

<p style="text-align: center;"><b><u>COMMITTEE</u></b> <b>CABINET RESOURCES</b></p>
<p style="text-align: center;"><b>DATE AND TIME</b> <b>THURSDAY, 30 MARCH 2006</b> <b>AT 7.00 PM</b></p>
<p style="text-align: center;"><b><u>VENUE</u></b> <b>THE TOWN HALL, THE BURROUGHS,</b> <b>HENDON, NW4 4BG</b></p>

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

**Chairman:** Councillor Mike Freer

**Councillors:**

Anthony Finn

Lynne Hillan

John Marshall

Brian Salinger

John Marr  
Democratic Services Manager

Democratic Services contact:  
Chidi Agada, tel: 020 8359 2037

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Emer Coleman, tel: 020 8359 7794

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Town Hall  
Hendon, NW4 4BG

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19.	<p>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 (as amended):</p> <p style="text-align: right;">Exemption category</p> <p><b>Reports of the Cabinet Member for Resources</b></p>	
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### **Fire / Emergency Evacuation Procedure**

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Meeting                      Cabinet Resources  
Date                          30 March 2006  
**Subject**                      **Treasury Management Business Strategy**  
Report of                      Cabinet Member for Resources  
Summary                      To approve the Business Strategy for 2006/07.

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Officer Contributors              Deputy Director of Resources & Chief Finance Officer  
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 2006/07 be approved.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources 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 Not Applicable.

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

- 5.1 One of the prime objectives of The Chartered Institute of Public Finance and Accountancy's (CIPFA) 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 Financial Regulations (Part 1, Section 6) within the Council Constitution state the following:-

- (1) The Council adopts the key recommendations contained in "The Prudential Code for Capital Finance in Local Authorities – Interim Guidance & Notes Supplement" (CIPFA, February 2004), "Treasury Management in the Public services: Code of Practice" (CIPFA,2001) and any subsequent recommended good practice by CIPFA.
- (2) Cabinet Resources Committee will create and maintain a Treasury Management policy Statement (TMPs), stating the policies and objectives of its treasury management activities.
- (3) The Borough Treasurer will create and maintain suitable Treasury Management Practices (TMPs), setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control these activities.

- (4) Cabinet Resources Committee will receive reports on its treasury management activities, including an annual strategy and plan in advance of the year, and an annual report after its close in the form prescribed in the TMPs. These reports will incorporate the prudential borrowing limits and performance indicators.

7.2 The report contained in Appendix A fulfils the requirement outlined in the financial regulations of the Constitution (4 above).

## **8 BACKGROUND INFORMATION**

8.1 Treasury Management in Local Government is regulated by the 2001 revision of the CIPFA Code of Practice on Treasury Management in the Public Services. The Council has adopted the code and complies with its requirements.

8.2 The primary requirement of the Code is the formulation and agreement of a Treasury Policy Statement and practices which sets out Council, committee and officer responsibilities and delegation and reporting arrangements. This statement and accompanying practices was approved by Council on 7 January 2003.

8.3 A requirement of the Council's Treasury Policy Statement is the reporting to Cabinet Resources Committee of both the expected treasury activity for the forthcoming financial year (the annual treasury strategy statement) and subsequently the results of the Council's treasury management activities in that year (the annual treasury out turn report).

8.4 The report attached at appendix A represents the Council's annual treasury strategy statement and investment strategy for 2006/07.

8.5 This report differs from previous treasury strategy statements in that it now includes a new forward plan section, covered in part. 10 of the report, and also includes a change to the annual investment strategy of the Council in that it allows the Council to invest for periods greater than 364 days.

## **9 LIST OF BACKGROUND PAPERS**

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

9.2 Anyone wishing to inspect the background papers should telephone 020 8359 7119.

Legal: JEL  
CFO: CM

## Treasury Strategy Statement

### 1 Introduction

- 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.
- 1.2 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.
- 1.3 The suggested strategy for 2006/07 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 on the Primary School Capital Investment Programme (PSCIP) which may alter the borrowing strategy for 2007/08 and later years.

### 2 Treasury Limits for 2006/07 to 2008/09

- 2.1 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.
- 2.2 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'.
- 2.3 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 2006/07 – 2008/09

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	2004/05	2005/06	2006/07	2007/08	2008/09
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORT	Actual	probable outturn	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
<b>Capital Expenditure</b>					
Non - HRA	41,824	58,630	40,530	36,040	9,656
HRA (applies only to housing authorities)	19,797	27,705	30,151	30,246	29,121
<b>TOTAL</b>	<b>61,081</b>	<b>86,335</b>	<b>70,681</b>	<b>66,286</b>	<b>38,777</b>
<b>Ratio of financing costs to net revenue stream</b>					
Non - HRA	0.36%	0.80%	1.31%	1.44%	1.54%
HRA (applies only to housing authorities)	39.00%	40.00%	41.00%	46.00%	52.00%
<b>Net borrowing requirement</b>	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	-8,891	-10,895	15,566	38,903	58,605
carried forward 31 March	-10,895	15,566	38,903	58,605	72,059
in year borrowing requirement	-2,004	26,461	23,337	19,702	13,454
<b>In year Capital Financing Requirement</b>					
Non - HRA	10,856	31,295	9,566	7,144	-910
HRA (applies only to housing authorities)	6,678	17,977	18,202	16,344	16,200
<b>TOTAL</b>	<b>17,234</b>	<b>49,272</b>	<b>27,768</b>	<b>23,488</b>	<b>15,290</b>
<b>Capital Financing Requirement as at 31 March</b>					
Non - HRA	59,404	90,699	100,265	107,409	106,499
HRA (applies only to housing authorities)	6,678	24,655	42,857	59,201	75,401
<b>TOTAL</b>	<b>66,082</b>	<b>115,354</b>	<b>143,122</b>	<b>166,610</b>	<b>181,900</b>

PRUDENTIAL INDICATOR	2004/05	2005/06	2006/07	2007/08	2008/09
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000	£'000
	actual	probable outturn	estimate	estimate	estimate
<b>Authorised limit for external debt -</b>					
borrowing	98,497	148,777	144,481	162,503	182,296
other long term liabilities	15,000	25,000	31,000	29,500	22,500
<b>TOTAL</b>	<b>113,497</b>	<b>173,777</b>	<b>175,481</b>	<b>192,003</b>	<b>204,796</b>
<b>Operational boundary for external debt -</b>					
borrowing	62,000	110,000	148,122	166,610	186,900
other long term liabilities	5,000	10,000	0	5,000	0
<b>TOTAL</b>	<b>67,000</b>	<b>120,000</b>	<b>148,122</b>	<b>171,610</b>	<b>186,900</b>
<b>Upper limit for fixed interest rate exposure</b>					
Net principal re fixed rate borrowing / investments:-	100%	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b>					
Net principal re variable rate borrowing / investments:-	30%	30%	30%	30%	30%



<b>Maturity structure of fixed rate borrowing during 2005/06</b>	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	50%	5%
10 years and above	95%	25%

#### 4. Current Portfolio Position

The Council's treasury portfolio position at 31/01/06 comprised:

		<b>Principal</b>	<b>Ave. rate</b>
		£m	%
Fixed rate funding	PWLB	81	
	Market	<u>24.5</u>	105.5 4.12
Variable rate funding	PWLB	0	
	Market	<u>0</u>	0 0
Other long term liabilities		<u>0</u>	
<b>TOTAL DEBT</b>		<b><u>105.5</u></b>	<b>4.12</b>
<b>TOTAL INVESTMENTS</b>			<b>4.56</b>
		<b>126.15</b>	

#### 5. Long-term Borrowing Requirement

	2004/05	2005/06	2006/07	2007/08	2008/09
	£'000	£'000	£'000	£'000	£'000
	Actual	Probable	Estimate	Estimate	Estimate
New borrowing	66,082	49,272	27,768	23,488	15,290
Alternative financing arrangements					
Replacement borrowing					
<b>TOTAL</b>	<b>66,082</b>	<b>49,272</b>	<b>27,768</b>	<b>23,488</b>	<b>15,290</b>

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

6.1 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 – 21.2.06

	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006	Q/E1 2007	Q/E2 2007	Q/E3 2007	Q/E4 2007	Q/E1 2008	Q/E2 2008	Q/E3 2008
<b>Base Rate</b>	4.50%	4.25%	4.25%	4.00%	4.25%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%
<b>5 yr Gilt Yield</b>	4.25%	4.00%	4.00%	4.25%	4.25%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%
<b>10 yr PWLB Rate</b>	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%
<b>25 yr PWLB Rate</b>	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%
<b>50 yr PWLB Rate</b>	4.00%	4.00%	4.25%	4.25%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.75%

6.2 Sector's current interest rate view is that the repo<sup>1</sup> (base) rate will: -

- remain on hold at 4.5% until the end of Q1 2006
- fall to 4% by the end of Q4 2006
- edge up by 0.25% in Q1, Q2 and Q4 of 2007 to end the year at 4.75%

### 6.3 Economic background

The Council's treasury advisors, in addition to assisting the Council in formulating a view on interest rates, provide the Council's officers with commentary on the current and future economic climate. This advice is drawn from a number of sources such as UBS and Capital Economics.

#### UK

- GDP growth weakened from 3.2% in 2004 to 1.7% in 2005 under the impact of monetary and fiscal tightening and the oil price shock depressing household spending. Growth expected to recover weakly to about 2.0% in 2006 and then return to the long term trend rate of 2.5% in 2007.
- House price inflation has fallen to low levels and may now stabilise.

<sup>1</sup> The repo (base) rate is the rate at which the Bank of England lends to other financial institutions and is set by the Monetary Policy Committee (MPC) in response to economic conditions

- Inflation forecast to stay around target despite increase in oil prices. MPC on alert for pipeline cost pressures, primarily from oil price increases, feeding through into factory output prices and then into retail prices.
- The public sector deficit should decline steadily over the next few years as the Government cuts the rate of growth of its expenditure.

## International

- Boom in world commodity prices driven by strong growth in China and India; potential for further increase in prices but supply side increase and technology improvements are likely to reduce prices in the medium term..
- Oil producers inability to spend their huge cash surpluses and reluctance of Asian economies to run current account deficits will suppress world demand and dampen world growth.
- US – Fed nearing the end of its phase of measured rate rising. Fed rate may now peak at 4.5%.
- US GDP growth expected to weaken from 4.2% in 2004 to 3.5 in 2005 and 3.0% in 2006.
- ECB repo rate has risen 0.5% since December 2005 and is now 2.5%, further increases are expected as the economic outlook improves in the Eurozone.
- Eurozone GDP growth expected to rise weakly and to continue to under perform the UK and US economies.

## 7. Borrowing Strategy

7.1 **The Council's treasury advisors, Sector, provide the following forecasts for interest rates for this forthcoming financial year: -**

- **The new 50 year PWLB rate will remain flat at 4% until Q3 2006 when it will rise to 4.25% with a further increase to 4.5% in Q1 2007. As the Sector forecast is in 25bp segments there is obviously scope for the rate to move away slightly from 4.0% without affecting this overall forecast.**
- **Similarly the 25-30 year PWLB rate will remain flat at 4.25% until Q4 2006 when it will rise to 4.50% with a further increase to 4.75% in Q3 2007.**
- **The 10 year PWLB rate will stay at 4.25% in the first three quarters of 2006 but will then rise to reach 4.5% in Q4 2006 and then 4.75% in Q3 2007.**
- **5 year gilt yields will follow base rate down and trough by the end of Q3 2006 at 4.00%. Yields will then rise to 4.25% in Q4 2006, 4.5% in Q2 2007 and to 4.75% in Q3 2007 as the interest rate cycle turns up again.**

7.2 Based upon the prospects for interest rates outlined above, the recommended borrowing strategy for 2006/07 is to take long dated borrowings before the third quarter of the calendar year when 50 year PWLB rates are forecast to start to rise. Variable rate borrowing and borrowing in the 5 year area will also be attractive in the second and third quarter of the calendar year while the base rate is on falling trend.

7.3 These interest rate expectations provide a variety of options:

- With 50 year PWLB rates at 4%, borrowing should be made in this area of the market in Q2 of the calendar year. Doesn't this contradict what you have said in the last paragraph?( No, as the recommendation was to borrow 50 year money before the third qtr of the FY; recommendation to borrow variable rate and 5 year money is to ensure a smooth maturity profile even though these rates may be slightly higher). This rate will be lower than the forecast rates for shorter maturities in the 5 year and 10 year area. A suitable trigger point for considering new fixed rate long term borrowing would be 4.00%. However, to maintain a suitable maturity profile in line with the prudential indicator, short term fixed and variable borrowing should be considered as well and this should be undertaken in the second and third quarters of the financial year as base rate declines.

If there is a risk that the average variable rate over the budget forecast period is going to be higher than the longer term fixed rate then the Chief Financial Officer (CFO) will consider borrowing longer term fixed funding.

7.4 Against this background caution will be adopted with the 2006/07 treasury operations. A bench mark rate of 4.25% or better has been set for the Council's budgeted borrowing for 2006/07 and the Chief Financial Officer, along with the Council's treasury advisors Sector, will monitor the interest rate market and adopt a pragmatic approach to changing circumstances. Any new borrowing decisions will be reported to cabinet at the next available opportunity.

7.5 The Council may use a mix of Public Works Loan Board debt (PWLB) and market debt in the form of LOBOs<sup>2</sup> to fund its borrowing requirements for the year. LOBOs are loans that are at a fixed rate for an initial period. The lender can, at the end of this fixed period change the interest rate, or exercise the option to require the council to repay the loan if the rate is changed. The initial period for some of these loans can vary from 3 to 10 years. The Council, as part of its borrowing strategy, proposes to hold no more than 30% of its total loan portfolio in LOBOs.

7.6 The Chief Finance Officer has delegated powers to take the most appropriate form of borrowing from the approved sources as outlined in the TMPs. This delegated authority allows the CFO to react quickly to market conditions and borrow money at favourable interest rates. Furthermore, the CFO may take action not outlined in the annual strategy, to borrow money for future needs as identified in the capital programme, if prevailing market conditions continue to be favourable. All borrowing decisions will be reported at the time through a delegated powers report (DPR).

**Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. 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*

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<sup>2</sup> Lenders Option, Borrowers Option.

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**

8.1 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 4.25%. With variable rate borrowing rates likely to fall significantly during 2006/07, it will be best to avoid restructuring into fixed borrowing for short periods (e.g. one year). Long term fixed rates, 25 to 30 years, are not expected to rise back above 4.75% during 2006 and 2007. Consequently long term debt rates (25 to 30 years) at or around 4.75% may warrant reviewing in respect to the potential for undertaking debt restructuring, as was done in March 2004 to the council's advantage. Any positions taken via rescheduling will be in accordance with the strategy position outlined in paragraph 7 above.

8.2 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).

8.3 All rescheduling and borrowing will be reported via a CFO delegated powers report (DPR).

## **9. ANNUAL INVESTMENT STRATEGY**

### **9.1 Investment Policy**

The Council will have regard to the ODPM 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'. The Council will only use 'Non-Specified' Investments, investments with maturities greater than a year, for core cash. This type of investment will allow the Council to earn greater returns than it does at present using investment instruments with maturities less than a year. These investments will only be used subject to an analysis of the Council's cash flow, this exercise to be undertaken during the financial year, and the identification of this

type of cash. Counter-party 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)

	<b>Minimum 'High' Credit Criteria</b>	<b>Use</b>
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 20 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 20 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

### **Non-Specified Investments**

A maximum of 20% will be held in aggregate in non-specified investments

	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Max % of total investments</b>	<b>Max. maturity period</b>
Term deposits – UK government (with maturities in excess of 1 year)	Government backed	In-house	20%	Up to 5 Years
Term deposits – other LAs (with maturities in excess of 1 year)	Government backed	In-house	20%	Up to 5 Years
Term deposits – banks and building societies (with maturities in excess of 1 year)	Short-term F1, Long-term AAA to A, Individual A/B, Support 3 Top 10 Building Societies (as defined by Butlers Building Society Guide).	In-house	20%	Up to 5 Years
Certificates of deposits issued by banks and building societies with maturities in excess of 1 year	Short-term F1, Long-term AAA to A, Individual A/B, Support 3 Top 10 Building Societies (as defined by Butlers Building Society Guide).	In house on a 'buy and hold' basis.	20%	Up to 5 Years
UK Government Gilts with maturities in excess of 1 year	AAA	In house on a 'buy and hold' basis.	20%	Up to 5 Years
Bonds issued by multilateral development banks with maturities in excess of 1 year	AAA	In-house on a 'buy-and-hold' basis.	20%	Up to 5 Years
Bonds issued by a financial institution which is guaranteed by the UK government with maturities in excess of 1 year	AAA	In-house on a 'buy-and-hold' basis.	20%	Up to 5 Years
Sovereign bond issues (i.e. other than the UK govt) with maturities in excess of 1 year	AAA	In house on a 'buy and hold' basis.	20%	Up to 5 Years

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. We use Fitch because our arrangement with Sector provides the Council with an online link that enables us to set up our counter-party criteria and monitor the ratings – any changes in the rating of a counter-party is updated on this link. 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). Any core cash the Council has identified, referred to in 9.1, will be invested over a 2 to 5 year period. Call accounts will also be used for short term investment purposes as the rates on these accounts tend to track the base rate. 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 counter-party.

**Interest Rate Outlook:** Sector is forecasting base rates to be on a falling trend from 4.50% to reach 4.00% in Q4 2006 but to rise again to end Q1 2007 at 4.25%. Councils should therefore seek to lock part of their investment portfolio that represents core balances in longer period investments at higher rates before this fall in base rate starts. Some investments should be aimed to mature during Q1 2007 when the interest rate cycle turns up and the market yield curve should have turned positive. This will enable the Council to lock into higher yielding investments with their maturing deposits. The Council has budgeted for a cautious return of 4.00% for 2006/07.

## **9.3 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. Future Years**

### **10.1 LOBOs**

The Council has LOBOs totalling £7.5m coming to the end of their fixed rate periods in the next 3 years; the first loan of £5m will end its fixed rate term on 2 April 2007. The lender, in this case the bank, will have the option to alter the interest rate on this loan on 2 April 2007 and every 6 months thereafter. However, the Council also has the option to repay the loan if the rate is altered. The Council over the next year, with advice from its treasury advisors, will explore alternative borrowing strategies if these loans are repaid. A number of options will be considered in advance of the due date so that the Council will be able to react to the interest rate market prevailing at the time of repayment.

### **10.2 Primary School Capital Investment Programme (PSCIP)**

Cabinet approved The Primary School Capital Investment Programme (PSCIP) on the 5 December 2005 including ongoing project costs in 2006/07. It determined that the full cost of wave one will be reflected in the capital programme once estimates of expenditure and capital receipts have been firmed up. The funding of this programme may change and this could affect the Council's overall borrowing requirement and strategy in the next few years once PSCIP is added to the capital programme in 2007/08. The CFO may take short-term borrowing to cover any delays in capital receipts that are part of the funding for PSCIP. In addition, if the Council's capital programme anticipates a higher capital financing requirement (CFR) for future years due to PSCIP, then the CFO may take borrowing in advance of the PSCIP spending requirement as outlined in 7.4.



