Havering
LONDON BOROUGH

CABINET

7.30 pm	**Wednesday 20 November 2013**	**Council Chamber - Town Hall**

Members 10: Quorum 5

Councillor Michael White (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Steven Kelly (Vice-Chair)	(Deputy Leader) Individuals
Councillor Michael Armstrong	Transformation
Councillor Robert Benham	Community Empowerment
Councillor Andrew Curtin	Culture, Towns & Communities
Councillor Roger Ramsey	Value
Councillor Paul Rochford	Children & Learning
Councillor Geoffrey Starns	Community Safety
Councillor Barry Tebbutt	Environment
Councillor Lesley Kelly	Housing & Public Protection

Andrew Beesley
Committee Administration Manager

For information about the meeting please contact:
Andrew Beesley
01708 432437 andrew.beesley@havering.gov.uk

Webcast

Please note that this meeting will be webcast.
Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.

AGENDA

1 **ANNOUNCEMENTS**

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 **APOLOGIES FOR ABSENCE**

(if any) - receive

3 **DISCLOSURES OF PECUNIARY INTEREST**

Members are invited to disclose any pecuniary interests in any of the items on the agenda at this point of the meeting. Members may still disclose a pecuniary interest in an item at any time prior to the consideration of the matter.

4 **MINUTES** (Pages 1 - 8)

To approve as a correct record the minutes of the meeting held on 16 October 2013, and to authorise the Chairman to sign them.

5 **SHARED BACK OFFICE SERVICES WITH THE LONDON BOROUGH OF NEWHAM** (Pages 9 - 154)

6 **OUTLINE PROPOSALS TO ADDRESS PRIMARY RISING ROLLS** (Pages 155 - 188)

7 **EDUCATION & SKILLS DELIVERY STRATEGY** (Pages 189 - 220)

8 **PROPOSAL FOR ADDITIONAL POST 16 PROVISION IN HAVERING FOR YOUNG PEOPLE AGED 16-19 WITH SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES** (Pages 221 - 268)

9 **CORPORATE PERFORMANCE REPORT - QUARTER 2** (Pages 269 - 288)

10 **FUTURE FINANCING MEMBER PROJECT** (Pages 289 - 296)

11 **ROMFORD LEISURE DEVELOPMENT** (Pages 297 - 304)

MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 16 October 2013
(7.30 - 8.35 pm)

Present:

Councillor Michael Armstrong	Transformation (Chairman)
	Cabinet Member responsibility:
Councillor Robert Benham	Community Empowerment
Councillor Andrew Curtin	Culture, Towns & Communities
Councillor Roger Ramsey	Value
Councillor Paul Rochford	Children & Learning
Councillor Geoffrey Starns	Community Safety
Councillor Barry Tebbutt	Environment
Councillor Lesley Kelly	Housing & Public Protection

Apologies were received for the absence of Councillors Michael White and Steven Kelly.

In the absence of the Chairman and Vice-Chairman, Councillor Michael Armstrong chaired the meeting.

Councillors Clarence Barrett, Keith Darvill, David Durant, Linda Hawthorn, Paul McGeary, Pat Murray and Jeffrey Tucker were present for the meeting.

3 members of the public and a representative of the Press were also present.

There were no disclosures of pecuniary interest.

Through the Chairman, an announcement was made advising those present of the emergency evacuation procedures.

84   **MINUTES**

The minutes of the meeting of Cabinet held on 25 September 2013 were agreed as a correct record and signed by the Chairman subject to the following minor amendment:

Minute 79. The minutes incorrectly refer to "Dorking Walk." This should be amended to read "Dorking Road."

85   **BUSINESS RATES RETENTION POOLING OPTION**

Councillor Roger Ramsey, Cabinet Member for Value, introduced the report.

It was reported that the 2013/14 Local Government Finance Settlement had seen the launch of the Business Rates Retention Scheme as the main form of Local Government funding. Under the Retention Scheme, Councils were to be funded through a mixture of the Revenue Support Grant and Business Rates that would make up a Settlement Funding Allocation. Under the scheme, local authorities would be able to retain 30% of their business rate yield (in London, the figure is 50% elsewhere) and would directly benefit from growth in their business rate base.

The Department of Communities and Local Government (DCLG) had encouraged local authorities to pool and had recently released a document called "pooling prospectus" which outlined the benefits and procedures of creating a pool. In May 2013, Thurrock Council commissioned LG Futures to review the potential benefit of pooling. From this exercise, a pool consisting of Thurrock unitary, Basildon district, the London Borough of Barking and Dagenham and the London Borough of Havering had been identified as a viable option. It was explained that in order to join a pool, local authorities had to submit an expression of interest by the 31 October with any permanent arrangements being formally submitted by January 2014.

The report therefore sought authority from Cabinet for officers to enter into discussions with other authorities over a potential pool for financial year 2014/15.

> **Reasons for the decision:**
> In order to maximise the funding available for the council, it was necessary to explore options especially if there are financial impact to local communities. The option sought could potentially bring additional benefits and give financial stability as the risk of any major developments from within the pool could be shared thus minimising the impact to the local rates collected.

> **Other options considered:**
> None. Other options had been explored however the proposed pool would be the most financially viable, as well as being within a geographical area. The pool was a voluntary membership which could be reviewed at any time.

Cabinet:

1. Noted the potential benefits of entering a pooling arrangement and to grant formal authority for officers to enter into discussions in forming a pool and prepare draft documentation for governance of the pooling arrangement.

2. Delegated to the Group Director Resources, in consultation with the Leader, Cabinet Member for Value, and Chief Executive, authority to finalise details of any formal submission to DCLG.

3. Noted that a further report would be brought before Cabinet, should approval be given to the creation of a pool.

86   **HOUSING STRATEGY 2013-2016**

Councillor Lesley Kelly, Cabinet Member for Housing & Public Protection, introduced the report.

The report introduced the Council's draft Housing Strategy for 2013 – 2016 which comprehensively up-dated the previous Strategy. In particular, the new Housing Strategy had been drafted in the form a series of sub-strategies covering:

- homelessness
- affordable housing development
- older people's housing needs
- private sector housing
- supported housing.

Since the previous Strategy was published, there had been many changes in national policy and legislation regarding local authorities' housing powers, notably the reform of the Housing Revenue Account, new opportunities for local authorities to new build affordable homes, and welfare reform. In addition, locally, the Arm's Length Management Organisation, Homes in Havering, had been reintegrated into the Council and the provision of Decent Homes Grant had brought the completion of the Decent Homes Programme in sight.

The draft Housing Strategy built on the progress made over the past three years which would enable the Council to re-think the ways it can meet the on-going pressures of housing demand.

The Strategy had been informed by up-to-date information on the housing needs and aspirations of Havering's residents following the commissioning of an extensive Housing Needs Study in 2012, and on-going dialogue with colleagues across the Council and beyond.

Cabinet noted that a full Equality Analysis had been carried out to inform the development and implementation of the overarching Strategy and Sub-strategies

Reasons for the decision:
The Council's previous Housing Strategy 2008/9 – 2011/12 was now out-of-date. In addition, there had been a number of significant changes to services locally, and policy changes at the local, regional and national levels since its publication affecting the borough's strategic direction and priorities.

Despite current legislation giving the Mayor of London the lead role in housing strategy-making in London, the Secretary of State retained a power to require local housing authorities to produce and keep up-to-date a housing strategy reflecting local needs and priorities. The Local Authority has a duty to ensure that its own housing strategy is in general conformity with the Mayor of London's housing strategy.

Thus, there was no alternative to reviewing and revising the Council's Housing Strategy.

Other options considered:
Develop bespoke approaches to housing issues as they arise rather than produce a detailed Housing Strategy – REJECTED. It was arguably self-

evident that without a strategic approach to major housing issues which typically required (a) cross-service working, (b) financial investment, and/or (c) relatively long development phases, poor decision-making can result, with resultant poor use of resources. If the Council faced housing and related challenges in the borough, such as caring for an aging population, while at the same time making efficiencies, strategic planning was essential.

Cabinet:

1. Approved the draft Housing Strategy and in particular the proposed key priorities for tackling homelessness, promoting new affordable housing development, meeting older people's housing needs, promoting quality in the private housing sector, and providing more supported housing to meet identified need – detailed in section 4 of this report –subject to further consultation within the Council, and with partner organisations and residents.

2. Delegated authority to the Cabinet Member for Housing to consider all of the consultation responses and to make amendments to the key priorities and/or the content of the Housing Strategy, unless any amendment has financial implications in which case further recommendations will be made to Cabinet.

87   **APPROVAL TO CONVERT 6000 SODIUM STREET LIGHTS IN RESIDENTIAL ROADS ACROSS THE BOROUGH TO MORE ENERGY EFFICIENT LED LIGHTS**

Councillor Barry Tebbutt, Cabinet Member for the Environment, introduced the report.

The report before Cabinet set out a proposal to commence relevant processes in order to convert 30% (6000) of the Council's sodium street lights to modern Light Emitting Diode (LED) technology. The proposal would bring significant longer term savings in energy usage/costs, maintenance costs and reduction in carbon emissions.

Cabinet noted that the estimated cost of the project was £1.3 million with a resultant annual energy cost saving of £154k and £59k maintenance saving, at current prices, meaning a payback period of 6.1 years. An interest free loan should be available to the Council to fund 59% (£770k) of the total capital cost with the remaining funding coming from existing capital budgets and TfL Local Implementation Plan (LIP) funding.

Reasons for the decision:
The change of 6,000 sodium street lights across the borough to LED lighting would have a number of benefits including:

- Reduced annual energy costs
- Help future proof the street lighting electricity budget against inevitable future energy price increases

- The installation of the LED lanterns will enable the Head of StreetCare to renegotiate the current maintenance contract to reflect the lower requirement for maintenance of the new lanterns.
- Help residents feel safer safe and more secure. Through superior colour rendering and a higher perceived brightness, the white light of LED lighting makes it easier to distinguish objects, colours, shapes and other details. In particular, facial recognition is easier. White light also gives the most even illumination with fewer areas of intimidating shadow.
- Ensure the light is directed downwards instead of upwards into the night sky. In contrast to the old orange/yellow lighting this will dramatically reduce light pollution in the sky.

Other options considered:
1. Do nothing
   Not implementing energy efficiency measure in the council's street lighting will leave the street lighting energy budget vulnerable to the inevitable future increases in UK electricity costs.

2. Turning off selected lights at night:
    Where implemented by other local authorities this option had often resulted in significant social pressure from the communities affected and in a number of cases lights had been restored back into operational service.

3. Switching lights off completely during hours of low traffic and pedestrian movement:
   This option would reduce energy costs considerably, but it would also place roads into darkness and was likely to meet with the same public resistance as the previous option.

Cabinet Agreed:

1. To proceed to tender for the purchase of 6,000 LED lanterns and the conversion of 6000 sodium street lights, in residential roads.

2. In principle, to apply for the maximum interest free loan available under the Salix Energy Efficiency Loan Scheme (SEELS) of £770,000 to part fund this project.

3. To add the funding of the scheme as set out in Appendix A to the Capital Budget 13/14, and to refer this recommendation to full Council.

4. To delegate award(s) of the contract(s) set out at (a) above to the Group Director of Culture, Community and Economic Development.

88   **DEVELOPMENT OF NEW AFFORDABLE HOUSING**

Councillor Lesley Kelly, Cabinet Member for Housing & Public Protection, introduced the report.

In line with the Council's commitment to address the local need for good quality homes, a number of bids had been submitted to the Greater London Authority (GLA) to attract inward funding for new build housing schemes. Although the

bidding round was extremely competitive, the Council had successfully secured £2,076,000 inward investment from the GLA to fund development in the borough. Of this, approval had already been granted by Cabinet for a bungalow scheme at Garrick House which had attracted £256,500 GLA funding. The report before Cabinet covered seven further schemes consisting of 61 new homes supported by £1,819,500 of GLA grant.

The report sought authority to allocate match-funding from a number of Housing Revenue Account (HRA) and general fund capital sources.

Reasons for the decision:
Development of the proposed schemes would meet well-documented housing need, especially the need for supported housing schemes and the need to provide high quality housing for older tenants to facilitate downsizing from under-occupied family housing. The schemes would also enable the Council to utilise its right-to-buy receipts in line with the agreement made with the Homes and Communities Agency for local determination of the use of such receipts by the Council for new affordable housing development in the borough.

Developing on Council-owned land and retaining control over the new dwellings would strengthen the Council's housing portfolio and future revenue sources.

Other options considered:
Disposal of the land for development by a housing association or private developer was REJECTED. Should the proposed schemes be delivered by housing associations there was significant likelihood that a proportion of the new homes would have to be offered up to the sub-regional pool giving other boroughs nomination rights. Furthermore, this would neither provide the mixed tenure bungalow scheme envisaged as key to encouraging downsizing nor meet housing demands from disable adults.

It was also important to note that should the Council not be able to spend its right-to-buy receipts within three years of their generation, they would need to be returned to the HCA/GLA with interest. These proposals would obviate the risk of this.

Cabinet Agreed:

1. That an allocation of £1,001,863 from the proceeds of right-to-buy council property sales accruing between 1 April 2012 and 31 March 2013 be agreed for this new build programme with onward referral to Council for approval.

2. That an allocation of £3,399,936 resources from the HRA Business Plan, including £353,000 already approved for Hidden Homes works, be agreed for this new build programme with onward referral to Council for approval.

3. That an allocation of £311,891 of section 106 commuted sums be agreed for this new build programme with onward referral to Council for approval.

4.   That an allocation of £110,000 from the Adult Social Care capital budget, from Department of Health grant, to enable the addition of assistive technology to a scheme specifically for Adult Social Care clients be agreed for this new build programme with onward referral to Council for approval.

5.   That a virement of £655,949 from unallocated capital resources held in the Housing General Fund previously earmarked to support vulnerable and/or disabled residents be agreed for this new build programme with onward referral to Council for approval.

6.   That the specific financial allocations from all sources be applied to the constituent schemes as detailed in an exempt appendix to the report.

7.   That authority to make variations to any of the schemes covered in this report deemed desirable following resident consultation and/or identified as a planning requirement is delegated to the Cabinet Member for Housing unless the variations would incur additional capital investment by the Council in which case Cabinet's approval would be sought.

8.   That the estimated £1,300,000 proceeds from sale of the shared ownership element of this new build programme be earmarked for future shared ownership and/or affordable rented developments on sites such as the former Diana Princess of Wales hostel.

9.   That approval be given to commence the process of procuring the main contractors to deliver the schemes.

89   **OPEN GOVERNMENT MEMBER PROJECT**

Councillor Paul Rochford, Cabinet Member for Children & Learning, introduced the report.

