

**COMMITTEE**  
**CABINET RESOURCES**

**DATE AND TIME**  
**THURSDAY, 27 JULY 2006**  
**AT 7.00 PM**

**VENUE**  
**THE TOWN HALL, THE BURROUGHS,**  
**HENDON, NW4 4BG**

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

**Chairman:** Councillor Mike Freer

**Councillors:**

Anthony Finn

Lynne Hillan

John Marshall

Matthew Offord

Janet Rawlings  
Acting Democratic Services Manager

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

Press and Public Relations contact:  
Emer Coleman, tel: 020 8359 7794

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Town Hall  
Hendon, NW4 4BG

## ORDER OF BUSINESS

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13.	ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	
14.	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):	

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**AGENDA ITEM: 4**

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	27 July 2006
<b>Subject</b>	<b>Property Disposals</b>
<b>Report of</b>	The Leader of the Council/Cabinet Member for Resources
<b>Summary</b>	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 Strategic Finance
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 30.03.06 received the fourth 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 deliver consistently high performing internal and transactional support services measured by Capital income through property disposals.

3.1 The Council's Capital, Assets and Property Strategies are being written and the property strategy will confirm a number of principals by which property is brought forward for disposal under the constitutional rules.

## **4. RISK MANAGEMENT ISSUES**

4.1 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 The previous report to Cabinet Resources Committee on 30.03.06, stated that it was planned to report every 6 months on Asset disposals. This report has been brought forward to demonstrate a case tracking template for each disposal, which are appended to the exempt report.
- 8.3 The detail of the status of each property disposal is still subject to the conclusion of tendering or negotiations and therefore the information could be commercially sensitive.

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

- 9.1 None.

Legal: RAB  
CFO: JB

# Potential Disposals

## 3 Year Programme

2006/07

### General Fund Properties

Land at Grahame Park Way

Land at 1105/1111 High Road

Former Watling Boys Club (Dryfield Rd)

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

South Friern Library

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)

Park House

### HRA Properties

2-10 Hermitage Lane

30 Alexandra Road, N10

Back Lane Garages, Edgware

129 West Hendon Broadway, NW9

Land at Gervase Road Burnt Oak

# Appendix 1

2008/09

### General Fund Properties

Cricklewood - phase 1 (part)

The Leys

The Bunker

Smithfield Tennis Courts (Wilf Slack)

**HRA Properties**

30 Watling Avenue

25 Watling Avenue

106-110 Burnt Oak Broadway

Northfield Garages, East Barnet

Spencer House

Pert Close

Land adj to Merc cars - Brunswick Pk Rd

436/446 Long Lane

The Croft



**AGENDA ITEM: 5**

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	27 July 2006
<b>Subject</b>	Disposal of Park House, N2
<b>Report of Summary</b>	The Leader/Cabinet Member for Resources To report on progress in the Disposal of Park House to Hampstead Garden Suburb Institute

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Officer Contributors	Geoff Collins - Assistant Chief Valuer
Status (public or exempt)	Public
Wards affected	East Finchley
Enclosures	None
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not Applicable

Contact for further information: Geoff Collins, Assistant Chief Valuer

## **1. RECOMMENDATIONS**

- 1.1 That unless by 31 August 2006, The Hampstead Garden Suburb Institute have secured the planning consent they require and that suitable funding is arranged so that they are in a position to proceed with the purchase of the Council's freehold interest in the property, then the Chief Valuer be instructed to commence the remarketing of the property this Autumn.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet 19 January 2004 – agreed that Park House should be offered for freehold sale on the open market and that agents be appointed to act on the Council's behalf.
- 2.2 Delegated Powers Report 26 April 2004 – grant of a short term lease of the premises to Hampstead Garden Suburb Institute.
- 2.3 Cabinet 25 November 2004 – agreed to accept the unconditional offer of Sherm Properties Limited for the freehold of Park House subject to the temporary subletting.
- 2.4 Cabinet Resources Committee 16 June 2005 – considered the unsolicited offer from Hampstead Garden Suburb Institute to purchase the freehold and authorised that exchange of contracts take place with the first party able to exchange.
- 2.5 Delegated Powers Report 14 October 2005 – reported that Sherm Properties had withdrawn and authorised that negotiations continue with Hampstead Garden Suburb Institute and that the temporary lease to the Institute be extended to 31 August 2006.

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

- 3.1 The Corporate Plan commits the Council to deliver consistently high performing internal and transactional support services measured by Capital income through property disposals. The proposals contained in this report do this by ensuring that the existing negotiations for sale are concluded or the premises are remarketed during the current financial year.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 I have considered whether the issue involved are likely to raise significant levels of public concern or give rise to policy considerations. I do not consider that these proposals raise any issues of public concern or give rise to policy considerations.

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

- 5.1 In the event that the sale to The Hampstead Garden Suburb Institute ("The Institute") does not proceed and the property is remarketed, the receipt of the proceeds from disposal may be delayed until 2007/2008.
- 5.2 There are no staffing or ICT implications.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

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

## **8. BACKGROUND INFORMATION**

- 8.1 The Institute remain committed to proceeding with the purchase of the freehold as previously reported. However, they have not yet secured their funding and this is further complicated by the situation with planning consent.
- 8.2 The Institute wish to continue using the property for educational use and have appealed against the temporary consent which has been granted. Until this appeal is determined and unless they achieve permanent educational use, the Institute are unlikely to be able to secure the funding necessary to complete the purchase.
- 8.3 We have to consider the possibility that the Institute will be unable to proceed with the purchase and that the property will be remarketed.
- 8.4 Following discussions with the Institute we have agreed that we will allow them until the end of August 2006 to have progressed matters to a point where their ability to complete within a reasonable time is likely. In the event that such progress has not been made we recommend that Savills be instructed to remarket the property this Autumn.
- 8.4 Savills advise that, in the event that we have to remarket Park House, the temporary lease to the Institute will not have a prejudicial affect.
- 8.5 A DPR is in circulation to approve the extension of the short term lease to The Institute until August 2007.

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

- 9.1 None.

Legal: SWS

CFO: MG

**AGENDA ITEM: 6**

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<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	27 July 2006
<b>Subject</b>	Former Southgate & Barnet Sea Cadets, Osidge Lane, Southgate
<b>Report of</b>	The Leader and Cabinet Member for Resources
<b>Summary</b>	To approve the terms agreed for a short-term Lease to the Association for Veterans of Foreign Wars.

Officer Contributors	Siobhan O'Donoghue, Principal Valuer, Property Services & Valuation
Status (public or exempt)	Public (with a separate exempt section)
Wards affected	Brunswick Park
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: Siobhan O'Donoghue, Principal Valuer, Property Services & Valuation. Tel: 0208 359 7360

## **1. RECOMMENDATIONS**

- 1.1 That the Committee agrees to a short-term letting to the Former Barnet and Southgate Sea Cadet's building at Osidge Lane to the Association for Veterans of Foreign Wars for a rent-free period for 18 months.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

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

- 3.1 The Corporate Plan commits the Council to deliver consistently high performing internal and transactional support services. The proposal in this report does this by securing continued occupation of the property.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Since the property was vacated by the Sea Cadets on 16 June 2006, the Association for Veterans of Foreign Wars (the 'Association') have taken up occupation of the building. The Council has agreed Heads of Terms for a new lease of the property to be executed with the Association. However, until the tenancy is formalised with an executed lease, the Council are in a vulnerable position which could cause a problem in securing the site for the Primary School's Renewals programme. Therefore, formalising the tenancy with an executed lease for the letting of this property is fundamental.

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

- 5.1 The proposed rent is set out in the exempt report, together with the Council's Legal fees and Surveyors fees which the Association for Veterans of Foreign Wars have agreed to pay.
- 5.2 There are no staffing or ICT implications and the property issues are as set out below.

## **6. LEGAL ISSUES**

- 6.1 The granting and execution of a new lease will provide legal protection to the Council as the Associations occupation of the property is currently without any written lease.

## **7. CONSTITUTIONAL POWERS**

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

## **8. BACKGROUND INFORMATION**

- 8.1 A Lease was granted to the National Association of Boys' Club (NABC) on the 30<sup>th</sup> June 1970 for a term of 28 years. In September 1997, the Council received notification from the NABC that they were closing the Club and the new users of the building would be Southgate and Barnet Sea Cadets. No formal assignment of the lease from NABC to the Southgate and Barnet Sea Cadets were received at this stage.
- 8.2 Since the lease expired in June 1998, no new lease terms were agreed.
- 8.3 During their occupation the Sea Cadets failed to pay any rent for the property and in March 2006, notified the Council that there was no longer a need for the unit in the area and gave up possession.
- 8.4 The site is intended to be used as part of the Primary School's Renewals programme and will be required for this purpose in 4 – 5 years time. Therefore, the property is only available for short-term letting on an unsecured basis. This is not very attractive to potential tenants, especially as the property is in poor condition and would require some works to bring it up to a reasonable standard.
- 8.5 Due to the intended future of the building, the Council would not be able to realise full benefit from the building if extensive works were undertaken. However, the Council would still be required to maintain the property until the site was required for the Primary School's Renewal Programme.
- 8.6 A short-term letting to the Association of Veterans of Foreign Wars has been agreed on the terms as set out below:
- The term is 5 years from date of occupation. The rent is as set out in the exempt report.
  - A rent free period of 18 months from the date of occupation has been agreed upon the condition that a Schedule of Works are produced, details of which are set out in the Exempt Report.
  - The Security of Tenure Provisions under the Landlord and Tenant Act 1954 will not apply to this Lease.
  - A Landlord's only break option will apply at any giving 6 months notice in writing
  - Any other lease terms as advised by the Borough Solicitor.

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

- 9.1 None.

Legal: PG  
CFO: JB

**AGENDA ITEM: 7**

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Meeting	Cabinet Resources Committee
Date	27 July 2006
<b>Subject</b>	<b>Monitoring 2006/07</b>
Report of	Leader and Cabinet Member for Resources
Summary	To consider a report on monitoring in the current year and instruct officers to take appropriate action.

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Officer Contributors	Chief Finance Officer Head of Strategic Finance
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A – 2006/07 General Fund Forecast Revenue Outturn Appendix B – Capital Programme Summary Appendix C – 2006/07 General Forecast Capital Outturn Appendix D – 2006/07 Housing Revenue Account Capital Outturn Appendix E – Capital Funding Summary Appendix F – Prudential Indicators Appendix G – Outstanding Debt by Service Appendix H – Outstanding Debt by Age
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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Contact for further information: Jonathan Bunt (020 8359 7249).

## **1. RECOMMENDATIONS**

- 1.1 That the General Fund budget monitoring position be noted.**
- 1.2 That the following virement to the 2006/07 budget be approved :-**
  - (i) Decrease of the Dedicated Schools Grant income budget and reduction of budget for grants to nurseries by £257,000;**
  - (ii) Reduction of the contribution to balances of the Special Parking Account of £815,000 and a reduction of expenditure on planned maintenance (£500,000), responsive maintenance (£100,000), street lighting PFI deal (£135,000) and car park non-domestic rates (£80,000)**
- 1.3 That the projected capital outturn position be noted.**
- 1.4 That the following external grant monies and revenue contributions are added to the approved capital programme:**
  - a) Improving Information Management (£0.172m)**
  - b) Waste Performance Efficiency Grant (£0.364m in 2006/07 and 0.381m in 2007/08)**
  - c) Neighbourhood Renewal Fund (£0.500m in 2006/07 and 2007/08)**
  - d) London Marathon Trust Grant (£0.160m) and revenue contribution from Leisure (£0.020m)**
  - e) Youth Capital Fund additional allocation (£0.041m)**
- 1.5 That the changes to the approved capital programme outlined in Appendix B are approved resulting in a net reduction to the programme of £0.881m.**
- 1.6 That the Prudential Indicators are noted.**
- 1.7 That the outstanding debt position for the Council is noted.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Council 7 March 2006 (Annual Budget Setting)  
Delegated Powers Report 15 April 2006 – NDS Primary and Secondary Modernisation Programmes (2006-7)  
Cabinet Resources Committee 28 June 2006 (Outturn 2005/06)**

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

- 3.1 Robust revenue monitoring is essential to ensure that resources support the Council's priorities as set out in the Corporate Plan.**
- 3.2 The need to ensure that the authority's capital expenditure plans are affordable and capital resources maximised. The Prudential Framework**



requires the monitoring of the capital programme and the impact on resources.

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

- 4.1 The risks posed by budget pressures are addressed in Section 8 below. Management action is being taken to contain forecast overspends within service budgets to avoid having to call on balances.

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

- 5.1 Financial implications are covered in section 8.
- 5.2 There are no specific staffing, ICT or property implications.

#### **6 LEGAL**

- 6.1 None.

#### **7 CONSTITUTIONAL**

- 7.1 This committee is responsible for monitoring the council's budgets.

#### **8 BACKGROUND INFORMATION**

- 8.1 Due to the requirement to close the council's accounts and obtain approval for the Statement of Accounts by 30 June, budget monitoring has only fully commenced at the end of month three (June).
- 8.2 It should be noted that to enable this report to be produced in time for this committee attention has had to be focused on the most significant or volatile budgets and further work will be required over the coming financial periods to complete the detailed monitoring of all income and expenditure items. These updates will be provided to future meetings of this committee.
- 8.3 Nonetheless, budgets that have previously been identified as high risk, for example parking income, has been monitored since the start of the financial year and potential areas of concern were included in the 2005/06 Outturn report that was considered by this committee last month.

#### General Fund Revenue

- 8.4 As in previous years, the greatest budget risk in 2006/07 that was identified at the start of the financial year was parking income and this budget has consequently been monitored on a weekly basis since April. In addition to the regular service monitoring, a specific Finance & Performance Review was held in June to consider the position on the Special Parking Account.
- 8.5 Taking account of forecast variations set out in Appendix A, the forecast of balances at 31 March 2006 is £10.851m.

- 8.6 Significant variations to date are commented on in the following paragraphs, along with items not yet reflected in the forecast variations but which need to be brought to Members attention.

#### Adult Social Services

Client Care Costs – as reported in previous years, these are volatile demand led budget with the potential for significant fluctuation within the year.

Staffing Costs – further work is required to fully establish the position on agency staffing within the service and this will be included in the update to future committees.

#### Central Expenses

Interest Earnings & Cost of Borrowing – early indications are that there will be a net benefit from the overall investment and borrowing position of the authority. Further analysis of interest rates, daily cash balances and forecast capital borrowing (supported and unsupported) will be required throughout the year.

#### Children & Families

External & Other Placements – as with Adult services, these are highly volatile demand led budgets which will be monitored closely throughout the year. Whilst the reported position is an underspend, this will need to be kept under review regarding assumptions made around any additional placements in the remainder of the year.

Leaving Care Costs – as a result of clearer management information, the potential costs arising from children leaving the authority's care has become clearer than when the budget was originally set.

Grant Income – a management decision has been taken to hold back on spending against certain grants within the service to offset potential overspends that have been identified.

#### Education

Standards & Inclusion – the figures included in Appendix A are based on pupil numbers as at June 2006 but the actual position for the year will not become clear until the start of the academic year in September.

Transport – the original budget for this area was set on different assumptions relating to routes and child numbers resulting in an overspend on the service. Dedicated Schools Grant – as reported last month, the final calculation of the Dedicated Schools Grant (DSG) for 2006/07 is £257,000 less than anticipated, due to an over-estimation by Government of the numbers of children in private and voluntary nurseries. The effect of this can be controlled by reducing the budget for grants to private and voluntary

nurseries, so there should be no net impact on the council and approval for a virement to formalise this is requested.

### Environment & Transport

Special Parking Account – as in previous years the reduced levels of income for parking are being offset by reduced expenditure and savings in other areas of the service. Approval is sort to formalise this via a virement outlined in 1.2.

### Housing

Benefits Payments – the implementation of Pericles was such that there was no live housing benefit system for a period. Inevitably, backlogs have resulted which will take some time to clear. The effects of this for 2006/07 are very difficult to predict at this early stage but it appears inevitable that the level of local authority error will be higher. For the year as a whole, taking current trends into account and allowing for the higher LA error, an additional cost of £250k is projected. This will be refined over the coming weeks

Temporary Accommodation – this reflects the continuation of the trend from 2005/06 which results from the good progress in moving away from nightly purchased stock towards private sector leasing, continued tight control over cases accepted as homeless and reduced management fees payable to RSL providers.

