in 2005.

Long term 25 year PWLB rate:

- Expected to remain around 4.75%
 - Housing market to weaken from fast market increases causing consumers to feel the pinch.
 - Slower global growth driven by weakness in the US.

7. Borrowing Strategy

It is considered unlikely that there will be much difference between short-term variable PWLB rates and medium and long-term PWLB fixed rate borrowing during 2005/06 provided the base rate falls from 5.0% to 4.75% as expected in quarter 3 of 2005. Variable rate borrowing will therefore be slightly more expensive than long term fixed borrowing during quarter 2, but is expected to become cheaper in quarter 1 of 2006 when base rate is forecast to fall to 4.5%.

Thereafter variable rate borrowing is expected to become still cheaper during 2006 and so the gap will widen further between long-term fixed and variable rates (see table in section 6).

Long-term rates are not currently expected to move significantly in 2005/06 but may drift to the downside.

These interest rate expectations provide a variety of options:

- that short-term variable rates will be good value compared to long-term rates, and are likely to remain so for potentially at least the next couple of years. Best value will therefore be achieved by borrowing short term at variable rates in order to minimise borrowing costs in the short term or to make short-term savings in order to meet budgetary constraints. If fixed PWLB rates should fall significantly, then a suitable trigger point for considering new fixed rate long term borrowing would be about 4.5%.
- that the risks intrinsic in the shorter term variable rates are such, that when compared to historically relatively low long term fixed funding which may be achievable in 2005/06, the Council will maintain a stable, longer term portfolio by drawing longer term fixed rate funding at a marginally higher rate than short term rates.

The generation of large capital receipts would provide the authority with a further option as these receipts could be used to redeem some of the Council's debt or restructure its maturity profile. Alternatively these receipts could be made available for investment purposes rather than spending.

Against this background caution will be adopted with the 2005/06 treasury operations. The Borough Treasurer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to cabinet at the next available opportunity.

Sensitivity of the forecast - The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it were felt that there was a significant risk of a sharp rise in long and short term rates*, perhaps arising from a greater than expected increase in world economic activity, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
- *if it were felt that there was a significant risk of a sharp fall in long and short term rates*, due to e.g. growth rates remaining low or weakening, then long term borrowings will be postponed, and any rescheduling from fixed rate funding into variable or short rate funding will be exercised.

8. Debt Rescheduling

Opportunities may exist for restructuring long term debt into short term variable rate debt to produce savings later in the year, particularly once base rate has fallen to 4.5%. With variable rate borrowing rates likely to fall significantly during 2005/06, it will be best to avoid restructuring into fixed borrowing for short periods (e.g. one year). Long term fixed rates are not expected to rise back above 5.25% during 2005/06. Consequently long term debt rates at or above 4.90% would warrant reviewing the potential for undertaking debt restructuring. Any positions taken via rescheduling will be in accordance with the strategy position outlined in paragraph 7 above.

The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk;
- in order to help fulfil the strategy outlined in paragraph 7 above; and

- In order to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

All rescheduling will be reported to the cabinet, at the meeting following its action.

9. ANNUAL INVESTMENT STRATEGY

9.1 Investment Policy

The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are the security of capital and the liquidity of its investments. The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are categorised as 'Specified' and 'Non-Specified' Investments. This Council only invests in Specified Investments. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Specified Investments:

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable)

	Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	Government backed	In-house
Term deposits – UK government	Government backed	In-house
Term deposits – other LAs	High Security although LAs not credit rated.	In-house
Term deposits – banks and building societies	Short-term F1, Long-term AAA to A, Individual A/B, Support 3 Top 15 Building Societies (as defined by Butlers Building Society Guide).	In-house and fund managers
Certificates of deposits issued by banks and building societies	Short-term F1, Long-term AAA to A, Individual A/B, Support 3 Top 15 Building Societies (as defined by Butlers Building Society Guide).	fund managers
Money Market Funds	AAA	
UK Government Gilts	AAA	Fund Managers
Gilt Funds and Bond Funds	Government backed	Fund Managers
Treasury Bills	Government backed	Fund Managers

The Council uses Fitch ratings to derive its criteria. Where a counter-party does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored monthly; the Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counter-party/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

9.2 Investment Strategy

The Council's in-house funds are mainly cash flow derived. Investments will accordingly be made with reference to cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). In order to spread risk and actively manage its investments the Council uses a matrix to set an upper limit on the amount of funds which may be invested with any one authorised counterparty.

Interest Rate Outlook : Sector is forecasting base rates to be on a falling trend from 5.00% in Q1 and Q2 2005 to 4.50% in Q1 & 2 of 2006. The Council will therefore seek to lock in longer period investments at higher rates before this fall starts for some element of its investment portfolio which represents its core balances.

End of year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

10. Other Issues

INTEREST RATE FORECASTS

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions.

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

1. INDIVIDUAL FORECASTS

Sector View interest rate forecast – January 2005

	Q/E1 2005	Q/E2 2005	Q/E3 2005	Q/E4 2005	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006	Q/E1 2007	Q/E2 2007	Q/E3 2007
Base Rate	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.25%	4.25%	4.25%	4.50%	4.50%
5 yr Gilt Yield	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%
10 yr PWLB Rate	5.00%	4.75%	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%
25 yr PWLB Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%

UBS Economic interest rate forecast (for quarter ends) - January 2005

	Q/E1 2005	Q/E2 2005	Q/E3 2005	Q/E4 2005	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006
Base Rate	4.75%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
10 yr PWLB rate	4.70%	4.60%	4.65%	4.70%	4.70%	4.70%	4.70%	4.70%
25 yr PWLB rate	4.55%	4.55%	4.60%	4.65%	4.65%	4.65%	4.65%	4.65%

Capital Economics interest rate forecast – January 2005

	Q/E1 2005	Q/E2 2005	Q/E3 2005	Q/E4 2005	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006
Base Rate	4.75%	4.50%	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%
5yr gilt yield	4.40%	4.30%	4.20%	4.00%	3.80%	3.60%	3.70%	3.80%

10 yr PWLB rate	4.55%	4.45%	4.45%	4.35%	4.25%	4.15%	4.25%	4.35%
25 yr PWLB rate	4.50%	4.40%	4.50%	4.45%	4.50%	4.50%	4.55%	4.55%

2. SURVEY OF ECONOMIC FORECASTS

HM Treasury – 19.01.2005 summary of forecasts of 25 City and 14 academic analysts for Q4 2004 and 2005. (2006 – 2008 are as at November 2004 but are based on 11 forecasts)

	Repo	Quarter ended		annual average repo rate		
		Q4 2004	Q4 2005	ave. 2006	ave. 2007	ave. 2008
Indep. forecasters BoE Base Rate	4.75%	4.77%	4.71%	4.81%	4.82%	4.76%
Highest base rate	4.75%	5.00%	5.25%	5.50%	5.25%	5.25%
Lowest base rate	4.75%	4.75%	3.90%	4.10%	4.10%	3.80%

AGENDA ITEM: 6 Page nos. 34 – 37

Meeting	Cabinet Resources Committee
Date	17 March 2005
Subject	Core Infrastructure Recovery Project
Report of	Cabinet Member for Performance, Partnerships and Best Value
Summary	This report provides a summary of the final stages for the procurement process of the Core Infrastructure project. It proposes that the Council enter into a contract with a suitably qualified provider to deliver, implement and provide a managed service for the new technology.

Officer Contributors	Mahesh Patel, Infrastructure Manager
Status (public or exempt)	Public (with a separate exempt section, to follow)
Wards affected	None
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Mahesh Patel, Infrastructure Manager (020 8359 7053)

1 RECOMMENDATIONS

- 1.1 That the Committee consider awarding this contract in accordance with the tender appraisal that will be reported separately.**

2 RELEVANT PREVIOUS DECISIONS

- 2.1 ICT Cabinet, 26th June 2003, - Approval of Information Systems Recovery Plan
- 2.2 ICT Cabinet, 8th November 2004, - Core Infrastructure Project Progress Report
- 2.3 ICT Cabinet 1st February 2005, - Core Infrastructure Project Progress Report

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The project aligns with the objectives of the Corporate Plan. It is particularly significant to the attainment of the priority of delivering 'a better council for a better Barnet' through investment in modern systems.
- 3.2 The Council's Procurement Strategy aims to support the delivery of the Corporate Plan by enabling the procurement of best value goods and services. The project has been delivered in accordance with that strategy.

4 RISK MANAGEMENT ISSUES

- 4.1 A formal risk register is managed as part of this project. In addition to this, as part of the BAFO evaluation process, separate risk registers have been developed for each supplier detailing risk associated with each of the suppliers solution.
- 4.2 Neither supplier is willing to enter into a Performance Bond. A risk assessment will be carried out by Mahesh Patel (ICT Infrastructure Manager), the Borough Treasurer and the Borough Solicitor in accordance with paragraph 10.3.7.2 of the Council's Contract Procedure Rules.

5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 This project will deliver the installation of a robust network infrastructure and a subsequent 5 year ICT service contract in line with the IS recovery plan.
- 5.2 The project costs include funding for internal project management and technical support provided by Barnet staff who will be seconded to the project.
- 5.3 The financial aspects of the project are covered in the Exempt report but are within the amounts provided for in the Council's capital programme.