At the beginning of the current Council, ten Strategic Administration Projects were established to help deliver services more effectively and in new ways. The Projects were each to be driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

The projects were:

Council Effectiveness	**Neighbourhood Responsibility**
Think Family	**Civic Pride**
Open Government	**Future Financing**
Community Action	**Rainham Compass**
Harold Hill Ambitions	**Romford Regeneration**

In the last year of the current Administration, each Project would report back to Cabinet, to note the achievements attained and the progress made.

The **Open Government** project had now been completed.

The project:

• Set out the Council's ambition to be an 'Open Council'

- Defined which datasets could be freely published via the website.
- Ensured that the Council was meeting statutory obligations to publish data, while looking for opportunities to go further
- Publicised information and opened the Council to public scrutiny in order to improve engagement with local people through more transparent government.

Reasons for the decision:
The report was brought to cabinet to provide Members with an overview of the Council Effectiveness Member project.

Other options considered:
N/A

Cabinet noted the outcomes delivered by the Open Government project.

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Chairman

CABINET

20 November 2013

Subject Heading:	Shared Back Office Functions with the London Borough of Newham
Cabinet Member	Councillor Michael Armstrong Councillor Roger Ramsey
CMT Lead:	Andrew Blake-Herbert, Group Director Resources
Report Author and contact details:	Tony Huff Head of Future Financial Strategy & Back Office Transformation 01708 434155 tony.huff@havering.gov.uk
Policy context:	Council Budget Reductions
Financial summary:	Creation of a Joint Committee estimated to deliver annual savings of £10.612m by 2018/19 (£3.904m to Havering and £6.708m to Newham). Estimated investment and potential redundancy costs of £3.927m to be shared on the basis of the funding agreement. Further details set out in the financial implications section and Business Case
Is this a Key Decision?	Yes
Is this a Strategic Decision?	Yes
Reviewing OSC	Value Overview & Scrutiny Committee

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough   []
Excellence in education and learning   []
Opportunities for all through economic, social and cultural activity []
Value and enhance the life of every individual   []
High customer satisfaction and a stable council tax   [X]

SUMMARY

This report is recommending the creation of a Joint Committee with the London Borough of Newham to create a shared back office function. The shared service is anticipated to save the two boroughs £10.6m per annum by 2018/19 with Havering's share being £3.9m.

RECOMMENDATIONS

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1.   To agree to creating a shared service for back office functions (as listed in the business case Appendix 2 schedule 2) with the London Borough of Newham.

2.   To agree to the setting up of a Joint Committee with the London Borough of Newham as the chosen vehicle to deliver the shared service and to recommend to the Governance Committee that it approves the necessary changes to the Council's constitution to create such a body with an effective date of 1 December 2013.

3.   To agree that power to determine the management structure of the shared service (as listed in the business case Appendix 2 Schedule 2) be delegated to the proposed Joint Committee as from 1 December 2013 and recommends to the Governance Committee that it approves the necessary changes to the Council's Constitution to achieve such a delegation.

4.   To note that further detailed alterations to the council delegations will be required once the senior management structure for the shared service is known and that a further report will go to the Governance Committee in early 2014.

5.   To approve the basis of the funding formula as identified in paragraph 7.1 and 7.2 of this report with the recalculation of the funding agreement percentages to be finalised later in the financial year once final budgets are known for each council.

6.   To approve the delegation to the Group Director (Resources) in consultation with the Lead Member for Value the arrangement for the signing of the Joint Committee Agreement.

<div style="border:1px solid black; text-align:center; font-weight:bold">REPORT DETAIL</div>

1.   The background

1.1   This report is a brief summary of the business case and will need to be read in conjunction with the business case. The business case on the proposed shared back office service is attached.

1.2   Both Newham and Havering Councils have faced considerable financial pressures in recent years, with Havering having to make £40million on savings by 2014. Recognising that reductions in local government funding will continue but, however with little room as individual authorities to make further reductions in support service costs, the two Councils agreed, in October 2012, to work together to fully share back office services. The aim was to drive down costs and make savings which will allow protection for frontline services for residents.

1.3   The two Councils are building on a successful history of joint service transformation work. The Head of ICT is already shared with Newham as is some of the ICT services and in addition the council already undertakes collaboration on procurement.

1.4   Havering and Newham have worked quickly to develop the shared service in order to maximise the savings it can achieve. Go Live is aimed for December 2013, with full redesign and transformation of services completed by 2018/19. The two Councils are also ambitious to market the shared service to other councils, public and third sector organisations, creating a preferred model for support services and generating additional income for both councils.

2.   Benefits of the shared back office service (See section 8 of the business case for details)

2.1   Havering and Newham see the main benefits of the shared service as:
*   Improving the customer experience
*   Increasing operational efficiency
*   Reducing the costs of support services by sharing staff & assets
*   Resilience and flexibility through standard systems and a pool of resources
*   Building on best practice service delivery in either Council
*   Pooling scarce specialist resources and creating additional capacity
*   Savings through common procurement strategies and sharing expertise

- Reducing the cost of transformation for each Council by doing things only once

3. Scope and scale (See sections 9/10 of the business case for details)

3.1 The proposed shared service will include 21 separate services across the two Councils with a combined cost of shared in scope services of £57m and employing 1,100 people. The back office services include:

- Human Resources
- Payroll
- ICT
- Finance
- Council Tax, Benefits and Business Rates
- Legal Services
- Democratic Services

- Procurement
- Business Improvement
- Property, Asset Management and Facilities
- Health and Safety
- Audit, Insurance and Risk Management
- Transport

4. The Delivery Vehicle (See sections 13, and 14.1 to 14.12 of the business case for details)

4.1 The shared service will be delivered through a Joint Committee model, with three members of the Executive from each Council making up the Joint Committee. The Joint Committee was chosen over other models, such as simply outsourcing all the services, as it enables retention of all the savings, provided a more flexible approach to developing the shared service and will allow marketing of the service to take place to additional users. The Joint Committee will go live some time during December once both Councils have given approval.

4.2 Cabinet is recommended to agree the creation of a Joint Committee for the proposed shared service.

5. Joint Committee and Delegations Agreement (See section 14 of the business case and Appendix 2 of the business case)

5.1 A Joint Committee and Delegations Agreement has been developed and is included at Appendix 2 of the business case. This agreement sets out the legal framework that the Joint Committee will work within.

5.2 As the joint Committee will only be responsible for executive functions, its membership will comprise of 3 councillors from each Council who will be selected solely from those councillors with executive functions, ie Cabinet Members. This is a statutory requirement.

5.3   Currently a considerable number of powers are delegated by both Councils to various officers. Work is ongoing to identify which powers will need to be delegated to the joint committee and which will be directly delegated to identified officers. Those delegations will require alteration to the Councils' schemes of delegation which will be reported separately to a future Governance Committee. Initially the power that needs to be delegated to the Joint Committee is the power to determine the format of the senior management structure for the functions that will be run by the Joint Committee.

6.   Staff impact (See section 14.13 of the business case for details)

6.1   Under the proposed model for the shared service all of its staff would continue to be employed by one of the two Councils; the shared service itself would not employ anyone. This means that there would be no need for a TUPE transfer of staff and the impact on the two Councils' pension funds would be negligible. Staff will remain on their existing terms and conditions.

6.2   The first stage of developing the new shared service structure will be the development of a shared management structure, starting later in 2013/14, followed by a redesign of all of the services in the new shared service over the next three years. Any redundancies will be managed through each Council's usual policies and procedures.

6.3   Staff working in the shared service will be located at one or other of the Councils, whilst remaining employed by their current Council.

7.   Financial Savings (See section 15 of the business case for details)

7.1   A funding formula has been developed to share the savings and costs of the shared services.

Type of Savings	Agreement
Senior Management	Pro-rata to the respective relevant 2013/14 baseline budget
Duplication (9%)	50 : 50
Process Efficiency (11%)	Pro-rata to the respective relevant 2013/14 baseline budget
LBN Oracle Implementation	Newham only
Customers	50 : 50

7.2   For the period 1st April 2014 to 31st March 2019 the total annual cost incurred by the Joint Committee in discharging the delegated functions each financial year by the Joint Committee for the period 1st April 2014 to 31st March 2019

should not exceed the amount (at 1ˢᵗ April 2014 values) shown in column B of the table below. The proportion of that total cost paid by Newham and Havering Councils would be as set out respectively in columns C and D of the table below.

	B	C	D
	Total Cost of Shared Services £000	**Newham %**	**Havering %**
2014/15	53,128	64	36
2015/16	49,450	64	36
2016/17	48,296	63	37
2017/18	47,492	63	37
2018/19	46,628	63	37

7.3   The estimated total cost of discharging the delegated functions for future financial years and the relative proportions of the cost to be paid by each Council, following consultation with the Joint Committee, would be recalculated by the Councils annually by mid-January preceding the start of the relevant financial year on the same basis as set out above, unless otherwise agreed by the Councils.

7.4   The annual estimated cost of each delegated functions will be set and agreed by the Joint Committee, based on the annual Service Plan requested by each council and will then only be adjusted in the event of significant differences in the levels of service required by the Council's during the year. For this purpose a significant difference would be more than 1% of the total annual revenue cost of the whole shared service or of the cost of the relevant delegated function.

7.5   It is estimated that the shared service will achieve £41.2 million in savings over five years. £4.1 million in savings in its first full year (2014/15) rising to £10.6million by 2018/19. The split of savings is as follows: Havering will receive £15.1million and Newham £26.1million. These figures do not include any additional savings from accommodation or future joint procurement, or any income from other organisations joining the service.

7.4   The total cost of implementing the shared service is estimated at £3.9million over five years which is less than the first year's anticipated savings.

7.5   The profiled savings for the shared services are as below:

	Estimated Savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Havering	1,460	2,829	3,314	3,566	3,904
Newham	2,652	4,961	5,629	6,182	6,708
Total	4,112	7,790	8,943	9,748	10,612

7.6   The table below shows the estimated breakdown of the savings for Havering net of investment (excluding possible redundancy provision). Savings will not all fall to the General Fund as shown below. It should be noted that the actual split will be finalised as part of the recharging mechanism within the budget setting process.

	Estimated savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Gross savings	1,460	2,829	3,314	3,566	3,904
Investment costs (excl. redundancy)	337	169	-	-	-
Net total savings (excl. redundancy)	**1,122**	**2,660**	**3,314**	**3,566**	**3,904**
General Fund	892	2,114	2,635	2,834	3,103
HRA	118	280	349	376	412
DSG	13	32	40	43	47
Capital	51	120	149	161	176
Pension Fund	34	80	100	107	117
Collection Fund	14	33	42	45	49
	1,122	**2,660**	**3,314**	**3,566**	**3,904**

7.7   Cabinet is recommended to note the savings shown above.

REASONS AND OPTIONS

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8.   Reasons and Options

8.1   Reasons for the Decision

8.1.1   To enable the Council to continue to deliver financial savings a shared back office service with the London Borough of Newham has been proposed.

8.2   Alternative Options Considered

8.2.1   It is considered that minimal further savings in the back office functions could be made without considering alternative arrangements. The business case considers alternative delivery vehicles to that of a Joint Committee but however, it is considered that the alternatives at this moment in time do not deliver the same level of savings in the required timescale.

8.2.2   The setting up of a joint committee at this stage does not preclude the two Councils from deciding on another course of action in the future.

IMPLICATIONS AND RISKS

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9.   Financial implications and risks:

9.1   In simple terms the premise of project Romulus is that the new joint service will cost significantly less than the services currently delivered by the individual boroughs and that these savings will be shared by the two Councils. This would reduce the level of savings needed from other services, whilst reductions in Government funding seem highly likely to continue for several years.

Savings/Cost Share agreement

9.2   As detailed in para. 7.2 of this report the approach to sharing savings has been converted into an overall percentage split through to 2018/19. It is proposed that this split will be reviewed during the Programme's implementation later in 2013/14. It will also be updated should either Local Authority request a significant change to the level of service provided by the Joint Committee.

Potential Savings

9.3   As detailed in section 15.5 of the business case an estimate of the savings to be achieved has been calculated by establishing the controllable cost of each of the services to be shared and calculating a potential saving based on industry norm percentages. These have then been profiled and split between the Councils based on the agreed funding agreement referred to above.

9.4   The total controllable budgets of the services to be shared equals £57.240m. The estimated potential annual savings across the two Councils (not including any programme or transition costs) is £10.612m by 2018/19, as shown in paragraph 15.9.1 of the business case. The split of savings at 2018/19 is £3.904m to Havering and £6.708m to Newham. Estimated savings equate to 18.5% of the controllable service budgets and as such there will be very limited scope for any other significant savings to be delivered in these areas.

9.5   It should be noted that these saving will not all fall to the General Fund as some relate to other funds such as the HRA, DSG and Collection Fund as shown in para. 7.7 above. The actual split will be finalised as part of the recharging mechanism within the budget setting process.

9.6   Other than a general savings target of £500k (14/15) to be delivered via shared services/collaboration with other councils Havering's current budget strategy does not assume the delivery of these savings and as such this will need to be addressed as part of future year's budget setting. Any savings delivered over and above that built into the budget strategy will be treated as a windfall saving in the year in question. However, as the report to the last Cabinet meeting pointed out, it is highly likely that reductions in Government funding will continue for some time, possibly as far as the end of the decade, and as such, it is proposed to develop a new long term financial strategy. This programme will therefore contribute to meeting any future budget gap and/or any shortfall in existing savings. The strategy will be presented to Cabinet shortly after the local elections, for approval by the Administration.

9.7   If further savings are required over and above those stated in this Business Case then reductions in the level of service would need to be considered.

9.8   Whilst every effort has been made to ensure the robustness of the savings estimates above, it should also be noted that actual savings achieved as the scope of services to be shared and management structures are finalised will need to be identified as necessary.

Assumptions made as part of Savings Calculation

9.9   There are a number of assumptions made when calculating the potential savings and these are set out in para. 15.6 of the business case.

9.10   The assumptions do not allow for any further downsizing of the two Councils over the next five years that may occur. It is highly likely that this is going to

have to happen given austerity is with us until the end of the decade, so we should accept this is going to have to happen. The scale of operations of the shared service will therefore have to be adjusted accordingly.

Investment Costs

9.11   In order to generate these savings there will be a level of investment required to facilitate joint working, together with potential redundancy costs. These are estimated to cost £3.927m and further details are set out in section 15.3 of the business case. These costs will then be shared on the basis of the funding agreement. This will be regardless of the council incurring the costs, e.g. if more redundancy costs fall to one council as a result of staff recruitment to the joint committee, both councils will meet their share of costs.

9.12   As part of the creation of the Council's Transformation Reserve, provision has been made to fund redundancy costs. Any redundancy costs arising as a result of these proposals, and/or from any proposals currently being put forward elsewhere in the Council, will as far as possible be met from this Reserve. Should the cost of redundancy payments exceed the funds within the Reserve, the Group Director (Resources) will authorise funding from whatever is felt to be the most appropriate source.