### Resources

Departmental Restructure – whilst progress has been made in completing the restructure that will result in the new Resources department, the delay in completing some areas and the need to continue to provide key services is likely to result in an overspend against staffing budgets across all services.

NLBP Rent – following the Delegated Powers Report to approve the new lease for the site, the financial implications of that decision are included in this report.

- 8.7 Cabinet Members are aware of the impact that non-achievement of budgeted savings and new emerging pressures could have on balances, and are working with Heads of Service to contain these costs.

### Housing Revenue Account

- 8.8 Although a full HRA monitor has not been included with this report, it is important to make Members aware of the potential risks associated with the overall HRA balances.
- 8.9 At 31 March 2006, the retained HRA balance stood at £3.704m (subject to audit) against a forecast position of £5.100m as reported to this committee in March. The forthcoming regeneration projects at West Hendon, Grahame Park and Stonegrove, for which the Principal Development Agreements are

due to be signed before the end of this financial year, will result a reduction in the liability which arises from the underwriting agreements. In total this amounts to £4.300m which exceeds the current level of HRA balances and therefore presently represents a significant risk to the Council.

- 8.10 In addition the fourth regeneration area, Dollis Valley, is a subject to an underwriting agreement of £1.3m, increasing the total exposure to £5.6m. Accordingly it is essential that the PDAs are signed off on schedule to mitigate this risk.

### Capital – General Fund

- 8.11 The current approved budget of £56.977m includes slippage from 2005/06 and additional approvals by members since the capital programme was approved by Council in March. Approval is requested to increase the 2006/07 capital programme by £1.182m and by £0.881m in 2007/08 as detailed in 1.4 and 1.5 above.
- 8.12 The latest position can be seen in Appendix C. The latest projected outturn for 2006/07 of £52.461m is £4.516m less than the budget and crosses a range of services. Projected Outturn excludes the budget earmarked for Primary Schools Capital Investment Programme.
- 8.13 Funding decisions on the programme are generally taken at the end of the year to ensure all possible external funding is utilised and maximised where possible. Capital receipts will be applied to finance capital expenditure incurred in 2006/07. The greater the amount of capital receipts applied to finance capital expenditure the lower the amount that will need to be financed from borrowing. This means there needs to be continued close monitoring of the assets disposal programme as slippage will directly impact on the financing of the capital programme and hence the revenue budget.
- 8.14 The reasons for the major variances are given below:

#### Adult Social Services

Adult Re-provisioning – as previously reported to Members, due to delays in the reprovisioning of care services, the council potentially faces a liability due to the deficits incurred by the contractor. Even if a liability is established, this is not anticipated to occur in the immediate future but does need to be recorded as a contingent liability on the authority.

#### Education

Various – the overall under spend on Education capital schemes includes amounts totalling £3.371m which have been set aside for Primary Schools Capital Investment Programme. The year of use depends on when the scheme is implemented. Most of the remaining balance is for Secondary Schools Modernisation and residual budgets from completed schemes.

#### Resources

Modernising Core Systems – as a result of the decision to capitalise the majority of the costs incurred during the implementation phase, this project has exceeded its budget. Whilst this is technically an overspend against the approved capital programme, all costs had been properly approved through revenue but were treated as capital items in line with central government regulations.

Copthall - the approved capital programme includes a budget of £0.195m for Copthall stadium. The scheme was put on hold until a more comprehensive survey was undertaken by Materials Science Consultants Limited. A grant application was made to London Marathon Trust for a further sum of £0.160m to cover the extra costs required to refurbish the track and ancillary facilities. The Council was successful with the application and a further £0.020m will be made available from the Leisure Service budget to cover consultants fees during the project period. A total budget of £0.375m is now available for the refurbishment and approval is required to increase the capital budget for Copthall stadium to £0.375m.

#### Environment & Transport

Recycling & CCTV – variances currently show against these schemes as the budgets exclude the allocations for Neighbourhood Renewals Fund and Waste Performance Efficiency Grant.

#### Capital – Housing Revenue Account

- 8.15 The latest position and the projected outturn can be seen in Appendix C. The appendix also reflects spend to 30<sup>th</sup> June.
- 8.16 The total approved budget for the current year is £30.982m. The projected outturn is £30.982.

#### Prudential Indicators

- 8.17 The budgeted and forecasted prudential indicators are shown in Appendix F.
- 8.18 Currently the only variation to the indicators set as part of the annual budget in March relates to the slippage on general fund capital expenditure from 2005/06 into 2006/07.

#### Debt Management

- 8.19 The reporting of the council's overall debt position is being included for the first time in this report and members views are sought on the content and format of the information provided.
- 8.20 At 30 June 2006, the level of outstanding debt owed to the council was £24.486m.
- 8.21 The service with the highest level of outstanding monies owed was Adult Social Services with £9.340m of outstanding bills, though this is a reduction from the £12.701m at 31 April.

- 8.22 The most significant increase in monies owed to the council for the year is within Human Resources which relates to outstanding reimbursement of externally provided payroll services and is merely a timing issue with the payments yet to be received from schools thus distorting the true position.
- 8.23 Of the outstanding £24.486m, over £9.268m relates to invoices raised within the last two months. £7.890m of debts are older than one year though a proportion of these are secured against property or other assets.
- 8.24 Appendices G and H illustrate the outstanding level of debt by service and by age at the end of each financial period for 2006/07.

## **9 LIST OF BACKGROUND PAPERS**

- 9.1 None.

Legal: JEL

CFO: JB

	FORECAST VARIATIONS	
	July CRC	
	£000	£000
<b><u>Adult Social Services</u></b>		
Client Care - these are volatile, demand led budgets with potential for significant fluctuation during the year.	(219)	
Staffing Costs - includes an estimate for agency costs as actuals are yet to be entered onto SAP.	(118)	
		(337)
<b><u>Central Expenses &amp; Contingency</u></b>		
Net interest from timing of borrowing and investments	(1,500)	
		(1,500)
<b><u>Children &amp; Families</u></b>		
Internal & External Placements & Adoption	(140)	
Leaving Care client	498	
Social Worker Salaries	(26)	
Translation and Interpretation	111	
Grants and central costs held to offset potential overspends	(316)	
		127
<b><u>Education</u></b>		
<b><u>Resources &amp; Performance</u></b>		
Overall projection is an underspend due to vacancies but this should not be relied upon to offset an overspend due to service pressures within Human Resources of £133K. (Outturn report 2005/2006 paragraph 8.6.23)	(57)	
<b><u>Standards &amp; Inclusion</u></b>		
Overspend on Placements and Support - Based on June 2006 Pupil numbers taking no account of future leavers or new starters.	48	
Overspend on Transport	316	
<b><u>LEA Retained Budgets</u></b>		
Budget underspending on School milk	(14)	
<b><u>Early Years Families &amp; Play</u></b>		
3 & 4 year old funding - Virement of £257K required due to final calculation of Dedicated Schools Grant - may lead to overspend if take up of funding exceeds adjusted budget.	-	
<b><u>Libraries</u></b>		

	FORECAST VARIATIONS	
	July CRC	
	£000	£000
Libraries Network - Efficiency saving based on implementation prior to end of summer. Delay in replacement of existing system as part of Modernising Our Infrastructure project beyond October places planned Budget Efficiency saving at risk at £10K per month or potentially £50K to year end	10	
South Friern Library - Predicted saving based on 9 months running costs with July closure. Closure now likely September / October due to plans for development taking longer than expected with additional Library running costs of £24K to £36K.	36	
		339
<b><u>Environment &amp; Transport</u></b>		
Special Parking Account - reduced income from PCNs (net)	1,000	
Car Parks - rates adjustment	(80)	
Highways Planned Maintenance - planned deferral of schemes	(500)	
Highways Responsive Maintenance - decrease in activity	(100)	
Churchyards - additional redundant Churchyard	12	
Golf courses - revision to leasing arrangements	40	
Green Spaces - control spend to meet golf course overspend	(40)	
Public Lighting PFI - saving from new contract	(135)	
		197
<b><u>Housing</u></b>		
Housing Benefits - HBIS / Pericles changeover.	250	
Temporary Accommodation (estimated)	(590)	
		(340)
<b><u>Planning &amp; Environmental Protection</u></b>		
Building Control - income	50	
		50
<b><u>Resources</u></b>		
Staffing Delay in Resources Restructure	800	
NLBP Rent	300	
		1,100
<b>Total (net forecast overspend)</b>	<b>(364)</b>	<b>(364)</b>
General Fund Balances @ 1.4.2006	(10,487)	
Contribution to Balances		(10,487)



	FORECAST VARIATIONS	
	July CRC	
	£000	£000
<b>Forecast Balances @ 31.3.2007</b>	<b>(10,851)</b>	<b>(10,851)</b>

## Appendix B

## SUMMARY OF SPENDING VARIATIONS

## GENERAL FUND CAPITAL PROGRAMME 2006/07

Service	2006-07		Variation from Budget £000
	Budget £000	Projection £000	
Adults Services	3,459	3,419	(40)
Central Expenses	0	0	0
Children & Families Services	311	307	(4)
Education	23,346	18,276	(5,070)
Environmental Services	1,728	2,069	341
Highways & Design	12,294	12,012	(282)
Law and Probity	77	76	(1)
Resources	4,203	5,090	887
Strategic Development	505	98	(407)
Housing - General Fund	11,054	11,054	0
<b>Total - General Fund</b>	<b>56,977</b>	<b>52,401</b>	<b>(4,576)</b>

## HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2006/07

Service	2006/07		Variation from Budget £000
	Budget £000	Projection £000	
Cash Incentives	500	500	0
Housing Renovation Programme	30,068	30,068	0
HRA Regeneration	414	414	0
<b>Total - Housing Revenue Account</b>	<b>30,982</b>	<b>30,982</b>	<b>0</b>

<b>Total - GF and HRA</b>	<b>87,959</b>	<b>83,383</b>	<b>(4,576)</b>
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## Variations requested for 2006/07 Programme

Improving Information Management Grant	172
Waste Performance Efficiency Grant	364
Neighbourhood Renewal Fund	500
London Marathon Trust Grant	160
Leisure Budget Contribution to Cophall Stadium	20
Youth Capital Fund	41
Surestart - Underhill Ward budget no longer required	(75)

<b>1,182</b>
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<b>89,141</b>
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Capital Monitoring Month 3 2006/07								
Ref	Service / Scheme Description	Slippage from 2005/06	Approved Budget 2006/07	2006-07			Variation from Budget £000	Remarks
				Spend £000	Adj Budget £000	Projection £000		
<b>Adults Services</b>								
AS01	Mental Health - 0506 & 0607 allocations	163	159	0	322	322	0	Awaiting project details from Commissioning Manager
AS02	Adults Personal Social Services - 2004-05 (DoH)	210	0	0	210	210	0	Various projects including the implementation and procurement of IT improvements such as eSAP and EDRMS (ESCR solution)
AS02	Adults Personal Social Services - 0506 & O607 (DoH)	214	213	0	427	427	0	As above.
AS03	Adult re-provisioning Programme - Older Adults Care Home	2460	0	0	2460	2,460	0	Cabinet Resources Committee 26 Sept 2005 - Football Stadium & adjoining lands - exempt item, subject to negotiations with contractor. There is a potential claim from the contractor of approximately £3.4million resulting from programme delays. Consultants have been appointed to review the contractor's business plan.
AS99	Outstanding commitments on completed schemes	40	0	0	40	0	(40)	Spend dependent on contractors submitting claim forms
<b>Total - Adults Services</b>		<b>3087</b>	<b>372</b>	<b>0</b>	<b>3,459</b>	<b>3,419</b>	<b>(40)</b>	
<b>Central Services</b>								
CE02	Local Public Service Agreements	0	0	(105)	0	0	0	Reversal of 2005/06 accruals
<b>Total - Central Services</b>		<b>0</b>	<b>0</b>	<b>(105)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Childrens Services</b>								
CF01	Childrens PSS - Looked after Children's IT	36	71	26	107	107	0	
CF02	SWIFT - Social Care Information Upgrade	66	0	16	66	66	0	
CF03	Integrated Childrens Services Capital Grant (DoH)	20	114	6	134	134	0	
CF99	Outstanding commitments on completed schemes	4	0	0	4	0	(4)	Spend is dependent on contractors submitting claims
<b>Total - Children and Families Services</b>		<b>126</b>	<b>185</b>	<b>48</b>	<b>311</b>	<b>307</b>	<b>(4)</b>	
<b>Education</b>								
ED01	School Access Initiatives - 2003-04 to 2005-06	48	197	21	245	245	0	
ED01	School Access Initiatives - 2006/07 allocation	0	416	0	416	216	(200)	PSCIP allocation of £200k to be spent in later years
ED04	NDS - Building Condition programme 2003-04	79	0	1	79	79	0	
ED05	LEA Liability at VA Schools re major capital schemes	24	0	0	24	24	0	
ED09	The Compton School - expansion	(150)	130	(114)	(20)	(20)	0	Project complete; Spend includes creditor for £213k, accounts to be resolved
ED10	Frith Manor	906	793	776	1699	1,699	0	Project substantially complete
ED12	Modernisation - all schools need - 04/05	108	584	4	692	213	(479)	PSCIP allocation of £339k to be spent in later years+Compton concrete repairs delay
ED12	Modernisation - all schools need - 05/06	321	290	59	611	605	(6)	
ED13	Modernisation - primary school need - 05/06	195	6	0	201	187	(14)	
ED13	Modernisation - primary school need - 06/07	0	2081	11	2081	1,791	(290)	PSCIP allocation of £295k to be spent in later years
ED14	New pupil places - formulaic (SCER)	1352	850	0	2202	0	(2,202)	PSCIP allocations to be spent in later years
ED15	Modernisation - Secondary	0	2165	0	2165	1,003	(1,162)	Work re Hendon Electrical rewire and phased school expansion
ED16	Surestart - Underhill ward	75	0	0	75	0	(75)	£75k budget no longer required.