## 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 – 21.2.06

	Q /E1 2006	Q /E2 2006	Q /E3 2006	Q /E4 2006	Q /E1 2007	Q /E2 2007	Q /E3 2007	Q /E4 2007	Q /E1 2008	Q /E2 2008	Q /E3 2008	Q /E4 2008	Q /E1 2009	Q /E2 2009
Base rate	4.50%	4.25%	4.25%	4.00%	4.25%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
5yr Gilt Yield	4.00%	4.00%	4.00%	4.25%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
10yr PW LB Rate	4.25%	4.25%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	5.00%	4.75%	4.50%
25yr PW LB Rate	4.25%	4.25%	4.25%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%	5.00%	5.00%	5.00%	4.75%	4.50%
50yr PW LB Rate	4.00%	4.00%	4.00%	4.25%	4.25%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%	4.75%	4.50%	4.25%

#### Capital Economics interest rate forecast - 13.1.06

	Q /E1 2006	Q /E2 2006	Q /E3 2006	Q /E4 2006	Q /E1 2007	Q /E2 2007	Q /E3 2007	Q /E4 2007
Base Rate	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
5yr gilt yield	4.10%	4.00%	3.90%	3.80%	4.00%	4.10%	4.30%	4.40%
10 yr PW LB rate	4.25%	4.15%	4.25%	4.35%	4.55%	4.75%	4.85%	4.75%
25 yr PW LB rate	4.25%	4.25%	4.35%	4.45%	4.45%	4.55%	4.65%	4.65%
50 yr PW LB rate	3.95%	3.95%	4.05%	4.15%	4.15%	4.25%	4.35%	4.35%

**UBS Economic interest rate forecast (for quarter ends) – 13.1.06**

	Q/E1 2006	Q/E2 2006	Q/E3 2006	Q/E4 2006	Q/E1 2007	Q/E2 2007	Q/E3 2007	Q/E4 2007
<b>Base Rate</b>	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
<b>10 yr PWLB rate</b>	4.25%	4.35%	4.45%	4.55%	4.60%	4.60%	4.65%	4.65%
<b>25 yr PWLB rate</b>	4.15%	4.45%	4.55%	4.65%	4.70%	4.75%	4.80%	4.85%
<b>50 yr PWLB rate</b>	4.05%	4.45%	4.61%	4.74%	4.80%	4.86%	4.91%	4.97%

**2. SURVEY OF ECONOMIC FORECASTS**

**HM Treasury** – December 2005 summary of forecasts of 26 City and 14 academic analysts for Q4 2005 and 2006. (2007 – 2009 are as at November 2005 but are based on 18 forecasts)

	Repo	Q uarter ended		annual average repo rate		
		Q 4 2005	Q 4 2006	ave.2007	ave.2008	ave.2009
<b>Indep. forecasters BoE Base Rate</b>	4.50%	4.49%	4.29%	4.39%	4.54%	4.60%
<b>H ighest base rate</b>	4.50%	4.55%	5.00%	5.40%	5.90%	6.20%
<b>Low est base rate</b>	4.50%	4.20%	3.50%	3.75%	3.75%	3.75%

**AGENDA ITEM: 5**

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Meeting Cabinet Resources Committee

Date 30 March 2006

**Subject Corporate Mobile Phone/Network Contract**

Report of Cabinet Member for Resources

Summary This report seeks approval to extend the corporate mobile phone / network contract for a second time due to delays with the retendering of the London Boroughs' consortium contract.

Officer Contributors Steve Brooks, Interim Head of Information Systems

Status (public or exempt) Public

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: Steve Brooks, Interim Head of Information Systems, Information Systems (020 8359 7100)

## **1 RECOMMENDATIONS**

- 1.1 That, as an exception to Contract Procedure rules relating to the extension of contracts and subject to the satisfactory completion of all documentation, the council extends its contract with T-Mobile for mobile phone / network services under the Southwark London Boroughs consortium contract for a second time. The extension to run from 1 April 2006 and to be for no longer than 1 year.**
- 1.2 That, the Director of Resources be instructed to implement the contract extension.**
- 1.3 That, the estimated savings to occur in 2006/7 be incorporated into the standard revenue monitoring and reporting arrangements.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources Committee, 27 November 2003, Decision item 12 – Approval to contract with T-Mobile under the Southwark London Boroughs consortium contract over a period ending no later than October 2005.
- 2.2 November 2005 – Director of Resources approves the extension of the corporate mobile contract over the period 1 November 2005 to 31 March 2006.

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

- 3.1 The council has a corporate priority of delivering ‘a better council for a better Barnet’ through investment in modern systems. Mobile communications is an important part of this.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 The contract is with the Council’s existing provider of mobile phone / network services. The risks that could come from contract transition and use of unfamiliar services are therefore avoided.

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

- 5.1 Some reductions in pricing for the further contract extension have been agreed between Southwark Council, as consortium lead, and T-Mobile, in recognition of the extended business realised by the extension. Those reductions cover line rental costs and some of the variable call and text charges. The true savings effect of the change to variable charges will only be known once the new rates are in operation and bills have been received. But, it is known that the change in line rental charges will give a monthly saving across the council of over £2,000.

## **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 – to agree exceptions to standing orders, all decisions relating to approved lists and agreed national registers, authorise post tender negotiations and accept tenders which are not the lowest.

## **8 BACKGROUND INFORMATION**

8.1 On 26 March 2004, the Council contracted with T-Mobile for mobile phone and network services for the period ending 31 October 2005. The contract was one procured under a consortium framework purchasing arrangement led by Southwark Council on behalf of the London Contracts and Supplies Group (LCSG). Nineteen public sector companies (mainly London Boroughs) are currently signed up under the framework contract and this covers services for over 16,000 mobile phones. The total annual spend under the agreement is estimated at £2 million.

8.2 Work to develop a new specification and retender for the services has been in progress since the early part of 2005. There have been various delays with progress on this work, including issues of available resources and priorities on Southwark's part. The delays meant that the tender process would not complete before expiry of the existing contract. So, with the agreement of consortium members, Southwark sought internal approval to extend the existing framework contract and the contract was extended up until 31 March 2006.

8.3 The council was not obliged to subscribe to the extension. But, the scope and size of the existing contract attracts the keenest pricing and the council would not expect to achieve the same value for money if it opted out of doing so and chose an alternative procurement route. For this reason, the Director of Resources approved the extension of the T-Mobile contract over the period 1 November 2005 to 31 March 2006.

8.4 Since entering this first extension, there has been a rethink on approach and other factors have come into play that have meant that a replacement contract is not yet in place:

- Firstly, it has been agreed that better pricing is likely to be realised by running the procurement as an electronic auction. Electronic auctions can work very successfully for contracts such as this where the product is very much a commodity product. Some work has been done on redeveloping the procurement as an electronic auction.

- More relevantly, the delays to date mean that the procurement is running alongside an equivalent procurement (itself a retender) being run by the Office of Government Commerce (OGC), covering the public sector countrywide. The OGC procurement would have a negative effect on a Southwark consortium procurement run at this stage, with suppliers not wishing to go to the expense of going through both procurement processes.

8.5 Southwark have gained consortium and internal approval to putting a further hold on procurement activity until such time as the outcomes of the OGC procurement can be tested in May. A decision could then be made on whether to move across to the new OGC contract or continue with a separate procurement. The necessity of this as against just choosing to adopt the OGC contract could be questioned. But, past comparative assessment of the OGC and consortium contracts has shown the consortium contract to be more beneficial. Southwark have had the framework contract extended again to account for this further delay.

8.6 In light of this further delay and for the same reason as it set out in 8.3 above, it is recommended, as an exception to Contract Procedure rules relating to the extension of contracts, that the contract with T-Mobile for mobile phone and network services is extended for a second time. The expectation at this stage is that the extension would be up until 30 September 2006. But, given experience to date, approval is sought for an extension of up to 1 year to provide for some flexibility should there be any more delay.

## **9 LIST OF BACKGROUND PAPERS**

9.1 None.

Legal: DP  
CFO: MG

**AGENDA ITEM: 6**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Interim Management of Cophall Stadium</b>
Report of	Cabinet Member For Resources
Summary	This report sets out a proposal to extend the interim management partnership with Cophall Management Services Ltd from 1 April 2006 - March 31 2007.

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Officer Contributors	Andy Hatvani, Leisure Manager
Status (public or exempt)	Public
Wards affected	Mill Hill
Enclosures	Appendix A
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Andy Hatvani 020 8359 7840

## **1. RECOMMENDATIONS**

### **1.1 That, in a variation to the previous decision taken by the Committee on 28 July 2005,**

- (i) the Council extends the interim management agreement with Copthall Management Services (CMS) Ltd to 31 March 2007 whilst work on a long term strategy for the stadium is developed.**
- (ii) an amount of £120,000 (2005 – 2006 plus RPI) continues to be allocated from the Leisure Management budget to cover the management fee with £20,000 per annum being retained by the Council to resurface the track in ten years time as part of the conditions of the Community Athletics Refurbishment Programme application.**

## **2 RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet 9 September 2002, instructed (1) to immediately grant Hendon Football Club a licence to occupy the stadium with an agreement for a lease (2) to grant Hendon Football Club a 25 year lease at a peppercorn rent to manage Copthall Stadium and use it as their home ground 3) to agree to a disposal of the lease at Claremont Road Stadium.
- 2.2 Cabinet 9 September 2002; agreed to award preferred Partner Status to Greenwich Leisure Ltd (GLL) to manage and operate Leisure Facilities, approval to negotiate and finalise the contract including provision for them to manage and operate the stadium in a holding capacity
- 2.3 Cabinet 29 September 2003 – (1) agreed to enter into an agreement with Hendon Football Club and Shaftesbury Barnet Harriers, operating as a consortium through a Youth Sport Trust, to operate the stadium, and that an operating fee review should be undertaken every 5 years, with this being included in the lease, in a form to be agreed with the Borough Solicitor (2) that the current operating fee of £120,000 per annum be granted to the Youth Sport Trust, to maintain the stadium and operate a community programme to be agreed by the Council, with an annual RPI rise and 5 yearly fee review, and that the full discretionary NNDR relief be granted by the Council (3) that the Athletics track resurfacing estimated by Sport England to be £190,000 be met by an application by Shaftesbury Barnet Harriers to the Sport England Community Athletics Refurbishment Programme, and be match funded by utilisation of Council Section 106 monies - £75,000 from Mill Hill Gas Works and £20,000 of the gain from the development of the Claremont Road.
- 2.4 Cabinet Resources 20 May 2004, agreed the proposal to grant Shaftesbury Barnet Harriers a temporary management contract to manage the stadium in a holding role until such times as when the new consortium of Hendon Football Club and Shaftesbury Barnet Harriers, through a Youth Sport and Leisure Trust, manage and operate the stadium



- 2.5 Cabinet Resources Committee 20 May 2004, agreed a management fee of £120,000 per annum be granted on formal establishment of a re-formed Youth Sport and Leisure Trust to manage the stadium and operate a community programme.
- 2.6 Cabinet Resources Committee 20 May 2004 agreed the utilisation of Council Section 106 monies of £97,500 to assist with the match funding element for the refurbishment of the athletics track within the Cophall public open space.
- 2.7 Cabinet Resources Committee 4 November 2004 agreed to proposals to transfer the temporary management contract from Shaftesbury Barnet Harriers(SBH) to its own holding company, Cophall Management Services (CMS) Ltd. It would operate the stadium in a holding role until the intended transfer of Hendon Football Club (HFC) when a consortium of HFC and SBH form a trust to continue the operational management of the stadium and to amend the winter opening hours of the stadium for the period November 2004 – March 2005 inclusive, taking into consideration demand and efficiency.
- 2.8 Cabinet Resources Committee 28 July 2005 agreed to the extension of the interim management agreement with Cophall Management Services(CMS) Ltd, the holding company of Shaftesbury Barnet Harriers (SBH), to 31 March 2006 in the first instance, to manage and operate the stadium for an annual fee of £120,000 plus RPI with £20,000 per annum being retained by the Council to resurface the track in 2006 and at a future date as part of the conditions of the Community Athletics Refurbishment Programme application.

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

- 3.1 This Council is committed to Putting the Community First and by working in partnership and securing capital investment into the Cophall stadium the Leisure Service is supporting two Corporate plan targets, to improve the Standard of leisure facilities and to promote healthy lifestyles and participation in healthy activity.

### **4 RISK MANAGEMENT ISSUES**

- 4.1 These are attached as Appendix A.

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

- 5.1 The current annual management fee to CMS Ltd of £120,000 is apportioned on a monthly basis including an annual RPI adjustment. £20,000 from the management fee will be retained on a yearly basis to assist with the refurbishment of the track ten years after the new track is laid. This will be the Council's contribution to the refurbishment process with the rest of the funding being raised by the Council's partner

## **6. LEGAL ISSUES**

6.1 These have been included in the main body of the report.

## **7. CONSTITUTIONAL POWERS**

7.1 Constitution, Part 3 - Responsibility for Functions, Section 3 - Powers of the Executive, paragraph 3.6 - terms of reference of the Cabinet Resources Committee.

## **8. BACKGROUND INFORMATION**

8.1 There has always been an expectation that Hendon Football Club would join together with Shaftesbury Barnet Harriers to form a trust and manage the facility in the future. However, there has been a lot of uncertainty regarding the future of the football club and a Supporters' Trust has recently been formed with the intention of taking the club forward after the current season ends. The Trust has declined the invitation to relocate to the stadium and has had talks with Wingate and Finchley FC with a possible view to setting up a ground sharing agreement based at the Abraham Stadium.

8.2 It is with this in mind that a further extension of the current interim management partnership is requested whilst work on a long term strategy for the stadium is developed.

8.3 Copthall Management Services Ltd has been managing the stadium since January 2005. A continuing partnership arrangement until March 2007 will allow for further refurbishment/developmental works at the stadium to be carried out by the partner, although not to the extent had Hendon Football Club had been expected to carry out.

8.4 An extensive programme of works has been undertaken to make the facility as safe and weather proof. This has included the complete overhaul of all the electrical installations at the stadium together with numerous building projects and DDA developments. With the support of Council staff, Copthall Management Services team have produced Normal Operating Procedures, Emergency Action Plans and Risk Assessments which have been approved by a Council Health and Safety Officer.

8.5 Leisure Management recently commissioned Materials Science Consultants Ltd to carry out a complete inspection of the track prior to the beginning of the tendering process to select a contractor to relay the track.

8.6 The Council has been awarded £257,500 from Sport England and The London Marathon Charitable Trust to resurface the track and ancillary throwing and jumping areas during 2006. A further £97,500 has been raised through Council Section 106 agreements. A further bid for an extra Section 106 agreement of £25,000 will be also be submitted.

- 8.7 Further track refurbishment works will have to be carried out in ten years time which is a condition of the Sport England grant.
- 8.8 There is the possibility that the athletics stadium may be required as a 'holding/training venue' for a country prior to the start of the Olympic Games in 2012 and there will be a need to prepare for this.

9. **LIST OF BACKGROUND PAPERS**

- 9.1 None.

Legal: MDO  
CFO: MG

Ref	Risk	Early Warning Mechanisms / Mitigating Actions	Residual Risk (H, M, L)		Further action proposed (including timetable and officers responsible)
			Likelihood	Impact	
1	<b>Strategic</b> - not enabling the partnership arrangement to be extended.	Proposals contained in main body of report to minimise capital and revenue Council expenditure.	M	M	Leisure Management would seek assistance from the project office to manage the facility for a given period of time until the future strategy for the facility has been developed.  Situation to be monitored accordingly by an appropriate Leisure Management officer.
2	<b>Operational</b> – Lack of further investment in the stadium infrastructure leading to operational difficulties, withdrawal of Community and schools Sports, Athletics and events programme.	Proposals contained in main body of report, to enhance facility provision and continue Community / Schools Sports and Athletics programmes.	M	M	None if report agreed. Situation to be monitored accordingly by an appropriate Leisure Management officer.
3	<b>Financial</b> Management Fee not used as per agreed to upkeep the Copthall Stadium. Further deterioration of stadium facilities, Health & Safety implications	<p>Include in operating agreement checks by council officers on audit trails of operating fee, including a separate depreciation fund.</p> <p>Include in operating agreement Quarterly checks on maintenance of Stadium facilities by council officers.</p> <p>Checks would also be made by statutory licensing authorities as a condition of license requirements to operate the stadium, for matches, events and athletics meetings.</p>	<p>M</p> <p>M</p> <p>M</p>	<p>M</p> <p>M</p> <p>M</p>	<p>Leisure Management would be required to manage the facility on a limited budget.</p> <p>None if report agreed. Situation to be monitored accordingly by an appropriate Leisure Management officer.</p> <p>None if report agreed. Situation to be monitored accordingly by an appropriate Leisure Management officer.</p>

Risks can be events or non-events (e.g. missed opportunities) and be one or more of the following:- strategic, operational, staffing/culture, financial, compliance.

**AGENDA ITEM: 7**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Watling car park and related lands, Burnt Oak</b>
Report of	Cabinet Member for Resources
Summary	To consider outline development proposals and approve the appointment of consultant valuers.

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Officer Contributors	Dave Stephens, Strategic Property Advisor
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	Burnt Oak
Enclosures	Plan
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information:  
David Stephens, Strategic Property Advisor – 020 8359 7353

## **1 RECOMMENDATIONS**

- 1.1 If the Committee is content to progress the discussions and negotiations with St James Investments for the possible redevelopment of Watling car park site and related lands, that the appropriate Chief Officers be instructed to appoint consultant valuers to advise the Council upon the development costs and the value of the Council's property assets required for the scheme.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Policy and Implementation Committee of 29<sup>th</sup> March 2000, item 13. Approval was given to entering into a conditional contract with Lidl UK GmbH for the disposal and retail development of part of the Watling Car Park site.
- 2.2 Policy and Implementation Committee of 6<sup>th</sup> December 2000, item 22. Approval was given to the detailed development components including the works to be carried out to the Council's land, the programme of events be approved and the detailed financial arrangements.
- 2.3 Cabinet Resources Committee 24.7.03 – noted that because of flood plain issues, Lidl could not develop an economically viable scheme on the land and therefore the committee agreed to the rescission of the contract and the repayment of the deposit.
- 2.4 Cabinet Resources Committee 8.7.04 – amongst other issues, agreed that subject to the grant of planning permission, the freehold interest in the former Child Guidance Centre site at East Road, Burnt Oak be transferred to Ealing Family Housing Association for the building of a replacement for the Merrivale elderly persons care home and day centre in exchange for the transfer back to the Council of the current Merrivale site at East Road, Burnt Oak and the grant of a short-term, non-renewable lease of the existing care home and day centre to Ealing Family Housing Association at a peppercorn rent,

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

- 3.1 The Community Plan priorities include Fostering and Enterprising Community through major investment in infrastructure and regenerating key areas.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 The Council is not committed to progress any development scheme at this stage. By appointing consultant valuers to advice on scheme costs and property values, the Council will be able to make further decisions with the knowledge of possible capital receipt and revenue loss implications.

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

- 5.1 The indicative offer from the developers to acquire the Council's property assets required for the development together with a list of those assets is set out in the exempt report.
- 5.2 At this stage the only expenditure to be incurred by the Council will be the fees of the consultant valuers. All other matters will be subject to further negotiations if the Council decides to progress this project.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Part3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.
- 7.2 Constitution – Rules for the disposal of land and real property – On any disposal of property, proper regard will be had to the professional advice from a qualified valuer at all relevant stages in the process and where the Director of Resources or designated officer, the Cabinet Member for Resources or the relevant body deems it appropriate, independent valuation advice shall be obtained.

## **8. BACKGROUND INFORMATION**

- 8.1 The site referred to as the Watling car park site (including the existing market) is shown by zigzag hatching on the attached plan. The whole of this land is within the latest Environment Agency flood plain boundary. The site of the existing Merrivale elderly persons care home is shown edged black on the plan.

### **CAR PARK SITE REDEVELOPMENT OPTIONS HISTORY**

- 8.2 For a considerable number of years, the Council has been aware of the potential for having the Watling car park and adjacent lands redeveloped. In the past a planning brief was prepared for the site proposing a mixed use development but with the major component being retail.
- 8.3 Marketing of the site for a primarily retail scheme in the 1990s produced little interest, and that which was shown did not progress because of vehicular access difficulties, flood risks and similar site constraints.
- 8.4 In 2000, the Council was approached by Lidl UK with a proposal to develop a supermarket on the site but which retained the majority of the car parking and included proposals to up-grade and retain the stall market but in an alternative

location on the site. The Council agreed to enter into conditional contracts with Lidl.

- 8.6 Lidl eventually withdrew from the contract because the scheme was not economically viable. The major problem was the risk of flooding and the extent and cost of the infrastructure works which would be necessary to satisfy the Environment Agency.

#### MERRIVALE

- 8.7 In order to prevent a long delay to the programme for the provision of new elderly persons residential and day care accommodation, in 2004 this committee agreed to swap the Child Guidance Centre site at East Road (to be developed with a new residential care home and day centre) in exchange for the existing Merrivale site. There were cost implications associated with this swap and these are set out in the exempt report.