9.13   It may also be deemed appropriate to fund the non redundancy investment costs from the savings delivered.

Funding of Joint Committee

9.14   The exact process is still to be finalised but it is envisaged that the joint committee would set a budget for the year based on service delivery requested by the two councils together with expected funding available from the Council. The process would involve the Councils approving their expected contributions prior to the joint committee budget being finalised.

Termination

9.15   The Joint Committee and Delegations Agreement is attached at Appendix 2 of the business case. This allows the Joint Committee Agreement to be terminated on agreement by both Havering and Newham. Each Council would at this point agree to pay a reasonable payment which reflects the obligations of that Council. Both Councils would need to try to minimise any losses arising from the termination of the Agreement. Amongst other issues the Councils would use their best endeavours to offer priority redeployment to any staff affected.

9.16   Should only one Council give notice it is stated that the Council wishing to withdraw from the Joint Committee would give not less than 12 months notice. The Council would be liable to fund both Councils reasonable costs arising directly from the withdrawal, but however excluding any on-going increase in costs from the carrying of functions within the Shared Services.

Risks

9.17   There are a number of risks associated with this project as follows:

9.17.1 Savings may be lower than anticipated due to in scope services changing. However, there is also a possibility that this could be mitigated by higher savings in some areas and/or accommodation/procurement savings being achieved.

9.17.2 There is a risk that when the service baseline budgets are recalculated this could not only alter the overall savings but impact on each Council's share. We have tried to mitigate these risks by carrying a robust review (and comparison) of both the Newham and Havering budgets.

9.17.3 Savings may be lower than expected should the Councils require an increased level of service or new operating model for the joint service.

9.17.4 There is a risk that the Joint Committee will overspend thus reducing the costs to the Councils but given in many instances it will be the same staff the risk could be seen as no higher than the current risk of overspend faced by the Councils.

9.17.5 Investment and potential redundancy cost may be higher than envisaged; again, this may be mitigated by higher savings in some areas and/or accommodation/procurement savings being achieved.

9.17.6 There is a risk that other corporate programmes will impact on the ability to progress the Romulus savings as anticipated thus leading to a different profile of savings.

10.   Legal implications and risks:

10.1   The delegation of functions by a Council to another body is a major undertaking. In this case it is to a Joint Committee on which the Council will have equal membership with the other member Council. This should give the Council sufficient oversight and therefore comfort that the arrangement will ensure that the necessary services, albeit that they are back office ones, will continue to be provided.

10.2   While it will be possible for the Council, if it should wish to in the future to terminate the arrangement, it will be a complex and potentially expensive action to undertake, even if the other Council jointly agrees to the termination. Unilateral termination will be more expensive as certain costs of the other Council will have to be met.

10.3   However, given the pressure on the Council's budget in future years, the safeguards built into the proposed arrangements and the success of similar, if less extensive, joint arrangements elsewhere, then the relatively limited risks attached to such a proposal are acceptable.

11.   Human Resources implications and risks:

11.1 Given the scale of savings that are being estimated from the Shared Service project, there are likely to be significant HR implications as a result of the proposals to share services between the LB Havering and the LB Newham. However, at this early stage it is difficult to assess the extent of these.

11.2 The HR risks associated with the proposals are also likely to be numerous and a detailed risks and issues assessment should be undertaken and mitigation considered as implementation plans are being developed.

11.3 In general terms, consideration should be given to the following HR risks:

- Whilst equal pay claims between Havering and Newham employees is not a risk (because employees will remain with their current employer), pay differentials between employees from the two Councils undertaking the same or similar work may feel 'unfair' and impact on morale, productivity and turnover.
- The differences in general terms and conditions of employment between the two Councils e.g. levels of leave, operation of flexi-time, pay protection arrangements etc. may also feel unfair to employees in both Councils.
- Operating two different sets of HR policies and procedures may lead to an increase in errors.
- Consideration should also be given to the impact on employees of taking on wider remits and more responsibility with potentially no extra remuneration.
- The potential for redundancies and the subsequent impact on employees that are made redundant and those that remain – the 'survivors' could lead to reduced productivity and poor morale.
- Whilst uncertainty remains around the new structure and individual impact on employees in scope of the project there is a risk that both Councils lose 'talent' where employees (that are able to) move to other employers.
- Lack of training, development and support for employees within scope could again lead to poor morale, an increase in turnover and a loss of 'talent'.
- Potential for challenge by recognised Trade Unions to the proposals and loss of 'goodwill' and flexibility from employees as a result.

11.4 All HR issues which do occur as part of any change process will be dealt with according to each Council's relevant HR policies and procedures and in compliance with employment legislation. All proposed changes will be subject to consultation with staff and their union representatives in both Councils.

11.5 Implementation will require careful handling and a clear communication strategy needs to be developed and put into place to ensure all employees

affected by the proposal in each Council are kept fully informed and uncertainty and disruption minimised.

12.   Equalities implications and risks:

12.1   An Equality Analysis has been undertaken as part of this programme. At this stage it profiles the staff which are currently in scope of this programme as no proposed structures or restructures have been proposed as yet.

12.2   This process will be repeated at key stages to ensure that the Programme is developed in full recognition of the diverse needs, circumstances, and concerns of the people who will be affected by it.

12.3   As the project progresses and structures are developed, it will be easier to identify the risks and to see if any particular protected characteristics are disproportionately affected. It is also recognised that separate EAs might need to be produced for each Council to fully and thoroughly assess the impact on their workforce and communities.

12.4   An Action Plan and an assessment of the impact on the workforce and communities of each Borough and desired equality outcomes, including issues and recommendations will be produced when the EA is reviewed at the point when new structures are proposed.

12.5   The implementation of the Shared Back Office will be managed in accordance with each Council's agreed Change Management procedures, which take full account of equalities legislation and best practice in employment. In addition, employees will retain their current terms and conditions which include all procedures and entitlements as they relate to their employment contract.

BACKGROUND PAPERS

Equalities Assessment

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Sharing Services
Business Case

Options for Havering and Newham Councils to share services, developing an innovative model which achieves significant savings

> Working together to share the cost of bureaucracy provides us with an exciting opportunity to take the best parts from each organisation to create innovative and outstanding support services.
>
> By being creative in our approach to organising our Councils and saving money, we will be able to protect our frontline services which are so vital to our residents.
>
> We are excited to be at the forefront of service innovation and to be working together to become more efficient and deliver a better deal for taxpayers.

Sir Robin Wales
Mayor of Newham

Councillor Michael White
Leader of the London
Borough of Havering

> Havering and Newham have already started this journey by successfully working in partnership to provide a shared ICT service and with collaborative procurement. We need to continue to look at these sorts of ground-breaking measures to save money as we go forward.
>
> This is a really exciting opportunity for us. It's not going to be easy, but if we drive it in the right way, it will be an inspiring project for both Councils to be part of and we will have much to share with others when they start their shared services journey.

Andrew Blake-Herbert
Group Director of Resources
London Borough of Havering

Chris Pope
Executive Director
Resources and Commercial Development
London Borough of Newham

Havering
LONDON BOROUGH

Newham London

1 Document control

1.1 Document details

Name	Romulus Programme Business Case
Version number	1.2
Date	12 November 2013
Status	Final
Author	Stephanie Sharp – Programme Manager
Lead Officer	Chris Pope and Andrew Blake-Herbert
Approved by	Romulus Joint Programme Board
Scheduled review date	

1.2 Version history

Version	Change	Date	Dissemination
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0.3	Various (as per Minutes)	25/9/13	Romulus Joint Programme Board
0.4	Various	26/9/13	Programme Leads
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0.6	15.15	11/10/13	SRO's
0.8	Schedule 5 - Funding Agreement and 15.15.2	24/10/13	Romulus Joint Programme Board
0.9	Workings of the Joint Committee and Counsel Opinion	29/10/13	Romulus Joint Programme Board
1.0	Workings of the Joint Committee and delegations	31/10/13	SRO's
1.1	4.11.2	4/11/13	Romulus Joint Programme Board and Cabinet
1.2	Title	12/11/13	SRO's, Programme Leads

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1.3 Approval history

Version	Change	Date	Approving body	
0.2	Various (as per Minutes)	29/8/13	Romulus Joint Programme Board	3
0.3	Various (as per Minutes)	25/9/13	Romulus Joint Programme Board	
0.6	15.15	11/10/13	SRO's	
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1.1	4.11.2	7/11/13	Romulus Joint Programme Board	
1.2	Title	12/11/13	LBH SRO	

2   Contents

3   Introduction

3.4   The purpose of this document is to provide a case for formally sharing services between the London Borough of Havering and the London Borough of Newham. It provides an assessment of the financial and non-financial benefits, scopes the services which could be shared and discusses the implications of delivering such an initiative.

3.5   Initial work to consider the option of sharing back office functions began in October 2012, with commitment from the Mayor of Newham, the Leader of Havering, both Chief Executives, the sponsoring Directors and the Section 151 Officers to the concept of sharing support services. This has led to the establishment of the Programme which is managing the programme activity to make this aspiration a reality.

4   Executive summary

> *'It is estimated that the shared service will achieve*
> *£41.2 million in savings over five years.*
> *£4.1 million in savings in its first full year (2014/15)*
> *rising to £10.6 million by 2018/19.'*

4.1   Both Newham and Havering Councils have faced considerable financial pressures in recent years. Recognising that reductions in local government funding will continue but with little room as individual authorities to make further reductions in support service costs, the two Councils agreed, in October 2012, to work together to share back office services. The aim was to drive down costs and make savings which will help protect frontline services for residents.

4.2   The two Councils are building on a successful history of joint service transformation work. The Head of ICT is already shared as are some of the ICT services and there is collaboration on procurement.

4.3   Havering and Newham are working quickly to develop the shared service in order to maximise the savings it can achieve. The go live date for sharing services is expected to be April 2014, with full redesign and transformation of services completed by 2018/19. The two Councils are ambitious to market the shared service to other councils and public and third sector organisations, creating a preferred model for support services and generating additional income for both Councils.

4.4   **Benefits of the shared service** (see section 8)

4.4.1   Havering and Newham see the main benefits of the shared service as:

- Improving the customer experience
- Increasing operational efficiency
- Reducing the costs of support services by sharing staff and assets
- Resilience and flexibility through standard systems and a pool of resources

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- Building on best practice service delivery in either Council
- Pooling scarce specialist resources and creating additional capacity
- Savings through common procurement strategies and sharing expertise
- Reducing the cost of transformation for each Council by doing things only once

4.5   **Scope and scale** (see sections 9 and 10)

4.5.1   The proposed shared service will include 21 separate services across the two Councils. The services include:

- Human Resources
- Payroll
- ICT
- Finance
- Council Tax, Benefits and Business Rates
- Legal Services
- Democratic Services
- Procurement
- Business Improvement
- Property, Asset Management and Facilities
- Health and Safety
- Audit, Insurance and Risk Management
- Transport

4.6   **The delivery vehicle** (see sections 13 and 14.1 to 14.12)

4.6.1   The shared service will be delivered through a Joint Committee model, with three members of the Executive from each Council making up the Joint Committee. The Joint Committee was chosen over other models, such as simply outsourcing all the services, as it enables retention of all the savings, provided a more flexible approach to developing the shared service and will allow marketing of the service to take place to additional users. The Joint Committee will go live some time during December once both Councils have given approval.

4.7   **Joint Committee and Delegation Agreement** (see section 14 and Appendix 2)

4.7.1   A Joint Committee and Delegation Agreement has been developed and is included in Appendix 2. This agreement sets out the legal framework that the Joint Committee will work within.

4.7.2   The actual delegation of powers to officers is proposed to take place when the shared service goes live on 1 April 2014.

4.8   **Staff impact** (see section 14.13)

4.8.1   Under the proposed model for the shared service all of its staff would continue to be employed by one of the two Councils; the shared service itself would not employ anyone. This means that there would be no need for a TUPE transfer of staff and the impact on the two Councils' pension funds would be negligible. Staff will remain on their existing terms and conditions.

4.8.2   The first stage of developing the new shared service structure will be the development of a shared management structure, starting later in 2013/14, followed by a redesign of all of the services in the new shared service over the

next three years. Any redundancies will be managed through each Council's usual policies and procedures.

4.8.3 Staff working in the shared service will be located at one or other of the Councils, whilst remaining employed by their current Council.

4.9 **Financial savings** (see section 15)

4.9.1 A funding formula has been developed to share the savings and costs of the shared services.

Type of Savings	Agreement
Senior Management	Pro-rata to the respective relevant 2013/14 Baseline Budget
Duplication (9%)	50 : 50
Process Efficiency (11%)	Pro-rata to the respective relevant 2013/14 Baseline Budget
LBN Oracle Implementation	Newham only
Customers	50 : 50

4.9.2 Based on current budgeted costs this results in a split of 64% for the London Borough of Newham and 36% for the London Borough of Havering in 2014/15 and 63% and 37% from 2016/17 onwards.

4.9.3 It is estimated that the shared service will achieve £41.2m in savings over five years. £4.1m in savings in its first full year (2014/15) rising to £10.6m by 2018/19. The split of savings is as follows: Havering will receive £15.1m and Newham £26.1m. These figures do not include any additional savings from accommodation or future joint procurement, or any income from other organisations joining the service.

4.9.4 The profiled savings for the shared services are as below:

	Estimated Savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Havering	1,460	2,829	3,314	3,566	3,904
Newham	2,652	4,961	5,629	6,182	6,708
Total	4,112	7,790	8,943	9,748	10,612

4.9.5 The breakdown of the savings for each Council net of investment (excluding possible redundancy provision) is shown in section 15.19.

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4.10   **Alternative options considered** (see section 13)

4.10.1 It is considered that minimal further savings in the back office functions could be made without considering alternative arrangements. This Business Case considers alternative delivery vehicles to that of a Joint Committee but it is considered that the alternatives at this moment in time do not deliver the same level of savings in the required timescale.

4.11   **Main recommendations in this Business Case**

4.11.1 This Business Case is recommending the creation of a Joint Committee between the London Borough of Havering and the London Borough of Newham to create a shared back office function with an effective date of December 2013. The shared service is anticipated to save the two boroughs £10.6m per annum by 2018/19.

4.11.2 Also to enable the Joint Committee to determine and recruit to the senior management structure the two Councils are recommended to delegate this function to the Joint Committee to enable them to recommend back to the relevant Council Committee the required appointments.

5   Background - sharing services

5.1   It's clear that funding cuts across the public sector will continue for some years and that councils will need to find new and different ways to reduce their running costs in the future. The exact scale of the reductions from 2014 onwards is not yet known, but it would be reasonable to assume that they will again be significant; therefore to protect frontline services, creative ways of achieving savings need to be adopted.

5.2   Sharing the way local authorities provide their services to the public is rapidly becoming a common approach in the current age of austerity and spending reductions.