Capital Monitoring Month 3 2006/07								
Ref	Service / Scheme Description	Slippage from 2005/06	Approved Budget 2006/07	2006-07			Variation from Budget £000	Remarks
				Spend £000	Adj Budget £000	Projection £000		
ED16	Surestart - Wingfield Children and Families Centre	(4)	4	0	0	0	0	
ED16	Surestart - Capital Allocation	0	3,323	0	3323	3,323	0	Detailed proposed use of grant in preparation
ED17	Big Lottery Fund Schemes - Bell Lane Sports Hall	0	5	18	5	5	0	
ED17	BLFund Schemes - Moss Hall Jun - Changing Room Refurb	0	255	0	255	255	0	
ED17	BLFund Schemes - Oak Lodge school MUGA	0	240	0	240	240	0	Scheme delayed due to planning permission challenge
ED17	BLFund Schemes - Borough Playground Scheme - 7 sites	0	151	0	151	151	0	
ED17	Big Lottery Fund Schemes - Whitings Hill MUGA	(2)	230	0	228	228	0	
ED19	Underhill Infants - Childrens Centre	0	10	0	10	10	0	Scheme being re-designed to tender stage
ED20	Dollis Infants - Reprovisioning & Nursery Expansion	0	10	0	10	112	102	Scheme programming being discussed with school
ED21	PSCIP - Hyde School Stage 1 - Childrens Centre	5	1275	5	1280	1,280	0	
ED21	PSCIP - Hyde School Stage 2 - Redevelopment of School	90	250	0	340	340	0	
ED22	Parkfield School - Stage 1 Childrens Centre	227	424	109	651	605	(46)	
ED22	Parkfield School - Stage 2 Redevelopment of School	58	500	0	558	551	(7)	
ED23	PSCIP - Consultants costs	97	250	37	347	250	(97)	
ED23	PSCIP - Procurement costs	238	732	0	970	732	(238)	
ED23	Youth Capital Funding	0	132	0	132	132	0	
ED99	Outstanding Commitments on completed schemes	356	0	0	356	0	(356)	Residual budget to meet liabilities on completed schemes. Spend is dependent on contractors chasing up
	<b>Total excl DFC</b>	<b>4,023</b>	<b>15,303</b>	<b>927</b>	<b>19,326</b>	<b>14,256</b>	<b>(5,070)</b>	
	New Deals for Schools Devolved Formula	0	3809	0	3809	3,809	0	Details of spend against grant not available with accounts
	Specialist Schools (capital grant)	211	0	0	211	211	0	Details of spend against grant not available with accounts
	<b>Total - Education</b>	<b>4,234</b>	<b>19,112</b>	<b>927</b>	<b>23,346</b>	<b>18,276</b>	<b>(5,070)</b>	
	<b>Environmental Services</b>							
EN02	Recycling - green bins, paper and can recycling banks	90	0	0	90	375	285	Additional spend over the 2006/7 budget is to be funded by the WPEG £363k allocation
EN03	Parks Infrastructure - Old Courthouse Rec catering facilities	4	0	14	4	14	10	Project to be completed within budget in 2006/7
EN03	Parks Infrastructure - security of park boundaries	30	0	0	30	20	(10)	Project to be completed within budget in 2006/7
EN07	Darlands Lake / Stonegrove Park	(11)	224	8	213	223	10	Balance of the contingency included in the projected outturn will be used to contribute towards the purchase of Darlands Farm (ENV/00016)
EN08	Watling Park (S106)	15	0	0	15	31	16	Overspend likely due to additional CCTV costs.
EN09	Woodfield Park Pavilion	26	0	0	26	26	0	Project 95% complete - awaiting final accounts from contractors
EN10	Glebelands Open Space - Sports Pitches	(7)	75	0	68	68	0	Currently obtaining quotes - 2006/7 Project spend should be in line with budget.
EN11	Environmental Officer - capitalisation of salary	0	40	0	40	40	0	Revenue spend capitalised against DFG - ongoing
EN12	CCTV in Town Centres - radio communications system	50	32	0	82	82	0	Proposal to spend in 2006/7, however spending programme has not been outlined yet
EN12	CCTV in Town Centres - 2004-05 programme	210	0	0	210	0	(210)	2005/6 Slippage to cover ENV/00014 projects
EN12	CCTV in Town Centres - 2005-06 programme	453	417	25	870	925	55	Additional expenditure in 2006/7 to be funded by £160k NRF Grant
EN14	CCTV Installation - New Barnet Town Centre	(2)	0	32	(2)	32	34	Project 95% complete - awaiting final accounts from contractors
EN14	CCTV Installation - Apex Corner	(4)	0	135	(4)	135	139	Project 95% complete - awaiting final accounts from contractors
EN14	CCTV Installation - Finchley Town centre	(3)	0	33	(3)	33	36	Project 95% complete - awaiting final accounts from contractors

Capital Monitoring Month 3 2006/07								
Ref	Service / Scheme Description	Slippage from 2005/06	Approved Budget 2006/07	2006-07			Variation from Budget £000	Remarks
				Spend £000	Adj Budget £000	Projection £000		
EN14	CCTV Installation - Mill Hill	0	0	0	0	0	0	Project 95% complete - awaiting final accounts from contractors
EN16	Darlands Farm	0	0	65	0	65	65	Unplanned expenditure on the surrender of an existing lease
EN99	Outstanding commitments on completed schemes	89	0	0	89	0	(89)	Residual budget to meet liabilities on completed schemes. Spend is dependent on contractors chasing up
	<b>Total - Environmental Services</b>	<b>940</b>	<b>788</b>	<b>312</b>	<b>1,728</b>	<b>2,069</b>	<b>341</b>	
	<b>Highways</b>							
HD01	Structural Maintenance of Bridges - 2005-06 Programme	3	0	0	3		(3)	
HD01	Structural Maintenance of Bridges - 2006-07 Programme	0	185	0	185	179	(6)	
HD02	Street Lighting	56	0	0	56		(56)	Residual budget need to be transferred to the 2006/7 Highways Investment Programme - see addnl notes below
HD03	Local Safety Schemes - 0405 & 0506 Programmes	84	0	197	84	196	112	variances are contained within overall programme allocations
HD03	Local Safety Schemes - 2006-07 Programme	0	655	3	655	543	(112)	
HD04	Carriageway Reconstruction - Principal Roads - 0405 & 0506	67	0	0	67	127	60	variances are contained within overall programme allocations
HD04	Carriageway Reconstruction - Principal Roads - 0607 alloc	0	1271	262	1271	1,211	(60)	
HD07/08	Road Traffic Act - Controlled Parking Zones	0	345	0	345	225	(120)	Underspend can be attributed to a revision in programme funding and will be utilised in supporting the SPA revenue account
HD09	Edgwarebury Brook Flood Alleviation	0	56	0	56	56	0	
HD10	Footway Reconstruction - Borough Roads (Barnet funding)	2	0	0	2	0	(2)	
HD10	Footway Reconstruction - TFL funding	0	0	0	0	0	0	
HD11	London Bus Priority Network - 2006-07 Programme	0	1795	0	1795	1,795	0	
HD12	Cycling	(21)	43	7	22	22	0	
HD14	Pursley Rd - Traffic Management	0	48	0	48	48	0	
HD15	Safer Routes to Schools - 0405 & 0506 Programme	27	0	17	27	18	(9)	
HD15	Safer Routes to Schools - 2006-07 Programme	0	200	0	200	200	0	
HD16	Silkstream Flood Alleviation	0	1100	0	1100	1,100	0	
HD18	Regeneration and Access Corridors	9	0	24	9	0	(9)	
HD19	Cartwright Memorial, St Mary's Church	0	37	0	37	37	0	
HD17	Highways Investment 2004-05	138	0	0	138	0	(138)	
HD21	Highways Investment 2005-06	146	0	201	146	203	57	Underspend relates to internal fees still to be processed, value of which cannot be determined at this stage
HD21	Highways Investment 2006-07	0	3000	2	3000	3,004	4	
HD25	Bus Stop Accessibility	46	80	0	126	126	0	
HD33	Colindale Development Area	0	2745	14	2745	2,745	0	
HD34	Minor TFL allocations	0	100	0	100	100	0	
	Outstanding Commitments on completed schemes	0	77	0	77	77	0	Spend dependent on contractors submitting claim forms
	<b>Total - Highways</b>	<b>557</b>	<b>11,737</b>	<b>728</b>	<b>12,294</b>	<b>12,012</b>	<b>(282)</b>	

## Capital Monitoring Month 3 2006/07

Ref	Service / Scheme Description	Slippage from 2005/06	Approved Budget 2006/07	2006-07			Variation from Budget £000	Remarks
				Spend £000	Adj Budget £000	Projection £000		
	<b>Law and Probity</b>							
LP01	Local Land Charges	67	0	17	67	67	0	Project anticipated to complete about September 2006.
LP03	Legal case management system	10	0	5	10	9	(1)	
	<b>Total - Law and Probity</b>	<b>77</b>	<b>0</b>	<b>22</b>	<b>77</b>	<b>76</b>	<b>(1)</b>	
	<b>Resources</b>							
BT01	Pericles - Revenues and Benefits System	820	0	77	820	420	(400)	Assumes no further contributions to Anite.
IT01	GIS Internet Project	0	10	0	10	10	0	
IT01	Content Management System (CMS)	91	0	78	91	91	0	
IT03	Modernising Our Infrastructure	(43)	487	420	444	674	230	The original scope of the project has increased
IT04	Modernising Core Sytems	0	0	480	0	1,004	1004	
IT05	Electronic Documents and Records Management System	76	1020	7	1096	1096	0	
	Education Management Information System	71	0	0	71	71	0	
	Mobile Working Strategy Development	80	0	0	80	80	0	
	NLBP - IT costs of additional staff relocated to NLBP	210	200	29	410	410		
	IP Telephony and call management technology	20	0	38	20	20	0	
HE01	NLBP - IT costs	33	0	0	33	33	0	
	Planning - reception area	0	100	0	100	100	0	
HE02	Barnet House	7	47	0	54	54	0	
HE04	Council Offices Security Systems	2	155	0	157	157		
	Fenella Refurbishment	18	0	264	18		(18)	Expenditure was miscoded to MOI in 2005/06. Miscoding corrected in 06/07
	Hendon Town Hall - repair/replacement of heating	0	40	0	40		(40)	Spend no longer justified (re. Middlesex University)
	Barnet House - replacement water tanks	0	50	0	50	50	0	
	Burnt Oak Registry Office - heating replacement	0	50	0	50	50	0	
CE03	Arts Centre Development	(14)	377	0	363	363	0	
CE04	Burnt Oak Leisure Centre	92	0	0	92	92	0	
	Copthall stadium - resurfacing of athletics track	0	195	0	195	375	180	This sum is now committed. Work is due to start in late July / early August 2006 and the work should be completed by mid October 06. Approval is requested to increase the budget by £180k. £160k of the additional budget to be funded from London Marathon Trust Grant and £20k cotribution from Leisure Service budget.
HE99	Outstanding commitments on completed schemes	9	0	0	9		(9)	
	<b>Total - Resources</b>	<b>1,472</b>	<b>2,731</b>	<b>1,394</b>	<b>4,203</b>	<b>5,150</b>	<b>947</b>	
	<b>Strategic Development</b>							
SD01	Watling Shopping Estate	(1)	34	0	33		(33)	
SD02	Town Centre Regeneration & Improvement	0	153	0	153		(153)	

## Capital Monitoring Month 3 2006/07

Ref	Service / Scheme Description	Slippage from 2005/06	Approved Budget 2006/07	2006-07			Variation from Budget £000	Remarks
				Spend £000	Adj Budget £000	Projection £000		
SD03	Town Centre Initiatives - Nth Finchley Regeneration	0	221	0	221		(221)	
SD04	Grahame Park Sports Pitch - additional costs	(14)	14	0	0	0	0	
	Building Safer Communities	(10)	108	0	98	98	0	
	<b>Total - Strategic Development</b>	<b>(25)</b>	<b>530</b>	<b>0</b>	<b>505</b>	<b>98</b>	<b>(407)</b>	
	<b>Housing - General Fund</b>							
	Renovation Grants	0	5	0	5	5	0	
	Disabled Facilities Grants	0	1005	247	1005	1,005	0	
	Housing Association Programme	180	3870	172	4050	4,050	0	
	Regeneration:-							
	Stonegrove - site assembly / property acquisition	(220)	3200	420	2980	2,980	0	
	Grahame Park - property acquisition	764	2250	452	3014	3,014	0	
	<b>Total - Housing - General Fund</b>	<b>724</b>	<b>10,330</b>	<b>1,291</b>	<b>11,054</b>	<b>11,054</b>	<b>0</b>	
	<b>Total - General Fund</b>	<b>11,192</b>	<b>45,785</b>	<b>4,616</b>	<b>56,977</b>	<b>52,461</b>	<b>(4,516)</b>	

Capital Monitoring Month 3 2006/07								
Ref	Service / Scheme Description	Slippage from 2005/06 £000	Approved Budget 2006/07 £000	2006-07			Variation from Budget £000	Remarks
				Spend £000	Adj Budget £000	Projection £000		
	Cash Incentives	0	500	136	500	500		
	Transitional Programme	65	1,095	692	1,160	1,160		
	Partnering Packages							
	Barnet	36	7,628	404	7,664	7,664		
	Finchley	290	6,170	129	6,460	6,460		
	Hendon/Edgware	0	8,595	866	8,595	8,595		
	Sheltered/Hostels	0	2,076	287	2,076	2,076		
	Adaptations	0	630	40	630	630		
	Regeneration Estates	26	525	74	551	551		
	Miscellaneous Works	0	2,482	263	2,482	2,482		
	Summers Lane Development	0	450		450	450		
	HRA Regeneration	414			414	414		
	<b>Totals</b>	<b>831</b>	<b>30,151</b>	<b>2,890</b>	<b>30,982</b>	<b>30,982</b>		



## 2006-07 Capital Funding Summary

## CAPITAL PROGRAMME

General Fund	Total Budget	Grants	Other	Revenue / MRA	Capital Receipts	Borrowing	TOTAL
Service	£000	£000	£000	£000	£000	£000	£000
Adults Services	3,459	0	0	0	0	3,459	3,459
Central Expenses	0	0	0	0	0	0	0
Children & Families Service	311	134	0	0	0	177	311
Education Service	23,346	11,622	1,590	0	0	10,134	23,346
Environmental Services	1,728	0	95	0	0	1,633	1,728
Highways & Design	12,294	7,046	293	345	0	4,610	12,294
Housing - General Fund	11,054	605	3,180	-220	4,475	3,014	11,054
Law & Probity	77	0	0	0	0	77	77
Resources	4,203	536	98	200	0	3,369	4,203
Strategic Development	505	108	0	0	0	397	505
<b>Total - General Fund</b>	<b>56,977</b>	<b>20,051</b>	<b>5,256</b>	<b>325</b>	<b>4,475</b>	<b>26,870</b>	<b>56,977</b>
<b>Total - HRA</b>	<b>30,982</b>	<b>0</b>	<b>4,267</b>	<b>4,322</b>	<b>3,774</b>	<b>18,619</b>	<b>30,982</b>
<b>Grand Total</b>	<b>87,959</b>	<b>20,051</b>	<b>9,523</b>	<b>4,647</b>	<b>8,249</b>	<b>45,489</b>	<b>87,959</b>

As a % of total

23%

11%

5%

9%

52%

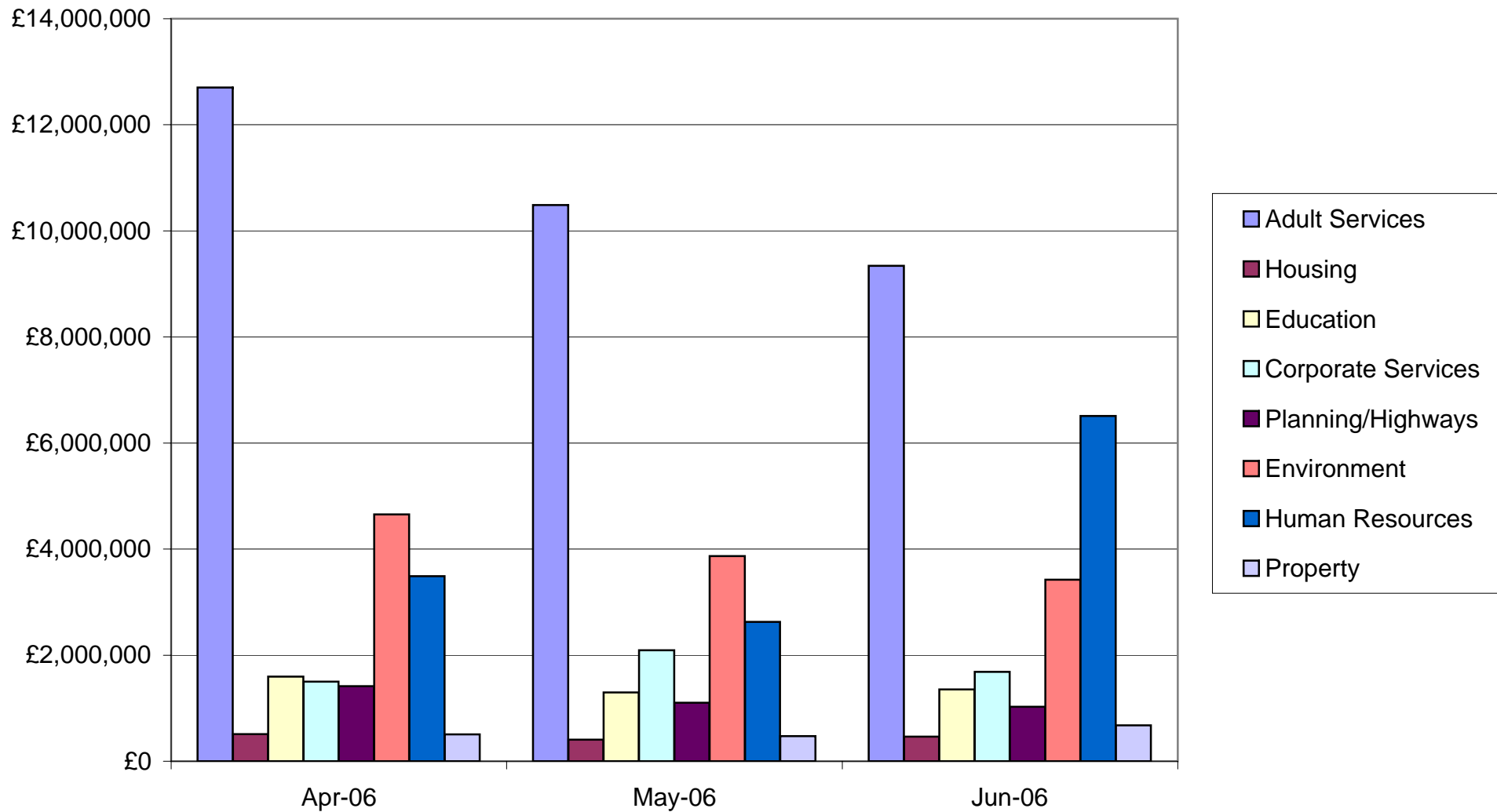
100%

## Appendix F

<b>Prudential Indicator Monitoring</b>	<b>2006/07 Budget £'000</b>	<b>2006/07 Forecast £'000</b>
<b>Capital Expenditure</b>		
Non – HRA	40,530	56,977
HRA (applies only to housing authorities)	30,151	30,982
<b>Ratio of financing costs to net revenue stream</b>	<b>%</b>	<b>%</b>
Non – HRA	1.31%	0.69%
HRA (applies only to housing authorities)	41.00%	41.00%
<b>Incremental Impact on Band D Council Tax</b>	<b>-£15.44</b>	<b>-£27.50</b>
<b>Capital Financing Requirement</b>	<b>£'000</b>	<b>£'000</b>
Non – HRA	100,265	104,466
HRA (applies only to housing authorities)	42,857	43,274
<b>Authorised limit for external debt -</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	144,481	144,481
Other long term liabilities	31,000	31,000
<b>Total</b>	<b>175,481</b>	<b>175,481</b>
<b>Operational boundary for external debt -</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	148,122	148,122
Other long term liabilities	0	0
<b>Total</b>	<b>148,122</b>	<b>148,122</b>
<b>Upper limit for fixed rate exposure</b>		
Net principal re fixed rate borrowing / investments	100%	100%
<b>Upper limit for variable rate exposure</b>		
Net principal re variable rate borrowing / investments	30%	30%