- 8.8 Because of the local flood plain issues, in considering the planning application for the new care home and day centre, the Environment Agency required that once the existing Merrivale was demolished the site should remain un-developed to provide a compensatory area of flood plain. This meant that the capital receipt which the Council expected from a subsequent disposal of the Merrivale site was no longer achievable.

#### A NEW PROPOSAL

- 8.9 In the last twelve months, officers were approached by a firm of developers, St James Investments, who expressed an interest in developing the Watling car park site with a Tesco supermarket. The flood plain problems associated with the site were explained to the developers. It was also made clear that whilst officers were prepared to talk about their proposals, there was no commitment by the Council to sell any land or agree any scheme and that any work undertaken at this stage would be entirely at their own risk.
- 8.10 St James Investments engaged Faber Maunsell to undertake a flood risk assessment of the developers proposed scheme. The following bullet points are extracted from the Flood Risk Assessment:

- CURRENT STATUS
- Development of the site for retail use has been objected to by the Environment Agency under heightened powers afforded by PPG25 due to (i) flood plain storage lost to development; (ii) risk of loss of life and injury due to flooding; (iii) increase in flood risk to neighbouring property.
- Based on the EA Flood Risk maps the site is shown as being impacted by the 1 in 100 year fluvial flood area and is therefore Flood Zone 3 (High Risk) of PPG25.
- Historic flooding in 1992 is recorded as inundating the whole site.
- PPG25 states – Development should not be permitted where existing ... river



defences, properly maintained, would not provide an acceptable standard of safety over the lifetime of the development.

- There are no flood defences along the banks of the Silk Stream.
  - A planning application submitted in 2001 (made by Lidl) was objected to by the EA for two main reasons – (i) insufficient buffers strip to the Silk Stream – a 10m strip was required; (ii) the whole site fell within the indicative flood plain and provided flood storage which if lost because of being developed would have an adverse impact on neighbouring property.
  - ON THE PROPOSED SCHEME
  - The proposal to mitigate against flooding by raising the building on columns whilst using the space below for car parking would minimise the area taken out of flood plain and avoid the risk of damage to living and working areas.
  - Compensation of flood volume taken out of flood plain storage should be provided on a like for like level basis in an area out of flood plain. The Merrivale site is a potential area for flood compensation and its level suggests flows can be stored below ground.
  - Diversion of the Silk Stream must be carried out with the approval of the EA.
  - The outline development proposals (i) will not increase the flood risk at the site; (ii) will provide a net benefit to the flood risk and therefore be acceptable in terms of PPG25; (iii) will provide a 10m buffer strip between the Silk Stream and the development.
- 8.11 The outline scheme proposes to develop the Watling car park site and adjacent lands with a Tesco store of approximately 6,250 sq m with a further 800 sq m of retail space. This will be constructed on columns with access being at a level so that there is access from Watling Avenue. There will be an elevated area at the rear for good deliveries. At ground level the site will provide car parking and a re-modelled market. Fronting Silk Stream (at the rear of the buffer strip) will be a development of 48 residential units – these similarly will be built on columns with parking below. In addition to using the Merrivale site to accommodate flood storage tanks, it is also proposed to construct a scheme of 24 residential units. The new Tesco store would replace the existing store on Burnt Oak Broadway. The development would enhance this town centre and could create the potential for new employment opportunities.
- 8.12 The developers have now come to the stage where they are reluctant to incur additional expenditure or commission further work until they are confident that there is a reasonable prospect of concluding a land transaction with the Council. In this connection they have made an indicative offer in the sum and for the properties referred to in the exempt report.
- 8.13 It has to be recognised that the costs of the works to mitigate and alleviate the flood risk will be significant but without them development of the site is unlikely to be

achieved. The converse is that without a development which produces significant land value it will not be possible to carry out the flood alleviation and mitigation works. Thus, offering the site on the open market for development is likely to produce the same results as achieved in the 1990s and that the most practical approach is to enter into direct negotiations with a single developer subject to still meeting the best consideration requirements of Section 123 of the Local Government Act 1972.

- 8.14 From the Council's perspective it is important to establish whether or not the indicative offer is in a sum which reflects the value of the Council's property assets which the developers wish to acquire, having proper regard to the costs of development and its end value. It is recommended therefore that, if the Committee is content to progress the discussions and negotiations with St James Investments, that external valuers be appointed to enter into discussions with the developers and advise the Council upon the development costs and the value of its property assets. The valuer's conclusions will be reported to a future meeting of the Committee.

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

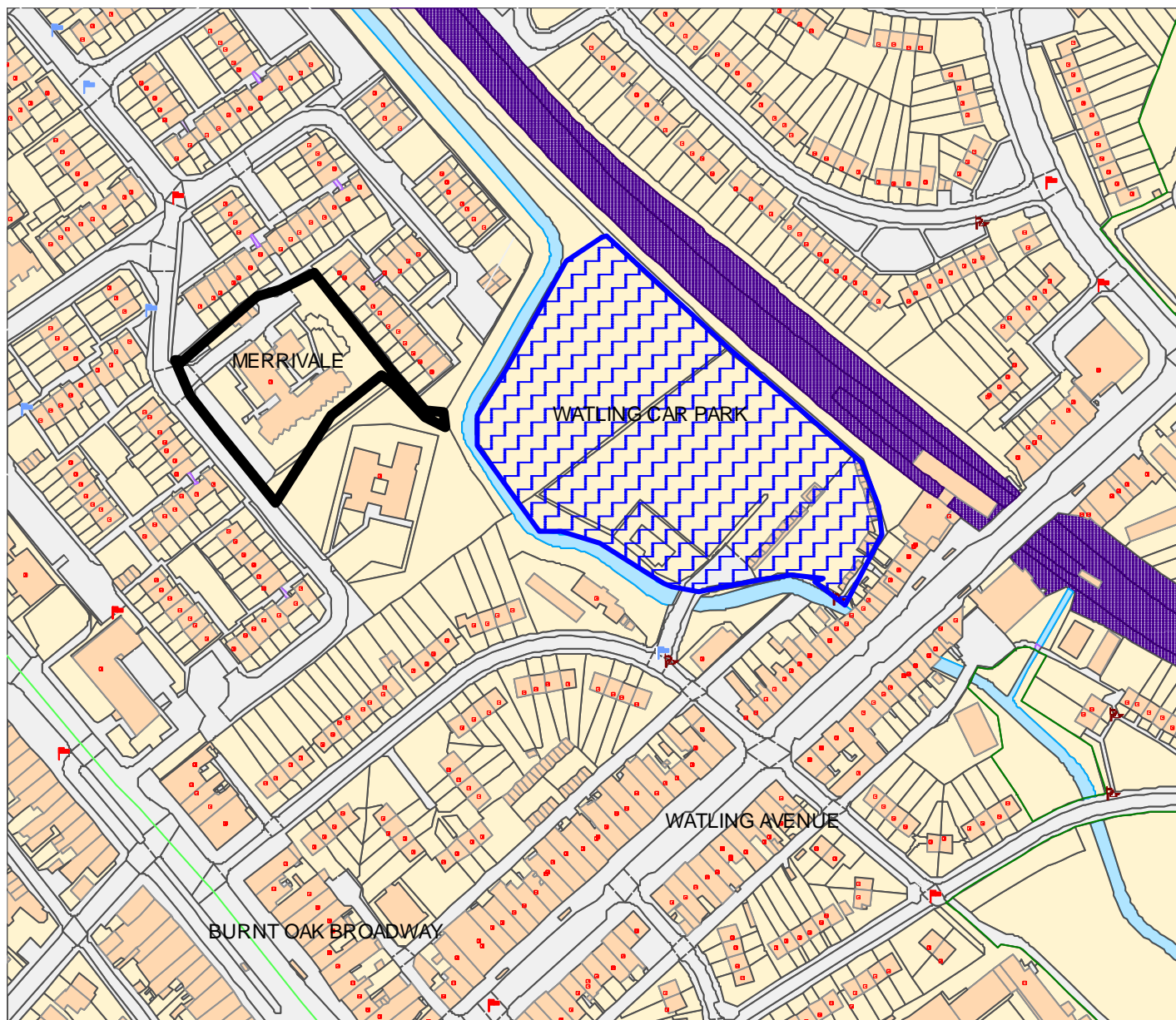
- 9.1 None.

Legal: SWS  
CFO: JB

Plan showing:

By zigzag lines – Watling car park, market and adjacent lands.

By black edging – existing Merrivale care home site



Not to scale

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**AGENDA ITEM: 8**

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Meeting	Cabinet Resources Committee
Date	30 March 2006.
<b>Subject</b>	<b>Fees and Charges - Leisure Service</b>
Report of	Cabinet Member for Resources
Summary	Proposed Fees and charges for the Leisure Management, Leisure Partnership and the Fitness For Life programme for the period 1 April 2006 – 31 March 2007 inclusive
Officer Contributors	Andy Hatvani, Leisure Manager
Status (public or exempt)	Public
Wards affected	Not Applicable
Enclosures	Appendices – A Fitness For Life B Leisure Services C Greenwich Leisure Limited
Reason for exemption from call-in (if appropriate)	N/A

Contact for further information: Andy Hatvani Leisure Manager 020 8359 7840

## 1. RECOMMENDATIONS

- 1.1 That the Committee agrees to the proposed fee and charges for April 2006 – March 2007(inclusive) submitted by the Leisure Management team. These would include fees and charges for Grahame Park All Weather Pitch, the Leisure partnership between the Council and Greenwich Leisure Limited and the Fitness For Life programme.

## RELEVANT PREVIOUS DECISIONS

- 2.1 Delegated Powers Report of 8 April 2005. The Cabinet Member for Culture, Community Engagement and Human Resources, Councillor Katia David, was consulted on Friday 8 April and endorsed the proposal to increase the 2004 fees and charges for Leisure Services and its partner, Greenwich leisure Limited.
- 2.2 Cabinet Resources Committee 15 December 2003 Decision 3(2) - Resolved that Heads of Service be authorised to increase fees and charges from 1 January 2004 or as soon as possible thereafter.
- 2.3 Action taken under delegated powers by officer in consultation with cabinet member(s) (executive function) 18 March 2004.

## 3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 This Council is committed to Putting the Community First and by working in partnership and securing investment into the Council's leisure facilities then the Leisure Service is supporting two Corporate plan targets, to improve the standard of leisure facilities and to promote healthy lifestyles and participation in healthy activity.
- 3.2 The impact of increased fees and charges will be taken into account in the revenue monitoring of the 2006/07 Leisure Service budget where applicable.

## 4. RISK MANAGEMENT ISSUES

- 4.1 In order to maximise income, fees and charges need to be increased where applicable to help improve the Council's financial position. The increase will also allow for Greenwich Leisure Limited to increase its funds to reinvest into the Council's leisure facilities.

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

- 5.1 **Leisure Management and Greenwich Leisure Limited's Fees and Charges.**  
Proposed increases are, in most cases, in line with inflation and should ensure that budgeted income levels are achieved.
- 5.2 **Grahame Park All Weather Pitch** - There is no proposed fee increase for the use of the pitch by young people as it was key to the funding the Council received that as many young people as possible make use of the facility. The proposed increase in the adult hire fee has taken this into consideration.
- 5.2.1 Comparison of proposed fees with other agencies.

60 metre x 40 metre pitch	Grahame Park All Weather Pitch	Barnet Burnt Oak Leisure Centre	Power League
	Proposed	Proposed	Actual
Adult-Full	£45.00	£55.75	£49.95 M – Th

pitch			£39.50 F - Su
Adult- ½ pitch	£27.00	£33.45	N/A

5.2.2 The proposed fee increase for adult use will assist with the budget process. By applying a 12% – 13% increase in fees, Leisure Management will be able to maintain the current opening hours throughout the evenings and weekends with the possibility of holding even more ‘Free Sessions’ for the local young people.

5.3 **Walking and Cardiac programmes** - The proposed concessionary fees for these programmes do show an increase which is above inflation. However, the service needs to work within the funding allocation it receives from the Barnet Primary Care Trust. The increase in fees and charges will go towards funding the increased payments for staffing, equipment, marketing and advertising costs.

## 6. LEGAL ISSUES

6.1 These have been included in the main body of the report.

## 7. CONSTITUTIONAL POWERS

7.1 Constitution, Part 3 - Responsibility for Functions, Section 3 - Powers of the Executive, paragraph 3.6 - terms of reference of the Cabinet Resources Committee.

## 8. BACKGROUND INFORMATION

8.1 The proposed new fees and charges are set out on the attached appendices. The income collected from fees charged in the Leisure Centres will remain with Greenwich Leisure Ltd.. The Council will receive income from the Fitness For Life scheme and the development of programmes and hire of Grahame Park All Weather Pitch.

8.2 The future management of the Grahame Park All Weather Pitch will form part of a future long term strategy within Leisure Management.

## 9. LIST OF BACKGROUND PAPERS

9.1 None.

Legal: MDO

CFO: MG

## Appendix A

### Proposed Fitness for Life Fees and Charges 2006 - 2007

Programme	2005 / 2006	2006 / 2007	% Increase
Standard Walk card	£16.50	£17.00	3%
Concessionary Walk card	£13.00	£14.00	8%
Standard Cardiac card	£31.00	£32.00	3%
Concessionary Cardiac card	£14.00	£15.00	7%

## Appendix B

### Proposed Fitness for Grahame Park All Weather Pitch 2006 - 2007

Programme	2005 / 2006	2006 / 2007	% Increase
Young Person (One Off visit)	£1.00	£1.00	0%
Young Person (Full Pitch)	£23.00	£23.00	0%
Young Person (Half Pitch)	£15.00	£15.00	0%
Adult (Full Pitch)	£40.00	£45.00	13%
Adult (Half Pitch)	£25.00	£28.00	12%

**All hires are subject to VAT where applicable.**

**All hirers must produce evidence of their 'Public Liability Insurance'**

## Appendix C

## Leisure Management

Activities	2005/2006					2006/2007 Proposed £			
	A	B	C	D		A	B	C	D
	Adult	Concessionary target group (+60 & under 17)	Concessionary adult (rec.state benefit)	Concessionary child		Adult	Concessionary target group (+60 & under 17)	Concessionary adult (rec.state benefit)	Concessionary child
<b>Swimming</b>									
Casual Swim - all sessions	£3.25	£1.95	£1.50	£0.80		£3.35	£2.05	£1.55	£0.85
Casual Swim x 15 tickets	£41.60	£21.55				£42.85	£22.20		
Swimmin Lesson - 30 mins	£5.15	£4.80	£1.50	£0.80		£5.35	£5.00	£1.55	£0.85
Swimming Lessons - 45 mins	£8.60	£8.20	£1.50	£0.80		£8.90	£8.50	£1.55	£0.85
Parent & Baby lesson - 30 mins	£4.05		£1.50			£4.20		£1.55	
Parent & Baby sessions	£3.70		£1.50			£3.85		£1.55	
Duckling lesson - 20 mins		£3.70	£1.50				£3.85	£1.55	
Syncronised Swim - 45 mins	£5.50					£5.70			
<b>Health &amp; Fitness</b>									
Fitness Induction Programme	£16.65	£11.10	£1.50			£17.15	£11.45	£1.55	
Fitness induction and Programme (Wellness Centres)	£27.05	£14.05	£11.45			£27.90	£14.50	£11.80	
Casual Gym/Weights (Non Wellness Centres)	£4.60	£2.35	£1.50			£4.75	£2.45	£1.55	
Casual Gym (Wellness Centres)	£5.95	£3.00	£1.50			£6.15	£3.10	£1.55	
Water Aerobics/Finess Class(1Hr) Non Wellness Centres	£4.80	£2.95	£1.50			£4.95	£3.05	£1.55	
Water Aerobics/Finess Class(1Hr) Wellness Centres	£5.95	£3.00	£1.50			£6.15	£3.10	£1.55	
Gym / Fitness Classes - x 15 tickets(non Wellness Centres)	£57.10	£28.60				£58.85	£29.50		
Personalised Training Session - 1 hr Non Wellness Compton - Fitness, Hendon - Fitness, Gymnastics, karate	£29.65	£29.65	£29.65			£30.55	£30.55	£30.55	
Wellness Membership(Copthall, Burnt Oak, Finchley and									
Single Monthly	£38.45		£20.80			£39.60		£21.45	
Partner Monthly	£65.30					£67.30			
Premier Membership(Compton QE									
Single Monthly	£32.45	£20.80				£33.45	£21.45		
Premier Annual	£364.00	£237.15				£374.95	£244.30		
Standard Swimming Membership Copthall, Finchley, Church Farm Pool									
Single Monthly	£27.50	£14.30				£28.35	£14.75		
Premier Annual	£267.30	£156.00				£275.35	£160.70		



## Appendix C

Leisure Management

Activities	2005/2006				2006/2007				
					Proposed				
					£				
	A	B	C	D		A	B	C	D
	Adult	Concessionary target group (+60 & under 17)	Concessionary adult (rec.state benefit)	Concessionary child		Adult	Concessionary target group (+60 & under 17)	Concessionary adult (rec.state benefit)	Concessionary child
<b><i>Indoor Racket Sports</i></b>									
Badminton - 2 per head	£4.60	£2.35	£1.50	£0.80		£4.75	£2.45	£1.55	£0.85
Badminton - 3 per head	£3.15	£1.65	£1.50	£0.80		£3.25	£1.70	£1.55	£0.85
Badminton - 4 per head	£2.40	£1.25	£1.50	£0.80		£2.50	£1.30	£1.55	£0.85
Table Tennis - 2 per head	£3.05	£1.85	£1.50	£0.80		£3.15	£1.95	£1.55	£0.85
Table Tennis - 3 per head	£2.10	£1.25	£1.50	£0.80		£2.20	£1.30	£1.55	£0.85
Table Tennis - 4 per head	£1.60	£0.95	£1.50	£0.80		£1.65	£1.00	£1.55	£0.85
<b><i>Courses &amp; Sessions/visit %</i></b>									
Pilates Course 1 Hour	£6.35	£4.80	£1.50	£1.45		£6.55	£4.95	£1.55	£1.50
Badminton Course 1 Hour	£4.95	£4.50	£1.50	£1.45		£5.10	£4.65	£1.55	£1.50
Yoga Course 1.5 hours	£6.75	£4.55	£1.50	£1.45		£6.95	£4.70	£1.55	£1.50
Climbing Course 1 Hour	£6.75	£5.05	£1.50	£0.80		£6.95	£5.20	£1.55	£0.85
Trampoline 1 Hour	£6.75	£4.50	£1.50	£1.45		£6.95	£4.65	£1.55	£1.50
Football, Short Tennis, Gymnastics Courses 1 Hour		£4.50		£0.80			£4.65		£0.85
Tennis 1 Hour		£5.80		£0.80			£6.00		£0.85

## Appendix C

## Leisure Management

Activities	2005/2006				2006/2007 Proposed £			
	Adult	Concessionary target group (+60 & under 17)	Concessionary adult (rec.state benefit)	Concessionary child	A	B	C	D
<b>Courses &amp; Sessions/visit</b>								
Football - 1 hour		£3.25		£0.80		£3.35		£0.85
Tennis - 1 hour	£4.35	£2.20	£1.50	£0.80	£4.50	£2.30	£1.55	£0.85
Fun Session		£1.85		£0.80		£1.95		£0.85
Karate Session - 1 hour	£4.90	£4.90		£0.80	£5.05	£5.05		£0.85
Karate - 2 hours	£5.85	£4.85		£0.80	£6.05	£5.00		£0.85
Basketball Session - 1 hour		£3.25	£1.50	£0.80		£3.35	£1.55	£0.85
Basketball Session - 2 hour	£7.45	£3.90	£1.50	£0.80	£7.70	£4.05	£1.55	£0.85
Climbing Casual	£4.60	£3.50	£1.50	£0.80	£4.75	£3.65	£1.55	£0.85
Climbing Course - 2 hours	£5.85	£3.70	£1.50	£0.80	£6.05	£3.85	£1.55	£0.85
Gymnastics Session	£8.00	£5.80	£1.50	£0.80	£8.25	£6.00	£1.55	£0.85
Gymnastics Assessment	£11.70	£5.80	£1.50	£0.80	£12.05	£6.00	£1.55	£0.85
Gymnastics Beginners Course - 2 hours	£6.75	£5.05	£1.50	£0.80	£6.95	£5.20	£1.55	£0.85
Carer & Toddler gymnastic (Child charge only)		£2.95	£1.50	£0.80		£3.05	£1.55	£0.85
Floodlit artificial full size pitch - 1 hr	£68.80				£70.90			
Floodlit artificial Barnet Burnt Oak (5-a-side) 1hr	£34.35	£16.10			£35.40	£16.60		
Floodlit artificial Barnet Burnt Oak (7-a-side) 1hr	£55.75	£26.80			£57.45	£27.65		
Grass Pitch (junior) 7-a-side		£19.80				£20.40		
Grass Pitch (junior) 11-a-side		£27.05				£27.90		
GP Referral								
6 weeks	£16.70	£16.10	£8.40		£17.20	£16.60	£8.65	
12 weeks	£30.00	£22.55	£16.70		£30.90	£23.25	£17.20	
18 weeks	£46.50	£33.75	£25.10		£47.90	£34.80	£25.85	
Leisure Card: 50+ Health swim/year	£57.10				£58.85			
Leisure Card; Registration Booking card/year	£11.45				£11.80			

**AGENDA ITEM: 9**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Landlord's Consent for the construction of a car park and revised emergency access at The Barnet Club Ltd</b>
Report of	Cabinet Member For Resources
Summary	This report sets out the necessary consents and licences to enable The Barnet Club Ltd. to provide additional parking provision and new emergency vehicle access arrangements for Barnet Cricket and Barnet Football Clubs.