6 LEGAL ISSUES

- 6.1 The Contract terms are not yet agreed. The requirement for a Performance Bond is also being assessed. These matters will need to be resolved before a contract can be entered into.

7 CONSTITUTIONAL POWERS

- 7.1 Constitution Part 3, Section 3, Powers of the Cabinet Resources Committee

8 BACKGROUND INFORMATION

- 8.1 This report provides an update on the first of the Recovery Plan priorities relating to the Council's ICT infrastructure. This Core Infrastructure Recovery project is currently in the final stage of procurement and will recommend a suitable contractor to deliver, implement and provide on-going support of a stable and modern ICT infrastructure.

8.2 Procurement Method

The cost of the supplies and services that would be required to deliver the Core ICT Infrastructure was estimated to be well in excess of the £150k tendering threshold, which meant that the procurement of the systems had to be conducted under a European Union (EU) compliant tender process and in line with the Council's Contract Procedure Rules.

8.2.1 Procurement Progress

Each stage of the procurement process has been reported to ICT Cabinet. This paper outlines the final stage of the procurement with a recommendation of a supplier.

8.3 Best And Final Offer (BAFO) stage

Best and final offers were invited from the two short listed suppliers on 16 February following several weeks of negotiations on technical and commercial issues. BAFOs were submitted to the Council on 24 February.

8.3.1 BAFO Evaluations

The BAFO submissions were evaluated against the following criteria: -

- Quality of Technical solution;
- Supplier's implementation planning and style of engagement;
- Proposed managed service;
- Supplier's proposed commercial arrangements and Price;
- Risk approach and overall integrity of the bid.

8.4 Scoring and evaluation

The evaluations are now under way and the outcome will be set out in an exempt report that will be circulated separately.

8.5 Project Deliverables

The deliverables from this project are as follows:-

- A wide area networking model that is flexible, scalable and cost effective

- All Barnet's offices to have the standardised converged voice and data network solution that has been put into operation at North London Business Park. IP telephones will be installed in all offices.
- Storage Area Networks will be implemented at Barnet House and Hendon Town Hall that will give the ability to share data from any office location in Barnet.
- Flexible network access facilities that will enable officers to work from any office location, remotely from home and 3rd party offices.
- A managed service to support the new infrastructure.

8.6 Benefits of the New Infrastructure

- High-speed reliable access to corporate systems and application servers.
- Ensure the Modernising Core Systems project will operate at maximum performance across the network.
- Allow for additional web facing systems to be implemented, enabling residents to carry out further on-line transactions and thereby meet e-government targets.
- Enable 3rd party networks such as health and the Police to connect securely to Barnet's network.
- The cost of calls between Barnet offices will be reduced to nil.
- Systems will be backed up across the core sites, providing automated off site media storage and thus provisioning disaster recovery for the data on these systems.
- The managed service will provide additional capacity to the organisation to deliver flexible and home working.

9. LIST OF BACKGROUND PAPERS

- 9.1 Information Systems Recovery Plan, Cabinet ICT, 26th June 2003
- 9.2 Core Infrastructure Recovery Project Progress Report, Cabinet ICT, 8th November 2000

BS: SS
BT:MG

AGENDA ITEM: 7 Page nos. 38 – 43

Meeting	Cabinet Resources Committee
Date	17 March 2005
Subject	Totteridge library
Report of	Cabinet Member for Resources Cabinet Member for Performance, Partnerships and Best Value
Summary	To report the outcome of the tender invitation and to seek approval to direct negotiations with a potential developer.

Officer Contributors	David Stephens, Chief Valuer and Development Manager
Status (public or exempt)	Public
Wards affected	Totteridge
Enclosures	Appendix A
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.

Tel: 0208 359 7353

1. RECOMMENDATIONS

- 1.1 That the results of the tender process be noted and it be agreed that the appropriate Chief Officer continue discussions with a local developer and report the outcome to a future meeting of the committee.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 19th February 2004 and Council 2nd March 2004 resolved to close Totteridge Library but subject to possible purchasers/developers being invited to submit proposals for a re-provision of library facilities as part of a refurbishment or redevelopment of the site.
- 2.2 Cabinet Resources Committee 18th March 2004 – resolved that the former Totteridge Library be offered for freehold sale by non-binding tender with potential purchasers being invited to put forward proposals for the re-provision of a library facility.

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 purpose of the tendering process was achieve offers to include a new library facility. The suggested discussions with a single developer will be directed towards the same achievement.
- 3.2 The Corporate Plan commits the Council to “modernise and reposition libraries in the heart of the community”. The replacement of Totteridge Library facility will contribute to this target being achieved.
- 3.3 The Library Service contributes to the Council’s key priorities of delivering a first class education service and supporting the vulnerable in our community.

4. RISK MANAGEMENT ISSUES

- 4.1 The tender process has failed to produce any proposals which meet the Council’s criteria. Direct negotiations may produce the same result. In the meantime the property remains vacant and liable to acts of vandalism and burglary. It is important therefore that these negotiations are progressed as quickly as possible and an early decision made regarding the future of the premises and a replacement library facility.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 There are no staffing or ICT issues at this stage. The financial implications are set out in the exempt report.
- 5.2 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

- 8.1 In accordance with the decision of this committee, the property was widely marketed, inviting interested parties to submit proposals for the provision of a new library facility and to make a financial offer for the acquisition of the existing building.
- 8.2 In relation to the new library facility, tenderers were invited to use their skills and innovation to provide a facility of a gross floor area of approximately 400 sq m. The space should be compliant with the Disability Discrimination Act with the public area being open plan and having flexibility of use. Tenderers were asked to submit plans and drawings of the proposed facility, build and fit-out costs, a programme of works, the tenure to be offered to the Council and, if applicable, the service charge.
- 8.3 By the closing date 8 submissions had been received – one included 21 options and one was a late bid. The detail of the submissions and comments thereon are set out in Appendix A and in the exempt report.
- 8.4 There are a range of redevelopment proposals and a wider range of offers. Some schemes are clearly unacceptable from a planning view-point and others failed to meet the Council's development criteria. Similarly, some of the financial offers, particularly those aspects dealing with the lease-back to the Council and the rent payable therefore do not present a good deal for the Council.
- 8.5 As indicated in the exempt report, officers have been contacted by a developer with interest in local properties who believes he can work up a scheme to meet the Council's requirements. It is recommended that this developer be given up to 10 weeks to prepare a scheme and financial proposals with the outcome being reported to a future meeting of the committee.

8. LIST OF BACKGROUND PAPERS

- 8.1 None.

BS: SM

BT: CM

APPENDIX A

Bid No.	TENDERER	PROPOSAL	LIBRARY FACILITY	PLANNING COMMENT	OTHER COMMENT
1	Landmark Property Investments and Developments	No scheme proposals submitted. Offer is a capital payment subject only to site and structural survey.	None	N/A	This offer is not compliant with the tender invitation
2	Turnhold Properties plc	No scheme proposals submitted. Offer is a capital payment subject only to site and structural survey.	None	N/A	This offer is not compliant with the tender invitation.
3	Andreas Christoforou,	Only basic plans submitted – no scheme description. A new library facility building in the rear garden is shown. It is assumed from the plans that the existing building is to be refurbished to turn it back into a single residence.	An octagonal, two storey building – the first floor being in the roof space. Providing a total floor area of 390 sq m. No tenure details given.	Concerns about the accessibility of the first floor of the new library facility due to the octagonal design of the building, the use of roof space and the size of the lift. Concerns about the location of the library in the existing rear garden, and the impact this will have upon adjoining occupiers. The proposal would fail the UDP standard for back to back distance as a result of the tandem development. No off-street parking	No delivery programme given. The tenderer has been asked to provide further information as to the likely tenure of the replacement library facility, together with the proposed level of rent or service charge but the tenderer has declined to submit further information

4	Artistcharm Limited	Redevelopment of the existing building to provide 4 X 2 bed flats and 2 X 1 bed flats. Separate library facility building.	To be built to shell finish only with the Council having to pay for the fitting out. A separate 400 sq m single storey building in the rear garden area. A pre-fabricated structure manufactured off-site and delivered for on-site assembly. The freehold of the library facility site will be retained by the Council.	The proposal would result in a tandem development and provides no off-street parking. The proposal would additionally bring the front building line forward of the adjoining properties. There are in-principle concerns about the provision of a block of flats in an area characterised by large houses, especially given that the proposed materials and design are out of character with the existing street scene	The library facility to be provided within three months – but this is the shell only.
5	Hetton Properties Limited	No scheme proposals submitted. Offer is a capital payment only.	None	N/A	This offer is not compliant with the tender invitation
6	Paragon Homes (London) Limited	A redevelopment to provide a mixed use scheme – library facility on the ground floor with three floors of residential over – 12 X 2 bed flats	405 sq m of floor space fully finished and fitted out. 999 year lease to be granted to the Council.	The size, height and bulk of the building would be visually dominant and out of character. The proposal would result in edge to edge development because of the density of the scheme, and a sub-basement would be out of character with the surrounding properties. The scheme would result in a loss of trees and screening	Expected delivery within a year of exchanging contracts