<b>Maturity structure of fixed rate borrowing during 2006/07</b>	<b>Upper limit Budget book</b>	<b>Lower limit Budget book</b>	<b>Upper limit forecast</b>	<b>Lower limit forecast</b>
Under 12 months	70%	70%	70%	70%
12 months and within 24 months	25%	25%	25%	25%
24 months and within 5 years	30%	30%	30%	30%
5 years and within 10 years	50%	50%	50%	50%
10 years and above	95%	95%	95%	95%

## Appendix G - Outstanding Debt 2005/06



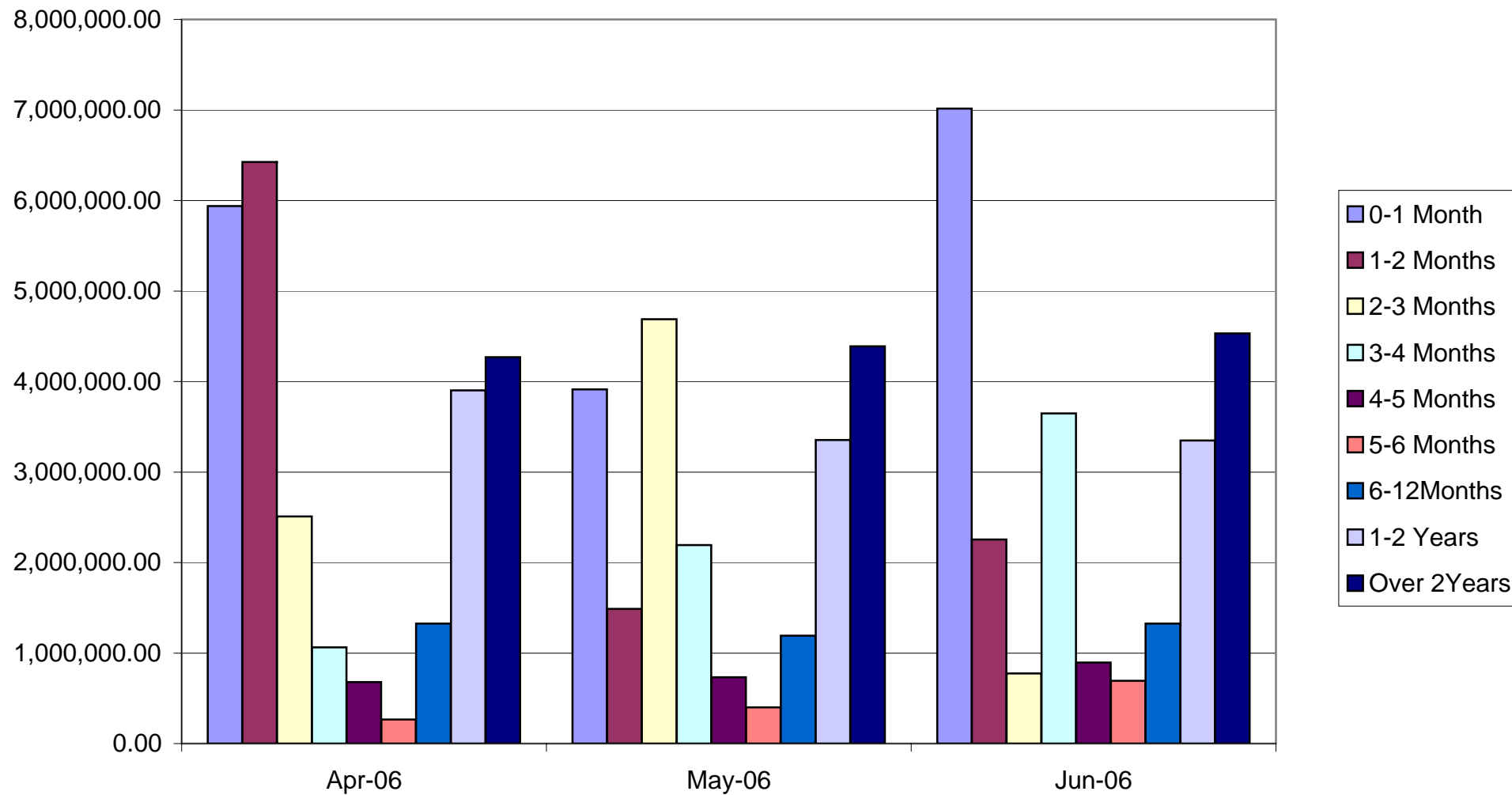
By Service

	<b>Apr-06</b>	<b>May-06</b>	<b>Jun-06</b>
Adult Services	£12,701,002	£10,486,697	£9,339,835
Housing	£511,763	£405,241	£464,437
Education	£1,596,407	£1,297,590	£1,353,671
Corporate Services	£1,500,247	£2,091,090	£1,686,259
Planning/Highways	£1,415,244	£1,103,715	£1,028,639
Environment	£4,654,787	£3,866,385	£3,423,094
Human Resources	£3,490,921	£2,625,600	£6,511,754
Property	£507,015	£475,378	£678,092
<b>Total</b>	<b>£26,377,387</b>	<b>£22,351,695</b>	<b>£24,485,779</b>

By Age

	<b>Apr-06</b>	<b>May-06</b>	<b>Jun-06</b>
0-1 Month	5,938,533.37	3,912,739.93	7,014,080.61
1-2 Months	6,426,082.36	1,489,230.53	2,253,824.44
2-3 Months	2,508,025.66	4,687,470.65	775,905.83
3-4 Months	1,063,860.32	2,194,134.33	3,646,543.27
4-5 Months	681,032.42	733,149.43	896,092.81
5-6 Months	265,168.33	401,138.77	694,685.31
6-12Months	1,325,540.46	1,192,903.96	1,324,659.18
1-2 Years	3,901,191.82	3,353,161.54	3,348,061.08
Over 2Years	4,267,952.38	4,387,765.98	4,531,926.83
<b>Total</b>	<b>£26,377,387</b>	<b>£22,351,695</b>	<b>£24,485,779</b>
	£0	£0	£0

## Appendix H - Aged Debt 2005/06



By Service

	<b>Apr-06</b>	<b>May-06</b>	<b>Jun-06</b>
Adult Services	£12,701,002	£10,486,697	£9,339,835
Housing	£511,763	£405,241	£464,437
Education	£1,596,407	£1,297,590	£1,353,671
Corporate Services	£1,500,247	£2,091,090	£1,686,259
Planning/Highways	£1,415,244	£1,103,715	£1,028,639
Environment	£4,654,787	£3,866,385	£3,423,094
Human Resources	£3,490,921	£2,625,600	£6,511,754
Property	£507,015	£475,378	£678,092
<b>Total</b>	<b>£26,377,387</b>	<b>£22,351,695</b>	<b>£24,485,779</b>

By Age

	<b>Apr-06</b>	<b>May-06</b>	<b>Jun-06</b>
0-1 Month	5,938,533.37	3,912,739.93	7,014,080.61
1-2 Months	6,426,082.36	1,489,230.53	2,253,824.44
2-3 Months	2,508,025.66	4,687,470.65	775,905.83
3-4 Months	1,063,860.32	2,194,134.33	3,646,543.27
4-5 Months	681,032.42	733,149.43	896,092.81
5-6 Months	265,168.33	401,138.77	694,685.31
6-12Months	1,325,540.46	1,192,903.96	1,324,659.18
1-2 Years	3,901,191.82	3,353,161.54	3,348,061.08
Over 2Years	4,267,952.38	4,387,765.98	4,531,926.83
<b>Total</b>	<b>£26,377,387</b>	<b>£22,351,695</b>	<b>£24,485,779</b>
	£0	£0	£0

**AGENDA ITEM: 8**

Page nos. 12 - 17

Meeting	Cabinet Resources Committee
Date	27 July 2006
<b>Subject</b>	<b>St. Mary's &amp; St. John's Primary School – New Nursery Site</b>
Report of	Cabinet Member for Education & Lifelong Learning The Leader/Cabinet Member for Resources
Summary	This report seeks the Committees support for the transfer of 658 square metres of council owned land to the trustees of St. Mary's & St. John's primary school to assist the governors in carrying out their duty to implement the provision of a new nursery.

Officer Contributors	Chief Education Officer
Status (public or exempt)	Public
Wards affected	Hendon
Enclosures	Appendix A – Site Plan
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not Applicable

Contact for further information: Andrew Rowland (Education Service) 020 8359 7647

## **1. RECOMMENDATIONS**

- 1.1 That the Committee supports the transfer of 658 square metres of Council owned land to the trustees of St. Mary's and St. John's Primary School in order to assist the governors in their duty to implement the provision of a new nursery by transferring a suitable interest in the land (that satisfies the requirements of the School Standards and Framework Act 1998) by means of a 50 year lease at a peppercorn rent.**
- 1.2 That the Legal Department in conjunction with the Head of Property Services be instructed to draw up a suitable lease that satisfies the requirements of the act and that protects the Council's interests.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet 16 December 2004, Maintained Nursery classes at primary schools.
- 2.2 School Organisation Committee 11 January 2006.

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

- 3.1 A Bright Future for Children and Young People is one of the 5 key priorities of the Corporate Plan 2006/07 – 2009/10 alongside the service objective to “Ensure that every child gets the best start in life”.
- 3.2 To increase the number of primary schools with nursery classes and ensure this reflects the diversity of the main school provision to provide equality of choice to the community (School Organisation plan 2003 -08).

## **4. RISK MANAGEMENT ISSUES**

- 4.1 If this committee declines to assist the governors by the provision of land on which to site this nursery, the consequences will be that the provision will be delayed for some considerable time and substantial additional funding will need to be found. In addition the grant aided funding from the LEA Controlled Voluntary Aided programme (LCVAP) will be lost, in that LCVAP funding must be spent within the financial year in which it is given.

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

### **5.1 Financial**

- 5.2 There are no capital funding implications for the local authority.
- 5.3 The estimated cost of £716,928 will be almost entirely funded by Department for Education and Skills grant aided funding (£536,928) with the balance being met from the schools devolved formula capital (£120,000). The governors will be contributing 10% of the grant aided funding from their own resources. A further £10,000 will be funded from the schools delegated budget and the remaining £50,000 will be funded from the London Diocesan Board for Schools own resources.



5.4 The estimated costs are as follows:

Building Costs	£612,134
Fees	£94,794
Furniture & Equipment	<u>£10,000</u>
Total	<u>£716,928</u>

5.5 The school's revenue budget will increase, because the budget formula will take into account the increase in size of the premises and the increase in the number of children attending the school. This will be met from within the Dedicated Schools' Grant budget.

5.6 The Council's legal, valuation and surveying fees incurred in the conveyance will amount to £2,500 and will be met from the Education revenue budget. The governors will be responsible for their own legal fees.

### **5.7 Staffing**

5.8 None.

### **5.9 ICT**

5.10 None.

### **5.11 Property**

5.12 The area of the proposed land transfer to establish the nursery together with the area required to extend the infant playground is 658 square metres.

5.13 The exempt section of this report gives the land valuation based on a 50 year lease.

## **6. LEGAL ISSUES**

6.1 Under the provisions of the School Standards and Framework act 1998 it is for the governors / promoters to provide any additional site required to carry out their statutory obligations.

6.2 The authority can under the provisions of schedule 6, para 18 of the School Standard and Framework Act 1998 “. give to the governing body of a voluntary aided school such assistance as the authority thinks fit in relation to the carrying out by the governing body of any obligation arising by virtue of para 14 (2) in relation to proposals published by them under section 28”.

6.3 Should the council assist the governors by the provision of additional site then under the provisions of the Schools Standards and Framework Act 1998, schedule 6, part 4 para 2 “The authority shall transfer their interest in the site and in any building on the site which are to form part of the school premises”.

6.4 The council's interest in the transferred site is protected under Section 70 of the Education Act 1996 that provides that where such assistance is given and

the trustees subsequently make a disposal of the interest, they are liable to pay to the council an amount equal to the net proceeds of the disposal.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution Part 3 – Responsibility for Functions – Section 3: Powers of the Executive.

## **8. BACKGROUND INFORMATION**

- 8.1 The provision of a new nursery at St. Mary's & St. John's primary school arises from the Cabinet Resources report of 16 December 2004 – "Maintained Nursery Classes at Primary Schools".

- 8.2 The council as part of its Strategic Organisation Plan (SOP) objective to increase the number of nursery classes based at primary schools, and to further promote choice and reflect diversity recognised that there is less maintained nursery provision in Church of England primary schools in this area of the Borough and that the provision of a nursery at this school would address the need identified in the SOP 2003 – 2008.

- 8.3 Notices under section 28 (2) Of the School Standard and Framework Act 1998 were duly published on 21 October 2005 and following the statutory consultation period were approved by the Schools Organisation Committee on 11 January 2006. Grant aided funding from the LEA Controlled Voluntary Aided Programme (LCVAP) 2006/07 were allocated by the LCVAP panel at their meeting on 28 February 2006.

- 8.4 The governors' consultants ( Dunphy & Hayes) have appraised a number of options to determine the best location for the new facility :-

Option 1 – To build an extension onto the existing infant building. This was discounted because of the costs arising from the structural works that would be needed in siting the new building over the London Transport underground tunnel that runs under the school site.

Option 2 – The conversion of 2 split level classrooms in the junior building to form the nursery together with the erection of a new build 2 classroom block to replace the converted classrooms. Again this option was discounted on cost grounds.

Option 3 – The current proposal which is to site the nursery on adjacent council land. The existing site ownership is shown on the attached site plan (Appendix A)

- 8.5 This proposal is shown on the attached site plans (Appendix A). This option will however require the authority to pass title of the 658 square metres site area of the nursery to the Governors Trustees (The London Diocesan Board for Schools). This includes a small area of 54 square metres that would allow the infant playground to be extended to become contiguous with the nursery

site. This is subject to there being no restrictions on title to the site that would fetter the transfer.