Officer Contributors	Graham Beattie, Director of Environment Peter Cridland, Interim Head of Property Services George Church, Principal Valuer
Status (public or exempt)	Public
Wards affected	Underhill
Enclosures	Drawing No 23542
For decision by	Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Graham Beattie 0208 359 7856

## **1. RECOMMENDATIONS**

**1.1 That subject to Planning Approval, and the submission of satisfactory final level and drainage details to the satisfaction of the Head of Highways and Design, the Committee approve the terms of the landlord's consent to The Barnet Club Ltd for the construction and use of a new car park and emergency vehicle access on land leased to them and limited to that shown on Drawing No 23542 as follows :-**

**1.1.1 The consent is granted under the provisions of the lease to the Barnet Club Ltd. in relation to user alienation and alterations and additions. The consent granted is subject to the condition that the car park use is restricted to compliance with the user provisions of the lease. Any change of use of any part of the car park constructed on the land leased to The Barnet Club Ltd would require further landlord's consent in addition to any necessary planning permissions.**

**1.1.2 Landlord's consent is granted to The Barnet Club Ltd additionally to allow Barnet Football Club the use of the car park with the following condition :-**

**1.1.2(i) That Barnet Football Club's use of the car park is restricted to use which is ancillary to the operation of the Football Club.**

**1.1.2(ii) That the landlord's consent will cease if at any time this condition is not met.**

**1.1.3 Additionally the council will grant licences to Barnet Football Club and The Barnet Club Ltd for the vehicular use of Priory Grove, to gain vehicular access to the proposed car park, which is approached via land owned by the Barnet Football Club (Holdings) Ltd. This licence will be granted on the condition that the vehicular use is restricted to uses ancillary to the current footballing operation of Barnet Football Club (Holdings) Ltd and the uses permitted under the current lease to The Barnet Club Ltd. Parking along Priory Grove will not be permitted under the terms of the licence. The Council may wish to restrict the vehicular use of Priory Grove by the provision of barriers and/or posts and key access to those bodies with lease or licensed access.**

**1.2 That as agreed by the Cabinet Resources Committee on 5 January 2006, all legal works for consents and agreements be carried out by a third party firm of solicitors and that all associated costs, including any construction costs, be met by The Barnet Club Ltd**

**1.3 That the Committee delegate power to the Cabinet Member of Resources and Chairman of the Cabinet Resources Committee to approve any financial terms for the grant of the consents and required construction referred to in sections 1.1.1 to 1.1.3 above and 1.5 below.**

- 1.4 That prior to implementing any works that may affect public safety and in particular public access and egress from the football ground, Barnet Football Club Ltd. must submit details to and obtain prior written approval from the council's Health, Safety and Licensing Team who administer the General Safety Certificate for Underhill Stadium.
- 1.5 That the Council reconstruct the turning head at the end of Priory Grove as shown on drawing 23542 with costs met by The Barnet Club Ltd.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources Committee 5 January 2006 Items 4 and 6.
- 2.2 Cabinet resources Committee 16 February 2006 Item 7.

## **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 to the community '.
- 3.2 The UDP states 'The Council has consistently safeguarded the green belt by resisting inappropriate development and will continue to do so, in accordance with government guidance'.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The risk of granting the consents and licences to The Barnet Club Ltd and Barnet Football Club (Holdings) Ltd are that further development becomes possible which could threaten the green belt status and run counter to council policies. These are mitigated by the terms and conditions of the consents and licences.
- 4.2 That no agreement is reached on the valuation and costs between The Barnet Club Ltd, Barnet Football Club (Holdings) Ltd and Savill's acting on behalf of the council. Further applications may involve the council in additional cost.

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

- 5.1 There are no staffing or ICT issues. The property implications are set out in the main body of the report.
- 5.2 The cost of the proposed works will be met by The Barnet Club Ltd.
- 5.3 If no agreement is reached with regard to costs, as identified as a potential risk in 4.2, then these would fall to be met by the council.

- 5.4 The financial terms associated with the grant of landlord's consent have yet to be negotiated by the external valuers and it is not currently possible to put a figure on this. Once agreed, this will be reported in the usual manner.

## **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 Cabinet Resources Committee on 5 January considered an urgent report on the application by The Barnet Club Ltd to carry out work on proposals to build a car park with associated access, on land rented to The Barnet Club Ltd, land owned by Barnet Football Club (Holdings) Ltd and works to a small area of the council's adjacent public open space.
- 8.2 The proposed works on the land owned by the council and leased by The Barnet Club Ltd require landlord's consent. Planning permission is required for works on all of the land involved.
- 8.3 The council instructed officers to process the application in line with normal Council procedures and engage an independent firm of property valuers to advise on the best consideration arising from the proposals. Savills have been appointed and inspected the property on 21 February 2006. Their final valuation will be dependant on the specific detail of the consents and licences, which are the subject of this report, and negotiation.
- 8.4 The Safety of Sports Grounds Act 1975, Section 8, requires that where any alteration or extension is likely to affect the safety of persons at the sports ground, the holder of the general safety certificate shall, before the carrying out of the proposals is begun, give notice of the proposals to the local authority. This is particularly important in cases when it is proposed to alter the entrances or exits from a sports ground or any part of it (including any means of escape in case of fire or other emergency) or the means of access to any such entrances or exits.
- 8.5 The Barnet Club Ltd and Barnet Football Club (Holdings) Ltd, wished to undertake these works urgently, commencing on 9 January, but the committee instructed officers to ensure that all the legal steps were taken to ensure that the works were not commenced until the necessary consents and agreements had been obtained.

- 8.6 The applicant was informed of the committee's decision, but officers were advised that work would start on 9 January.
- 8.7 A without notice injunction was granted against Barnet Football Club (Holdings) Ltd on the evening of 6 January with a return court date of 13 January. The interim injunction prevented The Barnet Club Ltd and Barnet Football Club (Holdings) Ltd from carrying out any works in relation to the installation of revised parking and access arrangements and associated works without the prior consent of the London Borough of Barnet
- 8.8 The without notice injunction was an interim order which needed to be extended, discharged or dealt with by an agreement between the parties. Agreement in the form of a Consent Order between the parties was reached on 12 January. The Barnet Club Ltd Chairman and the Chairman of the Barnet Football Club (Holdings) Ltd both gave a written undertaking to the court on 13 January to ensure that the Club applies for the necessary consents and that they refrain from doing any work until such time as the relevant permissions have been received.
- 8.9 The court approved the injunction on 13 January and issued a final injunction in the same terms, with an additional clause that the defendants pay the Council's costs. This order is in force and binding.
- 8.10 On 22 February 2006 the Planning and Environment Committee granted planning permission subject to:
- 'The application be referred to the first Secretary of State as a departure from the development plan and no direction being received restricting a grant of planning permission'
- 8.11 If a Local Planning Authority considers an application to be a 'Departure' then it must notify the Secretary of State through the appropriate Regional Government Office (i.e. Government Office For London) who then consider on behalf of the Secretary of State whether the Secretary of State's intervention is needed. The Government Office has 21 days to advise whether or not to call in an application referred to them as a departure.
- 8.12 The Council received a response on the 27 February 2006 from the Government Office for London that the original press advertisement did not specify all the recommended criteria indicated for Notices Under Article 8 of the Town and Country Planning (General Development Procedure) Order 1995. In particular it was not clear that the original press advertisement was advertising the application as a Departure from the Development Plan. The press notice was therefore considered to not be fully in line with Departure advertising procedures. The application was accordingly readvertised on Thursday 2 March and will be reported back to the next meeting of the Planning and Environment Committee on 29 March. If approved the application will be subject to referral to the First Secretary of State as explained in paragraph 8.10.

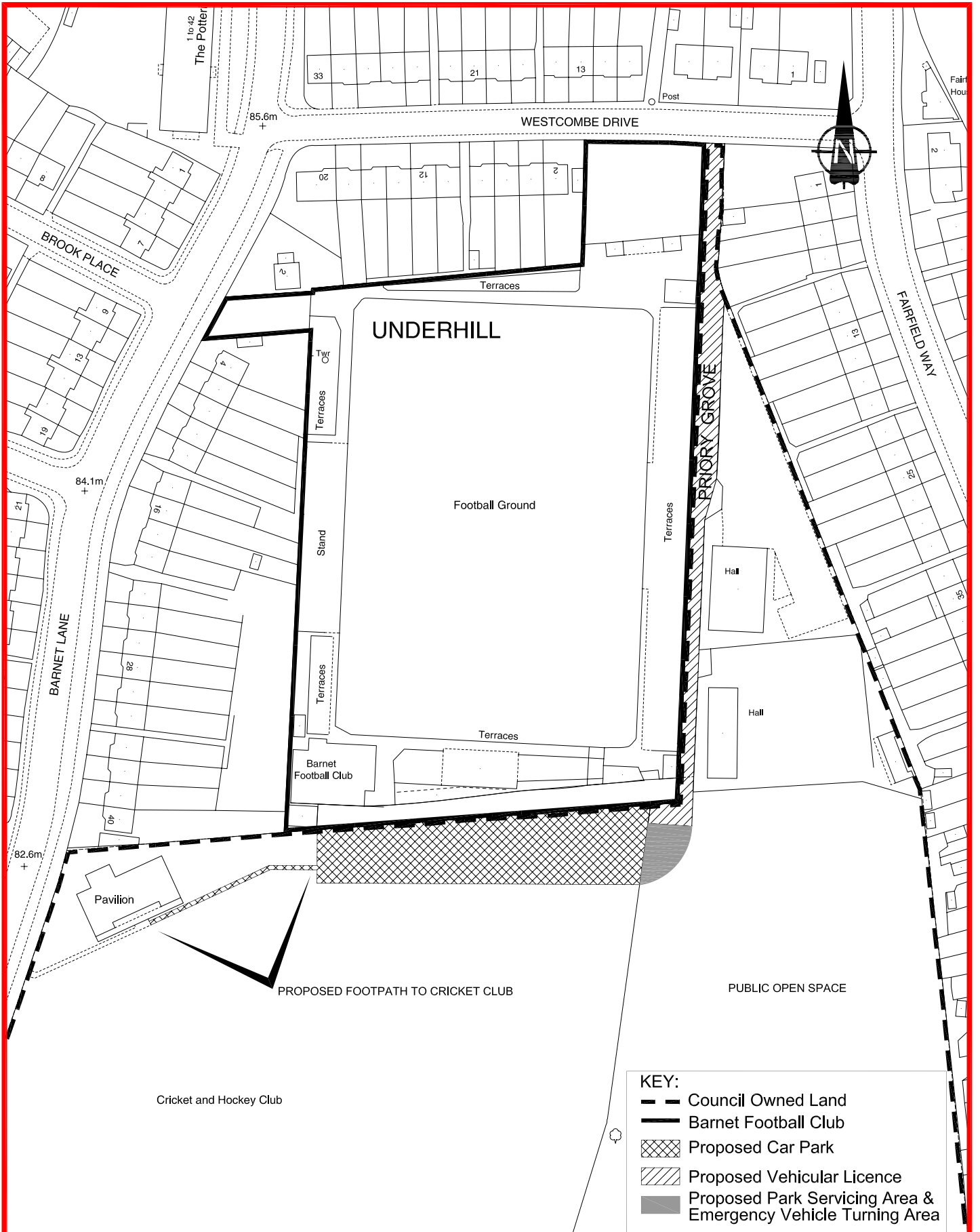
- 8.13 Priory Grove is a definitive public footpath and used by vehicles for maintenance of the public open space and for frontager access. The proposed access improvements include the reconfiguration of the existing turning head at the bottom of Priory Grove. The cost of this work will be met by The Barnet Club Ltd.
- 8.14 The Barnet Club Ltd. have yet to provide the council with final car park levels and drainage details and these will need to be submitted to and agreed by the Head of Highways and Design before the council's landlord's consent is agreed.
- 8.15 Vehicular access is permitted to various occupiers along Priory Grove. Access is permitted under lease terms and is currently physically unrestricted. The Council is considering the provision of a barrier with posts and key access in order to protect members of the public at times outside the periods of sporting events by introducing controls on vehicular movements. The likely position of the barrier would be near the north east corner of the existing football stadium, close to but not obstructing the access to the rear of 7 Fairfield Way. The lockable barrier would be hinged with hanging and slamming posts. It would be installed to permit controlled vehicular access up to four metres maximum opening width and a minimum unrestricted pedestrian access of 1.2 metres.
- 8.16 The current status of Priory Grove as a footpath and the existence of a licence to The Barnet Football Club ( Holdings ) Ltd to use Priory Grove to pass and re-pass on foot only, requires the Council to issue a new licence to The Barnet Football Club ( Holdings ) Ltd for vehicular access to the proposed car park. A similar licence will need to be granted to The Barnet Club Ltd. Conditions will be placed on those licences to restrict the use of Priory Grove to uses ancillary to the footballing activities of the Barnet Football Club (Holdings) Ltd and to those uses by The Barnet Club Ltd which are defined in the existing lease.

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

- 9.1 Injunction documentation held in the Legal department.

Legal: RAB  
CFO: PA





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Initiated by G.C.  
 Drawn by K.E.B.  
 Checked by B.H.  
 Date 16/03/06

**SCHEME:**  
 BARNET FOOTBALL CLUB/  
 BARNET CRICKET CLUB,  
 BARNET LANE, BARNET

**TITLE:**  
 ACCESS AND CAR PARKING  
 PROPOSALS

Scales 1:1250

Nick Walkley,  
 Director of Resources.

London Borough of Barnet,  
 North London Business Park,  
 Oakleigh Road South,  
 New Southgate,  
 London, N11 1NP.  
 Tel. 020 8359 2000

**BARNET**  
 LONDON BOROUGH  
 VALUATION SECTION

DRAWING No.

23542/1

**AGENDA ITEM: 10**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Property Disposals</b>
Report of	Cabinet Member For Resources
Summary	This report provides a progress update in respect of Council owned land and buildings which have been approved for disposal.

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Officer Contributors	Peter Cridland, Interim Head of Property Services Jonathan Bunt, Head of Finance, Core Accountancy
Status (public or exempt)	Public – with a separate exempt report
Wards affected	All
Enclosures	Appendix 1
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Peter Cridland 020 8359 7306

## **1. RECOMMENDATIONS**

- 1.1 That the content of the report be noted.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 As noted for each property in the exempt report.
- 2.2 Cabinet Resources Committee 21:07:2005 received the third of a standing item report upon the progress of property disposals.

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

- 3.1 The Corporate Plan commits the Council to improved asset and contract management.
- 3.2 Capital receipts from the sale of surplus land and buildings form approximately 10 % of the funding of the Council's Capital Programme as outlined in Appendix C to the Council Budget and Council Tax report to Cabinet on 27<sup>th</sup> February 2006.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The Council's Budget Report to Council on 1<sup>st</sup> March 2005 recognised that budgets with financial implications considered to represent a higher risk that required close monitoring in 2005/6 included planned asset disposals. Figures for capital receipts in 2005 / 2006 have not hit anticipated levels due to slippage on disposal projects, as a result of conditions attached to offers adding complications to the planning process.
- 4.2 Risks for the capital receipts on each case are noted in Appendix A to the Exempt report

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

- 5.1 Specific property issues for each disposal are set out in the reports to Cabinet Resources Committee.

## **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

- 7.2 Constitution – Rules for the disposal of land and real property – On any disposal of property, proper regard will be had to the professional advice from a qualified valuer at all relevant stages in the process and where the Director of Resources or designated officer, the Cabinet Member for Resources or the relevant body deems it appropriate, independent valuation advice shall be obtained.

## **8. BACKGROUND INFORMATION**

- 8.1 The Council's property portfolio is continually subject to review with a view to maximising the return from the property asset or identifying assets which may be potentially suitable for disposal.
- 8.2 This report has been delayed for two months following changes to the management of Property Services, being 8 months since the previous report to Cabinet Resources Committee. It is now planned to report every 6 months on progress on asset disposals.
- 8.3 The detail of the status of each property disposal is included in a schedule appended to the exempt report because some properties have been approved for disposal and others are still subject to the conclusion of tendering or negotiations and therefore the information could be commercially sensitive.
- 8.4 The following approved disposals has been completed in financial year 2005/2006:
- Deansbrook Day Centre  
Wood Court, South Road Barnet.
- 8.5 Other properties which were the subject of negotiations or disposals approval in 2005/2006 which have not yet been sold have been moved into the programme for 2006 /200 7

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

- 9.1 None.

Legal:  
CFO:

## Potential Disposals

### 3 Year Programme

2006/07

#### General Fund Properties

The Leys

Land at 1105/1111 High Road

Former Watling Boys Club (Dryfield Road)

Land at Bunns Lane

Land at Great Strand

Land at South Road, Burnt Oak

Totteridge Library

NCR lands

West Hendon Playing Fields (car park)

Hendon Football Club

Land adj to 16 Hadley Grove

## Appendix 1

2007/ 08

#### General Fund Properties

Friern Sewage Works - phase 1

Friern Sewage Works - phase 2

176 Hendon Way

Property at Lyndhurst Avenue

31 Green Road (former eng. works)

The Bunker, Partingdale Lane

Park House

#### HRA Properties

2-10 Hermitage Lane

30 Alexandra Road, N10

2008/09

#### General Fund Properties

Cricklewood - phase 1 (part)

Spencer House

South Friern Library

**HRA Properties**

30 Watling Avenue

25 Watling Avenue

106-110 Burnt Oak Broadway

Northfield Garages, East Barnet

Goodwin Court

Site C, Green Lane, Edgware - Spur  
Road, Stonegrove Regeneration

Back Lane Garages, Edgware

129 West Hendon Broadway, NW9

Land at Gervase Road Burnt Oak

Land adj to Merc cars - Brunswick Pk  
Rd

436/446 Long Lane

**AGENDA ITEM: 11**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Long Lane Pasture, Rear of 256/280 Long Lane, Finchley</b>
Report of	Cabinet Member For Resources
Summary	To consider property options including selling the freehold interest and creating a leasehold interest

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Officer Contributors	Nick Walkley, Director of Resources Brian Smart, Assistant Chief Valuer
Status (public or exempt)	Public – with a separate exempt report
Wards affected	West Finchley
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Nick Walkley, Director of Resources Tel 020 8359 7007.