7	Simon Music, MHS Projects	<p>There are two basic options – Option 1 has a single building on site providing a library facility and 7 flats – Option 2 proposes a residential development on the existing site plus a library facility and further residential development on the Whetstone Stray site (land opposite Totteridge and Whetstone Underground station). Option 1 has six variations and Option 2 provides 15 variations</p>	<p>Option 1 - this could either be a separate building in the rear garden of the existing site or incorporated into a single new building on the site.</p> <p>Option 2 - proposes a neo-Georgian building on the Whetstone Stray site with a 405 sq m library facility on the ground floor with luxury flats over.</p> <p>It is assumed that a leasehold interest will be offered to the Council at an annual ground rent.</p>	<p>A sympathetic conversion of the existing building subject to compliance with UDP standards, as proposed in option 1, would probably be favourably considered. However, there is a concern about the relocation of the library to the rear garden area as this could impact negatively upon the adjoining occupiers. It is unclear as to how parking would be provided. The block of flats put forward in option 1b would be completely out of character with the street scene in terms of design, scale and bulk.</p>	<p>18 months from the grant of planning permission – maybe 24 months from exchange of contracts</p>
8	Sherm Properties Limited	<p>Not clear but it is assumed that the tenderer proposes to refurbish the whole property as a new library with a playground in the garden.</p>	<p>25 year lease</p>	<p>The sympathetic refurbishment of the library as a community/library facility would be supported. However, in general it would appear that the proposal is trying to accommodate too much on the site.</p>	<p>This was a late bid</p>

AGENDA ITEM: 8 Page nos. 1 – 7

Meeting	Cabinet Resources Committee
Date	17 March 2005
Subject	South Friern Library and adjoining premises
Report of	Cabinet Member for Resources Cabinet Member for Performance, Partnerships and Best Value
Summary	To report the outcome of the tender invitation and to seek approval for the next phase of the process.

Officer Contributors	David Stephens, Chief Valuer and Development Manager
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Coppetts
Enclosures	Appendix A – Submission summaries
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
Tel -0208 359 7353

1. RECOMMENDATIONS

- 1.1 That the two tenderers listed in the exempt report be invited to work up scheme proposals for discussion with the Head of Planning and to submit final financial offers with the results being reported to a future meeting of the committee.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council 2nd March 2004 resolved to keep South Friern Library open for a further six months whilst possible redevelopment options were considered.
- 2.2 Cabinet Resources Report 18th March 2004 approved the invitation to interested parties to submit redevelopment proposals to include the re-provision of a library facility.

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. Depending upon the option chosen, the proposals in this report could result in the achievement of a new library facility and/or a capital receipt which could be used to assist in funding the capital programme.
- 3.2 The Corporate Plan commits the Council to “modernise and reposition libraries in the heart of the community”. The replacement of South Friern Library will contribute to this objective being achieved.
- 3.3 The Library Service contributes to the Council’s key priorities of delivering a first class education service and supporting the vulnerable in our community.

4. RISK MANAGEMENT ISSUES

- 4.1 The selected tenderers will be set deadlines by which to prepare their schemes, have discussions with the Head of Planning and submit their final offers. The successful tenderer will be expected to exchange contracts conditional only upon the grant of planning permission for its agreed scheme.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 The Council will need to employ the equivalent of 3.5 full time staff to manage the replacement library facility. If one of the schemes is to proceed there will need to be a revenue budget adjustment from April 2005 to put back into the base budget for libraries the running costs for the replacement facility for South Friern library.
- 5.2 The financial implications are set out in the exempt report.
- 5.3 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

- 8.1 In accordance with the decision of this committee, the property was widely marketed, inviting interested parties to submit proposals for the provision of a new library facility.
- 8.2 In regard to the new library facility, interested parties were invited to use their skills and innovation to provide a facility of a gross floor area of approximately 400 sq m. The space should be compliant with the Disability Discrimination Act with the public area being open plan and having flexibility of use. Interested parties were asked to submit plans and drawings of the proposed facility, build and fit-out costs if applicable, a programme of works, the tenure to be offered to the Council and, if applicable, the service charge.
- 8.3 By the closing date 9 submissions had been received – 3 included more than 1 development option. The detail of the submissions and comments thereon are set out in Appendix A and in the exempt report.
- 8.4 There are a range of redevelopment proposals and a wider range of offers. Some schemes are clearly unacceptable from a planning view-point and others failed to meet the Council's development criteria. Similarly, some of the financial offers, particularly those aspects dealing with the lease-back to the Council and the rent payable therefore do not present a good deal for the Council.
- 8.5 High-lighted in Appendix A and in the exempt report are the submissions which it is considered at this stage have some basis for further consideration. The scheme proposals submitted so far are insufficient to say whether or not a planning permission is likely to be recommended for approval. It is recommended therefore that these two be invited to develop their schemes further in consultation with the Head of Planning and submit final offers for consideration by a future meeting of the committee.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: DVP
BT: CM

Bid No.	TENDERER	PROPOSAL	LIBRARY FACILITY	PLANNING COMMENT	OTHER COMMENT
1	Intro Homes	A mixed use scheme combining a replacement library facility and 25 residential units. 30% of the residential units are to be shared ownership at 100% TCI. No allowance has been made for a S106 contribution.	The library facility will form a large portion of the 1st floor (4035 sq ft), and is offered either inclusive or exclusive of fit-out. The freehold of the premises will be transferred to Intro Homes. Intro Homes will grant the Council a 999 year lease of the library element.	There is concern over visual intrusion and an overbearing impact of the building upon adjoining occupiers. The parking provision will provide a harsh environment - it is probably inadequate and does not meet the current requirements. The residential element is above the affordable housing threshold. The proposal appears to have potential which could be more fully addressed through detailed plans.	The scheme is expected to be complete after 20 months. Housing Strategy Officers believe the scheme to be too expensive, having been based on 100% TCI. It is also felt that the units ought to be for rent.
2	Pearscroft Limited	A mixed use scheme combining a replacement library facility and a 14 unit residential development. The development is a 4 storey building with communal garden at the rear. It also includes a single 2 storey house with attached private garden.	To be built to a shell finish only with the Council having to pay for the fitting out. The Council to cover utility payments and a small service charge (not detailed) for building insurance and maintenance of the physical envelope. The freehold of the site will be transferred to Pearscroft Limited. Pearscroft Ltd will offer the Council the grant of a 125 year lease of the library element.	The full three storey elevation to both roads is inconsistent with the 2 storey plus pitched roof character of the area. There is concern over the compatibility of balconies with the street scene. The scheme includes a retail unit which could add to the vitality of the town centre. The proposal appears to have potential which could be more fully addressed through detailed plans.	The anticipated hand-over of the library to the Council will be 12 months after construction commences, with completion of the residential units 6 months later.
3	Acorn Homes	Option One - a mixed use scheme combining 2 x 2 semi-detached houses and a separate library building with 10 flats above.	The library will be built to provide approximately 400 sq m of space, and will be fully fitted. The freehold of the site will be transferred to Acorn Homes. It is	A sensitive design approach could overcome vista issues. The building heights of 2 storey plus roof along Sutton Road are consistent with the established street scene. Both the level of	Construction period of 65 weeks.

		Option Two - a purely residential scheme and does not incorporate the provision of a replacement library facility.	mentioned that the library will be “handed back” to Barnet, although no detail as to the likely tenure, term or rent is given.	parking provision and amenity space appears to be acceptable, and the buildings are positioned so as to minimise the impact upon adjoining premises. The proposal appears to have potential which could be more fully addressed through detailed plans.	
4	Higgins Homes Ltd	A mixed use scheme combining a replacement library facility and an 18 unit residential development. The library will be situated on the first floor. The 18 x 2-bed flats will be arranged over 4 storeys, with parking at basement/ground floor level.	The library will be built to a shell finish only. All main services (water, drainage and electricity) will be made available. The Council will have to pay for the fitting out of the interior. There will be no provision of library car parking. The freehold of the site will be transferred to Higgins Homes. Higgins Homes will offer the Council a 250 year lease.	The proposed 3 storey development is not consistent with the established building heights. The scale of the scheme is felt to be excessive, involving large hard surfaced areas with little green space for amenity use. The scheme has some good design points, but there are too many deficiencies to allow the scheme to be favourably recommended.	Hand over of library shell after 50 weeks.
5	Origin Housing Group	Option One - a replacement library (inclusive of fit-out), together with a 24 unit residential development. Option Two the same as option one, although it does not include the fit-out of the library facility. Option Three - a 31 unit residential development, with no library facility.	The library will be built on two floors with lift access. Internal fit-out could be included or excluded depending upon the option chosen. The freehold of the site would be transferred to Origin Housing Group. Origin would then grant the Council a 15 year lease of the library facility.	A predominantly 3 storey development, although these parts are not significantly higher than the adjacent 2 storey (plus roof) buildings. It therefore generally respects the contours of the site, although the 4 storey section in the corner is felt to be unduly prominent. Car parking provision is inadequate. All of the residential units are to be affordable. The scheme has some good ideas, but attempts to incorporate too much on the site.	Project completion in 23 months. The bid is dependent upon the receipt of Social Housing Grant from the Housing Corporation.
6	Structadene Ltd	Option One - retail units at	The public area of the	A mixed-use proposal, with all of	