5.3   Authorities working together can increase efficiency and value for money by removing unnecessary overheads and duplication in whatever service is delivered. A successful shared service programme can deliver both cashable and non-cashable efficiency gains. This can lead to a win-win situation as combining existing expertise and experience can also raise standards and the quality of service delivery as we look to do more with less.

5.4   Generally when the term shared service is used in the public sector it is to describe sharing of service across two or more authorities either jointly or where one partner delivers on behalf of the others. Within this broad definition of sharing there is a whole spectrum of collaboration from informal sharing of expertise through to fully integrated service delivery.

5.5   Approaches to joint service transformation in their support service functions have already paid dividends for Havering and Newham Councils. The introduction of self service, new ICT arrangements and collaborative procurement have saved money and have changed the way we do business. These partnerships have resulted not only in savings, but also in more focussed and flexible support functions for both local authorities.

6 Council overview

6.1 Havering and Newham are quite different boroughs. We have distinct demographics, our councils have different political control and, unlike many authorities who have shared service arrangements already, we are a few miles apart. We have put these differences aside to focus on doing the right thing for our residents: driving down our costs to protect our frontline services.

Figure 1 – a geographical representation of Havering and Newham in London

	London Borough of Havering	London Borough of Newham
Population *(2011 Census)*	237,232	307,984
Political control	Conservative controlled	Labour controlled
Number of wards	18	20
Election cycle	4 years	4 years
Number of staff	2,641	5,269
Revenue budget	£169,525,853	£275,571,000

Figure 2 – a macro level comparison of Havering and Newham Councils

7 The partnership journey

7.1 Both Councils are be proud to be leading the way in joined up thinking and protecting front line services with this programme.

7.2 Both Havering and Newham are totally committed to this initiative, informally agreeing the approach back in October 2012. This has been developed into an

agreed Shared Vision for sharing back office support functions which the Mayor of Newham and the Leader of Havering have endorsed and which opened with a joint statement of their commitment to the approach.

7.3   Our Chief Executive Officers and our lead Directors have all signed a Memorandum of Understanding stating their commitment for the Councils to work together and create a shared back office support service.

7.4   The programme's Outline Business Case was approved by both Councils' Management teams, with both agreeing that this is a valid programme that should continue and a great opportunity to improve and generate savings that we would not be able to achieve alone.

8   Our vision for sharing services

8.1   The Havering and Newham partnership want to show others that they can breakdown authority boundaries and differences, to deliver better, more efficient back office services. We are very different, but we know party politics and geography need not be a barrier. We have distinct demographics, our councils have different political makeups and use different governance models (Havering having a Leader and Cabinet and Newham an elected Mayor).

8.2   Working together to share the cost of administration provides us with an exciting opportunity to take the best parts from each organisation and to look externally at other models to create an innovative and outstanding back office support service. When we get this right it will be the model for London.

8.3   Often such large scale shared service projects are approached with trepidation and the belief that large scale external private sector involvement and financing is needed to deliver these projects in local government. We are doing it differently. We know we have a wealth of talent in our Councils and are doing it ourselves. We have also given ourselves a challenge to set the shared service up quickly, starting operation in April 2014 and phasing the implementation of efficiencies, showing that when we work together we can get things done.

8.4   We are being innovative in everything we do from the business delivery model to the service design. We will re-engineer all of our services together, using a range of improvement methods including standardisation of the ICT platform, Lean methodology to remove any waste in processes and optimisation techniques to ensure we use our assets in the best way, making the best use of our experts and resources.

8.5   An integral part of our project has been the development of a common shared service enabled ICT platform with seven councils, in the form of One Oracle, which we are currently implementing. This project gives us a standard IT system for our human resources, finance, procurement and payroll tasks. The next phase of our project is to develop these further, developing new modules to improve our services, creating a standard system for those who want to do this next.

8.6   We understand our business and want to create a quality service that enables the services we support to concentrate on their professional area of expertise. We will make sure they have all the information they need at their fingertips, accessible when and where they need it. Our shared service will be business

focused; responsible and flexible, ensuring the services we support can do their job more efficiently and effectively. We will provide the right service, at the right time for the right cost.

8.7 The two Councils will see the service adapt to their changing demands and empower the rest of their business to do their job. They will have a service which is in a great position to grow, by providing services to other partnering local authorities and organisations.

8.8 Not only will we be creating a great service for ourselves but one we can look to provide to others, creating efficiencies and savings for the rest of the public sector community with potential for a further income stream to ourselves.

8.9 We aim that our staff in the new shared service will have opportunities to learn and develop in a different environment. Their customers matter and they will endeavour to provide them with a seamless service. They will be able to work flexibly to provide a quality service.

8.10 The vision for the shared support services between Newham and Havering is to provide:

> *'an efficient and fully integrated support services model that promotes resilience and achieves savings'*

8.11 **The benefits of sharing our back office services**

8.11.1 Organisations that have already shared services have reaped many benefits. Alongside being able to do more with less and enabling the sharing of expertise, sharing services can:

8.11.2 *Improve the customer experience* by building an outstanding service, with focussed experts, best practice business services, the latest Enterprise Resource Planning (ERP) system and a strong customer management focus

8.11.3 *Reduce the cost of support services* by sharing assets (IT, buildings, resources, management) and reducing process cost through economies of scale

8.11.4 *Improve services* by freeing the departments to focus on their core objectives, taking the best from each other to capitalise on our strengths and reduce our weaknesses

8.11.5 *Increase operational efficiency* through improved delivery, better systems and management information

8.11.6 *Create new opportunities* by using our own talent to redesign our business, creating an excellent service which others will want to use and learn from

8.11.7 *Give resilience and flexibility* by using standard systems where a pool of resources is able to cover unexpected resource shortages. Working together also means we are at the forefront of the changing world of local government and ready to help others work differently.

8.12   The challenges of sharing our back office services

8.12.1 As with all large projects there will be challenges ahead. The pressing need to continue to make savings has already helped us to break down political barriers, yet there's still a lot of work to do. Practical issues such as departments having different policies and procedures, our staff having different terms and conditions, what opportunities for staff will be available or how we will operate a new business will all need to be considered.

8.12.2 We see these challenges as an opportunity where we can address all the issues involved with collaboration whilst learning from the best parts of each organisation to create an excellent new service.

8.12.3 Havering and Newham already have a track record of working together. We have shared our ICT function by appointing a joint Head of ICT and are sharing some of our technology. Already we are getting better together.

9   Scope of the shared back office service

9.1   Havering and Newham are ambitious about their new shared back office service and want it to be the best service available.

9.2   This shared service journey has been started with an open mind and a shared belief that anything is possible and all support functions can be considered for inclusion in the programme.

9.3   The new shared service will be created by combining the services from all of Havering's Resources Directorate and most of Newham's Resources and Commercial Development Directorate.

9.4   It is not expected or assumed that Havering and Newham are going to behave in the same manner. Customer delivery will be done in broadly in the same and best way - however this delivery will be fit for purpose meeting a different set of requirements from the clients and customers.

9.5   This programme has considered where Havering and Newham Councils could work really well together and areas where the economies of scale will really help our businesses. Therefore the programme scope is to include the support service functions; those illustrated below are currently included within the scope of the programme.

Figure 3: Services currently in scope

9.6 As well as the services which are currently in scope for sharing, a number of other areas have been identified as having potential for sharing or for one council to put the service into the new vehicle either now or at a later stage of the programme. These are:

- Debt Management (where not included in the services above)
- Rent Accounting (if both Councils end up using the same housing management system)
- Corporate Transformation.

9.7 There may be further services for which it makes sound business sense to share particularly to facilitate business growth to others or where expert resources are difficult to secure which may be included in the programme in the future.

10 A description of the partnering activity

10.1 This section describes the services that will be delivered by the new shared service. A full description of the services' current activity is contained in the Service Catalogue which is attached in Appendix 1. These services combined currently have 1360 full time equivalent (fte) staff.

10.2 Summary of services

London Borough of Havering	London Borough of Newham
Resources Directorate	**Resources and Commercial Development Directorate**
Legal and Democratic Services • Monitoring Officer role • Legal Services • Democratic Services • Electoral Services • Leader's and Mayor's Offices	**Legal** • Monitoring Officer role • Legal Services • Democratic Services, Committees and Partnerships • Scrutiny • Electoral Services
Internal Shared Services • Operational Finance and Human Resource • Operational Procurement • Human Resources, Payroll Pensions and Finance Administration • Customer Relationship and Improvement **Strategic Human Resources and Occupational Development** • Human Resources Business Partners • Corporate Human Resources and Change Strategy • Organisational Development	**Human Resources** • Shared Service Centre • Strategic Human Resources • Employee Services • People, Projects and Participation • Talent • Leadership and Organisational Development • Health and Safety
Finance and Procurement • Section 151 role • Corporate Finance • Strategic Finance Business Partners • Internal Audit, Risk, Insurance and Fraud • Strategic Procurement Business Partner	**Finance** • Section 151 role • Strategic Finance • Financial Control • Revenue and Exchequer Services • Finance Business Partnering • Internal Audit, Counter Fraud, Risk and Insurance • Procurement • Council Tax and Benefits
Exchequer Services • Benefits • Council Tax and Business Rates • Corporate Debt Recovery **Asset Management** • Corporate and School Premises Management • Transport and Fleet Services • Technical Services (Design and Maintenance) • Health and Safety	**Property and Commercial Development** • Programme Management Office and Business Improvement • Facilities Management • Strategic Property • Capital Strategy and School Organisation • Management of Schools Capital
Business Systems • ICT Strategy and Operations • Support Centre • Information Governance • Print Unit	**Business Systems** • Information Governance and Corporate Systems • Support Centre • Print Services • Unified Communications • Architectural Management • Contract and Supplier Management • Portfolio Management and Business Analysis

Figure 4 – a summary of services in the Programme

11 Designing the new service

11.1 In order to design the new service we have developed with support from PwC, a business model framework, a target operating model and a set of design principles.

11.2 The business model framework identifies the key elements we need to consider what we do and helps define the strategic direction for the service.

11.3 The target operating model (TOM) describes the desired end state of business. The TOM anticipates the changes that the business will make to adapt to its environment and meet the changing demands of all stakeholders. The TOM is a blueprint for the new service enabling more detailed plans to be developed in order to achieve our desired service. The TOM has been shaped by the businesses' vision of what the shared service aspires to be and starts to set out how we will achieve our aspirations.

11.4 We have also put in place a set of design principles which flow from the original shared vision and helps ensure that the TOM fully meets our vision.

11.5 **Business model framework**

11.5.1 In order to identify our target operating model the key elements of the business model framework were considered at a workshop with key stakeholders which included members of each Corporate Management team, Section Heads of the in scope services and customers.

11.5.2 It is important to define the key elements of our business model framework as it helps us to design "what we do" by identifying each of the key elements which will then drive the strategic choices. These choices will then help shape "how we do it" in the form of the shared service target operating model.

11.5.3 The key elements we used to find the right business model framework and shape it are:

Key elements	Definition
Customer segments	The customers that the organisation serves
Value proposition	What the organisation does to add value to a customer
Channels	The way in which value propositions are delivered to customers
Customer relationships	How the organisation establishes customer relationships and maintains them for each customer segment
Revenue streams	The revenue streams that result from the value propositions that the organisation successfully offers to a customers. In the public sector this is likely to be a combination of funding and revenue streams
Key resources	The key assets the organisation uses to deliver its value proposition
Key activities	The key activities that the organisation goes through to its value proposition
Key partners	How the key activities are procured and delivered, i.e. some may be commissioned/sourced /or delivered in partnership with others
Cost structure	How the key elements are described in the cost structure of the organisation

Figure 5 – the key elements used in the business model framework (PwC)

11.5.4 These have been populated by key stakeholders of the programme to give us our business model framework below:

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
• Havering • Newham • Customers • Suppliers	• New ways of working	• Flexible service to customers • Deep understanding of customers • Professional and technical • Provide core function for council/customer • Cost vs. quality • Scalable • Transactional support • Scope of services that will be shared • Operational and strategic services • Operational, transactional, and system standardisation with business case exception • Self-service where possible (when cost effective) • Driving efficiencies from in scope services/processes at a consistent level • Effective system and management information to do the job • Local services delivered by local people • Joint ownership to joint outcomes • Retain money in public service • Specialism/expertise delivered cost effectively • No reduction in service levels • Public sector value chains • Resilient • Local Government working locally	• Client function • Business relationship management • Customised relationship: – Set expectations • Service development to increase growth	• Council: – Core services • Schools: – 19 schools as current external customers – Opportunity to win more business – Foundation schools • Businesses • Service users • Other LAs • Operational services: – Different end users – Pensions/payroll – Margins • Union members
	Key resources • Knowledgeable, professional and appropriately skilled • Performance/ outcome linked • High quality leadership • One Oracle Resources		**Channels** • Face to face - key delivery mechanism for operational and strategic support • Web based transaction • Mobile	

Cost structure	Revenue streams
• Commercial Structure • Clarity • Percentage split between the two Authorities with a check conducted – renegotiate with certain parameters	• Core partners • Customers for service • Maintain current revenue streams with position for expansion • Income generating

Figure 6 – the programme's business model framework (PwC)

11.6 Target operating model

11.6.1 Now we understand what we want to do we can work out how to do it. Shared service initiatives have been seen in a number of forms and have been branded as 1st, 2nd or 3rd generation depending on how advanced their design is and if organised around structures, process or outputs.

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1st Generation	2nd Generation	3rd Generation
Organising around structures	**Organising around process**	**Organising around outcomes**
Organisation structures focus, exploring how best to manage resources	Value chain focus, exploring how to best deliver a set of processes	Shared delivery, exploring how to best align interests and inputs of different parties

For example, creating posts to meet particular challenges	*For example, creating shared service centres*	*For example, self service or community ownership*

Figure 7 – the shared services generations (PwC)

11.6.2   The Programme will be using a combination of the shared service generations, making the best business decision for each service.