## **1. RECOMMENDATIONS**

### **1.1 Having considered the issues set out in paragraph 8 of the report, the Committee recommend either:**

- i. to reconfirm the decision to sell by tender the freehold interest in the property for residential use in accordance with S123 of the Local Government Act 1972.**

**or**

- ii. market the property for community use for rent at a peppercorn rate to be managed by a community group for a period of up to 7 years. Such a lease to be granted once the council is satisfied that the group have appropriate financial and constitutional arrangements in place to take on the management of the site on behalf of the community and in order to protect the Council's interest and manage risk, the lease be subject to:**

- the tenant having in place a biodiversity management plan which meets the requirements of the Council's Green Spaces team and would be in line with the new Sustainable Communities Strategy**
- the tenant being obliged to maintain all fences to a good standard**
- a mutual yearly break provision and clear provisions for termination in the event of the absence of sufficient funding to meet the tenant's obligations or breach thereof**
- an agreement that the provisions of sections 24 – 28 of the Landlord and Tenant Act 1954 are excluded**

### **1.2 That whilst the decisions at 1.1 are being implemented, a license be granted to the Long Lane Pasture Action Group to continue their work for a further 12 months.**

### **1.3 That an independent valuation of the site be undertaken to be reported back to the Committee alongside the outcomes of decisions taken at 1.1.**

## **2. RELEVANT PREVIOUS DECISIONS**

**2.1. On 8 November 2000, the Policy and Implementation Committee recommended (1) That the Council affirm the previous decision to dispose of the freehold of the land at the rear of 256/280 Long Lane, N3 (shown edged black on drawing No.21783/1) and (2) That, subject to (1) above, the conditional tender offer from Fairview New Homes (Long Lane) Limited be accepted and that the Borough Solicitor be instructed to complete the appropriate documentation in a form to his approval.**

**2.2. Cabinet Resources Committee, 10 February 2005, Property Disposals**

**2.3. Cabinet Resources Committee, 8 July 2004, Property Disposals**



- 2.4. Delegated Powers Report, Val/DP/15/04, Land rear of 256/280 Long Lane, Finchley
- 2.5. Delegated Powers Report, Val/DP/36/03, Land rear of 256/280 Long Lane, Finchley

### **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”.

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

- 4.1. Although the Council will define the tenant’s obligations and monitor performance there remains a risk of financial exposure of the Council should the tenant find itself in financial difficulty.
- 4.2. The Council will need to ensure that any tenant granted a lease has an appropriate constitution providing for public access to the site and access to the management of the group.
- 4.3. A continued lack of clarity about the future of the site means the Council will continue to receive criticism from people who want the land used as open leisure ground and delays a capital receipt should the land be sold for residential purposes.

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

- 5.1. There are no staffing or ICT issues. The property implications are set out below.
- 5.2. Disposal of the whole site was agreed in November 2000 and bids for the site were subsequently obtained, as set out in the exempt report.
- 5.3. Achieving a capital receipt would enable the council to reinvest the amount in council priorities and/or reduce the requirement for unsupported (prudential) borrowing and its impact on the council tax.
- 5.4. The Long Lane Pastures Action Group has expressed an interest in managing the site but has identified the need to secure funding to do so. There is the potential for additional costs to fall on the Council should the Group fail to raise adequate funds. There are no earmarked funds at present within the Council budget to meet such costs.

### **6. LEGAL ISSUES**

- 6.1 Incorporated into the body of the report.

## **7. CONSTITUTIONAL POWERS**

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

## **8 BACKGROUND INFORMATION**

- 8.1 The property is a rectangular-shaped area of unused, undeveloped land of about 2.5 acres, located at the rear of 256/280 Long Lane and south of Kays Land Allotments, Squires Lane.
- 8.2 It has no direct road access and hence it is difficult to state an open market value.
- 8.3 Prior to the Council decision dated 8 November 2000 to sell the land, the Council advertised the proposal in accordance with Section 123 (3) of the Local Government Act 1972. Nineteen written representations were received; these were sent out in the pack for the Policy and Implementation Committee meeting of 9 November 2000 and are attached herewith. All objected to the proposal to develop the land with residential properties. A tender process was carried out to sell the land. The process referred to an Environmental Impact Assessment and measures for protecting and enhancing part of the existing wildlife habitat.
- 8.4 Because the land in question was laid out for open space purposes, a proposed disposal had to be advertised in accordance with section 123(2A) of the Local Government Act 1972. This requires local authorities intending to dispose of land acquired for or held for open space purposes to advertise the intention to dispose locally and to consider any representations received before proceeding further.
- 8.5 A conditional tender offer from Fairview Homes was accepted by the Council. Following the 2002 local election the new administration was in the process of reviewing the disposal when Fairview homes withdrew their offer. As a result the land has been retained by the Council but it remains Council policy to dispose of the site. This position has been reported to Cabinet Resources Committee as part of the updated disposal reports approved by Cabinet Resources Committee where the land remains listed as scheduled for disposal.
- 8.6 Fairview Homes have since disposed of the access land to the Long Lane site and the new owners have planning permission to erect flats. This leaves the Long Lane Pasture site effectively land locked and any future purchaser would need to secure alternative access to the site. This in turn could impact on the likely value of the site on the open market. To ensure Members have all the appropriate information to inform their decision it is proposed that an

independent valuation of the site, given the sale of the access site, be obtained and reported to the Committee.

- 8.7 In 2002, the Long Lane Pasture Action Group (LLPAG) was formed. The group's vision is "to maintain the Long Lane Pasture site as an informal open space that would be run by the community, and managed sympathetically to the wildlife habitats within the area".
- 8.8 A twelve month licence with effect from 21 May 2004, was granted by the Council to LLPAG to undertake a survey and gather wild-life information.
- 8.9 LLPAG have now made a request to lease the site to manage the area in line with the objectives set out at 8.7. Such a lease would need to be for a sufficient period to provide certainty to potential funders and a period of up to seven years is proposed. The LLPAG intend to establish the Long Lane Pastures Trust to manage the area.
- 8.10 It is worth noting that whilst the Long Lane Pasture Action Group have sought to establish the wild-life and natural importance of the site the Council has not received any formal assessment of the site from them. However recent material from them states that
- 8.11 "Since obtaining the licence, the Group has undertaken a risk assessment, kept the pathways around the site clear of brambles, repaired the boundary fences, cleared litter and rubbish, and recorded plants, birds, mammals, butterflies and moths considerably increasing the environmental knowledge of the land."
- 8.12 And that "a Plan, which details a future vision for the land, has been drawn up at the Group's request by Julie Toll, an internationally renowned wildlife landscape designer."
- 8.13 Officers have established that Long Lane Pasture Action Group is a group of local residents. At present LLPAG has no formal constitution although a draft copy has now been produced. Similarly the group have only limited finances at this stage. Documents circulated by the group indicate they have a small bank balance but intend to seek charitable status and commence fundraising once they have a lease. This does mean any lease would need to be at a peppercorn rate given the limited funds available.
- 8.14 A lease for a number of years would be a significant undertaking for any voluntary group. In discussions to date LLPAG have indicated they would like a lease in excess of 25 years. This would significantly limit the ability of the council to look at alternative uses for the site and tie up a potentially valuable site for many years hence without, at this stage firm evidence of the benefits which might accrue to the local community in amenity terms or the viability of any community group managing the area.
- 8.15 LLPAG have also identified the need for funding to secure the site perimeter and whilst the Council need not be the funder this highlights the possibility of

any community based leasehold arrangement creating future cost for the Council. The cost of such measures may be as high as £50,000.

- 8.16 Under the Local Government Act 1972, local authorities are given powers to dispose of land in any manner they wish (including the grant of a lease), the only constraint being that the disposal must be for the best consideration reasonably obtainable (except in the case of short tenancies, that is a tenancy granted for a term of 7 years or less) unless the Secretary of State consents to the disposal. Under the terms of the Local Government Act 1972: General Disposal Consent (England) 2003, specific consent is not required from the Secretary of State for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. In all such cases disposal at less than best consideration is subject to the condition that the difference between the unrestricted value of the interest to be disposed of and the consideration accepted is £2,000,000 or less.
- 8.17 The Local Government Act 2000 grants local authorities general community well being powers. These include the promotion of the social and environmental well-being of the area. The granting of a lease to manage a local amenity space to a community group would fall within these powers. However in the light of the limited evidence of the amenity value of the site Members may wish to consider if they wish to support a lease of the site on this basis.
- 8.18 Notwithstanding the above, Local Authorities need to ensure that they maximise the value of their assets and take appropriate decisions about their use. This would typically mean assessing the value to the local community in amenity terms of retaining a site against the benefits accruing to the Council and Barnet residents from a disposal.
- 8.19 A decision to lease rather than sell the site would provide minimal financial benefit to the authority and the site does not feature in existing corporate priorities. The Council does not have any formal assessment of the importance of the site in terms of either regular usage or ecology although it is worth noting that the site does not feature in the London Ecology Unit's most recent assessment of the Borough. Committee may therefore wish to consider a lease option of sufficient length for any Community Group to raise funds and demonstrate the amenity value of the site rather than a lease of any longer period.
- 8.20 The Committee is asked to decide between two options:
- To proceed with a sale likely to secure significant capital receipt which would be used to fund the Council's capital programme in line with the Council's corporate priorities.
  - To grant a lease to a community group. The lease to be for a period of 7 years, i.e. sufficient time for appropriate longer term funding arrangements

to be developed, with annual review arrangements to monitor the group, its financial viability and minimise the risk to the Council.

## **9 LIST OF BACKGROUND PAPERS**

9.1 Nature Conservation in Barnet, Ecology Handbook 28, London Ecology Unit 1997.

9.2 "The Future of Long Lane Pasture". A Statement by the Long Lane Pasture Action Group

9.3 Anyone wishing to inspect the background papers should telephone 020 8359 7007.

Legal: RAB

CFO:

**AGENDA ITEM: 12**

Page nos. 58 - 62

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Interim Fees and Charges for the Wingfield Children's Centre</b> <b>1 April 2006 – 31 March 2007</b>
Report of	Cabinet Member for Resources Cabinet Member for Education and Lifelong Learning
Summary	To approve interim fees and charges for childcare at the new Wingfield Children's Centre.

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Officer Contributors	Chief Education Officer
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix: proposed interim charges
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Julia Gay 0208 359 7839

## **1. RECOMMENDATIONS**

- 1.1 That the Committee agree the charges for childcare (as laid out in Appendix 1) at the new Wingfield Children's Centre with effect from 1 April 2006 as a pilot, for review in January 2007.**
- 1.2 That parents accessing the crèche be asked for a contribution of £1 for session.**
- 1.3 That eight places be allocated free of charge to children with complex needs, i.e., those referred by Children and Families as Children in Need (1989 Children Act).**
- 1.4 That all children currently attending Wingfield Children & Family Centre continue to attend the Children's Centre at no charge to the parents.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

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

- 3.1 None.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Fees were not charged for attendance by Wingfield Children & Family Centre as this was a provision for Children in Need (Children Act 1989).
- 4.2 Consultation with local parents has indicated that there is demand for flexible, affordable, good quality childcare in the Colindale area. However, national research shows that families on low incomes cannot access childcare. If the fee level is not competitive, take up of places might be affected which might, in turn jeopardise financial viability of the children's centre.

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

- 5.1 Staff from Wingfield Children and Families Centre will be assimilated into the staffing structure for Wingfield Children's Centre.
- 5.2 The current budget of the Wingfield Children and Families Centre will meet the costs of the places for Children in Need and other children's centre activities.

## **6. LEGAL ISSUES**

- 6.1 The LA may provide child care centres for any child under 5, s18 Children Act '89. The LEA has the power to provide education facilities for the education of children under 5 - EEA '96 - s17. When providing services in accordance with its duty the LA is entitled to charge or provide the service free of charge. If the LA proposes to charge for the service, it may only charge what it regards is a reasonable sum - s29 (1) CA '89. Where the LA is satisfied that the person's

means are insufficient for it to be reasonably practicable for him to pay the charge, it shall not require him to pay more than he can reasonably expect to pay. (s29(2) CA '89). Before making any conditions the LA must have regard to the means of the child and his parents.(s 17 (8)) . There is specific provision in the CA to prevent a person becoming liable to make any payments which may be required when in receipt of working tax credit or any element of child tax credit other than the family element ss 17 (9), 29(3) and regulations 2003 SI 2003/2077.

## **7. CONSTITUTIONAL POWERS**

- 7.1 The Council's Constitution Part 3 paragraph 3.6 authorises Cabinet Resources Committee to approve income sources and charging policies

## **8 BACKGROUND INFORMATION**

### **8.1 National Context**

The Children Act 2004 and the Childcare Bill, currently before parliament, outline the Government's commitment that, by 2010, all parents should have access to one-stop-shop support at a Children's Centre so that "childcare and education, health and employment advice and parenting support are in easy reach of every parent". A children's centre will provide the following core offer of services:

- Early education (including a qualified teacher) together with childcare available from 8am-6pm to be flexible in response to parents' needs. Sessional nursery education for 3-4 year olds will remain free, but wrap-around care and childcare for under 3 year olds will be charged at an affordable rate.
- Lifelong learning opportunities for parents and advice on employment, for example, welfare benefit advice.
- Family support and outreach to parents, for example parenting education and support groups.
- Health services, for example speech and language therapy, childhood mental health services and ante-natal care.

### **8.2 Children's Centres in Barnet**

The Government has set a target for Barnet to provide 2 children's centres by 2006:

- Wingfield Children and Families Centre, in the area of the authority's highest need, will become a Children's Centre from 1 April 2006;
- the second, at Parkfield, which will bring together Parkfield Primary School, Lakeview Children and Family Centre, and the Sure Start Local Programme, is due to open in September 2006.

Barnet has an additional target to deliver 15 more children's centres by 2008.

### **8.3 Wingfield Children's Centre**

- 8.3.1 Wingfield Children's Centre is due for designation as a Children's Centre on 1 April 2006 by DfES Sure Start Unit. Local provision for services, identified



from extensive consultation with partner agencies and parents, include childcare, drop-in crèche, English classes for adults and information surgeries. Wingfield Children's Centre has been registered with Ofsted to provide integrated early education and childcare for 32 children aged 2 – 5 years. 10 babies aged 0 – 2 will be cared for by a network of childminders working alongside the children centre. It has also been registered for a crèche with 12 places to allow parents to participate in community learning activities.

- 8.3.2 It is proposed that 8 (20%) of places will be allocated to Children in Need (i.e. on Child Protection Register, Looked After or with complex need) with no charge.
- 8.3.3 Children who are currently attending Wingfield Children and Families Centre will continue to attend Wingfield Children's Centre at no charge to their parents
- 8.3.4 All children aged 3-4 are entitled to free nursery education for 12 ½ hours per week (15 hours from 2007-08) funded by Nursery Education Fund (£1558 for 38 weeks).
- 8.3.5 Parents who are students or returning to work/training through government schemes are entitled to grants/subsidies towards childcare costs and will be paying significantly less than the full fees. (see Appendix 3). Parents in work are entitled to claim working tax credit. Those qualifying for the highest rate will receive 80% credit against a maximum childcare cost of £175 per week, i.e., the actual cost to parent will be £35 (see Appendix 3).
- 8.3.6 Charges in neighbouring boroughs vary between £110 and £200 per week depending on the age of the child and the parents' financial circumstances (see Appendix 2). However, a common consideration appears to be setting the fees at the Working Tax Credit limit, which from April 2006 will be £175.
- 8.3.7 Taking into account the charges of other providers in the area in neighbouring boroughs, it is proposed that the interim charges for childcare are set at a comparable market level. Details are set out in Appendix 1. It is also proposed that there is a reduction of 20% for any additional siblings.
- 8.3.8 These charges should be set for 2006-07 with a thorough review and of the charging policy, in one year, before setting a borough-wide scheme.

## **9 LIST OF BACKGROUND PAPERS**

- 9.1 None.

Legal: JEL  
CFO: CM

## APPENDIX 1: Proposed Interim Childcare Charges at Wingfield Children's Centre

Fees	Full Extended Day 8am-6pm	Weekly 8am-6pm
0-2 childminder	£30	£150
2-3	£35	£175
3-5	£27 (term time -38 weeks) £35 (additional 10weeks)	£ 135 (term time -38 weeks) £175 (additional 10weeks)

- 20% reduction for each additional sibling.
- Charges for part time place will be set pro-rata.

## APPENDIX 2: Comparative Charges

Barnet		Reduced Fees	Standard Fees
Barnfield NNI	0 – 2	£147	£202
	2 – 3	£141	£175
	3 – 4	£105/138	£119 */154
Joel Nursery	2-3		£160
	3-4		£120 */£160
Colindale	2-3		£176
	2-5		£136 */£176

\* term time

Neighbouring Boroughs		
Camden	Residents on low incomes	£135 per week
	Residents on high incomes	£175 per week
Haringey	0 – 3	£160
	3 – 4	£110 (term time)
Enfield	2 – 3	£180
	3 – 4	£170

## APPENDIX 3: Grants/Financial Support Available to Parents

	1 Child		2 Children	
	Possible Benefit available	Parental contribution after benefit	Possible Benefit available	Parental contribution after benefit
	£s	£s	£s	£s
Working Tax Credit	140.00	35.00	240.00	110.00
Care to Learn	145.00	30.00	145.00	205.00
Childcare Grant	114.75	60.25	170.00	180.00
New deal for Lone Parents – training	135.00	40.00	135.00	215.00
New deal for Lone Parents – work under 16 hours	67.50	107.50	100.00	250.00
NHS Childcare allowance	114.75	60.25	170.00	180.00

**AGENDA ITEM: 13**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Harwood House, 55 Christchurch Avenue, N12</b>
Report of	Cabinet Member for Resources Cabinet Member for Community Services
Summary	To consider a request from Notting Hill Housing Trust for the Council to take a freehold transfer of Harwood House as it is no longer required for the learning disabilities accommodation re-provision programme

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Officer Contributors	Dave Stephens, Strategic Property Advisor
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	Woodhouse
Enclosures	Plan of Harwood House
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information:  
David Stephens, Strategic Property Advisor – 020 8359 7353

## **1 RECOMMENDATIONS**

- 1.1 That the Committee accepts the freehold transfer of Harwood House, 55 Christchurch Avenue N12 upon the basis set out in the report and that the appropriate Chief Officers report to a future meeting of the Committee upon the future of the property.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet 22.7.02 – Accepted the tender offer from Notting Hill Housing Trust (NHHT) to take the freehold transfer of various of the Council’s Learning Disabilities care homes and day centres and other lands on the basis that NNHT would provide new care homes, day centres and supported living accommodation with part of the cost being met from the sale of the surplus sites.
- 2.2 Cabinet 31.5.05 – Agreed a revised modernisation programme for the Learning Disabilities Service consequent upon, amongst other matters, the inability of NHHT to achieve planning permission for some of its original proposals.

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

- 3.1 The Corporate Plan commits the Council to providing first class care for vulnerable adults. The decision not to have Harwood House refurbished but to have the care places alternatively provided is in line with this objective.

## **4 RISK MANAGEMENT ISSUES**

- 4.1 As this property was originally owned by the Council, it is not considered that there are any significant risks associated with this proposed transfer back to the Council.

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

- 5.1 There is a revenue budget for running Harwood House and the Council was previously paying NHHT for the maintenance of the building. When the property is vacated this budget will need to feed back into the re-provisioning programme.
- 5.2 The property was originally transferred to Notting Hill Housing Trust (NHHT) at nil value. If the Council took a re-transfer of the property it would have to be at nil value. However, there would be legal fees and related costs which would have to be met. In this instance, in light of the estimated value of the property as set out in the exempt report, it would be reasonable for these to be met by the Council.
- 5.3 It may be that Stamp Duty Land Tax at 4% of the value may become payable. There is no budgetary provision for this payment.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Part3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **8. BACKGROUND INFORMATION**

### BACKGROUND

- 8.1 Harwood House is shown edged black on the appended plan. It is a large detached property which has been used as a residential care home for people with learning disabilities. The site has an area of approximately 0.064 hectares/0.16 acres.
- 8.2 The Council transferred the property to Notting Hill Housing Trust in March 2003 as part of the project to provide replacement living and day care accommodation for people with learning disabilities. The Trust intended to refurbish the property to provide residential care accommodation for 5 people.
- 8.3 At its meeting on 31 May 2005, the Cabinet approved a revised accommodation reprovion programme. Harwood House is no longer part of the programme and Notting Hill wishes to transfer ownership back to the Council.