- 8.6 The nursery is to be sited on an area that is currently laid out as a car park. A replacement car park is proposed on the eastern edge of the council owned area as an extension to the existing school staff car park. The replacement of the car park is a condition of the Grant of Planning permission. The schools consultants investigated extending the car park northwards and within the existing school site and concluded that it would involve considerable additional cost to the scheme from the removal of a number of mature trees. The mature trees provide substantial shade in the heat of the summer and provide an environmental and educational resource for the pupils.
- 8.7 It is not proposed that this area of approximately 280 square metres is transferred to the governors but remains within local authority ownership and that the liability for any future repairs and maintenance of this area is passed to the governors within the framework of the legal agreement that passes title of the nursery site to the schools governors.
- 8.8 Planning permission was granted on 7 June 2006 subject to the condition that “Before the development hereby permitted is occupied the parking spaces shown shall be provided and shall not be used for any other purpose other than the parking of vehicles in connection with the approved development.
- 8.9 The Department for Education and Skills (DfES) have given notice of “Approval to proceed to tender” at the estimated cost shown in 5.4. and their consultant architects in their recommendation for scheme approval note that “This is a well planned project to provide a new nursery and playground”.

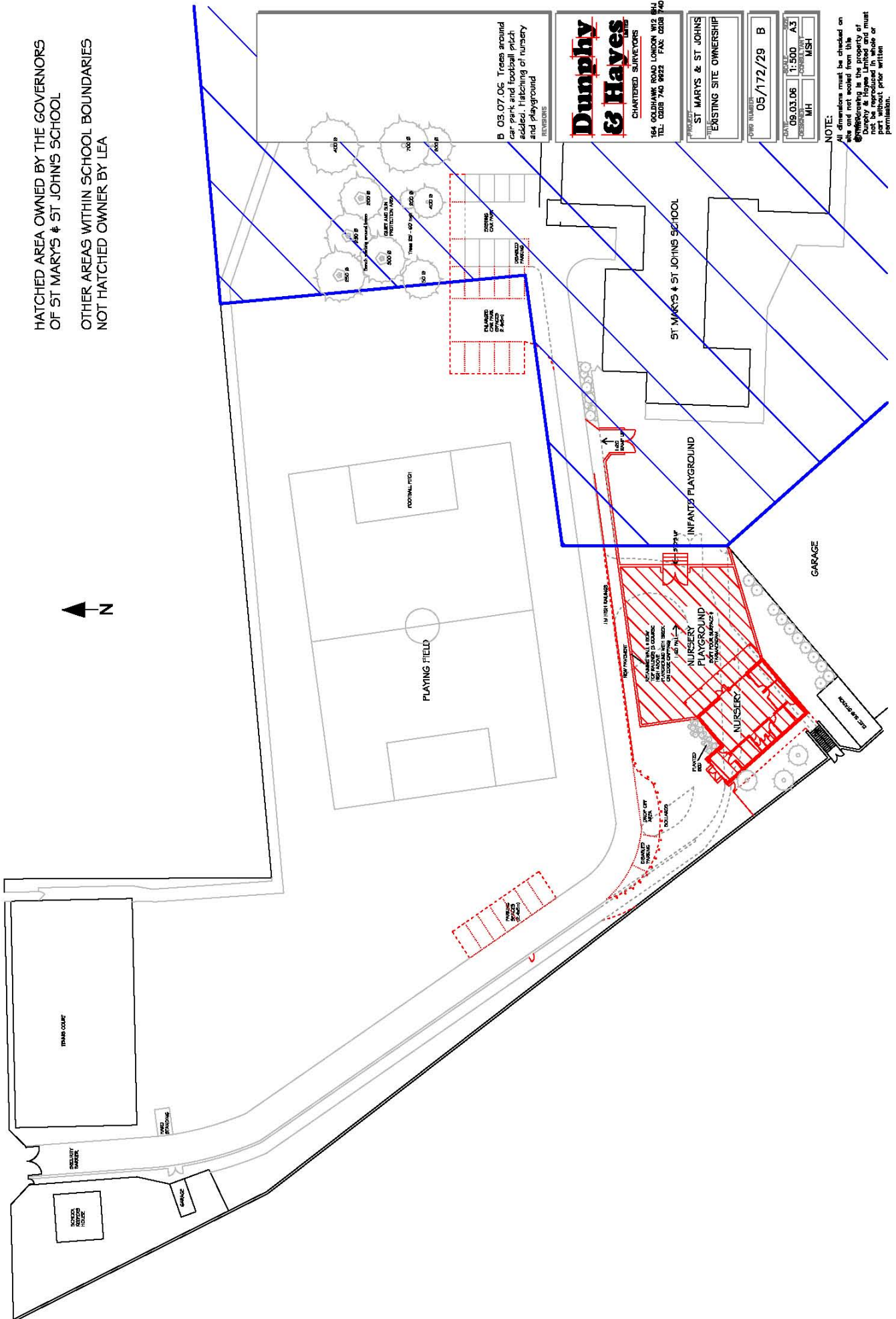
## **9 LIST OF BACKGROUND PAPERS**

- 9.1 Statutory Notice (21 October 2005)
- 9.1 Consultation documents
- 9.2 Minutes of the School Organisation Committee 11 January 2006.
- 9.3 Grant of planning permission – 7 June 2006
- 9.4 Any person wishing to inspect the background papers listed above should telephone 020 8359 7647

Legal: PJ  
CFO: CM

HATCHED AREA OWNED BY THE GOVERNORS  
OF ST MARYS & ST JOHN'S SCHOOL

OTHER AREAS WITHIN SCHOOL BOUNDARIES  
NOT HATCHED OWNER BY LEA



**B 03.07.06** Trees around car park and football pitch added. Hatching of nursery and playground

**Dumphy & Hayes**  
CHARTERED SURVEYORS  
184 GOLDHAWK ROAD LONDON W12 8HU  
TEL: 0208 740 9623 FAX: 0208 740 4804

PROJECT	ST MARYS & ST JOHN'S
TITLE	EXISTING SITE OWNERSHIP
DATE	05/172/29 B
SCALE	1:500
PROJECT NO.	A3
DESIGNED BY	MSH

**NOTE:**  
All dimensions must be checked on ground and not solely from this drawing. The accuracy of this drawing is the responsibility of Dumphy & Hayes Limited and must not be reproduced in whole or part without prior written permission.

**AGENDA ITEM: 9**

Page nos. 18 - 30

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Meeting	Cabinet Resources Committee
Date	27 July 2006
<b>Subject</b>	<b>Aerodrome Road Bridges Replacement - Procurement Issues and Risks</b>
Report of	Cabinet Member for Environment and Transport Leader of the Council/Cabinet Member for Resources
Summary	This report sets out the current progress of the Aerodrome Road bridges replacement project. The report details the challenges and risks existing currently and that lie ahead in meeting funding timelines and securing the co-operation and agreement of Network Rail necessary for the delivery of the project. The report also seeks agreement to enter into an underbridge agreement with Network Rail.

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Officer Contributors	Mike Freestone, Head of Environment and Transport
Status (public or exempt)	Public
Wards affected	Colindale
Enclosures	Appendix A – Risk Register Appendix B – Project Timetable
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

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Contact for further information: Chris Chrysostomou Tel 020 8359 7200

## **1. RECOMMENDATIONS**

- 1.1 That the Committee note the progress of the project to date and the project specific tasks that need to be addressed prior to completion.**
- 1.2 That Members note the serious challenges and risks that exist and lie ahead in meeting the timetable and the matters requiring the agreement of Network Rail, in particular the completion of an Underbridge Agreement.**
- 1.3 That the Council enters into an Underbridge Agreement with Network Rail and proceed with the project within known risk parameters.**
- 1.4 That the Head of Environment and Transport keep the Risk Register under close scrutiny and report back to this Committee should there be a significant increase in risk to the Council arising from the implementation of this project.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Delegated Powers Report entitled 'Aerodrome Road Bridge Replacement-Network Rail Basic Asset Protection Agreement' (BAPA), dated 24 March 2006. The BAPA enabled Network Rail to deploy the necessary resources to move the project forward.
- 2.2 The replacement of the Aerodrome Road Bridges was identified within the approved 2006/07 Environment and Transport Services Key Priority Plan.

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

- 3.1 The replacement of the two masonry arch railway bridges on Aerodrome Road will remove a height and capacity restriction on this road which forms the most direct link between the Colindale Regeneration area and the Transport for London Road Network (TLRN). This would improve access to the regeneration area for pedestrians, cyclists, enable the provision of an east-west bus link and ease congestion at the Aerodrome Road/A41 junction. The new bridges will allow the widening of Aerodrome Road by providing a third eastbound lane and two footpaths of 2.5m each
- 3.2 Secure funding and implement the Aerodrome Road Bridge initiative is included in the Sustainable Community Strategy for Barnet 2006-2016 and is seen as keeping Barnet moving.
- 3.3 The Aerodrome Road Bridge initiative is also mentioned in the Corporate Plan 2006/07-2009/10, under a Successful Suburb.
- 3.4 The 'Cleaner Greener Barnet' key priority also includes the objective of reducing congestion and this project will reduce congestion on Aerodrome Road by removing the height and capacity restriction.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The project is subject to ongoing and robust risk management processes that seek to identify, evaluate and mitigate all possible risks. A Risk Register has

been compiled, attached at Appendix A, and is subject to regular review by the Risk Management Group, comprising officers within the Highways Group and the Strategic Procurement Team.

- 4.2 Risks are examined in a number of ways looking at the probability of their occurrence and their potential impact if they should occur. Given the precise and challenging timeline for the central government funding for this project the timetable for the implementation of this project gives the greatest cause for concern. Further detail on these matters is set out in the main body of the report.

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

- 5.1 The project is being funded by a mixture of Section 106 monies, arising from the Colindale Development Area - £3m and funding from the Department of Communities of Local Government (DCLG) - £7m. The government funding has a definite timeline and is only available until 31 March 2008 with the added requirement that the bridges are constructed by then. Given the high risk nature of the project, and in particular the financial implications of future widening, there is a serious possibility that extra funds might be needed to complete the project. Several potential funding sources have been identified and, as shown in the Risk Register, these are the Government, Transport for London and new S106 Agreements.
- 5.2 An initial Desktop Study carried out by Parsons Brinckerhoff established the viability of the project and helped to secure the Government funding. After taking appropriate procurement advice from the Strategic Procurement Team, Atkins Rail were then competitively commissioned, using the Consultancy Framework Agreement 13709, to provide a more detailed Feasibility Study and establish the preferred design of the bridges. The use of the Framework Agreement complies with our EU procurement requirements. Tenders have recently been invited from a select list of consultants, again using the Consultancy Framework Agreement 13709, to provide the detailed designs and to move the project forward to the tender stage for the appointment of the main civils contractor.
- 5.3 As part of the BAPA funds have also been made available to meet all Network Rail's costs or deploying resources to respond to Council requests for information and other matters. The Council has therefore been exposed to this cost which is estimated at £25k. In addition to the in house resources in terms of officer time required to move the project forward, there are also costs for the production of the feasibility study approximately £90k. The next stage in the project is the Detail Design (estimated cost of the order of £350K) and the Council, following a separate tender process as per the Framework Agreement, is considering awarding Atkins this commission on a time charge basis,. The Aerodrome Road Bridge Replacement project is referenced in the Key Priority Plan of Environment and Transport and this has provided the necessary authority to officers to commission the Feasibility Study and to invite tenders for the detail design stage. The Council's standing orders allow the Head of Environment and Transport to accept the tender from Atkins. The costs so far have been met by the S106 funding.
- 5.4 There are no Staffing, ICT or Property implications arising as a result of this report.

## **6. LEGAL ISSUES**

6.1 Incorporated in the 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 Aerodrome Road bridge replacement project is a major construction project involving the replacement of two masonry arch railway bridges in the Colindale area with costs in the region of £10m. The project is locally important for the Authority as it assists in:-

- Further realisation of opportunities within the Colindale Development Area, and,
- The promotion of integrated transport links with particular benefits to bus links.

### **Progress to date**

8.2 The scheduled date for the completion of the bridges project is March 2008 as can be seen in the programme attached at Appendix B, which sets out the main specific tasks and critical paths to deliver the project on time. However, there will be the need to divert utilities and lower and reconstruct Aerodrome Road after the bridges have been constructed. It is anticipated these two activities will not be completed until December 2008. This is not currently shown on the attached programme as these works may form part of a separate contract. Involvement in this project began in mid 2005 and over the course of the last year progress has been ongoing, in that time officers have:-

- Identified sources and obtained funding for the scheme through a mixture of extant funding support from the DCLG and locally negotiated S.106 construction monies
- Commissioned a Desktop Options Study – to look at a range of options and their feasibility in high level economic and non economic terms for the delivery of the project
- Put in place a Basic Asset Protection Agreement (BAPA) with Network Rail – which allows Network Rail to deploy resources in providing information to the Council
- Established channels of communication with Network Rail to identify relevant constraints
- Established an Overview Group to provide strategic guidance, established sub groups, including a risk management group to take forward the day to day management of the project
- Commissioned a Feasibility Study – to carry out in-situ ground investigations, topographical surveys, detailed bridge designs and drawings – ongoing liaison with Network Rail and Utility companies and set out bridge design proposals to deliver the project



- Negotiated Rail Possessions required for the installation of the two bridges, including the pilling which have now been inserted in Network Rail's possession booking system
- Established identity of utilities and other services affected by the proposed bridges
- Established channels of communication with the Highways Agency
- Carried out trial holes to confirm the location and level of the pile caps of the adjacent M1 bridge

### **Timetable**

8.3 Members will note from the attached works programme, the timetable for the delivery of this project is extremely challenging. There are particular dates that need to be met as the reconstruction of the two bridges needs to be completed in accordance with prefixed Rail Possession times. (The main replacement works need to be achieved within 56 hour line possession times). These complexities create a very narrow window for the work to be carried out. The programming, synchronisation and delivery of tasks as per the timetable are absolutely essential to ensure these Rail Possession times are not overrun.

8.4 The timetable has undergone revisions to ease pressure on a number of the critical paths, these include;-

- to go to tender without full completion of the design works (this relates to the substructure works only – not the design work for the whole of the bridge)
- consideration has also been given to combining the steelwork and the rest of civils work in one contract but leave the design of the substructure under Design and Build
- to order the steelwork as part of a separate contract, prior to the main Civils Contract, as currently steelwork orders need to be placed 12 months in advance due to material shortages
- to carry out the road realignment works – post the construction of the bridge - as part of a separate contract.

### **Network Rail Issues**

8.5 As Network Rail are the owners of the bridges their co-operation and agreement is essential for the delivery of this project. At the time of writing this report there are a number of areas where this agreement has yet to be obtained:-

- The information necessary to allow the consultants commissioned by the Council, W S Atkins, to complete the feasibility study. Information is still outstanding relating to the status of the bridge, Network Rail services and location of third party cables. Detailed information is also required for overhead line equipment layout drawings, as built drawings for the existing bridges and details of the leases granted by Network Rail for the business units near to the bridges.

The provision of this information is essential for the integrity of the feasibility study. Continuing failure to provide this information means that Atkins will qualify their report which will therefore reduce its status. A verbal update will be given to Committee on this issue.

- Network Rail's acceptance of the proposed bridge design, the programme to completion including sequences and other construction related issues, such as headroom clearance. It is anticipated that this will now be discussed with Network Rail in early July.

Without the timely input from Network Rail, the progress of the project will be impeded as their consent on design and other related issues is necessary to move the project forward.

- Progression of underbridge agreement negotiations. Several issues have been identified, including future widening provisions, future maintenance, insurance, indemnities and development land values that will result in the project being halted if they remain unresolved.

The underbridge agreement is an agreement between the Council and Network Rail. It sets out in detail the requirements of Network Rail in relation to risk transfer issues, quality assurance and best practice regarding the implementation of the project and the future maintenance of the infrastructure. This agreement needs to be in place by September 2006 as per the attached programme. Failure to achieve this shall result in delays to the project and therefore has risks for the viability of the overall project.