11.6.3   There are a number of principles the Programme has adopted for it's TOM. Firstly, that where possible customer transaction will be self service using the One Oracle IT platform. This will be particulary evident for transactions relating to Human Resources, Payroll and Finance. Secondly that, where possible, the new service will be designed around process and outcomes, split by strategic, operational and transational functions. This will allow for efficiencies of scale to be achieved for the highly repeatable volume based transactions, whilst retaining and building our professional services who provide operational and strategic support to our customers. It is expected that the full target operating model will take up to three years to fully implement across all the services in scope, to manage the impact on business as usual (BAU) service delivery.
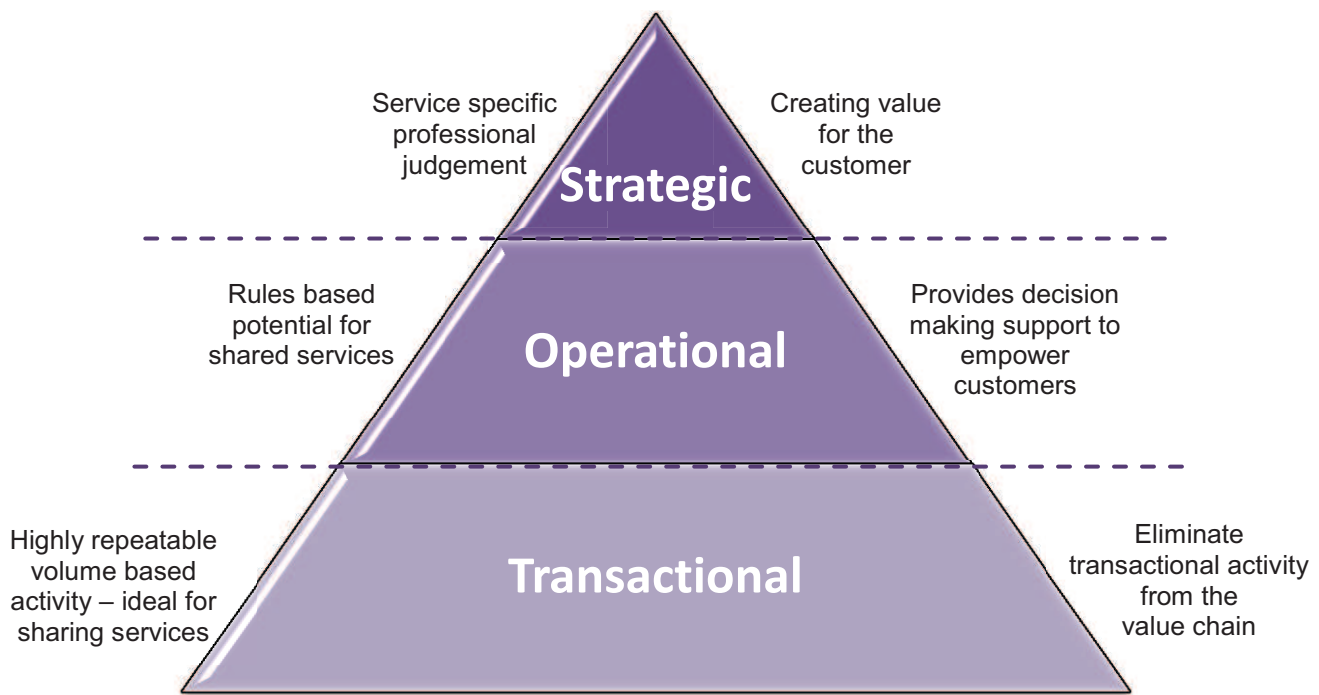
Figure 8 – the strategic, operational and transactional split in the target operating model (PwC)

11.7 Design principles

11.7.1 A set of design principles have been created, these support the business transition and helps prioritise the Programme's requirements to ensure the design aligns with the vision and the return on investment is optimised.

Processes	Standardise processes until they need to be different
	Target operating model will be self-service where possible (when cost effective) and have a transactional and operational/strategic split
	Greater efficiency of process – faster – better for customers – easier – simpler
Organisation	Customer focused culture with focussed experts, freeing the department to focus on their core objectives
	Create a resistant flexible and scalable business model
	Share assets (IT, buildings, resources, management)
	Use our own talent to redesign our business, taking the best from each other to capitalise on our strengths and reduce our weaknesses
	Each council will have their own Section 151 Officer and Monitoring Officer
	Sustainable, cost effective and efficient shared services which are highly competitive and that can provide savings/economics of scale
	Attractive employer brand that attracts the right skills with balance between strategic vs. transactional job opportunities with healthy job creation
Technology and Information	Standard One Oracle ICT platform will be used and developed
	Utilise the latest ERP and standard systems – unless there is a business need to retain multiple systems for future customer growth
	Access to timely, accurate information, when and where needed
Location	Flexible on the location that the service is delivered from (Havering or Newham), which will

	be informed by the customer need. Some services will require face to face contact and staff will be located at the same place as the customer, whilst other staff will travel to the customer sites.
	Utilise new ways of working to elevate any geographic constraints e.g. conference and video calls
	Provides jobs for local people
Business Growth	Operating model is able to adapt to meet the changing needs of the organisation
	Needs to be business focussed and attractive to others
	Create a competitive advantage
	Will be the shared service model for London

Figure 9 – the programmes design principles

11.7.2 The draft operating model is detailed in figure 10 below. It shows how the services would be grouped to meet the aspirations for the new shared service. It is based, wherever possible, on having a strategic, operational and transactional split. Operational Finance and Human Resources are included with the strategic functions but a business partner and strategic split is maintained. This allows the professional head to determine priorities for the service.

11.7.3 It is recommended that the role of Managing Director is created for the shared service. This role would be an amalgamation of parts of the current role of the Group Director Resources at Havering and Executive Director Resources and Commercial Development at Newham. With the current transformation pressures on both councils neither council can afford to lose their existing Director roles. It is therefore proposed that the Managing Director role will be covered by both the current Directors with both remaining as employees of their current Council. The Chief Executive Officers of both Newham and Havering will determine the exact role of each in the shared service. This decision would be reviewed at the appropriate time as the shared service matures.

11.7.4 It is also recognised in the structure that there will be a requirement for a Finance Officer to the Joint Committee within the shared service; this will be considered as part of the senior management restructure process. The actual officer structure for delivering this TOM is discussed later in this Business Case (see 14.13 Employee issues).

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│       ││Democratic││Resources││actional││Manage-││     ││Services │
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Finance	Legal and Democratic Services	Human Resources and Organisational Development	Transactional	Asset Management	ICT	Business Services
Corporate Finance, Strategic and Operational Business Partners, Procurement (non-transactional) Internal Audit	Legal, Elections, Member / Democratic Services	Strategic and Operational Business Partners	Council Tax, Benefits, NNDR, Land Charges, Payroll, Creditors, Debtors, Reconciliation, Procurement (transactional elements only), Pensions, Single Helpdesk	Facilities Management, Transport, Technical Services, Property, Health and Safety	Architecture Management, Systems, Infrastructure and Unified Comms, Project Delivery, Portfolio Management Information Governance	Service Assurance, Customer Relationships, Strategy, New Business, PMO, Transformation

Figure 10 – the target operating model services (the services detailed are illustrative and not a complete list of services operating in the new shared service)

12   The partners' ambition and success criteria

12.8   Customer expectations and requirements

12.8.1   As stakeholders in the Programme, a range of consultation and information gathering exercises is being undertaken with customers to understand their business requirements for the shared service.

12.8.2   The information gathered to date has been used to influence the design of the new service in the TOM and will be used further during implementation to improve services, create the Service Level Agreements and our offering to our customers.

12.8.3   A constraint to the level of service the new shared service can provide will be the level of resources both Councils are willing to put into it.

12.9   Performance management

12.9.1   Performance management of the new shared service will be managed and monitored by the new Business Services division within the structure. This team will add value to the service by managing the customer relationship and monitoring the shared service's performance, ensuring it meets the expectations of the programme and needs of its customers. During the implementation stage of this programme a performance matrix and Service Level Agreements will be developed with customers. The Business Services division will then monitor and manage these on their behalf.

12.9.2   This division will also undertake the re-engineering of the new service, undertaking reviews to bring the services together, improving performance, creating capacity and identifying savings. As well as the work within the shared

service, Business Services will also be focused on offering a project management and business improvement service to each of the Councils to help support their transformation activities. Finally this service will be developing and growing our business, by offering our services to others and supporting our Councils through further income generation.

12.10 Demand management assumptions and level of service provision

12.10.1 In order to design a new service and map out the potential benefits of sharing we have used the current level of resources and service provision as a baseline.

12.10.2 We are aware that the current level of resources and service provision within some of our support services may not be what is required in the future. We have started to tackle these issues in the design of the target operating model, learning from Havering's experience when implementing the original Oracle programme. We have organised the strategic, operational and transactional split of services, by moving operational Finance and Human Resources into the strategic teams, but keeping them as separate teams.

12.10.3 A framework has been developed to look differently at services to make real improvements. The support services will be looked at systematically in a review programme, redesigning and improving each area to ensure we offer an excellent service to our customers. The timetable for this is detailed later in this document (see 15.5.7 Savings calculation).

12.10.4 We also recognise there will be a great demand on the new shared service to support the transformation agenda across both Councils; our Business Improvement and Programme Management Office will be crucial to this. These teams are being built upon and shaped into a cutting edge projects and transformation service to support Havering and Newham in their continued transformation efforts, as well as being available to support other external customers as new business.

12.11 Programme critical success factors

12.11.1 A number of programme critical success factors have been created by stakeholders as part of the target operating model and service design.

Critical success factor	Priority	Definition
Anticipate customer (authorities) needs	5	Customer focused shared service which highlights an understanding, cultural fit, flexible and proactive (not reactive) approach towards its customers to realise customer satisfaction as its main goal – 'can do' attitude
Provide a quality service	5	Ensuring no drop in quality while understanding what services external customers want/need/willing to pay
Resilience	5	Continuously improving and sustainable business with healthy revenue streams
Joint working	5	Across the board and location neutral
Capacity and capability	5	Recognising the two elements: BAU and projects to ensure we have the capacity and capability to deliver these
Mandatory first request/refusal	5	To prevent fragmentation and duplication of provision, the shared service should be the first port of call for all

		relevant support needs for both Councils. Alternative provision should only be agreed where requests cannot be met
Deliver low cost services	4 - 5	Sustainable, cost effective and efficient shared services which are highly competitive that can provide savings/economics of scale (i.e. ROI in 2014/15)
Provide a platform for continuous improvement	4 - 5	A flexible and scalable platform to support services by leveraging innovations in order to enhance market knowledge and self-development to gain competitive advantage (i.e. use of measurable KPIs, case management)
Investing in people and skills	4 - 5	The importance of investing in people and skills to support sustainable business
Revenue streams	4	Maintained revenue while looking for innovative ways to grow and be on the competitive edge by planning/reviewing market trends
Multi-channel	4	Transactional - nationwide, face to face - local
Governance and compliance	3	Ownership with the business that is enabling, advising, recommending, identification of non-compliance
Provide platform for delivering new services	3	The need to balance the current project
Maintain local employment	2	Attractive employer brand that attracts the right skills with balance between strategic vs. transactional job opportunities with healthy job creation

Figure 11 – the programmes critical success factors

13   The preferred option

13.1   Delivery vehicle options

13.1.1   Prior to the development of this Business Case, the Programme Board undertook an assessment of the various business delivery vehicle options available to a shared service programme. By vehicle it is meant the legal entity within which local government collaborations can be formed, for example a Joint Committee, partnership or limited company.

13.1.2   Making the right choice is based on the legal implications for both partners and the ambition of the programme, for example income generating vehicles may require a different vehicle to non-income generating.

13.1.3   The most likely options relating to local authorities in England are:

- Commercial partnerships
- Company (different versions)
- Joint Committees
- Lead authorities
- Trusts
- Unincorporated associations.

13.1.4   Following consideration of all possible vehicles, the options shortlisted by the Romulus Programme Board are to undertake the shared service enterprise through either a company setup (option 1), a Joint Committee (option 2), outsourcing (option 3) or to join another shared service (option 4).

13.2   Keeping the status quo

13.2.1   This Business Case has also considered the viability of not sharing services.

13.2.2   It was considered that this is not an option for either Havering or Newham as delivering services in a different way and sharing them with others is now considered the only option for each authority to make further savings within their support services.

13.3   Option 1 - Limited Company

13.3.1   Option 1 proposes the creation of a company wholly owned by London Borough of Havering and the London Borough of Newham. This provides the benefits of a separate organisation to focus on delivering the shared services.

13.3.2   One company approach is to set up a 'Teckal' company that just trades with the home local authorities and is still under their control. A 'Teckal' company has to do 90% of its business with the owning local authorities and have an intention to remain primarily for that purpose. The EU commission is proposing that this percentage be changed to 80% and a new directive is likely to take effect in mid-2014.

13.3.3   There are legislative constraints on the 'Teckal' company model which would restrict the ability of the shared service to trade and raise revenue from selling services to other organisations. A 'Teckal' company would need to win work from the public sector and others via an OJEU process and could tender and win up to 20% of external work (both public and private sector). Any additional work won over and above this would require a separate trading company.

13.3.4   The model can be extended to local authorities and other public sector bodies. Some other public bodies may need the consent of the Secretary of State to participate.

13.3.5   A company would need to bid for work and go through a full procurement process, except for Havering and Newham Councils. Staff would be required to transfer to the company through TUPE arrangements and there could be implications for each authority's pension funds, although the Programme has identified ways that the pension fund issue could possibly be mitigated. The company would incur overheads associated with running an independent business, such as company registration, accounts, external audit and reporting.

13.4   Option 2 - Joint Committee

13.4.1   Option 2 allows the in scope services to be shared between the partner authorities above and beyond existing levels through the creation of a Joint Committee.

13.4.2   Joint Committees appear to be the most popular vehicles for initiating shared services in local government. A key reason for this is that they are democratically controlled bodies, requiring in their makeup that at least two-thirds of the committee's membership be elected Members. This overcomes the issue of Members feeling their control of a service is diminished under collaboration.

13.4.3   The key elements of a Joint Committee are:

- That they are joint bodies set up, by agreement, to discharge functions and carry out activities jointly on behalf of local authorities and their executives
- All principal authorities, parish and community councils have power to set them up
- Current legislation allows councils (Joint Committee) to provide services to other local authorities/public bodies outside of an OJEU process depending on demonstrating that there is genuine cooperation
- They are attractive to local authorities because their constitutional arrangements are familiar to most people in local government.

13.4.4 However:

- This model is scalable but only within the public sector and cannot provide incidental services to the private sector, although establishing a jointly owned company to trade would resolve this issue
- They cannot employ any staff directly and usually delegate employer responsibilities to one or the other of the partner authorities. This can make cultural change slower, although this eliminates the need to TUPE staff to a new entity and minimises any pension deficit funding issues.

13.4.5 One of the key elements emerging is that a Joint Committee can be the starting point for the development of shared service relationships between partners. From that relationship partnerships can be developed which transform into other vehicles, for example, moving to a company limited by guarantee.

13.5 **Option 3 - Full outsourcing**

13.5.1 Full outsourcing is not currently considered as a viable way of delivering support services for Havering and Newham. This method does not fully support the vision for the Programme as the Councils wish to keep the savings made themselves and reinvest into services, whilst using the best methods from the private sector.

13.5.2 Although early savings could be achieved through outsourcing it is felt that this type of arrangement may struggle to deliver future savings and any savings could be retained by the provider rather than the Councils. The Programme Board also feel that there is some danger being tied into this type of contract during the current financial climate. Other models do not preclude Havering or Newham from outsourcing individual services later.