		<p>pavement level on the Colney Hatch Lane elevation, with the library facility above. 8 live/work units above the library. Parking at basement level. A separate 3-storey block of flats to the rear incorporating 14 units.</p> <p>Option Two - a variation on option one, with further provision of residential units through the inclusion of two additional floors above the library.</p> <p>Option Three - a variation on option one which removes the retail element and replaces it with residential units</p>	<p>library facility will be provided with 400 sqm on the first floor, with access from a ground floor entrance at the corner of Colney Hatch Lane and Sutton Road (90 sqm). An additional 90 sqm of space will be available at basement level for storage.</p>	<p>the options involving almost total site coverage by buildings, hard-surfaced areas and an underground car park. There is concern that the contours of the site have not been taken into consideration as the ground floor plan shows entry to shops on Colney Hatch Lane, but also entry into flats on Sutton Road – which is one storey lower.</p> <p>Option one – The scheme does not observe the building line, resulting in a large projection in front of the parade that lies to the north. The live/work units are not felt to be suitable for this situation. Inadequate car parking. The building fronting Sutton Road has excessive bulk, scale and mass.</p> <p>Option two & three – Both schemes are out of scale with the surroundings, offering 4 storey developments next to the existing 2 storey residences of Sutton Road (with a 5 storey tower feature in the corner). The schemes share the same issues as mentioned for option one with regard to positioning, parking and the viability of the live/work units.</p>	
7	Phoenix Estates (St Albans) Ltd	<p>A mixed use scheme combining a replacement library facility, office headquarters for the Disability Action Group in the Borough of Barnet, office headquarters for</p>	<p>The ground floor library facility will be built to a shell finish with the Council having to pay for fit out. All main services would be provided. However, a contribution towards fit out</p>	<p>A mixed-use development involving a number of community uses. The taller parts of the development are sited where they would have greatest impact upon residential amenity. There are limited “soft” areas</p>	<p>Hand over will be 27 months after legal acquisition of the site. Subject to proposed timescales the existing library could be kept open until the end of November 2005.</p>

		Barnet Voluntary Service Council, a new centre for independent living and a 12-unit residential development.	will be offered in the form of a rent free period of 3 months. The freehold of the site will be transferred to Phoenix Estates. Phoenix will offer the Council a lease term of either 25 years (Option 1) or 125 years (Option 2) . All rents will be charged exclusive of rates. Service charges will be proportional based upon floor areas.	and inadequate provision of car parking.	
8	Safeland Plc,	Not detailed	Not detailed	N/A	This offer is not compliant with the tender invitation
9	MBS Construction	The submission details a mixed use scheme combining 9 residential flats, a replacement library facility and a primary care centre.	The library facility will be located on the ground floor level adjoining the proposed primary care centre. The library would be fully fitted. Access would be via an entrance on the corner of Colney Hatch Lane and Sutton Road. The freehold of the site would be transferred to MBS Construction. MBS would offer the Council a 99 year lease of the library facility.	A mixed-use development, incorporating a library and replacement health care centre. The tower feature on the corner of Sutton Road could be unduly prominent. Building lines have been largely safeguarded and the existing "open space" retained. Parking provision is inadequate, and roof gardens could result in overlooking. The scheme provides limited information with regards to design and levels at the site. However, its general form and content could work.	Total development completed in 134 weeks from acceptance of bid. The PCT has been approached on an informal basis in relation to the proposed health clinic. It is intended that the scheme be operated as a LIFT project.

AGENDA ITEM: 9

Page nos. 1 – 8

Meeting	Cabinet Resources Committee
Date	17 March 2005
Subject	The former Watling Boys Club
Report of	Cabinet Member for Resources Cabinet Member for Performance, Partnerships and Best Value
Summary	To report the outcome of the tender invitation and to seek approval to the next phase of the process.

Officer Contributors	David Stephens, Chief Valuer and Development Manager
Status (public or exempt)	Public
Wards affected	Burnt Oak
Enclosures	None
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, Property Services & Valuation.

Tel: 0208 359 7363

1. RECOMMENDATIONS

- 1.1 That the five tenderers listed in the exempt report be invited to work up scheme proposals for discussion with the Head of Planning and to submit final financial offers with the results being reported to a future meeting of the committee.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 8th July 2004 resolved that, subject to obtaining vacant possession of the property, the freehold sale of the land at Dryfield Road for re-development be agreed, and for the property to be marketed for sale by non-binding tender by the Property Services & Valuation Group.

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. Depending upon the option chosen, the proposals in this report could result in the achievement of a community benefit and a capital receipt, which could be used to assist in funding the capital programme.

4. RISK MANAGEMENT ISSUES

- 4.1 The five selected tenderers will be set deadlines by which to prepare their schemes, have discussions with the Head of Planning and submit their final offers. The successful tenderer will be expected to exchange contracts conditional only upon the grant of planning permission for its agreed scheme.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 There are no ICT or staffing issues.
- 5.2 The financial implications are set out in the exempt report.
- 5.3 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

- 8.1 Possession of the premises was regained in September 2004, with the youth sporting element of the former Watling Boys Club having been transferred to the Burnt Oak Sports Centre.

- 8.2 In accordance with the decision of the committee on 8th July 2004, the property was widely marketed, inviting interested parties to submit tender offers and scheme proposals for either the refurbishment or redevelopment of the site together with a financial offer for the freehold or long leasehold acquisition of the premises.
- 8.3 Tenderers were asked to submit plans and drawings of their scheme proposals, together with information as to how such proposals would accord with the conservation area status. Tenderers were also asked to include an outline programme of delivery and a financial offer.
- 8.4 By the closing date 36 submissions had been received. The detail of the submissions and comments thereon are set out in Appendix A and in the exempt report.
- 8.5 The purpose of inviting tenders for either the freehold or the grant of a lease was to give community and similar groups, which could not normally compete with developers on price, an opportunity of putting in leasehold bids which, whilst delivering a lower capital sum to the Council, would leave the latent development value with the Council for future realisation. It can be seen from the attached Appendix A that there was a significant number of offers from community groups and religious organisations but few opted for the leasehold alternative. The consequence is that the gap between these offers and the higher offers cannot be justified in financial terms.
- 8.6 There is an obvious demand for land and premises from community and religious groups. At its meeting on 10 February the Committee agreed that two properties suitable for a variety of purposes, including community type uses (land at Grahame Park Way, and the Deansbrook Centre, Deansbrook Road) be offered for disposal either freehold or leasehold. Neither of these is likely to command the same development value as the Dryfield Road site and therefore community and other groups will be able to more effectively compete in the bidding.
- 8.7 The offers from the five highest bidders are subject to planning. The scheme proposals submitted so far are insufficient to say whether or not a planning permission is likely to be recommended for approval. It is recommended therefore that these five be invited to develop their schemes further in consultation with the Head of Planning and submit final offers for consideration by a future meeting of the committee.

9. LIST OF BACKGROUND PAPERS

- 9.1 None.

BS: DVP
BT: CM

APPENDIX A

Bid No.	TENDERER	PROPOSAL	PLANNING COMMENT	OTHER COMMENT
1	Noam Primary School	Redevelopment with a 3 storey primary school	Education use acceptable in principle. Pupil numbers may impact on parking/traffic issues.	No delivery programme. Freehold wanted. See bid 17 below.
2	Origin Housing Group	Residential redevelopment – 1 X 1 bed house, 2 X 3 bed houses, 8 X 1 bed flats, 14 X 2 bed flats, 2 X 3 bed flats.	Residential acceptable in principle subject to some community provision. This scheme would be an over-development and its current design would create unacceptable overlooking.	2 year delivery. Offer is subject to the receipt of social housing grant. Freehold wanted.
3	Faribourz Zamani	Refurbishment of the existing building to be used as an indoor play centre offering educational & IT courses for children.	Acceptable in principle.	No delivery programme. 15 year lease required.
4	Howarth Homes Plc	Conversion and extension of the building to provide a mixed-use development consisting of a ground floor community/meeting hall and 6 X1 bed flats and 4 X2 bed flats on three floors.	Acceptable in principle.	12 month delivery. Freehold required.
5	Baladia Leva Patel Sarvodal (UK),	Refurbishment of the existing building and the retention of the community use.	Acceptable in principle.	3 month delivery. Freehold required.
6	Safeland Plc	None given.	N/A	Non compliant offer.
7	Parkview Homes Limited	Refurbishment of the existing building and the retention of the community use as a day care centre and nursery facilities.	Acceptable in principle	3-6 month delivery. Freehold required. Would this housing developer seek to redevelop the site later?
8	Will-it Limited	Redevelopment to accommodate a 2/3 storey dual registered nursing home (in the region of 95 beds) and a general practice medical centre. The proposal indicates that the stream that currently flows through the site will be re-directed around the edge of the site.	The proposed use is acceptable in principle subject to loss of community use issues. The proposed scheme would need to be reduced to the rear in order to respect the visual and residential amenities of the properties to the east in Dryfield Road. The scheme lacks sufficient garden.	2 year delivery. Freehold required
9	Pavillion Developments Ltd (Off shore company)	Redevelopment to accommodate a 2/3 storey, 70 bed, care home. The scheme will involve part culverting of the stream.	The proposed use is acceptable in principle subject to loss of community use issues.	No delivery programme given. Freehold required.