To date Network Rail have sent a template agreement which has identified the areas that need to be addressed, these include:-

Insurance provisions – the Council will need to provide public liability insurance for the sum of £155 million.

Indemnity. – the Council will need to indemnify Network Rail for the sum of £25 million for any incident arising from or in connection with the works.

Future maintenance – the template agreement sent to the Council by Network Rail has been agreed with the Highways Agency and the County Surveyors Society - this enables Network Rail to require proposing authorities / organisations to pay for the future maintenance of any infrastructure affected by improvement works. Officers are looking at a number of ways to mitigate their future liability including seeking to negotiate the removal of this clause altogether.

- Bridge Strikes – Network Rail requires the Council to be liable for any future bridge strikes by third party vehicles in contract with the Council. This is an issue requiring further explanation and officers will seek to negotiate an outcome satisfactory to the Council. The existing bridges are the sixth most struck rail bridges in the country, although the new design should reduce this significantly.

The new structures will be constructed to withstand any expected impacts. After the bridges have been rebuilt, the carriageway and footways of this section of Aerodrome Road between the A41 and Rowan Drive will be widened out in the vicinity of the bridges lowered to achieve the national clearance height under its new structures of 5.3 metres. Network Rail have advised that they would prefer 5.7 metres clearance and investigations into

the possibility of providing this clearance together with any effects on local access are currently being undertaken.

- Future Widening provisions - Network Rail's position on the widening issue affects the detailed design of the bridges and will have substantial cost implications. Network Rail have indicated that the Council must take the liability of any future widening to the network or the design of the new slow line (east) bridge must be capable of carrying an extra railway line. This line is not required for use presently and they are unable to indicate when it will be used. There are no requirements by Network Rail to widen the fast (west) line bridge.

The physical implications of widening the slow lane bridge (nearest to the motorway) will have considerable cost implications. This is because the bridge is critical in terms of headroom and in order to keep a shallow bridge deck it will be necessary to install additional steel girders and substantially increase the size of the piles. However, because of geology and other restrictions on the plant that can be used to install these piles during the available rail possessions, this is not possible and it may well be necessary to install a separate bridge at an estimated cost of £1.8m. This will increase the cost above the available budget and stop the project if no additional funding is found from other funding sources such as DCLG, TfL or S106 Agreements.

Notwithstanding, the Council are not averse to designing and building the structure to facilitate Network Rail's future requirements. However, given that this requires expenditure over and beyond the sums already secured for the replacement of the two bridges, there will need to be a future approach to DCLG to seek their approval to underwrite any additional costs.

8.6 Appropriate risk management is being applied to the key risks identified in Appendix A to this report. It must be noted that the success of the mitigation measures is ultimately dependant upon the timely response and the full co-operation of Network Rail as there is a knock on effect on every other risk on the risk register. Members therefore need to be aware that Network Rail need to:-

- Demonstrate real commitment to the project and the project timetable;
- Respond in a timely manner to all requests for information; and looking forward,
- Be pragmatic and demonstrate flexibility in the negotiations on the Underbridge Agreement.

8.7 It is the nature of a complex construction project that there will always be risk associated with timely and affordable delivery. Recent dialogue has been problematic due to ongoing difficulties with Network Rail and their inflexibility in understanding or willingness to assist in meeting Council constraints, timetabling, funding or otherwise. Officers will continue to make every effort to work in partnership with Network Rail; however, without their full commitment to the project, the ultimate success in delivering two new bridges by the end of March 2008 is at serious risk.

## **9 LIST OF BACKGROUND PAPERS**

9.1 Network Rail correspondence, dated 13 April and 31 May 2006.

9.2 Project Management – Bridge File and Papers

9.3 Any person wishing to inspect the background papers listed above should contact Chris Chrysostomou telephone 020 8359 7200.

Legal: SWS

CFO:PA

Risk Register for:			Aerodrome Road Bridge								
RISK IDENTIFICATION			RISK ASSESSMENT			RISK ACTION					
			GROSS Risk Assessment (Prior to the influence of treatment)			RESIDUAL Risk Assessment (After the influence of treatment)					
No.	Type of Risk	Risk Description	Likelihood	Impact	Existing Risk Treatment	Likelihood	Impact	Action for Further Risk Treatment	Action Owner	Target Date	
	Eight risk types: Strategic; People; Operational; Financial; Reputation; Information; Regulatory; Other.	What might occur and the impact if it does?	Low Medium High	Low Medium High	What existing processes / controls are in place to manage the risk?	Low Medium High	Low Medium High	What further action (if deemed necessary) is planned to treat the risk? Consider whether the residual risk is Intolerable, Unacceptable, Tolerable, Acceptable, Insignificant.	Who is responsible for the action?	What is the target completion date for this action?	
1	Strategic / Reputation	Serious timetable delays - loss of Gov't money - Bridge work not progressed	Med	High	WS Atkins appointed to produce feasibility study & timetable options. Project steering groups, Risk & Procurement managers in place. Risk Register & Management Group in place	Med	Med	To aggressively monitor the timetable, risk register and the work of Atkins. Appoint consultants next stage. Obtain Position Statement from NR - progress negotiations as fast as practicable. Put in place Communication Strategy.	Overview Group (OG)	28/03/2008	
2	Strategic / Reputation	Unable to reach agreement on the Under Bridge Agreement. Gov't money lost - future regeneration of area affected.	Med	High	To obtain under bridge agreement for Barnet - to check other similar agreements - eg LB Bexley. To obtain NR Position Statement on key issues. Open negotiations - keep all parties informed.	Med	High	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if acting unreasonably.	OG	30/09/2006	
3	Strategic / Operational	Failure to agree on specific underbridge agreement issues including - Future Widening Provisions	High	High	To obtain clarity on NR position - to check other similar agreements - eg LB Bexley. To obtain NR Position Statement on key issues. Open negotiations - keep all parties informed. Involvement of Senior Officers and Gov't officials. Obtain costings on all options - to look at costs of future maintenance and commuted sums	Med	High	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if not delivering.	OG	30/09/2006	
4	Strategic / Operational	Failure to agree on specific underbridge agreement issues - Future maintenance and commuted sums	High	High	To obtain clarity on NR position - to check other similar agreements - eg LB Bexley. To obtain NR Position Statement on key issues. Open negotiations - keep all parties informed. Involvement of Senior Officers and Gov't officials	Med	High	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if it is felt they are being unreasonable.	OG	30/09/2006	
5	Strategic / Operational	Failure to agree on specific underbridge agreement issues - Insurance / Indemnity Clause	High	High	To obtain clarity on NR position - to check other similar agreements - eg LB Bexley. To obtain NR Position Statement on key issues. Open negotiations - keep all parties informed. Involvement of Insurance officers.	Med	High	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if it is felt they are being unreasonable.	OG	30/09/2006	

6	Strategic / Operational	Failure to agree on specific underbridge agreement issues - Development Land 3%	High	High	To obtain clarity on NR position - to check other similar agreements - eg LB Bexley. To obtain NR Position Statement on key issues. Open negotiations - keep all parties informed. Obtain view on additional costs - look at possibility of contingency sums. Involvement of Senior officers and Gov't Officials	Med	High	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if it is felt they are being unreasonable.	OG	30/09/2006
7	Strategic / Operational	Failure to agree on specific underbridge agreement issues - Timetable for agreeing & signing underbridge agreement	High	High	To keep up the pressure on NR - to obtain clarity on NR position on all issues -to obtain NR Position Statement on key issues. Progress negotiations as fast as practicable - identify difficulties early - put in place strategy to deal with them as above	High	High	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if it is felt they are being unreasonable.	OG	30/09/2006
8	Strategic / Operational	NR delay in providing Feasibility Study information -- Status & design of the two bridges · Programme to completion of Project · Forms A and B · Proposed headroom of bridges 5.3m · Consequences of diverting utilities and reconstructing Aerodrome Road after the installation of the bridges.	High	Med	To keep up pressure on NR to deliver the outstanding information, telephone calls, letters. To try and establish good relations with NR. To ensure their buy in to the Project. To ensure everyone knows they will be held responsible if they fail to deliver.	Med	Med	Continuation of existing measures - attempt to bring political pressure brought to bear on NR - if not delivering.	Sub Group (SG)	31/07/2006
9	Strategic / Operational	Flawed timetable construction. Tenders invited prior to design issues completed - giving rise to serious procurement issues - shortage of steel - need to place order one year in advance.	High	High	To ensure there is clear buy in from all parties to all timetabling decisions taken. Ensure tenderers are aware on the basis on which they are bidding. To delay the tender process until after Xmas - when design process near completion. Examine other options- only go out to tender with one contractor supplying steel work & installing it- complete substructure design during tender& negotiate with contractor any changes to substructure. Benefits - one contractor for both steel work & civils (no arguments with steel work not filling during rail possession. Appointment of separate contracts - one for steel works and one for civils works - possible problems with rail possessions.	Med	Med	Continuation of existing measures, obtain buy in from all key parties. Use post tender negotiation to deal with variations. Use NEC contract conditions to further reduce this risk.	OG	28/03/2008

10	Strategic / Operational	Timetable overrun, fail to appoint contractor to carry out the works in time as a result of waiting until design process completely signed off.	High	High	To ensure there is clear buy in from all parties to all timetabling decisions taken. To bring forward the tender process to January 2006 - when design process near completion. Examine other options. Transfer risk to D & B Contractor to submit & negotiate with NR.	Med	Med	Continuation of existing measures, obtain buy in from all key parties	OG	28/03/2008
11	Strategic / Financial / Operational	Insufficient money to cover Procurement and Construction costs	High	High	Cost analysis clearly set out - all risks identified, contingencies in place if overruns occur.	Med	Med	Close monitoring of all costs - regular updates to OG. All parties kept informed - strategy in place to seek further funding from Council / govt or other new S106 monies eg hospital site.	OG	28/03/2008
12	Strategic / Operational	Consultants fail to deliver appropriate design / tender documentation etc	Med	Med	Evaluation process to identify suitable experienced companies and individuals. Regular monitoring of consultants work, quality reviews	Low	Med	Continuation of existing measures	OG	28/03/2008
13	Strategic / Financial / Operational	Impact of failure on Regeneration / transport issues	Med	High	Close liaison with relevant departments to identify effects of failure and to put in place contingency plans to deal with them.	Low	Med	Continuation of existing measures	OG	28/03/2008
14	Strategic / Operational	CABE - unwilling to approve design - puts question mark over funding by GoL	Low	Med	To begin early consultation with CABE and get them on board - seek in principle approval to designs at early stages	Low	Med	Continuation of existing policy.	OG	28/03/2008
15	Strategic / Operational	Design Process - delays arising from Form A issues	Med	Med	To proactively identify potential difficulties. Take remedial steps to address them in consultation with relevant parties, esp NR.	Low	Med	Continuation of existing policy.	OG	28/03/2008
16	Strategic / Operational	Design Process - delays arising from Form B issues	Med	Med	To proactively identify potential difficulties. Take remedial steps to address them in consultation with relevant parties, esp NR.	Low	Med	Continuation of existing policy.	OG	28/03/2008
17	Strategic / Reputation/ Operational	Enabling Works delays	Med	Med	Production of good tender documentation. Conduct good tender process. Appoint suitably qualified Contractor.	Low	Med	To proactively monitor the Contractors work. To put in place early warning signals for problems	OG	28/03/2008
18	Strategic / Reputation/ Operational	Failures in procurement of appropriate steel superstructure contractor & mains civils contractor	Med	High	Production of good tender documentation. Conduct good tender process. Appoint suitably qualified Contractor.	Low	Med	To proactively monitor the Contractors work. To put in place early warning signals for problems	OG	28/03/2008
19	Operational / Reputation	Failures to carry out the work within Rail Possession times	Med	High	Ongoing liaison with NR - proactive monitoring of timetable. Keep all parties informed of issues	Low	Med	Continuation of existing measures	OG	28/03/2008
20	Operational / Reputation	Over runs in possession times	Low	High	Thorough preparation and identification of potential difficulties - measures in place to deal with them, ongoing liaison between contractor, Client NR	Low	Med	Continuation of existing measures	OG	28/03/2008

21	Strategic / Operational	Separate contract for Aerodrome Road - lowering and widening - vfm issues - risks include bridge with substandard headroom. NR may not take ownership until c/w is lowered or impose additional restrictions. Benefits - allows utilities to be diverted after bridges constructed - reducing the closure time of Aerodrome Road.	Med	Med	Careful examination of timetabling and cost issues	Low	Med	Continuation of existing measures	OG	28/03/2008
22	Strategic / Regulatory	Combine Aerodrome Road contract with Main Contracts - timing issues	Med	High	Careful examination of timetabling and cost issues	Low	Med	Continuation of existing measures	SG	28/03/2008
23	Strategic / Operational	Delays - due to difficulties arising with utilities works	Med	Med	Timely dialogue with 3rd Parties / HA / Police / MI5 / Developers / Emergency Services / Land Owners - look at areas of difficulties / agree costs and programme of works, agree overall timetable with them	Low	Med	Continuation of existing measures	SG	28/03/2008
24	Operational	Construction of Embankments - current bridge design poses H/S issues due to ease of access to railway lines	Med	Med	Liaison with all relevant parties. Keep bridge abutment N/side and recreate bridge abutment S/side.	Low	Low	Continuation of existing measures	SG	28/03/2008
25	Strategic / Operational	Steel Works - delays - unable to deliver within 12 month timeline	Med	High	Ongoing dialogue - weekly basis with Steel suppliers - to know latest position	Med	Med	Continuation of existing measures	SG	28/03/2008



**AGENDA ITEM: 10**

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Meeting	Cabinet Resources Committee
Date	27 July 2006
<b>Subject</b>	<b>Parking Contract, Provision of Bailiff Services</b>
Report of	Cabinet Member for Environment and Transport Leader of the Council/Cabinet Member for Resources
Summary	This report seeks approval to go out to tender through the European Procurement Regulations on a voluntary basis for the provision of debt recovery services for the parking contract. The report looks further at the proposed structure for the new arrangements designed to enhance the debt recovery figures.

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Officer Contributors	Mike Freestone, Head of Highways and Environment
Status (public or exempt)	Public
Wards affected	Borough Wide
Enclosures	Appendix A
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

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Contact for further information: Liam Mckinley, Project Manager, 020 8359 3032

## **1. RECOMMENDATIONS**

- 1.1 That the Council go out to tender through the European Procurement Route on a voluntary basis for the provision of bailiff services to recover unpaid Penalty Charge Notices (PCN's). The proposed contract period is four years.
- 1.2 That Members note that it is the Council's intention to appoint a number of Bailiff Companies, under a Framework Agreement, to enhance the flexibility of the Service and to maximise potential income to the Authority.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 There are no relevant previous decisions.

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

- 3.1 The Council has developed a clear vision about its priorities and what it wants to achieve based on "putting the community first" as reflected in the findings from resident surveys. The Corporate Plan's sixth priority is to be a better Council for a better Barnet with the aim to be an excellent organisation. In order to achieve this objective the Council needs to continuously improve how it works and the services it provides to deliver its priorities.
- 3.2 The Traffic Management Act 2004 requires Local Traffic Authorities to effectively manage their road network by maintaining or improving the movement of traffic, preventing or reducing congestion and avoiding danger to persons or other traffic and should not delay in taking such actions to fulfil these responsibilities. The contract for the provision of bailiff services for the recovery of debt relating to unpaid parking penalties will strengthen the parking strategy for the borough and seek to meet the aims and objectives as set out above.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 A Risk Management Working Group has been set up to take this service forward. From the outset the project has been subject to ongoing and robust risk management processes that seek to identify, evaluate and mitigate all possible risks.
- 4.2 A risk management register has been developed in accordance with Barnet procedures. The risk register seeks to identify, evaluate and mitigate all possible risks. Throughout the procurement phase of this project the risk register will be reviewed and refined by the Risk Management Working Group.

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

- 5.1 There are no cost implications to the Council for the services provided by the bailiff companies as the execution of warrants is self financing, however reduction in performance may result in a loss of revenue to the Council.