### OPTIONS

- 8.4 Having given the matter due consideration officers are of the opinion that the Council has three possible options:
- i. To refuse to accept a transfer of the property.
  - ii. To take a freehold transfer of the land and work with partner organisations to put the building to an alternative use which meets service delivery needs.
  - iii. To take a freehold transfer of the property and subsequently to offer it for sale on the open market.
- 8.5 Under the original agreement with NHHT, Harwood House was one of several properties transferred freehold by the Council to NHHT to facilitate the provision of new and up-graded care accommodation. Harwood House was intended to be refurbished to provide a five bed care home. Under the agreement, once these works had been carried out the property would have been transferred freehold back to the Council in exchange for the grant of a 75 year lease to NHHT at a peppercorn rent. Thus, the property was initially transferred to NHHT at nil value for a specific purpose. The property does have a monetary value and therefore, if it is no longer to contribute to the learning disabilities accommodation reprovion programme, it is appropriate that the Council should seek to secure that value.
- 8.6 In light of the foregoing, it is considered that option (i). should not be pursued. Options (ii) and (iii) will have the advantage that in either instance they will either

generate revenue savings of a capital receipt which will cover the costs referred to in Section 5 of this report.

- 8.7 It is recommended therefore that a freehold transfer of Harwood House to the Council be accepted and that the appropriate Chief Officers be instructed to report to a future meeting of the committee upon the future of the property.

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

- 9.1 None.

Legal: PJ  
CFO: HG

# Plan of Harwood House, 55 Christchurch Avenue N12



Not to scale

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**AGENDA ITEM: 14**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Perryfields site, Tyrrel Way, NW9 – disposal terms</b>
Report of	Cabinet Member for Resources Cabinet Member for Regeneration
Summary	To approve the terms negotiated for the freehold sale of the Perryfields site to facilitate the West Hendon regeneration scheme.

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Officer Contributors	Dave Stephens, Strategic Property Advisor
Status (public or exempt)	Public – with a separate exempt report.
Wards affected	West Hendon
Enclosures	Plan of site
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information:  
David Stephens, Strategic Property Advisor – 020 8359 7353



## **1 RECOMMENDATIONS**

- 1.1 That the terms for the freehold sale of the Perryfields site at Tyrrel Way, West Hendon to one of the partner organisations carrying out the West Hendon regeneration project be approved and that the appropriate Chief Officers be instructed to complete the sale subject to the prior transfer of the freehold of the site to the Council by Ealing Family Housing Association.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Council 23.10.2000 – agreed the selection of Ealing Family Housing Association to take a transfer of the majority of the Council's elderly persons residential care homes and day centres on the basis that these would be replaced with modern facilities.
- 2.2 Cabinet 22.7.2002 – approved Metropolitan West Hendon consortium as the Council's preferred development partner for the regeneration of the West Hendon area.
- 2.3 Cabinet 5.11.2002 – approved the swap of sites in Claremont Road, NW2 and East Road, Burnt Oak with Ealing Family Housing Association upon which to develop replacements for the Perryfields and Merrivale elderly persons care homes and day centre.
- 2.4 Cabinet Resources Committee 18.9.2003 – approved in principle the freehold sale for residential development of the Hendon Football Club site in Claremont Road and adjacent land.
- 2.5 Cabinet Resources Committee 8.7.04 – amongst other matters agreed that subject to the grant of planning permission, the removal or modification of the restrictive covenant and the conclusion of terms with Hendon Football Club for the surrender of its lease, the freehold interest in an appropriate area of land at Claremont Road, NW2 be transferred to Ealing Family Housing Association for the building of a replacement for the Perryfields elderly persons care home and day centre in exchange for the transfer back to the Council of the current Perryfields site at Tyrrel Way, West Hendon
- 2.6 Cabinet 30.8.05 – amongst other matters agreed that approval be given to enter into a Principal Development Agreement with Metropolitan West Hendon, Metropolitan Housing Trust, Metropolitan Living Limited, Barratt Homes Limited and Barratt Development plc for the regeneration and redevelopment of the West Hendon area. It was noted that by entering into the Principal Development Agreement the Council was agreeing, subject to the consent of the ODPM, to all the land and buildings within its ownership, with the exception of the Perryfields care home site and the Lakeview Nursery site, being transferred at nil value to Metropolitan West Hendon subject to the provisions within the Principal Development Agreement. It was further agreed that the appropriate Chief Officers should report to a future meeting of the Cabinet Resources Committee for

approval of the terms of disposal to Metropolitan West Hendon of the freehold of the Perryfields care home site.

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

- 3.1 The Corporate Plan commits the Council to providing first class care for vulnerable adults. In April 2001 the Council entered into a 15 year contractual relationship with Ealing Family HA and their care partner, the Fremantle Trust, to provide modernised residential and day care facilities for older people. Amongst other things this involves the replacement of 10 of the Council's Care Homes with 6 new, larger, Homes and 4 new day centres that meet the new standards for residential care contained in the Care Standards Act 2000. This new provision is central to the Community Care Service's ability to purchase quality residential and day care services that meet both users' aspirations and their care needs.
- 3.2 The Council is also committed to advancing the West Hendon regeneration area.

### **4 RISK MANAGEMENT ISSUES**

- 4.1 By entering into an agreement for the onward sale of the land if the Perryfields site gets transferred back to the Council by Ealing Family Housing Association, the Council will avoid having to incur responsibility and expenditure for the security and maintenance of the site other than for a very short period.

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

- 5.1 The negotiated purchase price is set out in the exempt report. This has been based upon the value of the site for the development of the care home and day centre for which Ealing Family Housing Association achieved a conditional planning permission. Because this is a negotiated figure and has not been market tested, in line with the rules for the disposal of land and real property as set out in the Constitution, Donaldsons have been asked to prepare a market valuation of the site.
- 5.2 Subject to Donaldsons valuation, it is considered that the price negotiated reasonably reflects market value. If the regeneration partners are asked to pay a higher figure this will impact on the West Hendon regeneration scheme business plan viability. If Donaldsons arrive at a site value greater than that negotiated then, if the sale is to proceed at the negotiated sum, then, as it would be a sale which would not meet the requirements of Section 123 of the Local Government Act 1972, there is provision to seek the consent of the ODPM to a sale at less than market value. However, the Local Government Act 1972: General Disposal consent (England) 2003 provides that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area, so long as the undervalue does not exceed £2,000,000. The regeneration of West Hendon will secure improvements to the economic, social and environmental well-being of the area.

- 5.3 The proceeds from the sale of the Perryfields site can be used to off-set the costs arising from the site swaps agreement with Ealing Family Housing Association (see the exempt report).

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Part3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.
- 7.2 Constitution – Rules for the disposal of land and real property – On any disposal of property, proper regard will be had to the professional advice from a qualified valuer at all relevant stages in the process and where the Director of Resources or designated officer, the Cabinet Member for Resources or the relevant body deems it appropriate, independent valuation advice shall be obtained.

## **8. BACKGROUND INFORMATION**

### **BACKGROUND**

- 8.1 In 2001, as part of the project to deliver modern residential and day care services and accommodation for the elderly, the Council transferred various of its then existing care homes and day centres to Ealing Family Housing Association (Ealing Family). One of these homes was Perryfields at Tyrrel Way, West Hendon (shown shaded on the accompanying plan and having an area of approximately 0.288 hectares/0.711 acres). In 2002 conditional planning approval was given to redevelop the site with a 3 storey building providing a 52 bed residential care home and a 50 place day centre with associated car parking. Ealing Family demolished the former building and the site has remained un-used and fenced.
- 8.2 Subsequent to the transfer to Ealing Family it arose that the redevelopment of the site for a new care home and day centre would adversely impact on the West Hendon regeneration scheme. To overcome this problem it was agreed with Ealing Family that it should instead build the replacement care home and day centre on part of the Hendon Football Club site at Claremont Road. Outline planning permission has been granted for such use.
- 8.3 The Council has entered into an agreement with Ealing Family to affect the freehold swap of the Claremont Road site for the Perryfields site conditional upon various matters being satisfactorily resolved, including the release or modification of the restrictive covenant affecting the Claremont Road land. An outline of the financial arrangements attaching to the lands swaps is set out in the exempt report.

## SALE TERMS TO THE REGENERATION PARTNER

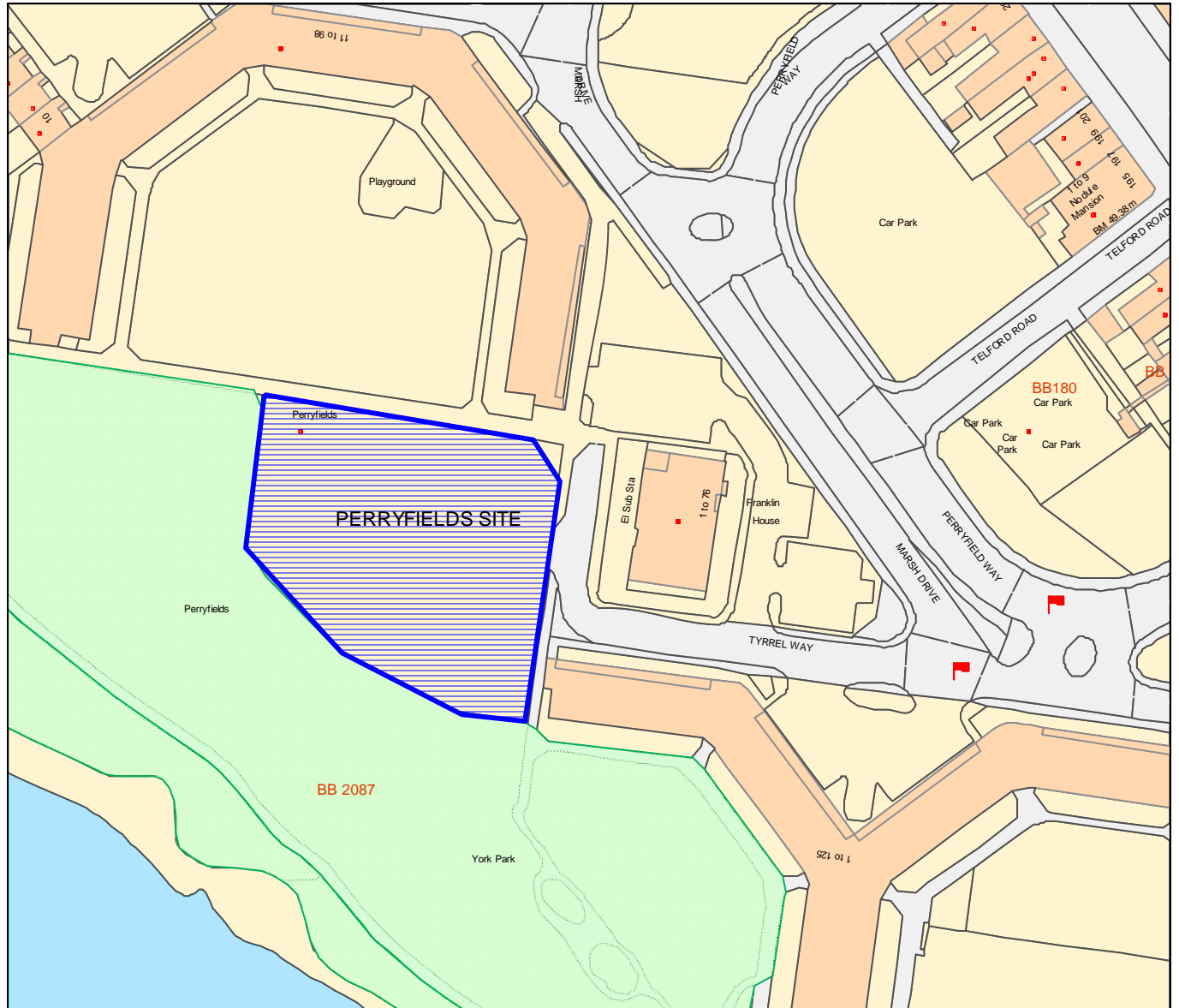
- 8.4 The terms of the Principal Development Agreement for the West Hendon regeneration scheme are close to finalisation. It is a condition precedent in the Agreement that the terms for the freehold sale of the Perryfields site to the regeneration partner (subject to the site swaps agreement with Ealing Family becoming unconditional and the freehold of the Perryfields site being transferred to the Council) are approved by the appropriate Council committee.
- 8.5 It has been provisionally agreed that the Perryfields site, once in Council ownership, will be sold to the appropriate development partner for the sum referred to in the exempt report. Because there will be a delay before the land is within the Council's ownership it has been further agreed that the purchase price will be index linked with effect from 1 April 2006. The reason that the agreement of the sale figure is not to be left until the actual date of transfer is that the development partner needs a degree of certainty for the West Hendon regeneration business plan.
- 8.6 The regeneration partners include Metropolitan Living Limited, Metropolitan Housing Trust Limited, Barratt Homes Limited and Barratt Developments plc. At this stage it is not certain which organisation in the partnership will be responsible for taking property transfers. In the case of the Perryfields site it is intended that this should be transferred to the same organisation which takes the transfer of all other lands required for the regeneration project.
- 8.7 If the site swaps agreement with Ealing Family does not become unconditional the swaps will not occur and the agreement for the sale of the Perryfields site for the West Hendon regeneration project will become void.

## 9. LIST OF BACKGROUND PAPERS

- 9.1 None.

Legal: PJ  
CFO: CM

# Plan of Perryfields site, Tyrrel Way, West Hendon NW9



Not to scale

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**AGENDA ITEM: 15**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Housing estates regeneration schemes – advanced purchase of properties in cases of personal hardship</b>
Report of	Cabinet Member for Community Services Cabinet Member for Regeneration and Development Cabinet Member for Resources
Summary	To consider the expenditure incurred to date on the advanced acquisitions and to approve a variation of the programme to include hardship cases on the Dollis Valley housing estate.

Officer Contributors	Dave Stephens, Strategic Property Advisor Jonathon Lloyd-Owen, Regeneration Manager
Status (public or exempt)	Public – with a separate exempt section
Wards affected	Colindale, Edgware and Underhill
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not Applicable

Contact for further information: David Stephens – 020 8359 7353

## **1 RECOMMENDATIONS**

**1.1 That the Committee notes the capital and revenue implications to date of implementing the decision to pursue advanced acquisitions and approves the following:**

- i. The London Housing Board money of £3.02 million be used to pay the cost of acquisition of the All Souls playing fields land;**
- ii. The advanced acquisition of properties in the Dollis Valley housing estate regeneration area in cases of hardship, subject to the same limitations as the previous decision for Stonegrove and Grahame Park.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 10th December 2001 Cabinet agreed that Family Housing Association be approved as the Council's preferred development partner for the regeneration of the Stonegrove and Spur Road estates and the appropriate Chief Officers be instructed to work with Family Housing Association to progress the regeneration proposals, reporting to future meetings of Cabinet on property acquisition and land transfer issues as appropriate
- 2.2 18<sup>th</sup> March 2002, Cabinet approved selection of Genesis and Notting Hill Housing Trust partnership (Choices for Grahame Park) as the preferred development partner for Grahame Park Estate Regeneration.
- 2.3 22<sup>nd</sup> March 2004, Cabinet approved the leasing of land to the Edgware Academy with provision that parts of the land revert to the Council for the Regeneration of Stonegrove Estates subject to land at Spur Road, Edgware being acquired from All Souls College.
- 2.4 23<sup>rd</sup> September 2004, Cabinet Resources Committee approved the acquisition of the land at Spur Road Edgware from All Souls College, subject to conditions including 'agreement being reached with DfES ... regarding payment...' and other conditions, and 'that the Borough Solicitor be instructed to complete the transactions in a form to his approval'.
- 2.5 3<sup>rd</sup> March 2005 Council – Budget - approved the Capital Programme 2005/6 – 2008/9.
- 2.6 16<sup>th</sup> June 2005 Cabinet Resources– considered a report upon the cases of hardship on the Stonegrove/Spur Road and Grahame Park housing estates and subject to the following
  - i. Confirmation that the London Housing Board funding for Stonegrove can be used for this purposes; and/or
  - ii. Funding can be secured through prudential borrowing;
  - iii. That, where appropriate, the acquired properties can be used as temporary accommodation for the homeless on the basis set out in the report or for purposes ancillary to the regeneration of the estates;
  - iv. To the prior approval of the Office of the Deputy Prime Minister; and

- v. That no additional commitments leading to increased prudential borrowing can be entered into until the Borough Treasurer has confirmed that this borrowing would be in accordance with prudential indicators approved by Council

Agreed that the appropriate Chief Officers be authorised to enter into negotiations with owner/occupiers suffering hardship upon the basis set out in the report subject to:

- a. spending not exceeding the sums referred to in the exempt report;
  - b. the number of properties to be acquired to be capped at 45, after which further Cabinet approval will be required;
  - c. that the estimates of expenditure and income be reviewed on a regular basis on the basis that further acquisitions are halted if at any time the actual costs and income prove to be significantly different from the estimates; and
  - d. to officers providing six monthly progress reports to this committee.
- 2.7 29<sup>th</sup> March 2005, Cabinet Resources Committee approved the sale of the first site to Family Housing Association for the construction of 62 affordable dwellings, using Housing Corporation Social Housing Grant, and subject to detailed planning consent being granted and other conditions

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

- 3.1 The Corporate Plan commits the Council to providing homes in balanced communities by regeneration the priority housing estates at Stonegrove/Spur Road, Grahame Park, West Hendon and Dollis Valley.

### **4 RISK MANAGEMENT ISSUES**

- 4.1 Failure to take up the grant money from the London Housing Board by the due date could result in the loss of those funds, additional interest charges being incurred on the prudential borrowing used for the acquisition of the All Souls Land, and difficulties in securing future grant.
- 4.2 As identified in the previous report, these advanced acquisitions involve incurring unbudgeted prudential borrowing to purchase properties, but that this would only be done if the cost of borrowing can be appropriately funded. The proposals are not risk free, but officers are continuing to seek to minimise the risk in several ways:-
  - by setting an agreed criteria for the assessment of hardship cases;
  - by maintaining the cap on the number of properties acquired, after which further Cabinet approval is required;



- by ensuring that the expenditure and rental income is monitored and reviewed on a regular basis.
- The scheme will be reviewed if properties prove difficult to let

## 5 FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

5.1 It was previously reported that the costs of acquiring the hardship properties should be funded as follows:

SCHEME	FUNDING SOURCE	COMMENT
Stonegrove/Spur Road	London Housing Board money.  Housing Association Capital Programme (£8m for 2005/6 to 2008/9)	Set out in the exempt report
Grahame Park	Prudential borrowing	

5.2 It was previously reported that the prudential borrowing could only be consider if the annual cost of borrowing can be appropriately funded. It was therefore proposed that a variation of the Private Sector Leasing Scheme be used to provide temporary housing and a revenue stream to go towards covering prudential borrowing costs.

5.3 A brief explanation of the costs incurred to date compared to budget is given in the exempt report.

## 6. LEGAL ISSUES

6.1 These advanced purchase leasehold properties have been acquired following approval by Cabinet Resources Committee in June 2005. Where prudential borrowing has been used for their acquisition funds have come form the General Fund. This enables them to be used for Temporary Accommodation and allows the Borough to retain 100% of the receipts when they are eventually sold.

## 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**

### **ADVANCED ACQUISITIONS – COLLINSON, POWIS & GOLDSMITH**

- 8.1 The Committee at its meeting on 16 June 2005 noted that at that time it was intended that what was known as Site C on the Stonegrove/Spur Road estates was to be sold to Family Housing Association for a development of 45 rented units, 8 equity share flats 9 shared ownership units. The rented units and the equity share flats were intended to re-house residents from the adjoining blocks of flats – Collinson, Powis and Goldsmith Courts. Not all the lessees in these blocks would be looking to take up shared equity units but instead expected to sell their interests to the Council and move elsewhere.
- 8.2 The Committee recognised the benefits from securing vacant possession of Collinson, Powis and Goldsmith Courts once the Family Housing Association development was completed and consequently authorised the advanced acquisition of properties in those blocks where the lessees are not seeking to purchase equity share units.
- 8.3 These acquisitions could be funded from the London Housing Board money, and the Council's approved capital programme for Stonegrove and Spur Road Estates referred to in the exempt report. As indicated in the exempt report, terms for the acquisition of only two properties have been agreed.
- 8.4 All Souls Land: This Committee approved the acquisition of this land for playing fields for the new Academy at Spur Road in September 2004. As set out in the report to this Committee of 29<sup>th</sup> March 2005 (paragraph 8.18) prudential borrowing of around £3 million was used to acquire the land. This in turn will reduce the contribution required from the regeneration of the Estates to the DFES from £6 million to c. £3 million. This money will be recovered from the regeneration when individual phases go ahead. The Government Office for London which administers the London Housing Board, has confirmed that the grant can be used for the acquisition of land and site development. This purchase of this land from All Souls will release about 5 hectares of the current Academy site by September 2006 for the estates' regeneration.
- 8.5 The balance of the London Housing Board grant will be used to fund the advanced purchase of leasehold property on the estate as outlined above.