10	Shree Swaminarayan Sidhant Sajivan Mandal "Kum Kum" (UK),	Refurbishment and extension of the building and retention of the community use as a permanent base from which to hold youth activities, give educational support for young children and providing a variety of sporting and non-sporting activities	Acceptable in principle.	No delivery programme. Seeking either the freehold or a 50 year lease.
11	Starfare Ltd	Redevelopment of the site to accommodate a 2-3 storey, 70 bed, care home. This will involve part culverting of the stream.	The proposed use is acceptable in principle subject to loss of community use issues.	No delivery programme. Seeking the freehold.
12	Tom Glaser	Redevelopment to provide three 2-storey blocks of flats. The number of flats is unspecified. Plus a replacement 2-storey community facility of a modern, fully equipped gymnasium and snooker club	The use as residential is acceptable in principle subject to loss of community use issues. The sports hall, gym and snooker hall would be unacceptable. The scheme proposed may be an over-development.	56 week delivery programme. Seeking the freehold.
13	Classgrade Ltd	Redevelopment of the site to accommodate 4 blocks of flats. The number of flats intended for is unknown	The use as residential is acceptable in principle subject to loss of community use issues. However, the proposal drawings appear to be an over-development.	No delivery programme. Seeking the freehold.
14	Just Learning Ltd	Redevelopment to provide a single storey children's nursery. It is the intention to operate the nursery as a community resource, building links with the Annunciation RC School and offering the Council up to 10 discounted places for children from disadvantaged backgrounds.	The use as a children's nursery is acceptable in principle	7 month delivery programme. Seeking the freehold. To accept discounted places may breach procurement rules.
15	Rockley Dene Homes Ltd	Redevelopment to provide a 3-storey 62-bed care home with nursing provision. The tenderer proposes to dedicate part of the accommodation to a combination of day care and respite care for service users from the immediate locality and who are deemed to be in need of assistance. The scheme will involve the full culverting of the watercourse.	The use is acceptable in principle. However, this would be dependent upon the user as may constitute a loss of a community use on the site. The current layout proposal would need to be amended.	No delivery programme. Seeking the freehold.

16	Trymax Investments Limited	Refurbishment and extension of the existing building for use as a drop-in/recreation centre for vulnerable adults, people with disabilities and registered charities.	The use as a drop-in/recreation hall for people with disabilities is considered acceptable. However, this would be dependent upon the user as it may constitute a loss of a community use on the site. The bulk and depth of the proposed extension is considered to be acceptable, subject to appropriate design.	1 year delivery programme. Seeking the freehold.
17	Noam Primary School	None detailed, but it is presumed that the scheme proposals will be similar or identical to those outlined in bid 1		See bid 1 above.
18	Huntingdon Foundation Ltd	No scheme proposals were submitted	N/A	Non-compliant offer.
19	Harvest Church	No site specific scheme proposals are detailed. However, the tenderer has supplied information as to their proposed usage, which includes family support, pastoral counselling services, as well as business and personal development.	The proposed use is acceptable in principle, subject to information on the type of community use, hours/days of use and numbers of users.	No delivery programme. The offer is not compliant.
20	Urban Evolution Limited	Redevelopment of the site to accommodate a specialist care unit for vulnerable mothers and babies, to be operated by a recognised Private Healthcare Organisation. The scheme also includes an additional building of 12 affordable flats.	The proposed scheme is acceptable in principle.	The scheme assumes involvement of LBB Social Care and a nominated RSL. No delivery programme. Freehold required.
21	Landmark Developers	No details provided.	N/A	Non-compliant bid.
22	Liberty Land Developments Ltd	Redevelopment to provide a residential care home with 48 bedrooms arranged in three clusters of 16 bedrooms. Includes a communal day room, kitchen and office facilities.	The proposed scheme is acceptable in principle. A three-storey building may be acceptable on the site subject to appropriate scale, bulk and design.	12/15 month delivery. Freehold required.
23	Islamic Association of North London	Refurbishment and extension of the existing building to provide social, cultural and welfare activities for the benefit of the local Muslim community. The games court will be used as a play area for youths and children and for car parking.	The use is acceptable in principle, subject to information on type of community use, hours/days of use, numbers of users and parking provision.	No delivery programme. Freehold required.

24	Telford Homes Plc	Redevelopment to provide 33 homes – 11 X 1 bed and 12 X 2 bed flats for sale, 2 X 1 bed, 2 X 2 bed and 3 X 3 bed flats for rent, and 1 X 1 bed and 2 X 2 bed flats for shared ownership.	A housing scheme would be acceptable in principle, subject to a S106 to secure community facilities on an alternative location or to secure improvements to other community facilities. Current layout would be unacceptable.	12 month delivery. Freehold required
25	New Life Assembly	Refurbishment and internal alterations to the existing building, and use as a school for children up to the age of 11 years.	The use of the existing building for a community purpose is acceptable in principle subject to parking issues.	9/12 month delivery. Freehold required
26	Universal Pentecostal Church	Refurbishment of the existing building for use as a church meeting hall and activity rooms with on-site parking.	The use of the existing building for a community purpose is acceptable in principle subject to parking issues.	2 month delivery. Freehold or long leasehold required
27	Shree Swaminarayan Satsang	Refurbishment and possible extension of the existing building for use as a temple for the local community. Includes youth and sports activities, cultural & religious teachings, careers advice, educational services and crèche facilities.	The use of the existing building for a community purpose is acceptable in principle subject to parking issues.	No delivery programme. Freehold required
28	Gaudiya Mission UK	Refurbishment of the existing building for use as a community and day centre. Activities would include language, religious classes, yoga classes and counselling.	The use is acceptable in principle, subject to information on the type of community use, hours/days of use, numbers of users and parking provision.	No delivery programme. Freehold required
29	Donald Johnston	Redevelopment to provide Independent Living Units to provide support for people with learning disabilities between the ages of eighteen and sixty five. A development of a 2/3 storey building with 30 apartments.	A housing scheme would be acceptable in principle, subject to community facilities issues. A three storey building may be acceptable on the site subject to appropriate scale, bulk and design.	12 month delivery programme. Freehold required
30	Cavendish School Ltd	Refurbishment of the existing building for use as an independent secondary school catering for pupils with emotional and behavioural difficulties and special educational needs.	The use is acceptable in principle, subject to information on hours/days of use, numbers of users and parking provision.	No delivery programme. Short lease followed by a freehold purchase. A non-compliant bid.

31	Caretech Community Services Ltd,	Redevelopment to provide a single storey eight person care home for people with physical and learning disabilities, a day centre/community hall building, a 2/3 storey block of 20 X 1 bed flats and a 2 storey block of 5 X 2 bed terraced houses.	The use is acceptable in principle subject to loss of community use issues. Existing layout is unacceptable. No amenity space has been indicated.	22 month delivery programme. Freehold required
32	Rex Chosen Ministries	Refurbishment of the existing building for use as a youth and community centre. The premises will also be used as a moral education centre.	The use is acceptable in principle, subject to appropriate design and further information, hours/days of use, number of users and parking provision.	No delivery programme. Freehold required
33	Islamic Centre Edgware	Refurbishment of the existing building to provide a facility for social care and welfare, spiritual care, education & training. The scheme also involves the construction of a second building on the site.	The use is acceptable in principle, subject to appropriate scale, bulk and design of the building and further information about hours/days of use, number of users and parking provision	No delivery programme. Freehold required
34	Genesis Housing Group	No information given – a residential redevelopment assumed.	N/A	A non-compliant bid.
35	Christ Embassy	Refurbishment of the existing building for use as a multi-purpose hall. The facility would be used for congregations, to provide computer and literacy training, nursery and youth facilities.	The use of the existing building for a community purpose is acceptable in principle, subject to information on hours/days of use, number of users and parking provision.	6 month delivery programme. Medium term lease or a freehold required
36	Kaber Estates Limited	Redevelopment to provide 15 X 1 bed flats, 7 X 2 bed flats, 3 X 3 bed flats, 3 X 2 bed houses, 2 X 4 bed houses. 9 units are to be affordable.	The use is acceptable in principle, subject to amendments with regards to general scale, bulk, design and overlooking, amenity space and parking provision issues. Consultation with Housing is required as to the range and mix of affordable housing.	20 month delivery programme. Freehold required

AGENDA ITEM: 9A

Page nos. 1 – 5 (& enclosures)

Meeting

Cabinet Resources

Date

17 March 2005

Subject

Revenue Monitoring 2004/05

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 General Fund and Housing Revenue Account budget monitoring position be noted.**
- 1.2 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 28th July 2004, Cabinet Resources 23rd September 2004, Cabinet Resources 25th November 2004 and Cabinet Resources 10th February 2005.

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

- 6.1 None.

7 CONSTITUTIONAL

- 7.1 This committee is responsible for capital and revenue finance, forecasting, monitoring, borrowing and taxation.

8 BACKGROUND INFORMATION

- 8.1 Variances previously considered and approved by Cabinet Resources Committee in July, September, November and February produce a forecast of balances of £4.941m at 31 March 2005 – this was the result of a combination of approved budget variations and forecast outturn variations.

- 8.2 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 £4.941m. This figure excludes any redundancy costs that may arise during the year for which a capitalisation Direction will again be sought from the ODPM.
- 8.3 The Council's target level of balances is £5.0m by the end of the financial year and it is therefore essential that Heads of Service continue to monitor their budgetary position, identify further savings where possible and, particularly where compensatory savings have been found to offset known overspends, that the position presented in this report is delivered.
- 8.4 Whilst Appendix A sets out all forecast variances, the major changes since the last report to this committee in February 2005 are commented on in the following paragraphs.