The bailiff companies derive their income by charging fees to the debtor, in addition to the debt owed to the Council which is recovered. The fees that the Bailiff companies may charge are laid down in Schedule 1 of the Statutory Instrument no. 2072 (L17) – ‘The Enforcement of Road Traffic Debts (Certificated Bailiffs) Regulations 1993’. In all cases no fees shall be recovered by the bailiff company in the event that either the Council request the return of a warrant or where the bailiff company fail to enforce the warrant.

- 5.2 Further detail on the various charges a bailiff can make and the total value of the bailiff fees collectable is set out in the main body of the report.

## **6. LEGAL ISSUES**

- 6.1 None.

## **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. **To check**

## **8 BACKGROUND INFORMATION**

- 8.1 In previous years this service has been procured through the use of a number of Bailiff Companies with the Council’s aims and objectives set out in a contractually binding Service Level Agreement, dated 1 July 2002.
- 8.2 Procurement officers within the Authority have established that this Service falls under Annex II B of the EU Public Procurement Directive 2004/18/EC. Given the potential value of the contract and to ensure best practice is followed, the most efficient way for the Council to comply with the rules and to protect its position is to advertise the contract on a voluntary basis in OJEU.

### **Recovery Procedures**

- 8.3 As part of its parking duties, the London Borough of Barnet (‘the Council’) issues Penalty Charge Notices (PCN’s) to motorist contravening the Council’s Parking Regulations. When a customer fails to pay a PCN, the Council follows a statutory process as set out in the Road Traffic Act 1991 (as amended), in order to recover all revenues owed to the Council.
- Penalty Charge Notice is issued (if payment is received within 14 days of issue, a 50% discount applies to the penalty charge);
  - After at least 28 days, a Notice to Owner is served to the registered keeper of the vehicle (the discounted rate no longer applies);
  - After at least 28 days of the serving of the Notice to Owner, a Charge Certificate is served to the registered keeper. The charge is increased by 50%;

- After at least 14 days of the serving of the Charge Certificate a request is made to register the penalty as a debt (a £5 court registration fee is added to the outstanding charge) ;
- After at least 21 days, a Warrant of Execution is granted and the debt passed to a certified bailiff company.
- The bailiff will then take steps, as permitted in law, to recover the amount due and add charges for sending letters and making visits.
- The warrant will be returned to the Council if the bailiff is unable to collect the debt. Reasons for this include, that the debtor is not at the address provided, or that there are insufficient goods to collect or the address does not exist.

8.4 A Bailiff may enforce warrants of execution on behalf of the Council but first must be personally authorised to do so by the Council's representative. All warrants remain the property of the Council at all times and the Bailiff's employers must immediately notify the Council's representative if any warrant is either lost or stolen. The Council's Representative may withdraw authorisation of an individual bailiff at any time and will do so where it is considered:-

- That a Bailiff has not acted within the scope and spirit of the prevailing legislation
- That a Bailiff has failed to maintain the highest ethical and professional standards
- That a Bailiff has not represented the Council in a responsible and courteous manner when dealing with its Customers
- That a Bailiff has failed to process cases in a sensitive, firm but fair manner.

8.5 The Council intends to appoint multiple Bailiff Companies under a Framework Agreement. The number of companies and the division of workload will be specified in relation to the likely income generated in a particular year. However, there are several factors which affect the total value of bailiff fees collectible from an agreement, these include:

- Volume of warrants given to the bailiff company;
- The average of the warrants given to the bailiff company (some bailiff fees are calculated as a percentage of the outstanding debt);
- The amount and type of activity carried out against each warrant and therefore the charges raised; and
- The proportion of warrants the bailiff company successfully collects.

### **Volume of Warrants**

8.6 The issue of a warrant of execution comes near the end of the process of recovering a PCN. The preceding steps are often varied and diverse. For example, challenges may be made against the validity of the penalty and legal challenges made against the collection process, either of which may cause the recovery process to be extended by up to three months.

8.7 It is therefore difficult to forecast with accuracy the volume of warrants the Council will generate. However, certain parameters can be established using previous years as a guide:-

- In the financial year 2005/06, 41,497 warrants were sent to bailiff companies.

### **Average Value of Warrants**

8.8 The Council issues “Band A” PCNs for CCTV contraventions and “Band B” PCNs for contraventions witnessed by Parking Attendants. These are normally valued at £155 and £125 respectively. The proportion of CCTV contraventions which end up as warrants is similar to the proportion of Parking Attendant contraventions.

8.9 The proportional mix of these differently charged contraventions affects the average value of warrants passed to bailiff companies. Therefore, it is difficult to accurately forecast the mix of warrant values based on a measurement of the mix of recorded contraventions, as recovery timescale and conversion/payment/cancellation rates can vary. However, the future mix is expected to be significantly different to that of 2005/06 – the split being 15.2% / 84.8%.

8.10 In 2006/07, the mix of contraventions are forecast to be 19.3% by CCTV and 80.7% by Parking Attendant. This increase from 15.2% to 19.3% is primarily due to Saturday enforcement of CCTV bus lane cameras. These figures have now been used as the basis for the Parking’s Budget predictions for 2006/7. Therefore by multiplying out, we can now forecast the average value of the resultant warrants.

	Contraventions	Proportion	Normal value
CCTV	39,160	19.3%	£155
PA	164,136	80.7%	£125

**Average  
value**

**£130.78**

This average value can now be used in the calculation of future bailiff fees.

### **Activity carried out against each warrant**

8.11 A summary of the various charges a bailiff company can make when enforcing a warrant of execution are listed below. Legal Services have advised that the bailiff companies charge VAT on these charges, but should not be included in the context of this report, as they are effectively paid to the Crown.

- Letter - £11.20
- Levying distress - 28% of the debt
- Storage - £5.60 per day
- Appraising (valuing) goods – Reasonable fees, charges and expenses
- Removing goods, or attending to remove goods where no goods are removed – Reasonable costs and charges
- Auction costs – 15% of the sum realised plus reasonable cost of advertising, removal and storage
- Where distress is withdrawn or no sale takes place – Reasonable fees, charges and expenses

8.12 On average each warrant attracts two letter fees as per the recovery timetable and distress is then levied on the outstanding amount (including the letter fees).

The likely calculable charges to be raised against each warrant are therefore:

Letter fees = £22.40 (£11.20 x 2)

Levying distress = £42.89 (levied at 28% of outstanding balance of £130.78 + £22.40)

**Total = £65.29**

#### **Proportion of warrants the bailiff company successfully collects**

8.13 In order to gauge the success rate for the collection of outstanding debts it is necessary to look at warrants which have sufficient age to have allowed them to be fully processed, but are recent enough to reflect current and future business activity. Set out in the attached Appendix A is the parking data in relation to collection and recovery value for warrants issued in 2004 / 05. Officers have analysed the warrants issued in the period November 2004 to October 2005, as these will have been in the bailiffs' hands for at least six months. Of these warrants 9.84% have been paid to date.

8.14 Taking this percentage forward then the anticipated value of bailiff charges raised for the year is (£2,709,339); this gives us an expectation that the bailiff companies will receive **£266,599** in bailiff charges in an average year.

#### **Service Objectives**

8.15 As can be seen from above there is a considerable income that the Council can derive from the successful delivery of this service. The major service objectives that the Council expect from the tendering of this service are as follows:-

- The Council's quality procedures and performance standards are comprehensively met;
- Debt due is collected;

- The Contractors performance of the Service represents good value for money
- All viable service improvement opportunities are continually explored and where practical, implemented
- A partnership relationship is developed based on trust, mutual respect and Customer focus.

### **Tendering Process**

8.16 Given that the contract is being tendered on a voluntary basis under OJEU, it is officer's intention to adhere to the Barnet Restricted timetabling procedure which facilitates a faster procurement process and has no adverse effect on costs or resources. Expressions of interest will be requested from suitably qualified and experienced contractors / consortia. Bidders will be required to express an interest in providing these services by completing and returning a Pre Qualification Questionnaire (PQQ). The PQQ will be used as a first stage evaluation process. Bidders will be assessed in relation to technical ability, financial standing, capacity, and experience in similar work, health and safety practices. Quality procedures, equal opportunities and compliance issues. It is anticipated that the contract will be awarded this financial year.

### **Conclusion**

8.17 In conclusion, given the opportunity that it exists:

- to maximize the collection of debt due to the Council;
- to provide a robust parking enforcement regime;
- to ensure best practice is employed in the procurement of his service;
- to achieve the service objectives set out above; and
- to minimize the possibility of any procurement challenge to the Council

it is important that the service is tendered on a Voluntary basis under the European Procurement regime.

## **9 LIST OF BACKGROUND PAPERS**

- 9.1 Agreement for appointment of Bailiffs for Road Traffic Act 1991 – dated July 2002.
- 9.2 Background Papers – Potential Value of an Agreement to provide Bailiff Services – dated 8 May 2006
- 9.3 Any person wishing to inspect the background papers listed above should contact telephone no. 020 8359 3032.

Legal: PJ  
CFO:CM

## Appendix A

### Parking Contract Provision of Bailiff Services

<b>Warrants issued in 2005/06 (used to forecast volume of warrants)</b>	
Number of warrants issued in 2005/06	41,497
<b>Warrants issued in 2006/07 (used to forecast average value of warrants)</b>	
Proportional split of £155 / £125	19.3% / 80.7%
Average value of each warrant	£130.78
<b>Charges per warrant</b>	
Letters	£22.40
Levying distress @ 28%	£42.89
Total charges	£65.29
<b>Total annual charges</b>	<b>£2,709,339</b>
<b>Warrants issued Nov04 to Oct05 (used to forecast expected collection)</b>	
Number of warrants issued Nov04-Oct05	39,135
Number of warrants issued Nov04-Oct05 and paid to date	3,850
% of warrants issued Nov04-Oct05 and paid to date	9.84%
<b>Total annual charges likely to be collected</b>	<b>£266,599</b>



**AGENDA ITEM: 11**

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Meeting	Cabinet Resources Committee
Date	27 July 2006
<b>Subject</b>	<b>CCTV Installation Programme 2006/07</b>
Report of	Cabinet Member for Community Engagement and Community Safety
Summary	To consider amendments to the CCTV Installation programme 2006/07 which adds a further location to those priority locations already agreed

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Officer Contributors	Paul Bragg, Gary Davies and Peter Allen
Status (public or exempt)	Public
Wards affected	Totteridge, Oakleigh, Hendon and East Finchley
Enclosures	Appendix A – Risk Matrix Appendix B - Capital Funding and Estimated Costs Appendix C – Crime statistics
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Paul Bragg, Highways 020 8359 7305

## **1. RECOMMENDATIONS**

- 1.1 That the revised capital funding and programme costs as set out in Appendix B be approved and the resulting saving of £105,000 be returned to central resources in 2006/07.
- 1.2 That the Committee agree to the addition to the Capital Programme of the Hendon Brent Street scheme at a cost of £140,000 in 2006/7 and the Burnt Oak scheme at a cost of £160,000 in 2006/7, with both being funded from Neighbourhood Renewal Fund monies.
- 1.3 Subject to the approval of the above:
  1. That the Head of Environment and Transport arranges for instructions to be placed with the CCTV Term Contractor T. E. Beach to commence with the installation of CCTV in the areas recommended in this report (East Finchley Town Centre, Whetstone Town Centre and Hendon (Brent Street)) at the relevant rates contained within the CCTV Installation Contract 2004-2007.
  2. That the quotations received from BT Redcare for the installation of fibre optic transmission cabling to link cameras to the control room, be accepted.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources Committee 28 July 2004 – Acceptance of the tender for CCTV installation works 2004-2007
- 2.2 Cabinet Committee 17 March 2003 – Decision 6 – Agreement of the priority areas for CCTV over a three year period up to and including 2006/07.
- 2.3 Cabinet Resources Committee 26 September 2005 – Agreement of the Programme for 2005/06 and 2006/07, subject to a review of the crime statistics before commencing with the 2006/07 programme.

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

- 3.1 The Council's Corporate Plan 2006/7 – 2009/10 identifies tackling crime as being one of its five key corporate priorities. It identifies that the Council intend to increase residents' safety and perception of safety and to assist in this aim at least one new CCTV scheme will be implemented per year.
- 3.2 The Council's 'Safer Communities Strategy' 2005-2008, sets out specific targets for reducing crime and the fear of crime.
- 3.3 The document 'Sustainable Community Strategy for Barnet 2006-2016' identifies the vision that residents will feel safer and that there will be a significant reduction in the overall level of crime by 2016. It also identifies the ambition to protect and improve the attractiveness and cleanliness of the Environment and this includes reducing litter, graffiti, flyposting and fly-tipping.
- 3.4 It has been highlighted from Crime and Disorder Audits that CCTV, combined with improved lighting, plays a key role in addressing crime and fear of crime

issues and therefore the proposals contained in this report will assist in achieving all of the above aims.

#### 4. RISK MANAGEMENT ISSUES

4.1 See Appendix A.

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

5.1 Provision has been made in the Council's Capital Programme budgets (reference EN12) in the sum of £417,000 in 2006/07 for the expansion of CCTV to cover additional Town Centre locations and the associated works, including improved lighting where necessary and additional equipment in the control room.

5.2 In a previous report to Cabinet Resources Committee (26 September 2005) it was identified that the estimated capital cost of the works in 2006/7 (proposed to be East Finchley and Whetstone town centres and Watling Market footpath) would be £416,511 and this figure was calculated from the following estimated figures:

1.	£165,992	Cameras and Control Room Works (incl 5% contingency)
2.	£160,000	BT Redcare Works
3.	£ 45,000	Lighting Works
4.	£ 45,519	Fees
	<b>£416,511</b>	

5.3 These figures were at the time estimates. Following detailed site surveys and design work a quotation was sought from BT Redcare for the installation of Fibre Optic cabling links from the camera locations to the control room and the camera installation work has been costed from the T.E. Beach schedule of rates, a more accurate cost of implementing this work has been identified as follows:

1.	£147,500	Cameras and Control Room Works
2.	£155,019	BT Redcare Works
3.	£ 36,302	Fees
	<b>£338,821</b>	<b>Total (Excl Contingency)</b>

Note: Lighting works are not required due to this provision now being included in the PFI Street Lighting Contract.

5.4 The additional costs associated with the addition of the Hendon (Brent Street) scheme to the programme would be as follows:

1.	£ 65,000	Cameras and Control Room Works
2.	£ 45,500	BT Redcare Works
3.	£ 13,200	Fees
	<b>£123,700</b>	<b>Total (Excl Contingency)</b>

**£462,521 Total Cost for East Finchley, Whetstone and Hendon**

- 5.5 Following a bid for Neighbourhood Renewal Fund (NRF) funding a sum of £300,000 was awarded for CCTV installation in crime hot spot areas. The two areas were identified as meeting the funding criteria and these were East Finchley and Burnt Oak (which includes the Watling Market footpath). As the area which would most benefit from CCTV in East Finchley is the Town Centre and approach to the station the NRF funding will be used to fund this scheme rather than the capital budget which had originally been allocated for this location.
- 5.6 There are 5 locations which have been identified for CCTV installation in the Burnt Oak area at an estimated cost of £140,000 in 2007/08 thus leaving a balance of NRF funding of £160,000 for East Finchley in 2006/07.
- 5.7 This therefore reduces the Capital budget requirement to £302,521 with a saving of £114,479 from the current budget provision. In order to allow a contingency sum for this programme the budget requirement is recommended to be £312,000, thereby producing a saving to the capital budget of £105,000 which will be returned to central resources in 2006/07.
- 5.8 Appendix B contains a spreadsheet which shows the breakdown of the figures identified above for ease of reference.
- 5.9 The lifespan of monitors, cameras and recorders involved in the installation of CCTV equipment is relatively short (5-7 years) and improvements in technology can make equipment obsolete after a short period of time. By approving the proposed schemes it needs to be recognised that there will be a need to replace this element of the equipment in between 5-7 years. The cost of these items of equipment equate to about half of the total capital cost.
- 5.10 The previous report to Cabinet Resources identified the associated ongoing running costs of the East Finchley and Whetstone schemes (net additional £86,000 by 2007/08) and these costs have been included in the 2006/07 budget and the Forward Plan. With regard to the Hendon and Burnt Oak schemes, neither require any additional staffing resources and as Hendon is situated near the control room and Burnt Oak already has a hub for existing cameras, maintenance and line rental costs will be minimised. Ongoing running costs are estimated to be approximately £6,000 pa for each scheme and it is intended that these will be contained within overall approved budgets.