13.6 **Option 4 – Join another shared service**

13.6.1 Another option is to join an established shared service either as a partner or customer. This option offers the benefit of speed in set-up and cultural change as we would be joining an established service with an existing brand. However, this option would reduce the savings available as we would have to share an estimated 10-20% of our savings with another organisation, though we may have slightly improved transaction costs with the larger scale of business. Depending on the arrangement and terms of entry, this option could support many of the programmes vision, although sharing savings with a third party is likely to be the largest issue with such an arrangement.

13.7 **Evaluation of business delivery vehicle options**

13.7.1 These business delivery vehicle options each have distinct benefits and have been appraised against a set of criteria which were identified as key attributes for a successful venture. Each option was evaluated whether it fully, partially or did not meet the criteria, then each criterion was weighted to how important it is to the programme.

13.7.2 Key elements in assessing the delivery models were alignment with overall vision, cost and quality, ease of gaining external work, speed of delivering benefits and impact on each Council's pension fund. The rationale to the scoring is detailed in Appendix 4.

| | Weighting | Vehicle option | | | |
		Company	Joint Committee	Outsourcing	Join another shared service
Alignment with overall vision	3	6	6	3	3
Lowest cost, at agreed quality delivered consistently	3	6	6	6	6
Speed of benefit delivery	3	3	6	3	6
Ease of gaining external work	3	3	6	0	3
Pension fund issues	3	3	6	0	0
Governance effectiveness	2	4	2	2	2
Flexibility regarding service delivery	2	4	4	2	2
Resilience	2	4	4	4	4
Options for cultural change	2	4	2	4	4
Ability to provide phased approach	2	4	4	2	4
Maturity of model	1	1	2	2	2
Flexibility to evolve model	1	2	2	1	1
Local employment opportunities	1	2	2	1	1
		46	**52**	**30**	**38**

Scoring Key

Fully meets criteria	2
Partially meets criteria	1
Does not meet criteria	0

Figure 12 – the evaluation of the delivery vehicle options

13.8 Recommended business delivery vehicle

13.8.1 On the basis of the research and evaluation process, option 2; a Joint Committee has been selected as the preferred business vehicle for this programme and its workings explored further in this Business Case.

13.8.2 Pension fund issues have been a particular consideration in choosing the business vehicle as some options have a costly impact on our pension funds. This option would have negligible impact on the two Councils' pension funds as the majority of employees will remain with their present employer and pension fund.

13.8.3 The use of a Joint Committee will enable the shared arrangements to be put in place in a more phased basis, negate the need for a TUPE process and enable the joint arrangement to win work from the public sector without necessarily having to go through an OJEU tendering process.

14   The workings of a Joint Committee

14.1   The following section explains some of the legal requirements and workings of a Joint Committee; these are set out in full in the Joint Committee and Delegation Agreement in Appendix 2.

14.2   **Legal powers to set up a Joint Committee**

14.2.1   A Joint Committee can be set up using the following legal powers:

- Section 101(5) and 102 Local Government Act 1972
- Sections 9EA and 9EB of the Local Government Act 2000
- Section 123 Local Government and Public Involvement in Health Act 2007
- The Local Authorities (Committee System) (England) Regulations 2012
- Section 1 of the Localism Act 2011
- Havering and Newham can also rely on the General Power as the main function, together with specific powers arising from services transferred together with section 111 Local Government Act 1972.

14.2.2   The Joint Committee cannot employ any staff itself, but will have functions (and the staff associated with them) delegated by each authority.

14.3   **Funding of the Joint Committee**

14.3.1   The Finance Officer to the Joint Committee would prepare a base budget forecast for the shared service for the next three financial years referencing the approved resources within the service plans. The Joint Committee would submit its funding requirements to each Council for the following financial year.

14.3.2   If either Council disagrees with the amount of contribution, they would firstly pursue the dispute through a resolution procedure (see 14.8 Internal dispute resolution). In the last instance the two Councils have the option to terminate their involvement in the Joint Committee (see 14.6 Withdrawal from the Joint Committee).

14.3.3   The overriding principle is that Havering and Newham will share costs, expenses and savings involved in the sharing of services fairly, transparently and on an agreed share basis. There may need to be exceptions, recognising that there may be differences to the historic and future usage of each of the shared services.

14.3.4   Each Council would ensure that separate account is kept of all costs and expenses involved in supporting the Joint Committee and delivering the shared

services. At the end of the financial year the total costs of the Joint Committee services would be identified, each Council's share calculated and then compared to how much they had actually paid. Where appropriate an equalisation payment will be made between the Councils to bring each Council spend back in line with their agreed share of costs.

14.4 Savings from discharging the delegated functions

14.4.1 Any savings that are made from the delegated functions in the shared service would be split based on the agreed funding formula (see 15.7 Funding agreement).

14.4.2 Any saving made from joint working between the Councils on a service which is not included in these delegated functions or for a service which is delegated by only one of the Councils would not covered by the funding agreement.

14.5 Service Plans

14.5.1 Each Council would need to submit to the Joint Committee Finance Officer their estimate of the funding likely to be available to the shared services for the following three financial years.

14.5.2 The Managing Director would prepare and submit to the Joint Committee each year an annual written service plan for the shared services for the next three financial years, encompassing the service plans for each of the shared services.

14.5.3 On receipt of a service plan for a shared service, the Joint Committee would review, amend if necessary and approve it together with the relevant Service Level Agreement(s). The Joint Committee would be responsible for reviewing the actual performance of the shared services against the Service Plans and Service Level Agreement(s).

14.5.4 The Managing Director would submit to the Joint Committee an annual report on the activities of the shared services over the previous year including an account of financial matters and explaining the main plans and activities for the coming year. The Joint Committee would consider this report before referring it to each Council.

14.6 Withdrawal from the Joint Committee

14.6.1 Either Havering or Newham can withdraw from the Joint Committee. If either Council wishes to withdraw from it they would need to give at least 15 months' notice to the other Council and the Joint Committee. The Joint Committee would consult the Council being given notice to identify any possible loss of funding and expenses incurred as a result.

14.6.2 Within the first three months of the notice period the Council who wants to leave would need to make payments which reflect the reasonable costs of the proposed separation and one off costs of setting up alternative arrangements caused by (or anticipated as a result) the withdrawal, this amount will be agreed by the two Councils. The costs to be incurred will be appropriate and on the basis of open book accounting, in the case of failing to agree this would go to a mediation process.

14.6.3 Any costs identified after the payment has been made remain with whichever Council has legal liability for them.

14.7 Termination of the Agreement

14.7.1 The Agreement can be terminated on agreement by both Havering and Newham. Each Council would at this point agree to pay a reasonable payment which reflects the obligations of that Council.

14.7.2 Both Councils would minimise any losses arising from the termination of the Agreement. Amongst other issues the Councils would use their best endeavours to offer priority redeployment to any staff affected, whether by redeploying the staff to provide one or more of the shared service functions for the Council or to be redeployed more generally and/or by helping to seek alternative employment for them.

14.8 Internal dispute resolution

14.8.1 Any dispute would, in the first instance, be referred to the Service Director of the shared service to resolve in liaison with the other Council. In the event that this could not be resolved it would be referred to the Managing Director of the shared service and if it still could not be resolved, referred to the Council Chief Executive Officers, as Head of Paid Service. If the Chief Executive Officers are unable to resolve the dispute then it would be referred to the Joint Committee for a decision.

14.8.2 If a dispute about the Agreement cannot be resolved through the decision making processes of the Joint Committee the matter would be referred to mediation.

14.9 Scrutiny and audit

14.9.1 It is proposed that the existing separate scrutiny arrangements for each Council would remain.

14.9.2 The relevant Committees of each Council responsible for scrutiny and audit would have the right to inspect any documents relating to the Agreement and have the Joint Committee answer any questions they raise. Both Councils are public authorities as defined by FOI Legislation and therefore information relating to the Agreement may be the subject of an information request.

14.10 Constitution of the Joint Committee

14.10.1 It is proposed that there should be three Executive Members from each Council to act as its nominated members of the Joint Committee. The members appointed would have full voting rights, with each Council having an equal number of votes.

14.10.2 Each member of the Joint Committee would serve on the Joint Committee for as long as they are appointed by their Cabinet.

14.10.3 Both Cabinets would need to decide who to appoint as Chair and that member would remain Chair for one year. The Cabinet that did not appoint the first Chair would then appoint one of its nominated Members as Chair for the second year. The Chair of the Joint Committee would then alternate in subsequent years. The

Cabinet that did not appoint the Chair of the Joint Committee would hold the Vice Chair position.

14.10.4 It is recommended that that the Joint Committee should meet at least every six months. A meeting of the Joint Committee would require a quorum of members of each Cabinet who are entitled to attend and vote. All questions to the Joint Committee would be decided by a majority of the members of the Joint Committee who are present and voting.

14.10.5 The Joint Committee meetings will be open to the public except when discussing confidential items.

14.10.6 Each Council could call in any decision of the Joint Committee in accordance with their overview and scrutiny provision. If a Joint Committee decision is subject to call in by either of the Councils, the Joint Committee would take no action to implement that decision unless the call in process upholds it.

14.10.7 The Joint Committee is able to delegate a function to a sub-committee or an officer.

14.11 Delegations

14.11.1 It is proposed that the Joint Committee will be set up in December 2013 in preparation for the go live of the shared service in April 2014. In this period the Joint Committee would agree the senior management structure of the shared service and consider it's name and branding.

14.11.2 To enable the Joint Committee to determine and recruit to the senior management structure the two Councils are recommended to delegate this function to the Joint Committee to enable them to recommend back to the relevant Council Committee the required appointments.

14.11.3 Currently a considerable number of powers are delegated by both Councils to various officers. Work is ongoing to identify which powers will need to be delegated to the Joint Committee and which will be directly delegated to identified officers. Those delegations will require alteration to the Councils' schemes of delegation which will be reported separately.

14.11.4 These delegate powers to officers should be in place from 1 April 2014 in line with the new shared service officer structure.

14.12 Trading issues

14.12.1 The new shared Service will be marketed to other councils in accordance with the legal ability to do so.

14.12.2 A profit could be made on services provided to other organisations by the shared service, but with some restrictions. The Local Authorities (Goods and Services) Act 1970 permits any local authority to charge another local authority (or Public Body under that Act) – as they see fit. For services provided to others that are not local authorities no profit is permitted to be made under section 93 of the Local Government Act 2003.

14.12.3 Havering and Newham could set up a company to service organisations which do not fall under the 1970 Act and any other proceeding legislation and second

shared services employees to that company or have service level agreements. Profits could then be generated.

14.12.4 The Joint Committee may wish for another council to join the shared service. This could happen by making the other council (such as another London Borough) a full and equal member of the Joint Committee. Such an arrangement would need to be developed at the relevant time by the Councils.

14.12.5 The shared service may be able to sell to other councils and/or public bodies outside of a procurement process providing it was structured to comply with the 'Hamburg Waste Case' and subsequent case law. However the relevant EU case law would need to be considered carefully to ensure that such an arrangement would be legal within the EU procurement directives. The Councils could create a company for third party work and if third party business is likely to surpass the 'Teckal' threshold a group structure of 'Teckal' and 'non-Teckal' entities should be considered.

14.12.6 These models are scalable but with local authorities and other parts of the public sector only. They cannot provide incidental services to the private sector. If there was demand for third party work the authorities could create a company or transfer the joint arrangement into a company at a later date.

14.12.7 Using a Joint Committee does not stop us adopting a company model at a later date. This would enable focus to be given to getting the shared service right in the short term.

14.13 **Employee issues**

14.13.1 Employees who undertake work for the new shared service are employed by either Council and will retain their authority's terms and conditions. The Councils will determine their own terms. Each post in the structure is 'attached' to a council/employer; therefore there is no TUPE of staff. Current employees would remain in their current pension fund and new employees can opt to join the pension fund of their employing council, as they do now.

14.13.2 The Joint Committee would not be affected by equal pay issues as it has no employees itself and individual employees are employed by their relevant Council which are two different entities. It is recognised that an issue for managers will be managing staff with two different sets of terms and conditions.

14.13.3 Where a staff member leaves the shared service leaving a vacancy or a new post is created, the post would recruited to by the Managing Director or Service Director of the relevant shared service (unless it is a Chief Officer or Deputy Chief Officer post). Any newly appointed staff would be employed by the Council which employed the former staff member unless otherwise agreed by the Managing Director, in consultation with the Section 151 Officers of both Councils, or by the Joint Committee, taking account of a number of factors including service and pension fund requirements and the personal circumstances of the prospective employee.

14.13.4 In the event of a Chief Officer or Deputy Chief Officer post becoming vacant candidates for the vacancy will be interviewed by the Joint Committee and their preferred candidate will be recommended to the employing Council to appoint following its own procedural rules.

14.13.5 For statutory officers including the s 151 Oofficer and Monitoring Officer, candidates will be interviewed by the Joint Committee together with the Managing Director and a selection panel (to be agreed for each appointment which may include representatives of the Joint Committee). The Joint Committee would then propose a shortlist of appointable candidates for subsequent interview and appointment by the employing Council in accordance with its procedural rules for such appointments.

14.13.6 For other Chief Officer or Deputy Chief Officer posts candidates for the vacancy will be interviewed by the Joint Committee together with Managing Director and the preferred candidate will be recommended to the Councils for confirmation if required following the relevant procedural rules for appointment of Chief Officers and Deputy Chief Officers.

14.13.7 The Service Director of each shared service would be responsible for the day to day management of the staff in their service including where formal disciplinary action may lead to dismissal of a member of staff.

14.13.8 Each Council needs to ensure that all shared service staff are provided with appropriate authorisation to perform the shared services. Havering and Newham would agree to place their relevant staff at the disposal of the other, in accordance with Section 113 of the Local Government Act 1972 for the purposes of the efficient and effective provision, to the Councils, of the shared services. Any costs incurred by a Council from the secondment of staff would be apportioned in line with the funding agreement.

14.13.9 A senior management structure will need to be developed and put in place; no such structure is included in this Business Case. The Managing Director will develop the structure as a recommendation to the Joint Committee.

14.13.10   Proper arrangements will be put in place for each Council's Section 151 and Monitoring Officer roles once an appropriate senior management structure is in place. The Councils will each directly appoint and employ suitably qualified officers as their Section 151 Officer and Monitoring Officer (as per the process highlighted above in paragraph 14.13.5), who will be part of the shared service. These responsibilities will not be delegated beneath "service director" level which will be reflected in the service structures.

14.14   **'Client function'**

14.14.1 As the proposed shared service will operate as a Joint Committee, no 'client' structure is required. Havering and Newham will manage the services delivered by the programme on the basis that it co-manages the organisation, through a traditional member/officer route.