Central Expenses & Contingency

External Audit Fees – following the finalisation of the 2005/06 budget, the Council's previous external auditors (PricewaterhouseCoopers) have revised their estimate of the cost of completing the complaint by a member of the public into the sale of the Underhill football ground. No budget provision exists for this so it will be necessary to set up a provision for this anticipated future expenditure within the 2004/05 accounts. The council has no control over whether the external auditor chooses to investigate matters referred by members of the public and the resulting cost of these investigations.

Children's Services

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

Corporate Procurement Office

Procurement Savings – not all procurement savings are expected to be recovered from service departments.

Environment & Neighbourhood Services

Licensing Act – the fee regime was originally scheduled to be finalised in November but was not set by Government until February, which has enabled a clearer position to be established.

Street Enforcement Service – the movement reflects the budget reduction of £201,250 identified as an efficiency saving. The position reported on February showed a favourable position against budget of £150,000 and since that report the budget has been reduced. Therefore the current favourable position of £23,000 is against that reduced budget and means in actuality, that the position for that service is £74,000 better than previously reported.

Highways & Design

RASWA income – more detailed analysis of potential income sources has identified additional monies for the Council. The identified charges have been agreed with the relevant organisations and subsequently invoiced. Following the greater enforcement of requirements in 2004/05, it is anticipated that compliance will be much higher in 2005/06 and therefore this potential windfall will be much smaller. Any additional income in 2005/06 will be returned to the centre.

Human Resources

Income Shortfall – the budgeted income from external sources, including Barnet Homes, is no longer achievable following the transfer of staff.

Property & Valuation

Rents & Lettings – short term leases have been agreed on Council properties which had previously been identified as surplus and earmarked for sale.

Public Offices

Facilities (East) – this is principally recharges to the Housing Revenue Account which had not been budgeted.

Buildings (East) – reflects an under-recovery of charges to external sources with regard to Barnet House.

NLBP Service Charges/Office Moves – these projected overspends are now to be met from the contingency provision identified for public offices.

- 8.5 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.
- 8.6 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.
- 8.7 The position on the Housing Revenue Account (HRA) is being monitored in partnership by Barnet Homes and London Borough of Barnet. The projected outturn for the HRA was reported to the General Functions committee on 1st March and this showed that the account will breakeven in 2004/05.

9 LIST OF BACKGROUND PAPERS

- 9.1 None.

MO: JL

BT: CM

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
<u>Borough Solicitor</u>							
Local Land Charges - £500k base budget adjustment approved at CRC in November so total variance from original budget is £788k	B	250		288		38	
Other Variations		(31)		(44)		(13)	
Note - service budget reduced by £40k since last report to reflect efficiency savings achieved			219		244		25
<u>Borough Treasurer</u>							
Salary overspends in Accountancy supporting MCS and Community Care		200		220		20	
Managed salary underspends and use of MCS backfilling provisions		(260)		(281)		(21)	
Note - service budget reduced by £33k since last report to reflect efficiency savings achieved			(60)		(61)		(1)
<u>Central Expenses & Contingency</u>							
External Audit & Inspection fees - projected cost of Underhill investigation		30		310		280	
Projected Cost of Cricklewood Fire		20		20		0	
Coroners Service - additional IT costs in relation to 2003/04		25		25		0	
Note - service budget reduced by £1k since last report to reflect efficiency savings achieved			75		355		280
<u>Children's Services</u>							
External placements (continuing pressures, including New Park House placements)	B	1,452		1,486		34	
Family Placements (in-house) and adoption costs	B	13		(73)		(86)	
Barnet residential units - New Park House & 68A Meadow Close	B	(156)		(162)		(6)	
Children with Disabilities	B	96		31		(65)	
Asylum Seekers - variation in forecasted numbers	B	(300)		(190)		110	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
Social Workers - staffing costs	B	(695)		(791)		(96)	
Other Family Support Services & Leaving Care	B	(344)		(298)		46	
Grants (principally Safeguarding Children's Grant)	B	(500)		(501)		(1)	
SWIFT		251		249		(2)	
			(183)		(249)		(66)
<u>Committee & Administration</u>							
Vacancy Savings		(49)		(59)		(10)	
			(49)		(59)		(10)
<u>Community Care</u>							
Client costs, impact of new home care contracts, provider units & staffing including corporate agency recharges		(425)		(460)		(35)	
Potential s117 repayment		234		234		0	
Grant allocation transferred to support expenditure		(307)		(307)		0	
Employment Tribunal		100		100		0	
Head of Community Care recruitment and handover		134		134		0	
SWIFT		163		163		0	
Closure Springwood Day Centre	B	72		72		0	
			(29)		(64)		(35)
<u>Corporate Performance Office / Information Systems</u>							
Corporate Procurement Savings		0		259		259	
Other Variations - principally underspend on cost of moving to NLBP		18		(81)		(99)	
MCS project - costs reported to Joint Resources / ICT Cabinet		600		604		4	
MCS project - planned capitalisation (to be discussed with external auditors)		(600)		(600)		0	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
			18		182		164
<u>Cricklewood & Strategic Development</u>							
Employee cost savings		(30)		0		30	
Note - service budget reduced by £1k since last report to reflect efficiency savings achieved			(30)		0		30
<u>Customer Care</u>							
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		(140)		(162)		(22)	
Out of Hours Telephone Service - delay in restructuring	B	55		61		6	
Print Income		51		18		(33)	
Translation - Community Helpline	B	10		11		1	
		0		16		16	
Other Variances - Mainly Staff Vacancy Savings		(59)		(74)		(15)	
Ex Leisure & Youth Service budgets:-							
GLL Contract - final BAFO costs	B	100		86		(14)	
Cophall 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	
Note - service budget reduced by £16k since last report to reflect efficiency savings achieved			434		373		(61)
<u>Education</u>							

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
Planning Access & Resources							
Net position on salaries and other employee costs		(9)		(53)		(44)	
PFI Primary Strategy budget		(91)		(83)		8	
Net effect Travel passes		(139)		(136)		3	
Net effect OLA's Extra District income & expenditure		(76)		(76)		0	
Buisness and Performance							
Net position on salaries and other employee costs		(4)		0		4	
Ongoing effect of previous years' early retirements		113		124		11	
Standards & Effectiveness							
Staff vacancies		(12)		(19)		(7)	
School income shortfall		31		32		1	
Qualified Teachers & Special Educational Needs Co-ordinators - budget transfer from Early Years & Play		(105)		(124)		(19)	
Unforeseen legal costs		0		18		18	
Increase college charges re work related learning		0		7		7	
Premises expenditure		30		30		0	
Central support charges		50		50		0	
Standards & Inclusion - SEN							
Primary Pupil Referral Unit - surplus budget		(69)		(69)		0	
Net position on salaries budget		(142)		(179)		(37)	
Net position on placements underspend and therapies overspend - based on December pupil placements		41		114		73	
Transport - based on current costs and excluding impact of single status	B	154		201		47	
Hospital Recoupment - increase in claims from other boroughs		70		70		0	
Youth							
Various (Overall Youth Target Saving to achieve (£100K))		(89)		(83)		6	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
Early Years - Family & Play							
Three & Four year old funding projected underspend		(131)		(205)		(74)	
Children & Family Centres - Staff vacancies		(125)		(154)		(29)	
Qualified Teachers & Special Educational Needs Co-ordinators Budget transfer to S & E		0		0		0	
After-School Service - staff vacancies		(46)		(39)		7	
Childminding support services		(11)		(11)		0	
Playschemes staffing vacancies		(12)		(8)		4	
Note - service budget reduced by £20k since last report to reflect efficiency savings achieved			(572)		(593)		(21)
<u>Environmental & Neighbourhood Services</u>							
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		42		7	
Hendon Cemetery & Crematorium - Tree Works		32		32		0	
Residential Services/Works in Default (net position) - vacancies		(7)		(22)		(15)	
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	
Licensing Act - delay in implementation		0		98		98	
Civic Amenity Site - acoustic fence (provisional estimate). Scope for capitalisation to be reviewed once final costs are known		46		46		0	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
Parks and Open Spaces - works to dangerous trees and weed removal		29		46		17	
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)		(76)		20	
Domestic Refuse - special collection income		(13)		(13)		0	
Domestic Refuse - saving on vehicle hire costs		(45)		(45)		0	
Trade Waste - projected adverse position allowing for bad debt provision	B	33		33		0	
Roads structural repairs - subject to confirmation		(55)		(55)		0	
Street Enforcement Service		(150)		(23)		127	
Abandoned Vehicles		(12)		(6)		6	
CCTV and Business Performance - vacancies		(60)		(61)		(1)	
Human Resources - vacancy factor on devolved budget that will not be achieved		14		16		2	
Employment Tribunal - building cleaning		35		35		0	
Catering - projected shortfall on school meals income	B	142		108		(34)	
Highways Maintenance Services		0		(50)		(50)	
Other minor variations		3		23		20	
Note - service budget reduced by £207k since last report to reflect efficiency savings			(104)		93	197	
<u>Highways & Design</u>							
Special Parking Account - Income Shortfall (net)	B	1,341		1,341		0	
Car Parks - reduced income	B	400		400		0	
Highways - Planned Maintenance		(830)		(830)		0	
Street Lighting - capitalisation of urgent replacements		(250)		(250)		0	
IT Development - reprogramming		(100)		(100)		0	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
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	
Other expenses - reduced income		33		33		0	
General - supplies and services		(17)		(17)		0	
Highways staffing		2		0		(2)	
Winter Maintenance - includes costs of thermal mapping and route optimisation		120		120		0	
Safer Routes to schools		(23)		(23)		0	
RASWA - income		(400)		(526)		(126)	
Highways/Design - additional fee income		(50)		(50)		0	
Building Control - lower income due to reduced demand		79		79		0	
Building Services - Management		0		(10)		(10)	
Rechargeables - additional income		(150)		(150)		0	
Water Courses - deferral of non-essential works		(86)		(86)		0	
Traffic Management		20		20		0	
Note - service budget reduced by £20k since last report to reflect efficiency savings achieved			(181)		(319)		(138)
Housing							
Housing Benefit Admin (staffing pressure)		151		0		(151)	
Housing Benefit Subsidy		3,305		2,855		(450)	
Housing H & D Team		0		98		98	
Housing Team budgets		0		226		226	
Temporary accommodation (net) income		(3,456)		(3,179)		277	
Note - service budget reduced by £12k since last report to reflect efficiency savings achieved			0		0		0