### **DOLLIS VALLEY REGENERATION SCHEME – ADVANCED ACQUISITIONS**

- 8.6 As plans for the regeneration of the Dollis Valley Housing estate progresses in conjunction with the partner organisation, so some residents on the estate are experiencing hardship through an inability to sell their homes. At present officers are aware of two potential hardship cases but as the project progresses this number may rise.
- 8.7 In light of the fact that the numbers of residents taking up the 'hardship' offers on the Stonegrove/Spur Road and Grahame Park housing estates is not as high as originally anticipated, it is recommended that the scheme should be

extended to the Dollis Valley estate regeneration area. The criteria for assessing hardship will be the same as that used for the other estates.

- 8.8 If this is agreed, the expenditure on acquisitions will be subject to the spending cap referred to in the exempt report and to the same six monthly monitoring reports to this committee.

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

- 9.1 None.

Legal:  
CFO:

**AGENDA ITEM: 16**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Grant Applications, 2006/07</b>
Report of	Cabinet Member for Policy & Performance
Summary	This report sets out the budget framework for grant awards in 2006/07 and attaches assessments of applications by four 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.

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Officer Contributors	Borough Treasurer Head of Adult Social Services Head of Children & Families Service Head of Education
Status (public or exempt)	Public
Wards affected	Not Applicable
Enclosures	(1) Summary of grant recommendations (appendix A) (2) Grant assessment reports: East Finchley Neighbourhood Contact (appendix B(i)) Home-Start Barnet (appendix B(ii)) New Barnet Community Association (appendix B(iii)) Old Barn Youth and Community Association (appendix B(iv))
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not Applicable

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

## **1. RECOMMENDATIONS**

- 1.1 That, subject to the Council's Standard Conditions of Grant Aid and to the special conditions set out in the assessments attached, 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 7/3/2006: approval of Key Priority Plans and grants budget for 2006/07.

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

- 3.1 Two of the council's key priorities as set out in the Corporate Plan are 'Supporting the Vulnerable in our Community', acknowledging that all members of the community, including those with particular needs, have a right to lead full and independent lives, and 'A First Class Education Service', aimed at helping children and young people to achieve and offering opportunities, especially to those at risk.
- 3.2 The assessments of the grant requests attached to this report explain how the awards recommended will contribute to the delivery of services in support of these priorities. They accord with the Key Priority Plans and with the four-year grants development programme, which focuses on supporting voluntary and community sector activities that complement the council's priorities and demonstrate positive 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

### 2006/07 Budget - Summary

- 5.1 The budget for grants to voluntary and community organisations in 2006/07 consists of:

	£
local grants general provision	1,275,000
Edward Harvist Charity	60,000
former Borough Lottery fund	<u>15,000</u>
	<u>1,350,000.</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 once again 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. The roll forward of the contracts will involve the following payments in 2006/07:

<b>Organisation</b>	<b>Payment, 2006/07</b>
Barnet Citizens Advice Bureau Service	£363,076
Barnet Voluntary Service Council	£88,813
The <i>artsdepot</i> Trust	<u>£200,000.</u>
	<u>£651,889.</u>

### Edward Harvist Charity and former Borough Lottery Funds

- 5.4 Subject to a review of the allocation of Edward Harvist Charity funds in relation to proposals for reducing the accumulated balance held centrally, the following sums are also provided in the 2006/07 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, 2006/07

- 5.5 Excluding the small grants fund, the contractual commitments and the Edward Harvist Charity and former Borough Lottery provisions, a sum of £552,991 is available for grants over £5,000 during the financial year to 31 March 2007.
- 5.6 It will be necessary to reserve a sum of £72,360 for supporting two fixed-term (project) grants where funding in 2005/06 has been approved in principle, subject to monitoring of performance against agreed targets and outcomes, and to adequate budgetary provision. The impact of fixed-term awards is reflected in the following budget summary:

<b>Budget Item</b>	<b>2006/07 Budget £</b>	<b>Commitments £</b>	<b>Balance £</b>
2006/07 general grants budget	1,275,000		
Small grants fund		70,000	
Contracts		651,889	
Budget available for general grants over £5,000			553,111
LESS provision for fixed-term (project) grants		72,360	
Balance remaining			480,751

- 5.7 Set out below is a full breakdown of the funds available for 2006/07:

<b>Budget item</b>	<b>Approved budget £</b>	<b>Recommendation to Cabinet – 3/4/2006/ Commitments £</b>	<b>Funds available £</b>	<b>Recommended to this meeting £</b>
General Fund:				
main fund	553,111	103,000		
less reserve for fixed-term grants		72,360	377,751	105,800
small grants	70,000	0	70,000	0
contracts	651,889	651,889	0	0
<b>TOTAL</b>	<b>1,275,000</b>	<b>827,249</b>	<b>447,751</b>	<b>105,800</b>

<b>Budget item</b>	<b>Approved budget £</b>	<b>Commitments £</b>	<b>Funds available £</b>	<b>Recommended to this meeting £</b>
Edward Harvist Charity:				
community fund	55,000	0	55,000	0
training fund	5,000	0	5,000	0
<b>TOTAL</b>	<b>60,000</b>	<b>0</b>	<b>60,000</b>	<b>0</b>
Borough Lottery:				
<b>TOTAL</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>	<b>0</b>

## **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 assessments of applications by four organisations, each indicating the contribution that will be made to corporate policy and strategy, preceded by a summary of the recommendations (appendix A).

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

9.1 2006/07 grant applications and related correspondence with the applicants.

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

Legal: JEL

CFO:



<b>SUMMARY OF RECOMMENDATIONS, 2006/07</b>	
<b><u>Organisation</u></b>	<b><u>Recommendation</u></b>
East Finchley Neighbourhood Contact (118/C/NEI)	£23,800
Home-Start Barnet (216/C/FAM)	£25,000
New Barnet Community Association (285/C/CTY)	£25,000
Old Barn Youth and Community Association (301/E/CTY)	£32,000
	<b>TOTAL: £105,800</b>

**GRANT APPLICATION 2006/07 – ASSESSMENT AND RECOMMENDATION**

<b>Corporate Priority</b>	Supporting the Vulnerable in our Community	
<b>Organisation</b>	<b>EAST FINCHLEY NEIGHBOURHOOD CONTACT</b>	<b>ref</b> 118/C/NEI
<b>Address</b>	East Finchley Neighbourhood Centre, 42 Church Lane, N2	

**Contribution to policy**

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.

East Finchley Neighbourhood Contact (EFNC) aims to provide neighbourly help and practical assistance to elderly, disabled and isolated people living in N2 and 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. Based 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.

**Outline of activities / service evaluation**

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 43 volunteers who undertake the following tasks:

- \* befriending and visiting people living alone;
- \* helping with odd jobs in the home (e.g. window cleaning, sewing/mending, changing light bulbs, etc);
- \* advocacy (i.e. 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.

Over 8,000 volunteer tasks are now performed each year, divided 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. The number of clients registered with the scheme continues to increase and at present totals 221, of whom 49 were new in 2005. 80% are in receipt of regular (weekly or fortnightly) assistance. 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 monitored and re-assessed.

Over the last twelve months, EFNC's catchment area has been extended to include Finchley Church End and West Finchley Wards as part of a two-year community outreach project aimed at ensuring that vulnerable local residents maximise their take-up of welfare benefits and take full advantage of statutory and volunteer services. The computerisation of EFNC's administrative procedures, including a new client database, has helped to facilitate this expansion, enabling more time to be spent on direct client contact, assessment and reviews.

A co-ordinated referral procedure exists to other agencies such as 'Barnet Lifeline' and 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 Adult Social Services and Barnet Homes, and covers an even wider area encompassing 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. Both clubs are held at the Green Man Community Centre on the Strawberry Vale Estate, which offers full disabled access, and have a full take-up of places. The weekly club, in particular, has continued to grow in popularity with the advent of ancillary activities, such as talks and film shows, such that its membership amongst older and isolated residents of the estate trebled during 2005/06.

In addition to one-to-one help with shopping, EFNC also operates a 'shopping bus' service whereby a minibus (with a volunteer driver) is hired twice a week to take elderly and disabled people to a local supermarket. 45 people are registered, each being taken once every two or three weeks on a rota basis.

New clients mainly emanate from local publicity (such as in libraries, clinics, doctors/dentists' surgeries and the local newspaper) and leafleting of households, or by way of referrals from social workers, health visitors, occupational therapists, etc. A quarterly newsletter is sent to clients, 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. Adult Social Services, the local area housing team and hospital discharge services continue to be the main referring agencies.

The Older Adults Community Services Manager comments that EFNC fulfils an effective preventative strategy for 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. It plays an important part in prolonging the independence, and enhancing the quality of life, of clients, and addressing the issue of social exclusion amongst older people.

EFNC now follows standard guidelines rolled out by Adult Social Services for capturing and recording information as part of its client assessment procedures, aimed at reducing duplication of effort and streamlining referral mechanisms, especially when clients begin to require higher levels of intervention and support.

Its expansion into N3 has derived from a new partnership begun in 2005 with the Pension Service, under which staff and volunteers have been trained to run regular benefits checks on all clients. On average, six to eight clients a month are gaining additional allowances, or being referred to the Pension Service for further review, arising from this work. The partnership is also facilitating the allocation of more resources to supporting clients who have no family or friends to help them when they are unwell, or are handicapped by sensory, cognitive or language problems.

Other notable developments that have marked a year of capacity building include the expansion of EFNC's volunteer base, particularly through the recruitment of younger volunteers; a doubling of the number of weekly befriending relationships with lonely single people; and the introduction, in conjunction with other local groups and agencies, of occasional day trips by coach for more mobile clients, extending the scope for social contact.

### **Quality and equality**

The co-ordinator is responsible for training and supporting volunteers and allocating tasks, having regard to volunteers' capabilities and clients' needs. EFNC aims to assess the needs of all new clients within seven days of referral. Revised eligibility criteria 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 satisfaction. There is an advertised complaints procedure. Both volunteers and clients are represented on the management committee.

All volunteers who deal with vulnerable adults on a one-to-one basis are routinely subject to checks with the Criminal Records Bureau. However, arising from a review of the level of safeguards necessary to protect children, young people and vulnerable adults attending voluntary and community groups supported by the council, EFNC will be required to verify that its overall procedures and measures for safe recruitment and management comply with the standards set by the recommendations of the Bichard Report.

EFNC adheres to 'PQASSO' quality assurance standards, having achieved level one of the scheme in training with Barnet Voluntary Service Council. As a member of the Alliance of Barnet Good Neighbour Schemes, it liaises with the other participating schemes aimed at streamlining procedures; facilitating the recruitment, training and retention of volunteers; and accessing new resources to expand the services on offer.

EFNC has policies on equal access to services and equal opportunities in employment. Several volunteers act as interpreters and translators. It is proposing this year to re-print its literature in six community languages. Arising from closer working relationships and alliances with a range of community groups, in particular those serving the Afghan and Hindu communities, the proportion of clients from minority ethnic communities has increased, and currently accounts for 35% of all service users.

### **Cost and financial need**

The 2006/07 revenue budget, excluding the gardening scheme, which is funded separately by Adult Social Services (in the case of private tenants and owner-occupiers) and Barnet Homes (with regard to council tenants), shows a projected pre-grant shortfall of £29,018, equal to the grant request. The comparative 2004/05 actual figure was £25,139. Net current assets at 31/3/2005 were £16,303, which were entirely restricted funds, an uncommitted carry forward of £1,142 from the previous year having been used towards meeting the deficit in 2004/05.

In 2005/06, EFNC was awarded a revenue grant of £23,800, plus a one-off grant of £1,650 towards new office furniture and equipment. The only charge made is for attendance at the lunch clubs (£3.20 per meal), which covers most of the costs, except for payment of the cooks. A proportion of the cost of running the 'shopping bus' service is met from charities, a one-year grant from the Milly Apthorp Charitable Trust having replaced funding from the Finchley Charities. Fundraising and donations, mainly from clients using the shopping bus, contribute towards balancing the budget.

The programme of outings is largely organised on a self-financing basis, with some local sponsorship.

The expansion of services into N3 and the new comprehensive benefits checks account for £17,500 of total projected 2006/07 expenditure of £59,545 and is being met from a two-year grant of £34,000 from the Pension Service Partnership Fund, extending to March 2007. The award is paying for an extension of the co-ordinator's hours (from 24 to 30 a week); a part-time project assistant; publicity; volunteer recruitment/training; and administrative costs. It is also contributing towards the purchase of a new computer and photocopier.

The grant follows a more dynamic approach being taken by EFNC to fundraising, as a result of which the council's annual revenue grant has reduced from 65% to 40% as a proportion of core costs over the last two years. The award recommended for 2006/07 will maintain the existing level of support. EFNC will be applying to charitable trusts to make up the resulting shortfall.

**Grant recommendation, type and conditions**

**£23,800**

Project grant

One year revenue grant \*

One-off/Start-up grant

**Special conditions:**

The award should be made subject to the submission of a statement of working principles and practices and verification that these comply with post-Bichard standards of safe recruitment and management.

**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 and N3.

**Date:** March 2006

**GRANT APPLICATION 2006/07 – ASSESSMENT AND RECOMMENDATION**

<b>Corporate Priority</b>	Supporting the Vulnerable in our Community	
<b>Organisation</b>	<b>HOME-START BARNET</b>	<b>ref</b> 216/C/FAM
<b>Address</b>	Old Barn Community Centre, 20 Fallows Close, N2	
<b>Contribution to policy</b>		
<p>The council is committed to supporting all members of the community who are vulnerable. This includes families living under stress, such as where there is a child with special needs. The Children Act 2004 reinforces the need for early intervention and preventative strategies to ensure that children have the best possible start in life following the recommendations of the Laming Enquiry into the death of Victoria Climbié. This objective is reflected in the expansion of 'Sure-Start' programmes across the country, aimed at improving the social and emotional development of children under five and their ability to learn, and strengthening families and communities.</p> <p>Reducing the numbers of children coming into care and ensuring children are safeguarded from abuse are priorities for both the Children &amp; Families and Early Years &amp; Play Services, as is the need to provide support for parents, family members and carers, particularly to access family learning opportunities and improve parenting skills.</p> <p>Home-Start Barnet (HSB) offers emotional and practical support to families under stress with at least one child under the age of five by way of recruiting, training and supporting volunteers to deliver a home visiting service, and through a drop-in group on the Grahame Park Estate. Its work complements statutory children's services by supporting not only children assessed as 'in need' under the Children Act 1989, but also children and families who fall below the statutory threshold for help. Home-Start schemes play a crucial role nationally in the delivery of home visiting services as part of the Sure-Start Local Programmes initiative, focused in Barnet on two of the borough's socially deprived areas at Underhill and West Hendon.</p>		
<b>Outline of activities/service evaluation</b>		
<p>Set up in 1997, HSB is an autonomous local group affiliated to Home-Start UK, which has 332 local schemes nationwide. It operates on a borough-wide basis, matching trained volunteers to families experiencing difficulties in caring for and raising children up to the age of five. The service comprises:</p> <ul style="list-style-type: none"> <li>* the assessment of families in need of help;</li> <li>* recruiting, supporting and supervising volunteers to work with families, generally over a period of six months to one year;</li> <li>* weekly visits (lasting up to three hours), linking a designated volunteer to a specific family;</li> <li>* regular assessments of clients and a carefully planned phasing out of support;</li> <li>* a twice-weekly family support drop-in service on the Grahame Park Estate.</li> </ul> <p>HSB employs a part-time office manager, who deals with all telephone enquiries and administration, and three co-ordinators, one, who is full-time, concentrating on the two Sure-Start areas, and two part-timers, each of whom is responsible for assessing and monitoring clients; training and supervising the volunteers; and selecting suitable volunteers to work with</p>		

families according to their particular needs. The scheme at present has 38 active volunteers.

It is publicised widely throughout the borough, including mail drops and features in community newsletters; notices in libraries, clinics, community centres and schools; and talks given to both professional and community groups. It operates in close liaison with statutory agencies, from which it receives referrals (via social workers, health visitors, etc) of 50% of clients. A growing proportion of clients are now self-referring as news of HSB's work spreads.

During 2004/05, HSB supported 64 families with 92 children under the age of five. 10% of the children and 6% of the parents had special needs. The problems encountered were wide ranging, but most parents, for a variety of reasons, felt isolated, often because of post natal depression or other mental health problems. 27% were lone-parent families, many of whom were experiencing financial difficulties. 29% had twins or triplets, giving rise to issues of physical and emotional exhaustion, being families for whom HSB fills a gap in provision as many do not qualify for any other help. Other common issues included domestic violence and inappropriate housing.

The stresses and strains these and other factors create make it difficult for families to cope; get out and about; and access services. They often feel trapped and lonely, having little or no support from their own families who may be far away, abroad or just not available. The regular weekly visit by a volunteer makes a significant difference to families' lives, enabling parents to share their concerns and seek advice; build self-confidence; link up with local services; or catch up with household tasks or rest. HSB thus helps prevent family crises and breakdown in a way that parents can accept as non-stigmatising.

Following a successful recruitment drive for more volunteers and an expanded training programme, HSB has increased its capacity by 33% over the last twelve months, eliminating a waiting list that contained 35 families at the beginning of the year. Between April and December 2005, 85 families were supported by its home-visiting programme. The year was marked by a larger number of 'high-end' referrals from council sources, sometimes picking up where a family support worker left off and/or offering friendship and emotional support over a longer period that is outside the remit of statutory services.

The drop-in facility on the Grahame Park Estate was last year extended to two mornings a week and provides a regular meeting place for otherwise very isolated families, many of whom are one parent families on a low income with a fear of crime in the locality. Run by a part-time project worker with the help of two play assistants, the drop-in is currently supporting 30 families, with an average of fifteen attending each session. It represents an effective mechanism for families to expand their social networks and gain support from others, besides providing young children with a safe and stimulating environment in which to play and learn social and other life skills.

There are monthly surgeries held at Lakeview, Fairway and Wingfield Children and Families Centres as part of partnership working with other agencies in the two Sure-Start areas, which also includes liaison with the Detached Youth Team and targeting of black, minority ethnic and other hard-to-reach groups.

The Divisional Manager in the Children & Families Service, who is the council's ex-officio representative on HSB's management committee, comments that the group is run in a professional manner and has developed clear and robust management, monitoring and evaluation systems. Its work is an effective means of preventing family problems from becoming crises and serves to build and maintain family values and the family unit. It

represents good value for money, the cost of taking a child into care being significantly greater than it costs HSB to support a family. The service has been an important element of setting up and delivering the Sure-Start initiative in Barnet.

This application is seeking strategic funding over a further three-year period with a view to supporting HSB's infrastructure and strengthening its ability to seek other funding to develop and expand services.

Targets for 2006/07 include increasing the number of trained volunteers to 50 that will enable HSB to expand its client base by a further 20%; piloting the recruitment of specialist volunteers to work on specific issues and projects; replication of the drop-in facility at other locations in the borough; and more outreach work, particularly in conjunction with its Sure-Start partners, targeting teenage parents, single fathers and refugee groups.

### **Quality and equality**

HSB operates in accordance with policy and practice guidelines laid down by Home-Start UK, which cover the recruitment and selection of staff and volunteers; the assessment and review of families' needs; child protection; confidentiality; complaints; and monitoring and evaluation. It is about to be audited by the national body, which is rolling out to affiliated groups a new quality assurance scheme. HSB's management committee comprises a cross section of local stakeholders, including representatives of key statutory and voluntary agencies, volunteers and clients. Quarterly reviews are held of the progress made with each client family. 85% of respondents to the latest annual client survey rated the overall quality of service as good or very good, and 50% felt that their needs had been met in full.