14.15   **Assets / contracts**

14.15.1 Havering and Newham will need to decide which of them will own what assets in the shared service. Both Councils would draw up an inventory of assets which will be kept and regularly updated by the Joint Committee.

14.15.2 Any contractual arrangements that relate to a shared service would be undertaken by one of the Councils and that Council would apply its own financial regulations and contract procedure rules until such time as the Joint Committee

adopts its own. The Service Director of the shared service that is incurring the expenditure would normally determine which of the Councils' financial regulations and contract procedure rules would apply and in the event of any dispute or uncertainty the matter will be referred to the Managing Director of the shared service to whom all of the Service Directors report.

14.15.3 To give further efficiencies in the future, Havering and Newham could decide to have common financial regulations and contract standing orders as well as other policies. There is no such proposal contained within this Business Case.

14.16 Office accommodation

14.16.1 Accommodating the services we share is an important part of bringing the new service together. The shared service will be flexible on the location that the service is delivered from (Havering or Newham), which will be informed by the customer's need. Some services will require face to face contact and staff will be located at the same place as the customer, whilst other staff will travel to the customer sites. The Programme will utilise new ways of working to elevate any geographic constraints e.g. conference and video calls, hot-desking, mobile working and use of car schemes.

14.16.2 Each Council would provide suitable working accommodation for those staff working within the shared services. If the Joint Committee decides that any staff should relocate from one Council's accommodation to the others, the Council where they relocate would provide the working accommodation.

14.16.3 No savings have been assumed in this Business Case for accommodation. Savings would only be generated if the reclaimed accommodation could be disposed of or let externally. Any savings would be shared in accordance with the funding agreement.

14.17 Risk and insurance

14.17.1 Each Council would be responsible for its own risks irrespective of whether advice was being taken from either Council employee. On this basis Havering and Newham will need to ensure that an adequate level of insurance is in place for support services being provided through a shared service.

15   The economic case for sharing services

15.1   Benefits and savings

15.1.1 Organisations who have already shared back office services have reaped many benefits. Alongside being able to do more with less and enabling the sharing of expertise, the benefits of Havering and Newham sharing services include:

- Improving the customer experience by building a comprehensive outstanding service, with focussed experts, best practice business services, the latest technology and a strong customer management focus
- Reducing the cost of support services by sharing assets (IT, buildings, resources, management) and reducing process cost through economies of scale
- Expanding current best practice service delivery models that exist
- Pooling scarce specialist resources and creating additional capacity

- Sourcing more cost effective services from third party suppliers (where it is not appropriate for the shared service to offer directly)
- Providing savings from adopting common procurement strategies and sharing expertise
- Increasing operational efficiency through improved delivery, better systems and management information
- New opportunities by using our own talent to redesign our business, creating an excellent service which others will want to use and learn from
- Giving resilience and flexibility by using standard systems where a pool of resources is able to cover unexpected resource shortages
- Creating expertise and specialism within the new service – leading to the creation of a Centre of Excellence Services
- Reducing the net cost of change for each authority – as transformation activity can be undertaken once and the outputs shared for each organisation, reducing the relative implementation costs
- Providing opportunities to help other public sector organisations be more efficient too; either as our customer, partner or by learning from what we have achieved.

15.1.2 Beyond the financial benefits, wider opportunities exist to the programme by:

- Supporting culture change – promoting manager and employee self-service and reducing the reliance on support services. Providing the tools and information necessary to enable manager and employee self-service
- Providing an opportunity to deliver services to others – the shared service could use its capacity to deliver services for other organisations
- Freeing management capacity to focus on their core business.

15.2 **Shared services implementation/investment costs**

15.2.1 Each Council will be responsible for the cost of any investment required for the delegated functions split on the basis of the funding agreement (see 15.7 Funding agreement), except where only one Council participates in the service. Where part of the investment involves staffing reductions with consequent severance costs then costs will be shared on the same basis.

15.2.2 If the Joint Committee requires further investment costs then the Joint Committee would need to agree those costs with both Havering and Newham and seek appropriate funding.

15.3 **Estimates of the programme implementation costs**

15.3.1 It has been anticipated that transition or implementation costs for 2014/15 will be £1.903m and for 2015/16 will be £1.344m these figures include development of the ICT platforms, resources to review services and implement change and an estimation of any potential staff reduction or redundancy costs. With potential staff reduction or redundancy costs of £278,000 have been factored into implementation costs for 2016/17, £194,000 in 2017/18 and £208,000 in 2018/19.

15.3.2 In preparation for the programme, we have considered opportunities to share resources early in order to reduce the impact on in scope staff. Generally any

redundancy will be managed in accordance with the terms and conditions for each authority.

15.3.3 It is envisaged that the Joint Committee will be created in December 2013 with the new shared service going live in April 2014.

15.3.4 In order to create a unified service a number of projects to integrate our services, systems and information technology infrastructure are required. As we already share parts of our ICT service, many projects have already been undertaken together which has paved the way for this programme and will make the final integration simpler.

15.3.5 During the implementation phase of the Programme we need to consider what else we need to do to operate our services together, whether that is being able to work from each other's site or working across the boroughs to provide services. These will include:

- Business Improvement
    o a programme of service reviews undertaken by the Business Improvement team –facilitated by temporary additional resources who will undertake the reviews and implement changes
- Shared service ICT development
    o development of Oracle additional modules/systems proposed including: time costing, asset management, FOI, risk management and forecasting with Hyperion link
- ICT infrastructure
    o This will include making changes to our telephone, printing, intranet, email and door entry systems, as well as purchasing new systems for our ICT Helpdesk and to manage our ICT asset.

ICT Infrastructure transition costs breakdown	2014/15 (£000)
Telephony upgrade	150
Door entry systems	30
SharePoint	80
Uniflow printing system	40
Integrations of address book / GAL / Intranet helpdesk	5
Service manager system	40
Migration of data/email	30
CMDB Provance System	80
Total	455

15.3.6 We want the transition to the shared service for our customers to appear seamless; these changes will allow us to offer an improved service and helps bringing together support service teams, which in turn will help create efficiencies.

15.3.7 The overall programme transition (or implementation) costs of £3.927m through to 2018/19 are illustrated in the figure 13. These costs are less than the estimated first year savings and include an element of investment in ICT and other infrastructure for the future.

	2014/15 (£000)	2015/16 (£000)	2016/17 (£000)	2017/18 (£000)	2018/19 (£000)	Total
Possible Redundancy Transition Costs	991	887	278	194	208	**2,558**
Business Improvement Team	257	257				**514**
Shared Service ICT Software Costs	200	200				**400**
Infrastructure Costs	455					**455**
Total	**1,903**	**1,344**	**278**	**194**	**208**	**3,927**

Figure 13 – Estimates of the transition costs of implementing the programme

15.4 Costs of discharging the delegated functions (operational costs)

15.4.1 The annual estimated cost of each shared service will be set and agreed by the Joint Committee, based on the annual Service Plan and will then only be adjusted in the event of significant differences in the levels of service required by Havering and Newham during the year. For this purpose a significant difference would be more than 1% of the total annual revenue cost of the whole shared service or of the cost of the relevant delegated function. Each Council will contribute towards the costs based on the funding agreement (see 15.7 Funding agreement).

15.4.2 Within the service planning process (see 14.5 Service plans) the shared service will produce a three to five year Business Plan that will include any changes in the overall funding available from each Council, new business and sensitivity analysis.

15.5 Savings calculation

15.5.1 The calculations used in this Business Case are based on a shared service industry standard formula and a set of assumptions and therefore cannot be exact and may be prone to deviation.

15.5.2 The savings have been calculated using a standard formula from the savings achieved from other shared services projects and comprise of:

- a 30% reduction of costs in the senior management structure
- a productivity gain of 9% by the services coming together and eliminating duplication

- an 11% efficiency gain by re-engineering services. This does not include HR, Payroll, Finance and Procurement where Havering have already made savings by establishing an Internal Shared Service. It does include the savings to be made by the introduction of One Oracle self-service at Newham (based on the savings made when the original system was introduced at Havering).

15.5.3 The figures used have been formulated from 18 months of academic research at the Canterbury Christ Church University Business School, who reviewed approximately 60 shared service projects in the public sector. The figures used are an aggregate of the savings experienced by other programmes and are in line with industry norms for transformation programmes.

15.5.4 These saving assumptions have been tested to ensure how relevant they are for Newham and Havering by reviewing selected services using established improvement methods (see 15.11 Testing our savings assumptions).

15.5.5 These reviews established that the savings figures are appropriate to be used to estimate the savings which could be achieved through this Programme.

15.5.6 The savings are made on the assumption that the Havering's and Newham's services will come together in 2014/15 (year 1), facilitated by a senior management restructure and the services would be reviewed over a 3 year period.

15.5.7 It is proposed that a phased set of service reviews will be undertaken to assess and plan the coming together of the shared functions. The current proposed reviews are as below:

Year 1	Year 2	Year 2/3	Year 3
• Payroll • Transactional Finance • Transactional HR • Pensions (contract at LBH) • Procurement (transactional / operational / strategic) • ICT • NNDR • Legal • Democratic Services / Election Services (after Legal) • Facilities Management • Health and Safety • Management of School Capital	• Operational / Strategic Finance • Audit Insurance and Risk • Operational / Strategic HR • Debt Management / Recovery team	• Property • Technical Services • Post Room	• Benefits • Council Tax

Figure 14 – proposed service review timetable

15.6 Key assumptions used in calculating the savings

15.6.1 There have been a number of assumptions that have been used in calculating the estimated savings for this programme. They are:

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- The savings currently do not include any anticipated savings for accommodation or joint procurement of non-shared service contracts
- The figures do not include any potential income from selling services to others in the future
- A detailed analysis of in scope cost centres has been undertaken to identify those costs that are in scope and could be shared. This allows a high level of confidence to be taken in the baseline costs. The baseline assumes that the income currently received will continue but excludes recharges and capital charges. In addition employee costs are net of superannuation back funding costs
- The calculation does not take account of any transfer of benefits staff to the Universal Credit Agency that could occur in the future. The current costs of these staff are therefore included in the calculations above
- No savings have been assumed where only one borough is putting a service into the new vehicle, other than management savings. These are classed as services in scope but not shared
- It is assumed that 75% of the senior management savings will be realised in year 1 (2014/15)
- It is assumed that a productivity gain (9%) will be achieved by coming together to share services and reducing duplication. In 2014/15 75% of this saving will be realised for year 1 reviews, 50% for year 2 reviews and 25% for year 3 reviews. It is assumed that 100% of the productivity gain will be achieved in 2015/16 for all services
- It is assumed that the service reviews will create process efficiencies (11%) phased over years 1 to 5. It is expected that the services reviewed will achieve:
  - Year 1 reviews - 25% efficiency savings in year 1, 50% year 2 and 100% year 3
  - Year 2 reviews - 25% efficiency savings in year 2, 50% year 3 and 100% year 4
  - Year 3 reviews - 25% efficiency savings in year 3, 50% year 4 and 100% year 5.
- It is assumed that the Programme will achieve 50% of the Newham One Oracle project estimated savings in year 1; it is also noted that the ICT/Business Systems budgets include Oracle support which may be rationalised as part of the One Oracle Project. This has not been included in the savings calculation
- The assumptions do not allow for any further downsizing of the two Councils over the next five years that may occur, however we know this is likely to happen and will this will be planned for at that time
- If further savings are required over and above those stated in this Business Case then reductions in the level of service would need to be considered.

15.7 Funding agreement

15.7.1 A funding agreement is required to share the savings from the shared service. A number of variants have been considered ranging from a 50:50 split to the savings being based on the 2013/14 possible budget input to the shared service.

15.7.2 Officers of the two Councils are proposing the following agreement:

Type of Savings	Agreement
Senior Management	Pro-rata to the respective relevant 2013/14 baseline budget

Duplication (9%)	50 : 50
Process Efficiency (11%)	Pro-rata to the respective relevant 2013/14 baseline budget
LBN Oracle Implementation	Newham only
Customers	50 : 50

Figure 15 – the saving split agreement

15.7.3 Any savings accruing to the partnership from new customers to the shared service will be shared on a 50:50 basis.

15.7.4 The total cost of discharging the delegated functions each financial year by the Joint Committee for the period 1st April 2014 to 31st March 2019 should not exceed the amount (at 1st April 2014 values) shown in column B of the table below and the proportion of that total cost paid by Newham and Havering Councils would be as set out respectively in columns C and D of the table.

	B	C	D
	Total Cost of Shared Services £000	Newham %	Havering %
2014/15	53,128	64	36
2015/16	49,450	64	36
2016/17	48,296	63	37
2017/18	47,492	63	37
2018/19	46,628	63	37

Figure 16 – the saving split agreement maximum costs

15.7.5 The total cost of discharging the delegated functions for future financial years and the relative proportions of the cost to be paid by each Council would be recalculated by the Councils annually by mid-January preceding the start of the relevant financial year on the same basis as set out above, unless otherwise agreed by the Councils.

15.7.6 The annual estimated cost of each delegated functions will be set and agreed by the Joint Committee, based on the annual Service Plan and will then only be adjusted in the event of significant differences in the levels of service required by the Council's during the year. For this purpose a significant difference would be more than 1% of the total annual revenue cost of the whole shared service or of the cost of the relevant delegated function.

15.8 **Estimated savings**

15.8.1 The estimated potential annual savings across the two Councils (not including any programme or transition costs) is £10.612m by 2018/19. The split of savings at 2018/19 is £3.904m to Havering and £6.708m to Newham. The five year profile of these savings is shown in the figure 17. However not all savings will fall to the general fund, the split of these is detailed in figures 19 and 20.

	Baseline budget (2013/14) (£000)	Investment cost (2013/14 to 2018/19) (£000)	Anticipated cost after investment (by 2018/19) (£000)	Anticipated annual savings (by 2018/19) (£000)
In scope - shared service				
Havering	22,417	1,453	18,514	3,904
Newham	34,823	2,474	28,114	6,708
In scope – not shared				
Havering	6,368		6,368	-
Newham	346		346	-
Total	**63,954**	**3,927**	**53,342**	**10,612**

Figure 17: An illustration of the estimated savings of the Programme

15.8.2 The figures for Newham include £1.263m savings from the implementation of the One Oracle shared service system.

	Estimated Savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Havering	1,460	2,829	3,314	3,566	3,904
Newham	2,652	4,961	5,629	6,182	6,708
Total	4,112	7,790	8,943	9,748	10,612

Figure 18: A five year illustration of the estimated savings of the Programme

15.9 **Fund savings breakdown**

15.9.1 The next two tables show the savings breakdown for each Council over five years across different council funds with the redundancy and investment costs netted off of the gross savings.