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
<u>Human Resources</u>							
Shortfall in Income	B	92		21		(71)	
Shortfall in Income / MCS Related Costs		0		94		94	
Staffing vacancies		(75)		(50)		25	
			17		65		48
<u>Planning</u>							
UDP Enquiry and regeneration consultants (being funded from PDG contingency)		0		0		0	
Note - service budget reduced by £22k since last report to reflect efficiency savings achieved			0		0		0
<u>Property & Valuation</u>							
Claremount Way - recognition of rental income on an accruals basis		17		17		0	
Other Properties and Estates		1		10		9	
Rent Assistance - none to be provided		(13)		(13)		0	
Rents and Lettings of vacant Council Properties		0		(79)		(79)	
Other minor variations		0		(20)		(20)	
			5		(85)		(90)
<u>Public Offices</u>							
Facilities : East Area		(37)		(147)		(110)	
Buildings : East Area		0		199		199	
Buildings : NLBP - Estate and Service charges (including prior years)		104		0		(104)	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
Facilities : NLBP		31		49		18	
Buildings : West Area - Stag House recharge to HRA net of Print building running costs		(44)		(51)		(7)	
Office moves		61		0		(61)	
			115		50		(65)
Strategic Directors							
Communications (Agency Staff Costs)		0		28		28	
Minor Variations		(25)		7		32	
Note - service budget reduced by £22k since last report to reflect efficiency savings achieved							
			(25)		35		60
Total (net forecast overspend)		(350)	(350)	(33)	(33)	317	317
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	
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:-							
Borough Solicitor		0		(40)		(40)	
Borough Treasurer		0		(33)		(33)	

	Appendix B/C	FORECAST VARIATIONS				MOVEMENT IN FORECAST VARIATIONS	
		February		March		£000	£000
		£000	£000	£000	£000		
Central Expenses		0		(1)		(1)	
Community Care		(368)		(368)		0	
Customer Care		0		(16)		(16)	
Development		0		(1)		(1)	
Education		0		(20)		(20)	
Environment		0		(207)		(207)	
Highways		0		(20)		(20)	
Housing		0		(12)		(12)	
Planning		0		(22)		(22)	
Strategic Directors		0		(22)		(22)	
Budget variations approved by Cabinet Resources Committee 25/11/04:-							
Local Land Charges Income - base budget adjustment	B	500		500		0	
Transfer of provisions to balances approved by Cabinet Resources Committee 10/2/05:-							
NNDR Credits		(785)		(785)		0	
TfL grant		(400)		(400)		0	
			(4,514)		(4,908)		(394)
Forecast Balances @ 31.3.2005		(4,864)	(4,864)	(4,941)	(4,941)	(77)	(77)

Reconciliation to Savings Implementation Monitors

	£000
Items included on savings implementation monitoring (Appendix B)	3,098
Efficiency savings achieved included in above returns to centre (Appendix C)	773

APPENDIX B

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
		£	£	£	
1	<u>Borough Solicitor</u>				
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	(520,000)	770,000	Not achievable due to downturn in the property market - overall shortfall estimated at £770k. £500k additional funding applied in year.
7	Legal fees	50,000	50,000	0	Will be achieved
8					
9	<u>Borough Treasurers</u>				
10	Reduction of one Principal Auditor post	38,000	38,000	0	Established post deleted - saving achieved
11	Reduction in use of Enpeyz 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	Specific post savings achieved. Overall overspend in Accountancy due to other reasons. MCS / Community Care
14	Grants to voluntary organisations	295,000	295,000	0	Achieved
16					
17	<u>Central Expenses</u>				
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					

APPENDIX B

Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
23	<u>Children & Families</u>				
24	Implementation of Children's Services Strategy	1,235,000	1,733,000	(498,000)	Excluding expenditure on the joint IS system with Community Care (SWIFT) the Department's budget is projecting an underspend of £300k. 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	<u>Committee & Admin</u>				
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	<u>Community Care</u>				
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 reprovion of The Leys centre	200,000	200,000	0	Centre will close, saving dependent on reprovioning 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.

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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	<u>Communications</u>				
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	<u>Customer Care</u>				
44	Reduction in Marketing Service Budget	25,000	25,000	0	
45	Restructuring of Customer Services	100,000	39,000	61,000	Saving will not be achieved in full in 2004-05 - due to time necessary to restructure - likely to be operational by March 04
46	Translation and Interpretation Service - restructure	20,000	(7,000)	27,000	Decision taken to stop helpline and outsource day-time interpretation delayed. Finally approved at Council Sept 04. On-going costs while new contract arrangements set up.
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	49,000	206,670	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 £216k 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	

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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	<u>Corporate Performance Office</u>				
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. Achievement of savings now largely reliant on agency savings being reclaimed from services.
63					
64	<u>Education</u>				
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	(101,000)	201,000	Single status award included, estimated at £132K out of a total projected overspend of £201K. No contingency provision allocated for this award.
68	Music service - shift to fully traded service	17,000	17,000	0	Achieved
69					
70	<u>Environmental Services</u>				
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.

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Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
72	Street Enforcement Service - efficiency savings & revised shift pattern	573,000	573,000	0	Achieved
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	18,000	42,000	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	(8,000)	108,000	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

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Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
91	Perimeter protection scheme - reduction in budget for security measures	47,000	47,000	0	Achieved
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	<u>Highways Building Control & Design</u>				
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	Income levels below target, contributing factors incl bus lane cameras & PCN issue
101	Pay & Display Fees - increased income	599,000	199,000	400,000	Income levels below target due to vandalism, theft etc.
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

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Line reference	Revised Proposal	Budget 2004/05	Forecast Outturn	Variance	Progress & Risks of not achieving by 1 April
110	Housing				
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	Human Resources				
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	279,000	21,000	Costing of Devolution of HR operations now completed. Virements to Services have now been actioned.
128					
129	Planning,				
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

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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	Valuation				
135	Valuation- external income from developers	40,000	40,000	0	Expected to be achieved.
137					
138	Public Offices				
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	Directors Group				
143	Regrouping	210,000	210,000	0	Achieved
144					
145					
146	TOTALS	14,367,500	11,270,830	3,096,670	
147					
148	Summary				
149		7,976,830	7,976,830	0	
150		3,248,000	3,583,000	(335,000)	
151		3,142,670	(289,000)	3,431,670	
152	Totals	14,367,500	11,270,830	3,096,670	

Ref	Service Area	Description	Details	Total Savings £	Saving Achieved 2004-05 £	Progress
	Borough Solicitor					
AS01	Borough Solicitor	Supplies and Services	Supplies and Services	27,151	6,788	
AS02	Borough Solicitor	Services	Court Fees	10,000	2,500	
AS03	Borough Solicitor	Services	Land Registry Fees	2,500	625	
AS04	Borough Solicitor		Counsels Fees	33,000	8,250	
AS05	Borough Solicitor	IT	IT	20,800	5,200	
AS06	Borough Solicitor	Registrars Income	Registrars Income	19,500	4,875	
AS07	Borough Solicitor	Legal Fees - Receipts	Legal Fees - Receipts	35,000	8,750	
AS08	Borough Solicitor	Court Costs Awarded	Court Costs Awarded	10,000	2,500	
AS09	Borough Solicitor	Copying Charges	Copying Charges	1,000	250	
	Borough Treasurer					
BS01	Borough Treasurer	Staff	Cashiers - Close Wood Street	30,000	7,500	
BS02	Borough Treasurer	Staff	Internal audit - Delete one post	15,000	3,750	Saving achieved through vacancy - already accounted for in budget monitoring
BS03	Borough Treasurer	Staff	Administration - Delete one post	25,000	-	
BS04	Borough Treasurer	Other Expenses	Expenses service wide	15,000	3,750	
BS04	Borough Treasurer	IT	Reduce IT budgets service wide	30,000	-	
BS05	Borough Treasurer	Staff	Car allowances service wide	20,000	5,000	
BS06	Borough Treasurer	Transport	Corporate - Car leasing	16,000	4,000	
BS07	Borough Treasurer	Staff	CAFT - Vacancy factor	15,000	3,750	
BS08	Borough Treasurer	Staff	Welfare rights - Delete one post	21,000	5,250	Saving achieved through vacancy - already accounted for in budget monitoring
BS09	Borough Treasurer	Staff	Accountancy - Mini restructure	80,000	-	Major Accountancy Restructure surrounding SAP implementation, savings will not be generated until Summer 2005
BS10	Borough Treasurer		Grants	25,000	-	
BS11	Borough Treasurer	Staff	Assessments - Delete one post	25,000	-	
	Central Expenses					
CS1	Central Expenses	Misc	Democratic Health Network	690	690	
CS2	Central Expenses	Misc	London Team Against Fraud	7,500	-	
	Children's Services					