The Children & Families Service confirms that that HSB's recruitment and management procedures comply with the standards set by the recommendations of the Bichard Report, which include enhanced checks with the Criminal Records Bureau. There is a rigorous eight-week training programme for all new volunteers, which draws on the expertise of specialists and other agencies. Each trained volunteer is subject to monthly supervisory sessions with a co-ordinator.

HSB has an equal opportunities policy covering members of the management committee, staff, volunteers and all aspects of service delivery. Its literature is available in eight languages and many of its volunteers are multi-lingual. HSB also has access to outside interpreters. One third of the families presently receiving support are from minority ethnic communities. A similar proportion of the existing volunteers are Asian or black. Work with Barnet College and minority community support groups is aimed at introducing greater diversity amongst families and volunteers.

### **Cost and financial need**

Originally set up with three-year (council/health authority) Joint Finance, HSB currently incurs annual expenditure in excess of £110,000, of which 70% are staffing and training costs. The 2006/07 revenue budget shows a projected pre-grant shortfall of £33,138. Vacancies on two of the paid posts resulted in an equivalent actual figure for 2004/05 of £23,589. Net current assets at 31/3/2005 were £24,375, of which £2,507 were restricted funds, leaving an uncommitted balance of £21,868 (15% of projected 2006/07 expenditure).

HSB has been supported for the last three years with a fixed-term grant of £25,000 pa, which expires at the end of March 2006. In 2005/06, the award met 22% of core costs and was used



to fund one of the two part-time co-ordinator posts and towards meeting overheads.

The request is for a further three-year grant of £25,000 a year to continue to underpin core costs.

Practically all of HSB's income is in the form of grants, of which 70% is derived from three council sources. A service-level agreement with the Children & Families Service drawn up in 2003 yields £15,000 pa in return for the delivery of an agreed number of home visits and other volume measures. In practice, this supports the second part-time co-ordinator post. More recently, HSB has been commissioned by the Early Years & Play Service to support families in crisis living in the two designated Sure-Start areas, drawing on DfES Sure-Start funding. In 2005/06, this involved a payment of £44,110, a sum likely to be replicated in 2006/07.

The balance of funding is mainly in the form of fixed-term awards from charitable trusts in support of specific elements of HSB's work, complemented by a modest amount of fundraising and donations. There is no charge for any of its services.

HSB is seeking to increase its complement of staff by the addition of two further posts in 2006 to take charge of strategic development and building capacity, for which charitable funding is to be sought.

In view of the similarity of core funding that exists between the Grants Unit and the Children & Families Service, it is proposed that the two funding streams be amalgamated in 2006/07. The grant recommended is therefore for one year only, the agreed sum to be transferred from the grants budget to the Children & Families Service for future administration in conjunction with existing monitoring and evaluation procedures as part of its service level agreement with HSB.

#### Grant recommendation, type and conditions

**£25,000**

Fixed-term grant

One year revenue grant

One-off/Start-up

#### Special conditions:

The award should be made subject to agreement with the Children & Families Service on targets and outcomes, and satisfactory compliance therewith.

#### Duration of project and exit strategy (project grants only)

n/a

#### Target grant outcomes (for monitoring and evaluation)

To offer regular support, friendship and practical help to vulnerable families in Barnet experiencing difficulties in caring for at least one child under the age of five through a weekly home visiting and drop-in service, specific targets and outcomes to be agreed as above.

**Date:** March 2006

**GRANT APPLICATION 2006/07 - ASSESSMENT AND RECOMMENDATION**

<b>Corporate Priorities</b>	Supporting the Vulnerable in our Community A First Class Education Service	
<b>Organisation</b>	<b>NEW BARNET COMMUNITY ASSOCIATION</b>	ref 285/C/CTY
<b>Address</b>	New Barnet Community Centre, 48-50 Victoria Road, New Barnet	

**Contribution to policy**

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.

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.

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.

**Outline of activities / service evaluation**

The association provides:

- \* a lunch club, with transport, social activities, talks and advice, for older people during school term-time, reducing from three to two days a week in April;
- \* 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), 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 able-bodied and disabled young people aged eleven and upwards;
- \* accommodation within the community centre for hire by local groups, including an under fives playgroup; a weekly social club for pensioners; the local St John's Ambulance Brigade; and various classes, clubs and societies.

Activities are co-ordinated by a paid centre manager (35 hours a week), with eleven 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).

Arising from a reduction in membership of the lunch club (to 32) as clients have died or gone into residential care, one of the three weekly sessions is about to be discontinued. 80 meals are currently being served each week. Transport, using the centre's own minibus, is provided for up to ten disabled people at each session. New clients are being sought through local publicity. 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.

148 children, including eighteen with disabilities and/or a statement of special educational needs and a smaller number from families in crisis referred by the Children & Families or Early Years & 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 is variable, but reaches a maximum of eighteen.

The youth club, started in 2000 and one of the few genuinely integrated youth clubs in the borough (with one-to-one helpers), continues to be well supported. 36 young people are at present registered, all but five of whom have a disability or special needs of some sort. Attendance averages 20 per session. One of the part-time workers running the club is seconded from the 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, including posters and circulars about the children's clubs distributed to the schools in the locality. Besides word of mouth recommendations, referrals are received from social workers, health visitors, general practitioners, carers and neighbours.

Since completion of phase one of a two-stage building development programme, the community centre offers improved facilities for disabled users, particularly amongst children and young people, and is successfully promoting more integrated activities. Its outdoor play area and garden were refurbished during 2005 and add to the range of play opportunities. For the last four months, volunteers from the Community Service Order Scheme have been repairing and decorating the premises inside and out.

Overall, NBCA delivers a well-structured programme that complements and supports council objectives and services and acts as the hub of voluntary and community sector activity in the area.

The luncheon club contributes to delivery of Adult Social Services' prevention strategy for older and disabled people. Out-of-school and holiday play provision is a focus area for the Early Years & 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 that comply with more stringent national childcare standards; and participation in the '4 Children' quality assurance programme. Following a recent inspection, NBCA has achieved level 2 standard of a new national quality accreditation ('Quality in Play') brokered by the Barnet Play Association. Its play team, who are relatively new, are progressing through the scale of NVQ playwork qualifications. Details are being sought of its recruitment and management procedures to ensure that they comply with the recommendations of the Bichard Report.

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 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 2006/07 revenue budget shows a projected pre-grant shortfall of £39,920. This assumes that the Early Years & Play Service will be continuing to support the four-week summer holiday playscheme, although it is likely that a service-level agreement with NBCA will be replaced by the purchase of more subsidised places. The budget makes no allowance, however, for the renewal of charitable funding for two part-time posts, which expired last year. Replication of the previous level of support for the posts will reduce the projected deficit to £29,520. The comparative 2004/05 actual figure was £25,386. Net current assets at 31/3/2005 were £57.

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 2005/06, the association was awarded a revenue grant of £25,000, representing 35% of core costs, comprising £20,000 for community activities and £5,000 for the out-of-school programme, plus two one-off grants totalling £2,250 towards remedial electrical works and fitting an alarm and immobiliser to its minibus.

Fees to the after school club (£5 a session) and the holiday playscheme (£6/£12 per half day/day) meet up to 70% of the costs of those services. The breakfast club 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 has encountered some cashflow problems during 2005/06, partly arising from a temporary dip in membership of the after school club during the autumn term as a higher proportion of children than normal transferred to secondary school or moved away and the more recent decline in take-up of places at the lunch club. There have also been problems of unpaid fees to the children's clubs by families in crisis, either because of family break-up or loss of employment, about which the association is reviewing its strategy.

In addition, it has had to support the part-time posts of children's special needs co-ordinator and youth club leader from its own resources for the last six months because of delays in BBC Children in Need accepting an application for re-funding. Its bid for a further three-year grant towards the two posts is now due to be considered in the next couple of months.

An application to the Early Years & Play Service for help from the Sure Start Sustainability Fund resulted in the award of a one-off grant of £2,000 towards balancing the 2005/06 budget.

NBCA will continue to pursue its successful policy of seeking charitable grants towards the development of the children's programme. The Valentine Poole Charity has invited it to apply for more general funding in 2006/07. Attainment of the 'Quality in Play' level 2 accreditation is about to 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:**

The award should be made subject to (a) confirmation that other funds have been secured towards maintaining the level of service outlined below and (b) the submission of a statement of working principles and practices, and verification that these comply with post-Richard standards of safe recruitment and management.

**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 two 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 2006

**GRANT APPLICATION 2006/07 – ASSESSMENT AND RECOMMENDATION**

<b>Corporate Priorities</b>	A First Class Education Service Supporting the Vulnerable in our Community	
<b>Organisation</b>	<b>OLD BARN YOUTH AND COMMUNITY ASSOCIATION</b>	<b>ref</b> 301/E/CTY
<b>Address</b>	Old Barn Youth and Community Centre, 20 Fallows Close, N2	
<b>Contribution to policy</b>		
<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 &amp; Families and Early Years &amp; 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>		
<b>Outline of activities / service evaluation</b>		
<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"> <li>* a 60-place after school club (operating up to 6 pm, Monday to Friday, during school terms);</li> <li>* a 12-place breakfast club (every weekday morning in term-time from 7.30 am); and</li> <li>* a 60-place holiday playscheme (for ten weeks of the school holidays, and on INSET days).</li> </ul> <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 five part-time play workers (with a sixth worker 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 membership was subsequently affected by the opening of a privately-</p>		

run club and holiday playscheme at Martin Junior School, which also took pupils attending Tudor JMI School, being two of the schools supplying children that formerly used the Old Barn's facilities. Local publicity and other promotional activities have served to restore the take-up of places currently to 55% of available capacity. Ten places a day are at present filled by children deemed to be 'in need', sponsored by the Children & Families Service, whilst an average of four disabled children attend each session with one-to-one support from IPOP.

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

The holiday playscheme, which last summer had 23 social services-sponsored places, continues to be well supported, take-up over the last twelve months averaging 75% of capacity.

During 2004/05, 216 children up to the age of thirteen attended the children's clubs, of whom eighteen (8%) had one-to-one support in view of their special needs. At present, there are 250 children from 148 families registered at the centre.

The Early Years & Play Service attaches value to out-of-school provision by the voluntary sector, helping, as it does, to meet the strategic targets set for Barnet regarding the creation and maintenance of sustainable out-of-school childcare places and play provision across the borough.

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 leader and nine sessional youth workers, who deliver activities at three other integrated youth clubs, comprising the club at New Barnet Community Centre and others at Oak Lodge School and Norwood's Kennedy Leigh Centre in NW4. Membership of OBYCA's youth club has grown from 72 to 120 over the last twelve months, of whom 39 are disabled. Attendance averages 35 per session. The Youth & Connexions 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 a recently renovated adventure playground suitable for use by children with disabilities. A part-time assistant, whose post is shared with IPOP, discharges some of the day-to-day functions and enables the manager to focus more on strategic development 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;
- \* 'open door drop-in' sessions offered by Barnet Mencap for parents of children with a learning disability;

- \* Barnet College outreach classes in English as a second language;
- \* a Saturday morning Gujarati school;
- \* community activities run by the Grange Residents Association;
- \* 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.

The centre's status within the local community will be further increased by the completion this spring of an extension to the premises, financed by North London Connexions, that will create an additional resource for young people that will offer a range of services, such as careers advice, to be delivered by a number of supporting agencies.

### **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' 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.

OBYCA has been asked to forward details of its recruitment and management procedures to verify that they comply with the recommendations of the Bichard Report.

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 2006/07 revenue budget, which, pending a decision on 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 £36,875. The comparative 2004/05 actual figure was £29,813. At 31/3/2005, OBYCA had net current liabilities of £2,659.

The grant request is for £40,000. In 2005/06, 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, plus a one-off grant of £8,500 towards the provision of a new tail-lift minibus by the Variety Club of Great Britain, which required one third of the value of the vehicle to be raised from other sources

A previous one-off award of £15,000 in 2003 in response to a joint bid with BPA towards the construction costs of a playwork assessment and training room at the centre was withdrawn last year as OBYCA was unsuccessful in raising the balance of funding for the project.

35% 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, mainly from charitable trusts, towards specific elements of the programme; and fundraising.

The Early Years & Play Service has for a number of years supported the four-week summer holiday playscheme through a service-level agreement with OBYCA, but this is likely to be discontinued and may be replaced by an increase in the number of subsidised places.

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, now amounting to £55,000 a year following the addition of a three-year award from BBC Children-in-Need to existing fixed-term grants from North London Connexions and the London Youth 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 serving to increase self-generated income in 2005/06, with lettings and hire charges expected to yield 12% more than in 2004/05. OBYCA's immediate objective is to restore a working balance for the first time in a number of years. Combined with a more vigorous approach to external fundraising, it is demonstrating greater diversity in its budgeting such that the council's core grant has fallen from 20% to 15% as a proportion of annual turnover.

**Grant recommendation, type and conditions**

**£32,000** (comprising £19,760 for the out-of-school programme and £12,240 for community activities)

Project grant   
 One year revenue grant  \*  
 One-off/Start-up grant

**Special conditions:**

The award should be made subject to the submission of a statement of working principles and practices, and verification that these comply with post-Bichard standards of safe recruitment and management.

**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 and facilities for the benefit of the local community.

**Date:** March 2006

**AGENDA ITEM: 17**

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Meeting	Cabinet Resources Committee
Date	30 March 2006
<b>Subject</b>	<b>Supporting People Programme – Extension of Contracts</b>
Report of	Cabinet Member for Community Services
Summary	This report recommends that the Council extends the existing contracts for Supporting People services for a further 12 months

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Officer Contributors	James Taylor – Supporting People Manager
Status (public or exempt)	Public
Wards affected	All
Enclosures	List of currently contracted organisations
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: James Taylor, Supporting People Manager, Adult Social Services

## **1. RECOMMENDATIONS**

- 1.1 That as an exception to paragraph 5.6.2.1 of the Contracts Procedure Rules, authority be given to extend for a further year contracts expiring on 31 March 2006 for services in receipt of Supporting People Programme Grant allocated by the Office of the Deputy Prime Minister.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

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

- 3.1 Promoting independence of vulnerable adults.  
3.2 Helping the vulnerable in our community.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The Council has carried out reviews of the services to ensure that they are in compliance with appropriate standards in terms of their strategic relevance, quality and value for money. Improvement plans are in place where applicable.  
4.2 The organisations that provide the services have also been subject to assessment against accreditation criteria to determine their suitability to receive and manage public funds, and conditions will be included in future contracts where applicable

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

- 5.1 The services are funded by Supporting People Programme Grant, a ring-fenced grant allocated to local authorities by the Office of the Deputy Prime Minister. The amount of grant that has been allocated to Barnet for 2006/7 would be sufficient for the council to fulfil its obligations if the contracts are extended as recommended

## **6. LEGAL ISSUES**

- 6.1 The existing contracts commenced on 1 April 2003 or subsequently and in all cases expire on 31 March 2006. Since the contracts were not subject to procurement by tender or competitive quotation, an exception to Contract Procedure Rules is necessary to extend them.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution – Responsibility for Functions – Part 3 – Responsibility of the Executive – Paragraph 3.6 – Responsibility of the Cabinet Resources Committee.  
7.2 Contract Procedure Rules – Paragraph 5.6.2 - Acceptance Parameters for Contract Extensions – Paragraph 5.6.2.1 – requirement that the initial contract was based on a competitive tender or quotations.

## **8. BACKGROUND INFORMATION**

- 8.1 Local authorities were required by the Office of the Deputy Prime Minister (ODPM) to enter into contracts with effect from April 2003 until March 31 2006 with specified named

organisations for certain services providing support for vulnerable people, known as Supporting People services. The Council had no discretion in the matter. This requirement was part of a programme administered by central and local government to reform the financial and commissioning arrangements for housing related support services. The national Supporting People contract arrangements fell outside normal local authority procurement processes and in particular the council's Contract Procedure Rules.

- 8.2 From April 2003, the ODPM allocated an annual Supporting People grant to each authority to enable it to meet its obligation to make payments under the contracts for the Supporting People services. The Council is accountable to ODPM for expenditure of Supporting People grant, acting under the strategic direction of Barnet's multi-agency Supporting People Commissioning Board.
- 8.3 Barnet entered into 65 contracts for 141 Supporting People services in 2003, comprising a total value of £7.7M. Since then a number of services have been decommissioned, expanded or re-modelled. The projected 2006/7 value of the remaining 114 services is £6.6M.
- 8.4 Contractors are listed at Appendix 1 and include mainly housing associations and charitable bodies with a small number of private companies and in-house council services. The programme covers a wide range of different types of service including:
- sheltered housing support for older people
  - supported housing for people with mental illness and learning disabilities, referred by Barnet's statutory social services
  - peripatetic support for homeless people in temporary accommodation
- 8.5 The Council has carried out detailed reviews of Supporting People services in accordance with national requirements, and expects to complete remaining reviews by March 2006. Services proposed for contract extensions have demonstrated compliance with appropriate standards relating to strategic relevance, quality and value for money. The council in partnership with other boroughs in north London has also completed a joint exercise to accredit organisations for contract purposes. A performance framework is in place with requirements for all services to provide periodic data on inputs and outcomes.
- 8.6 The Supporting People Commissioning Board is currently considering future procurement arrangements for Supporting People services and its recommendations will be the subject of a further report during 2006/7.
- 8.7 The contracts for the services expire on 31.3.06. Following consideration, the Supporting People Commissioning Board has recommended that the Council extend the contracts for a further period of 12 months. The Board and the council wish to ensure that changes in the SP programme are managed in a planned way. Ending the contracts without making alternative provision would lead to the withdrawal of support from vulnerable people and to increased expenditure against other budgets. It would also be likely to affect the viability of provider organisations, including some that provide other kinds of services under contracts with the council.
- 8.8 The Acceptance Parameters for Contract Extensions are set out in the Council's Contract Procedure Rules. They include a requirement that the initial contract should have been based on a competitive tender or quotations. Because of the special circumstances in which the Council entered into the contracts for Supporting People

services, an exception to the Contract Procedure rules would be necessary to enable the proposed extension of the contract period.

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

9.1 Supporting People Team operational files

9.2 Anyone wishing to inspect the background papers should telephone 020 8359 4886

Legal: PJ

CFO: HG

**BARNET SUPPORTING PEOPLE PROGRAMME****CURRENTLY CONTRACTED ORGANISATIONS**

Abbeyfield Camden Society Ltd  
 Abbeyfield UK  
 Day's and Atkinson's Almshouse Charities  
 ASRA Greater London Housing Association  
 Barnet Homes  
 Barnet Mencap  
 Baytree Community Care (London) Ltd  
 Birnbeck Housing Association  
 Cara Housing Association  
 Jewish Blind & Physically Handicapped Society  
 Cherry Tree Housing Association  
 Chinese Mental Health Association  
 Christian Action Housing Association  
 Eleanor Palmer Trust  
 Family Housing Association  
 Habinteg Housing Association  
 Hanover Housing Association  
 Hestia  
 Homeless Action in Barnet  
 Hornsey Housing Trust  
 Housing 21  
 Jewish Care  
 Jewish Community Housing Association  
 Jewish Women's Aid  
 John Grooms Housing Association  
 LBB Environmental & Neighbourhood Service (SLA)  
 LBB Housing Service (SLA)  
 LBB Community Care Service (SLA)  
 Lewis W. Hammerson Memorial Home  
 Metropolitan Housing Trust  
 Middlesex Association for The Blind  
 Miss A.S (sole trader)  
 Mrs A.M (sole trader)  
 Mrs V.G (sole trader)  
 National Mencap  
 Novas  
 Norwood  
 Notting Hill Housing Trust  
 Orbit Housing Association  
 Orchard Housing Society  
 Paddington Church Housing Association  
 Penta Hact  
 Retail Trust  
 Richmond Fellowship  
 Royal Scottish Corporation  
 Safe Start Foundation  
 Sanctuary Housing Association

Servite Houses  
Shaftesbury Housing Group  
St Pancras and Humanist Housing Association  
Tamarisk Trust  
Thomas Watson Cottage Homes  
Turning Point  
Umbrella  
Warden Housing Association  
Westlon Housing Association  
Willow Housing Association