## **6. LEGAL ISSUES**

- 6.1 Incorporated in body of 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 CCTV has so far been introduced into the following areas:

Edgware Town Centre  
Golders Green Town Centre  
North Finchley Town Centre  
East Barnet Town Centre  
High Barnet Town Centre  
New Barnet Town Centre  
Mill Hill Town Centre  
Finchley Central Town Centre  
Cricklewood Town Centre  
Burnt Oak Town Centre  
West Hendon Town Centre  
Hampden Square shopping parade  
Graham Park estate central concourse  
Granville Road estate  
Watling Park  
Friary Park  
Claremont Industrial Estate  
Hendon Central

- 8.2 All of the above cameras are monitored from the Council's CCTV control room which operates on a 24 hour 365 days a year basis. All images from the cameras are digitally recorded in time lapse mode and any identified incidences are recorded in real time with incident pictures being relayed to the Met Police control room.
- 8.3 CCTV offers three principal benefits: it acts as a deterrent, it increases the chances of detection and it provides public reassurance thereby reducing the fear of crime. The Corporate Plan has for a number of years, placed tackling crime and the fear of crime as one of its key priority areas and CCTV has been identified as one of the methods to be employed to assist the Council in tackling these issues.
- 8.4 Cabinet Committee agreed, at its meeting on 17 March 2003, the areas to be prioritised for CCTV installation. This was based on a programme of installation over a three year period. This programme commenced in 2004/5 and the areas prioritised for the first tranche, High Barnet, Burnt Oak and Cricklewood town centres were completed during 2004/5. The second tranche to be installed during 2005/6 included Mill Hill and Finchley Central town centres and the third tranche due for installation in 2006/7 were East Finchley and Whetstone town centres.

- 8.5 A further report was considered by Cabinet Resources Committee on 26 September 2005 which identified that due to changing crime patterns that New Barnet Town Centre had become a hotspot for crime based on data received from the police. Committee agreed that New Barnet Town Centre should be added to the programme for 2005/06 and also agreed that before proceeding with the 2006/07 programme the crime statistics should be revisited to see if there are any further areas emerging as crime hot spots. In accordance with this recommendation officers from Environment and Transport, the CCTV Control Room Manager and the Police have studied the recent crime statistics and identified that the Hendon (Brent Street) area currently has higher levels of crime than Whetstone Town Centre. Appendix C identifies the crime statistics in greater detail.
- 8.6 Officers have identified the cost of installing CCTV at Hendon (Brent Street) and these are identified in paragraph 5.5 above.
- 8.7 Due to the funding sources which are available for CCTV it would be possible to add Hendon (Brent Street) to the programme for 2006/7 and still achieve a substantial saving to the 2006/07 Capital budget as identified in paragraph 5.8 above.
- 8.8 The works which are proposed in each area will consist of the installation of poles and cameras in the field, expansion works in the control room (consisting of the installation of additional monitors and recorders) and the installation of transmission cabling from the cameras to the control room. A contract is already in place with T.E. Beach for the installation of the poles, cameras and control room works. The cost of this work is identified at 5.3 and 5.5 of this report and more detail on what is proposed in each location is given below:

#### **East Finchley Town Centre**

It is proposed that eight cameras are installed. Joint surveys have been conducted with the police and the locations of the eight cameras are based on local knowledge of the area and to ensure that there is full coverage of the shopping area and coverage of the area leading to the station. Further video surveys will be carried out before the final positions are confirmed.

#### **Whetstone Town Centre**

It is proposed that six cameras are installed. Joint surveys have been conducted with the police and the locations of the six cameras are based on local knowledge of the area and to ensure that there is full coverage of the shopping area and coverage of the area leading to the underground station in Totteridge Lane. Further video surveys will be carried out before the final positions are confirmed.

#### **Hendon (Brent Street)**

It is proposed that six cameras are installed. Joint surveys have been conducted with the police and the locations of the six cameras are based on local knowledge of the area and to ensure that there is full coverage of the shopping area. Further video surveys will be carried out before the final positions are

confirmed.

The onsite video survey will include recording images from each of the selected positions by day and by night. At the same time a number of alternative sites will also be surveyed and following inspection of the results of the survey the final locations will be selected.

- 8.9 A separate contract is required for the installation of the transmission cabling. BT Redcare is the only company who has a suitable network of ducts to provide cost effective links to the control room and therefore they have provided a quotation for this work. As there is only one reasonable source of supply (BT Redcare) Clause 6.9 of Council's Contract Procedure Rules will apply.
- 8.10 Assuming that approval is granted, the works would commence in early September 2006 with completion of the 2006/07 programme by the end of January 2007.

## **9 LIST OF BACKGROUND PAPERS**

- 9.1 Maps showing proposed locations of cameras
- 9.2 Tender documents and quotation and contract documentation.
- 9.3 Any person wishing to inspect the background papers listed above should telephone 020 8359 7305.

Legal: JEL  
CFO: PA

<b>Risk Management</b>				
Scheme:	CCTV Installation –2006/07 Programmes			
Objective:	To help in the detection, deterrence and prevention of crime. To help reduce the fear of crime and reassure the public. To provide assistance to the emergency services.			
<b>Risk Category</b>	<b>Description</b>	<b>Likelihood of not being met</b>	<b>Impact</b>	<b>Response</b>
Strategic	Objectives may not be met	M	M	Reduce – Design checks will be carried out on site with Day and Night time surveys to finalise positions of each camera to ensure that full coverage of the target areas are achieved. The specification includes for equipment which meets Home Office guidelines to ensure that images will be suitable for prosecution purposes.
Operational	Increase numbers of Monitoring staff will be required in the Control Room	L	M	Reduce – By ensuring that suitable staffing numbers are maintained in the control room, the 24-hour monitoring of the cameras will ensure that incidences are identified and recorded for evidential purposes.
	Unable to locate in desired locations due to utility services and trees	H	M	Reduce – For most locations an alternative position will be surveyed so that any resiting that may be required will still achieve the desired results.
	Co-ordination of a main contractor with two Utility contractors to achieve the programme	M	M	Reduce – Close contract monitoring by officers to ensure that the main contractor is properly co-ordinating the works.
Staffing & Culture	New Staff in the Control Room will require training on the control room equipment and on control room operational procedures.	L	H	Reduce – Training of staff on the control room equipment is an inclusive part of the contract conditions. Control Room manager will arrange training on control room procedures are part of the staff induction.
Financial	Inability to maintain works within allocated budget.	L	H	Reduce – Procedures and monitoring in place to minimize risks of financial irregularities.
	Unforeseen works due to engineering difficulties	M	M	Reduce – Experience has shown that there will always be engineering difficulties when excavating large foundations in busy town centre locations. Contingency sums have been allowed in the contract sums to cater for this.
Compliance	Work outside relevant Legislation and council policies	L	L	Reduce – Procedures and codes of practice in place to ensure compliance with current legislation. CCTV is identified within the Councils Corporate Plan as playing a key role in assisting with the objectives of reducing crime and the fear of crime.

**Key to risk or impact**

L= Low, M=Medium, H= High



## APPENDIX B

### CAPITAL FUNDING AND ESTIMATED COSTS

#### CAPITAL FUNDING

2006/07	
Capital Programme	£417,000
NRF Funding - East Finchley	<u>£160,000</u>
	<u>£577,000</u>

<u>2007/08</u>	
NRF Funding - Burnt Oak	<u>£140,000</u>

TOTAL FUNDING	£717,000
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#### PROPOSED PROGRAMME COSTS

2006/07	
Whetstone & East Finchley TC	£338,821
Hendon TC	<u>£123,700</u>
Total Programme Cost:	<u>£462,521</u>
Contingency Sum:	<u>£ 9,479</u>
:	<u>£472,000</u>

<u>2007/08</u>	
Burnt Oak	<u>£140,000</u>

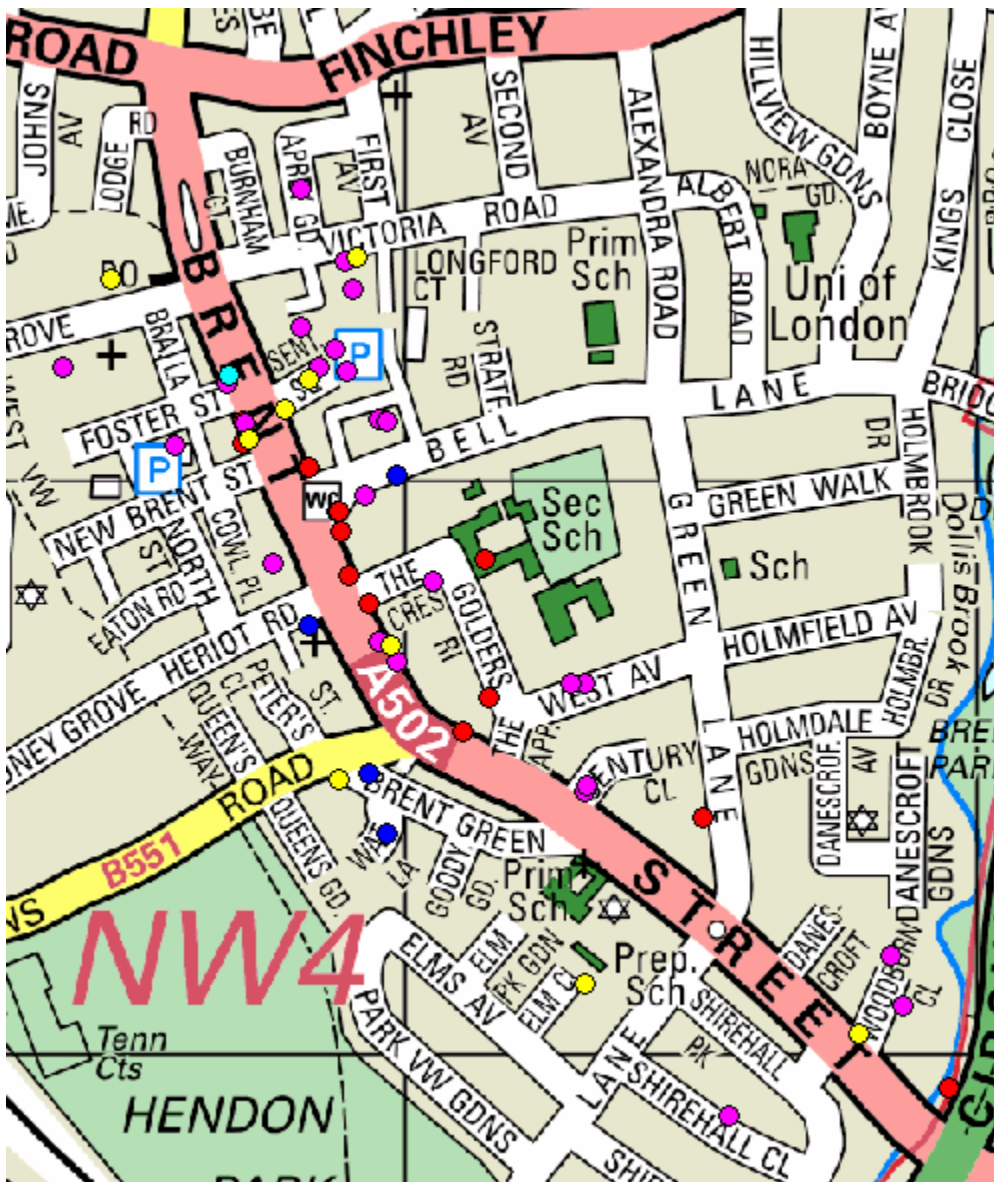
TOTAL PROPOSED COSTS	<u>£612,000</u>
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#### SUMMARY

Total Funding	£717,000
Total Costs	<u>£612,000</u>

<u>Saving to be returned to centre in 2006/07</u>	<u>£105,000</u>
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STREET CRIME BRENT STREET NW4 AREA – SINCE JAN 2006



BRENT STREET NW4

● Actual Bodily Harm	(13)
● Assault S.18	(1)
● Robbery of the Person	(5)
● Theft From Motor Vehicle	(29)
● Theft of Motor Vehicle	(13)
● Theft Person Snatch	(1)

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**AGENDA ITEM: 12**

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Meeting	Cabinet Resources Committee
Date	27 July 2006
<b>Subject</b>	<b>British Red Cross extension for the Joint Contract for Equipment and Minor adaptations - LBB/PCT</b>
Report of Summary	Cabinet Member for Social Care and Housing On 26 <sup>th</sup> September 2005, Cabinet Resources Committee approved the extension of the equipment and minor adaptations contract for two years from 1 <sup>st</sup> July, 2006. There have been some changes in the contractor's organisation and this report seeks to reduce the extension on the contract to one year with an option of a further year extension.

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Officer Contributors	Glynnis Joffe – Assistant Director Health Partnerships
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Glynnis Joffe – Assistant Director Health Partnerships 7

## **1. RECOMMENDATIONS**

- 1.1 In variance to the earlier decision of the Cabinet Resources Committee, the current Integrated Equipment provider, the British Red Cross, have their contract to deliver, collect, service and store community and nursing equipment extended by one year from 1 July 2006 and that the option to extend the contract for a second period of up to twelve months subject to satisfactory performance be agreed.
- 1.2 That the Agreement with the Primary Care Trust (PCT) under section 31 of the Health Act be extended to cover the period of the contract.

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 On 20<sup>th</sup> February 2003, the Cabinet Resources Committee agreed that British Red Cross should be awarded the contract to supply community equipment.
- 2.2 On 26<sup>th</sup> September 2005 Cabinet Resources Committee agreed that the British Red Cross have their contract extended by a further two years from the 1<sup>st</sup> July 2006.
- 2.3 On 26<sup>th</sup> September 2005 Cabinet Resources Committee agreed that upon approval of extension, the Legal Department will be instructed to produce a formal Deed of Variation to effect the changes that have been recommended by the London Borough of Barnet and the Primary Care Trust and agreed in principle by the British Red Cross.

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

- 3.1 Supporting the vulnerable in our community. Equipment can be an effective way of helping people with some risk to their safety to minimise risks and increase their independence.
- 3.2 Promoting independence of vulnerable adults. Equipment and minor adaptations support people with their activities of daily living so that they may live as independently as possible within their abilities to do so.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 At the time of recommending the extension of the contract for two years, officers reported satisfactory performance.
- 4.2 Since that report, two factors have impinged on the management of the contract. The British Red Cross were awarded a contract by the London Borough of Camden and they also lost key staff at the beginning of 2006.
- 4.3 On this basis it would be prudent for the Council only to extend the contract for one year initially, and to review performance over the coming months. A review process has been set up to take place between July and September 2006.

- 4.4 A number of discussions about the performance of the contractor have taken place with senior management of the British Red Cross to ensure good quality service is maintained for Barnet residents during the contractor's organisational changes.

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

- 5.1 There are no special financial, staffing, ICT and property implications related to the above recommendation.

## **6. LEGAL ISSUES**

- 6.1 None.

## **7. CONSTITUTIONAL POWERS**

- 7.1 Constitution Part 3. - Responsibility for Functions - Section 3. Responsibility of the Executive; Paragraph 6 responsibility of the Cabinet Resource Committee.
- 7.2 Contract procedure rules section 5.6 provision for extension of contracts.

## **8. BACKGROUND INFORMATION**

- 8.1 The contract for provision of equipment and minor adaptations is a critical service as equipment promotes safety of individuals. Equipment enables people to maintain their independence in their own homes.
- 8.2 Officers will review the contract over the next 3 months in order to take a view on whether an extension of the contract beyond one year would be appropriate.
- 8.3 The re-tendering process for a contract of this nature is estimated to take from nine months to a year. It is important that a service is in place to meet the equipment and minor adaptations needs of Barnet residents.
- 8.4 Equipment and minor adaptations are financed through a pooled budget under Section 31 of the Health Act 1999. Local Authorities and Health Authorities are required to provide the integrated equipment schemes under pooled budgets. It is therefore necessary for the pooled arrangement to continue for the duration of the extended contract.

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

- 9.1 None.

Legal: DVP  
CFO: HG