Ref	Service Area	Description	Details	Total Savings £	Saving Achieved 2004-05 £	Progress
DS2	Children's Services	Efficiency review		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.
	Committee					
ES01	Committee		Reduction of one manager post	18,000	-	Will be achieved in 2005/06
ES02	Committee		Reduction of 1/2 x FTE post within Member Support Team	13,000	3,250	Will be achieved in 2005/06
ES03	Committee		Reduction of 1 1/2 x FTE posts in Office Support Team.	37,000	9,250	Members Have Now Reversed this decision
ES04	Committee		Supplies & Services	3,000	750	Will be achieved in 2005/06
ES06	Committee		Transport	2,000	500	Will be achieved in 2005/06
	Community Care					
FS1	Community Care	Services	Placements	450,000	338,000	
FS2	Community Care	Supplies and Services	IT	15,660	15,660	
FS3	Community Care	Supplies and Services	Printing & Stationery	13,895	13,895	
	CPO & IS					
GS3	CPO & IS	Equipment & Materials	Procurement savings	300,000	-	
GS1	CPO & IS	Services	HBS Business Services - Print Contract	60,000	-	
GS1	CPO & IS	Services	IS Partners	15,000	-	
GS2	CPO & IS	Staff	IS vacancies	30,000	-	
	Customer Care					
HS05	Customer Care	Staff	Cessation of Translation Service	65,460	-	
HS07	Customer Care	Equipment & Materials	Savings on running costs	27,659	-	
HS08	Customer Care	IT Services	Savings on IT expenditure	24,550	-	
HS09	Customer Care	Media Fund	Savings on purchase of stock	30,000	-	
HS10	Customer Care	Staff	Staff restructure	221,320	-	
	Design					
KS15	Design	Services	Design services	250,000	-	Phase 2 restructure
	Development					
	Development	IT		3,080	770	
NS06	Development	staff savings		14,295	-	
	Education					

Ref	Service Area	Description	Details	Total Savings £	Saving Achieved 2004-05 £	Progress
IS04	Education	Planning, Access & resources	reorganisation	95,000	-	
IS05	Education	Planning, Access & resources	travel passes	50,000	-	
IS08	Education	Planning, Access & resources	Publications	10,000	-	
IS07	Education	Standards & Inclusion	Delete transport client officer post	20,000	20,000	Vacant post will be deleted 01/04/2005
IS09	Education	Early Years, Families, Play & Youth	Reorganisation	70,000	-	
IS10	Education	Children & Family Day Centres	salaries reduction	40,000	-	
IS11	Education	Play & After School service	staffing reductions	10,000	-	
IS12	Education	Fees & Charges	Traded Services	50,000	-	
IS13	Education	Standards & Effectiveness	increased use of grant income to fund posts	50,000	-	
IS14	Education	Standards & Inclusion	Grant income to fund posts	25,000	-	
IS15	Education	Standards & Effectiveness	reduce EBP grant by 3% -efficiency saving	2,500	-	
IS16	Education	Standards & Effectiveness	Reduced running costs	7,500	-	
	Environment					
JS06	Environment	Services	LA 21 Grants	5,000	-	
JS07	Environment	Staff	Parks & Open Spaces - management	115,000	-	Redundancy notices issued. Interviews carried out.
JS08	Environment	Staff	Staff - overtime	3,500	-	
JS08	Environment	Staff	Management and Support	500	-	
JS09	Environment	Equipment and Materials		50,000	-	
JS09	Environment	Services	Street Cleansing - external graffiti	12,000	-	
JS10	Environment	Equipment and Materials	Domestic Refuse - bin purchase	15,000	-	
JS10	Environment	Equipment and Materials	Domestic Refuse - protective clothing	4,000	-	
JS10	Environment	Fees & Charges	Domestic Refuse - special collection income	10,000	-	
JS11	Environment	Services	Road structural repairs	35,000	-	
JS12	Environment	Services	Allotments	50,000	-	
JS13	Environment	Staff	Street Enforcement Service	805,000	224,000	Restructure approved by General Functions (November 2004).
JS14	Environment	Fees & Charges	Golf Courses - running costs	108,000	-	

Ref	Service Area	Description	Details	Total Savings £	Saving Achieved 2004-05 £	Progress
JS15	Environment	Services	Abandoned Vehicles	12,000	12,000	
JS16	Environment	Training	Grounds Maintenance	10,000	-	
JS17	Environment	Services	Highways Maintenance	50,000	-	
JS18	Environment	Services	Mill Hill Depot	100,000	-	
JS19	Environment	Stationery	SES/Street Cleansing	870	-	
JS19	Environment	Printing	SES	166	-	
JS19	Environment	Stationery	Refuse	350	-	
JS20	Environment	Equipment and Materials	SES	1,216	-	
JS21	Environment	IT	Residential Services/Catering	4,920	-	
JS22	Environment	Fees & Charges	Recycling - increase in green waste collection	44,000	-	
	Highways					
KS03	Highways	Staff	Staffing	32,000	6,000	
KS07	Highways	IT	IT - invest to save	50,000	-	
KS08	Highways	Equipment and Materials		2,864	-	
KS08	Highways	General Office Expenses		500	-	
KS08	Highways	IT		11,520	-	
KS08	Highways	Other Expenses		50,808	-	
KS08	Highways	Printing		3,946	-	
KS08	Highways	Stationery		1,444	-	Expenditure to be contained within budget
KS09	Highways	Services	Street Lighting - maintenance	300,000	-	Close work planning and management of work necessary
KS10	Highways	Misc	Misc - Routine Works	40,000	-	Close work planning and management of work necessary
KS11	Highways	Fees & Charges	Private Works Reinstatement - Developers Income	10,000	-	Fees and charges increased
KS11	Highways	Fees & Charges	Rechargeables	20,000	-	Fees and charges increased
KS12	Highways	Equipment and Materials	Car Parks - repairs/maintenance	8,000	-	Expenditure to be contained within budget
KS12	Highways	Equipment and Materials	Disabled Crossing Facilities	5,000	-	Expenditure to be contained within budget
KS12	Highways	Staff	Schools Crossing Patrols	5,000	-	Expenditure to be contained within budget
KS13	Highways	Equipment and Materials	Home Zones - works budget	30,000	-	Expenditure to be contained within budget
KS14	Highways	Fees & Charges	Parking Income	50,000	-	Income levels below target, the contributing factors incl bus lane cameras, vandalism, theft etc.
	Housing -General Fund					

Ref	Service Area	Description	Details	Total Savings £	Saving Achieved 2004-05 £	Progress
LS01	Housing -General Fund	Community centre staffing		13,000	3,250	
LS02	Housing -General Fund	IT		16,800	8,400	
LS03	Housing -General Fund	Temporary Accomodation		50,112	-	
	Human Resources					
MS06	Human Resources	Equipment and Materials	Service Wide	25,000	-	
MS06	Human Resources	Staff	Service Wide	125,000	-	Dependent on new structure
	Planning					
NS02	Planning	Employees		13,298	3,325	Projected overspend anticipated to be met from contingency provision for planning delivery
NS03	Planning	Transport		2,330	583	Projected overspend anticipated to be met from contingency provision for planning delivery
NS04	Planning	Supplies & Services		10,207	2,552	Projected overspend anticipated to be met from contingency provision for planning delivery
NS05	Planning	Income		61,606	15,402	Projected overspend anticipated to be met from contingency provision for planning delivery
	Public Offices					
	Public Offices	Equipment and Materials		889	-	
	Public Offices	Equipment and Materials	Floral Decorations	154	-	Will be achieved in 2005/06
	Public Offices	General Office Expenses		142	-	
	Public Offices	Printing		400	-	
	Public Offices	Staff		10,598	-	
	Public Offices	Staff		279	-	
	Public Offices	Staff		105	-	
	Strategic Directors					
PS01	Strategic Directors	Executive Directors Running Costs	Reduced Printing, Conference and Stationery Budgets	25,160	12,580	
PS02	Strategic Directors	Consultants Fees	Remove Consultants Fees budget for Arts Depot	31,000	-	
PS03	Strategic Directors	Young Peoples Team	Efficiency Savings within Young Peoples Team	15,000	3,750	
PS04	Strategic Directors	Communications	Reduce First team to 4 issues a year	11,000	5,500	
	Valuation					
HS10	Valuation	Equipment and Materials		4,000	-	

Ref	Service Area	Description	Details	Total Savings £	Saving Achieved 2004-05 £	Progress
HS10	Valuation	Staffing		14,600	-	
	TOTAL			5,274,344	772,844	