15.9.2 London Borough of Havering

	Estimated savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Gross savings	1,460	2,829	3,314	3,566	3,904
Investment costs (exc redundancy)	337	169	-	-	-
Net total savings (exc redundancy)	**1,122**	**2,660**	**3,314**	**3,566**	**3,904**
General Fund	892	2,114	2,635	2,834	3,103
HRA	118	280	349	376	412
DSG	13	32	40	43	47
Capital	51	120	149	161	176
Pension Fund	34	80	100	107	117
Collection Fund	14	33	42	45	49
	1,122	**2,660**	**3,314**	**3,566**	**3,904**

Figure 19: An illustration of the net savings figures for the London Borough of Havering

15.9.3 London Borough of Newham

	Estimated savings				
	Year 1 2014/15 (£000)	Year 2 2015/16 (£000)	Year 3 2016/17 (£000)	Year 4 2017/18 (£000)	Year 5 2018/19 (£000)
Gross savings	2,652	4,961	5,629	6,182	6,708
Investment costs (exc Redundancy)	575	288	-	-	-
Net total savings (exc redundancy)	**2,077**	**4,673**	**5,629**	**6,182**	**6,708**
General Fund	1,596	3,590	4,324	4,749	5,154
HRA	347	780	940	1,032	1,120
DSG	-	-	-	-	-
Capital	81	182	219	241	261
Pension Fund	54	121	145	160	173

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Collection Fund	-	-	-	-	-
	2,077	**4,673**	**5,629**	**6,182**	**6,708**

Figure 20: An illustration of the net savings figures for the London Borough of Newham

15.10 Payback period

15.10.1 The overall payback period calculation is less than one year; however in reality each Council would fund any cost of redundancy from their existing redundancy provision. Therefore the only investment we are using in the programme transition costs are non-redundancy costs, for example £1.369m over two years are being offset against years 1 and 2 savings.

15.11 Testing our savings assumptions

15.11.1 In order to test the levels of savings assumed in the Business Case, two services were chosen to be reviewed. These reviews considered the realistic levels of savings which could be achieved, taking into account joint capacity and the level of service provision required.

15.11.2 The review process followed a prescribed set of activities to determine the potential savings from sharing services. These included:

1. Assessing the baseline in terms of cost and FTE
2. Confirming departmental structures with management
3. Requesting and analysing demand data – Demand Capacity Analysis
4. Reviewing processes and activities with staff
5. Gathering data related to time spent – Rough-cut Activity Based Costing
6. Visioning a likely shared service operation – the 'to be'
7. Determining the resources required for the 'to be' and calculating total costs without reference to individual councils
8. Comparing 'to be' costs with the baseline.

15.12 ICT review

15.12.1 A review has been conducted in the ICT services in both Councils, not all of the services were reviewed, but the seven areas that were reviewed amounted to 61% of the total ICT budget.

15.12.2 The review found that annual savings between £883,000 and £1.242m within the services are possible, subject to the degree of rigour followed in the realisation of savings.

15.12.3 Of the savings identified:

- £648k to £851k is possible through the elimination of duplication.
- £235k to £391k from efficiency improvements. However, a full review of processes was not undertaken and it is envisaged that further efficiencies could be achieved through process reviews.

15.12.4 The review found that duplication savings are achievable in the first year of the shared service but efficiency savings may only be realised following a period of process change and consolidation.

15.12.5 This Business Case has used efficiency savings of 11% and duplication savings of 9% to estimate the savings which could be achieved by sharing services.

15.12.6 Savings of between 18% and 25% (depending on the options chosen) for in scope ICT services were identified in this review, this validates the savings calculations used in this Business Case.

15.13 Health and Safety review

15.13.1 A review has been conducted in the Corporate Health and Safety services in both Councils.

15.13.2 The review found that savings between £133,000 and £291,000 within the services are possible, subject to the degree of rigour followed over the realisation of efficiency savings.

15.13.3 Of the savings identified:

- £52,000 to £150,000 are possible through the elimination of duplication
- £81,000 to £141,000 from efficiency improvements.

15.13.4 Savings of between 15% and 32% (depending on the options chosen) for the Health and Safety service were identified in this review, again, this validates the savings figures used in this Business Case.

15.14 Procurement review

15.14.1 A review of current procurement has been undertaken as part of this Programme. This is considered an area where further potential savings and efficiencies could be generated through joint procurement.

15.14.2 Newham spent £314.9m in the last financial year with 1381 suppliers (excluding suspected one off payments to persons). Havering spent £103.2m with 845 suppliers (excluding suspected one off payments to persons). 160 suppliers are used by both Councils (same suppliers).

Same suppliers where contracts are in place (out of 160)	
Newham	**Havering**
33 amounting to (£19.96m)	13 amounting to (£1.85)
5 are already collaborative contracts amounting to £1.84m and it is unlikely that these can be interrogated further as same prices will already be paid	4 are already collaborative contracts amounting to £504,622 and it is unlikely that these can be interrogated further as same prices will already be paid

Figure 21 – Shared suppliers where contracts are in place

The remainder same suppliers (out of 160) where no contracts are known to be in place		
Newham	**Havering**	**Combined total**

127 amounting to £31.55m	147 amounting to £ 23.47m	Amounts to £55.02m
Where no known contracts are in place but the same suppliers are used, this expenditure can be interrogated further to identify opportunities where collaborative joint contracts can be put in place that will realise benefits and savings to each borough. It can be assumed that spend with the same supplier is likely to be of a similar category and commodity meaning specifications can be generic and savings realised.		

Figure 22 – Shared suppliers where contracts are not in place

15.14.3 Newham and Havering already participate in collaborative joint contracts for procurement undertaken on behalf of the London Contracts and Supplies Group and the East London Solutions. This collaboration will continue to take place.

15.14.4 There may be further opportunities for joint procurement which could lead to some future possible savings. These will be investigated further during the implementation phase of the Programme and as each contract expires. Therefore, no savings for joint procurement outside of shared services have been assumed in this Business Case.

15.15 **Future additional savings / income**

15.15.1 As previously stated this Business Case is based on the current delivery model and current delivery volumes. It is reasonable to expect that further opportunities may be available to generate both further savings and additional income.

15.15.2 Examples of such additional savings / income are shown below:

- Rationalisation of premises and accommodation including security costs
- Reductions in third party spend through collaboration enabled by the shared service
- Further continuous improvement and innovation beyond the levels assumed in this business case. Once service rationalisation is complete (to deliver the duplication and efficiency savings outlined above), each service(s) will be subject to a service delivery options appraisal that will determine the optimum delivery model for the medium to long term (for example staff incentive schemes, outsourcing, the creation of smaller trading entities etc) taking into account any impact on the overall costs of service delivery through the shared service
- Reduction in demand from the two Councils reducing in size resulting in a downsizing of the shared service and / or:
- Further cost reduction by sharing services with other councils
- Income generation though trading with others public sector bodies and possibly with the private sector.

15.15.3 It is proposed that clarity of the true/actual cost of the delivery of support functions to the two Councils will be developed through the development of the Service Catalogue (Appendix 1). This will identify process costs across all services e.g. the cost per invoice processed, the cost per payslip processed, and the cost per stage 3 disciplinary hearing, enabling the development of a more commercially orientated organisation for support service than that exists at each Council now.

15.15.4 No actual figures have been put to these savings/additional income opportunities in this business case, as at present it is not possible to quantify the actual amounts. Any such future savings/income would be made available to the two Councils.

16   Business development

16.1   Shared service activity in the public sector has been gathering pace over the last few years. In 2009, 75 shared services activities were in development and only 30 in delivery; by the end of 2012 they ran into the hundreds in development and over 100 in delivery ranging from small scale collaboration to full sharing of services.

16.2   The Local Government Association (LGA) have mapped shared service activity across the UK and established there are over 140 shared services in development between 219 Councils. Eighty of them are in delivery mode and offered about £156m in savings last year, but the LGA feels there is a lot more collaboration to be done in local government.

16.3   A survey in the Local Government Chronicle in September 2012 suggests that 65% of those questioned felt partnership working (public to public and public to private) was being moved more seriously onto the agenda for 2013.

16.4   The Local Government economy is worth £144bn each year. Sharing services across organisations is complex to achieve and many do not have the expertise, capacity or willingness to do it themselves. This offers a great opportunity for this Programme in terms of business growth within local government.

16.5   However it is not just councils that are keen to share services. There is a range of shared service activity in Further and Higher Education, the blue light sector and health who have all been seen to outsource or share support services in order to protect their core activities. In addition to this, the third sector is another potential market with many charities falling under the Local Authorities (Goods and Services) Act 1970 definition of a public body.

16.6   Councils are not permitted to make a profit on services provided to organisations outside of local government (under section 93 of the Local Government Act 2003). In order to trade with others, we are able to set up a company to service those entities which are public bodies. We can then second shared services employees (full or part time) to that company or through service level agreements. Profits could then be generated.

16.7   Other organisations would be able to use the new shared back office services through a range of arrangements from buying services as a customer to more formal partnership arrangements. These different offerings to the market will be considered by the Joint Committee during implementation and beyond.

16.8   The work already undertaken by Havering and Newham places our new shared back office service in a strong position on the market. We have developed the One Oracle Shared Service ICT platform with the One Oracle Group of seven authorities, which we will be able to provide to new customers.

16.9   As part of our trading strategy we are considering retaining our two current council tax and benefit systems, as they are the two of only three systems on the

market, in order to have a greater potential market share for future business with others. This will need to be balanced against savings that could be made by Havering and Newham using a shared system.

16.10 Even during the initiation stages of this programme we have been approached by a number of other authorities, curious of our new service and keen to discuss doing business together.

16.11 We are hoping that the speed of implementation of our programme will mean that we are ahead of the game, ready to offer our services to others and therefore creating the preferred model for London and the South East.

16.12 No income assumptions have been made in this Business Case for business growth and new customers.

17   Next step if approved

17.1   Shared service naming and branding

17.1.1 A name and brand for the new shared service will be developed post implementation of the Joint Committee in December 2013 but before the new working arrangements for the shared service come into force in 2014/15. This work is currently being carried out by the two Councils.

17.1.2 The name and brand will support the achievement of the wider programme objectives, in particular to engage staff in working for the new shared service and marketing the service to potential new customers.

17.2   Staff engagement

17.2.1 The shared service will be a new body providing services to both Havering and Newham Councils. A clear identity for the new service will help those staff working for it to feel that they are moving to something new and create a sense of momentum and purpose for the change. Use of the brand in all communications and engagement with in scope staff at both Councils throughout the transition will help support the required culture change.

17.2.2 Use of the brand will also help position the service with internal customers in both Councils and make it clear that they are now receiving their support services from a different organisation.

17.3   Communications

17.3.1 A full Communications Strategy and Action Plan have been developed to start our journey and support the transition of the two Councils' existing support services to the new shared service.   These will be further developed in December 2013 to take these plans from the Cabinet decision to implementation and through the next five years.

17.3.2 The main objectives of the Communications Strategy are to:

- Ensure that all key stakeholders understand the rationale, benefits and plans for the new shared service

- Support the positive engagement of staff moving to the new shared service, ensuring that they have all the information that they need
- Ensure that all customers of the shared service know how to access and use it
- Support the culture change needed for a successful service transformation
- Ensure that residents and other external stakeholders understand the reasons for developing a shared service and perceive it positively
- Position the two Councils as taking a creative and innovative approach, which is a first of this scale for local government in London
- Ensure that there is consistent messaging and that programme communications are integrated with both Havering and Newham's wider communications messages and activities.

17.3.3   Communications activities will include:

- Information in Havering and Newham's regular internal communications channels such as employee newsletters and manager's briefings
- A 'Sharing our Support Services' section on each Council's intranet
- Developing specific communications channels, such as an email bulletin to in scope staff and a dedicated SharePoint site for human resource change information
- Meetings and events for in scope and customer service managers
- Future events for in scope staff
- Targeted communications for elected Members, trade unions and external service users such as schools
- Providing messages for use in the two Councils external communications.

17.3.4   A number of these activities such as the dedicated intranet pages and managers' meetings have already being used to engage staff in the vision and proposals for the new shared service.

17.3.5   A marketing plan will also be produced for the shared service to support future business development.

17.4   **Overview of implementation approach and timetable**

17.4.1   The implementation of the Programme and outline timetable is expected to be:

- Councils to delegate existing function delegations for each Council to the Joint Committee in December 2013
- Proposed set up date for the Joint Committee - December 2013
- Joint Committee will determine senior management structure
- Services will be brought together in year 1 (2014/15) facilitated by a senior management restructure
- Joint Committee agree name and branding for the shared service
- Year 1 reviews commence to maximise potential savings in 2014/15
- Existing services will continue operating as now until 1 April 2014
- Existing budgets and costs unchanged
- Revised delegations of officer powers agreed to allow officers from one council to take decisions on behalf of the other to be approved by each Council by 1 April 2014
- Go live for all services into the new shared service is 1 April 2014
- Savings start to accrue to each Council

- Service reviews will be phased over a three year period
- The programme will be fully implemented and the full savings achieved by the end of year 5 (2018/19).

18 Due diligence and risk

18.1 Report of due diligence

18.1.1 For the benefit of developing the new shared back office service, the London Borough of Havering and the London Borough of Newham have confirmed that:

1. both Councils are committed to the Programme and to resource it to fully explore how they can collaborate and share their support services
2. both Councils are committed to making available the capacity, resources and skills to develop this programme and have agreed to share equally the costs for the work to establish the opportunities to work together (this agreement is in place up until the Agreement is approve which will replace it)
3. in order to share information and data safely and securely the Councils will formulate and agree an information sharing protocol which shall comply with the law and also facilitate the open sharing of information to the ultimate benefit of their customers
4. the Councils both commit to actively communicate with the programmes stakeholders at appropriate intervals and in a variety of methods during the life of the project. This activity will be set out in a Stakeholder Engagement Strategy and a Communications Strategy
5. neither Council is subject to any legal actions that may have a major impact on the shared service partnership
6. the financial information provided is accurate and reflects the total costs, budgets, income and staffing for the services being shared. These have been reviewed and verified to ensure that the savings estimated for the programme are appropriate.

18.1.2 The above commitment to the programme has been evidenced in the Memorandum of Understanding (MoU), the programmes Shared Vision and the Outline Business Case.

18.1.3 The MoU has been signed by each Council's Chief Executive Officer and lead Directors. The Shared Vision was endorsed by the Mayor of Newham, the Leader of Havering and the lead Directors by opening with a joint statement of their commitment to the approach. The Programme's Outline Business Case has been approved by both Councils Management teams, with both agreeing that; this is a valid project that should continue and a great opportunity to improve and generate savings that we would not be able to do alone.

18.1.4 The lead Directors have verified that there are no known legal action which may adversely impact on this shared service programme and both Council's Section 151 Officers have confirmed that the financial information is accurate.

18.2 Equality analysis

18.2.1 An Equality Analysis (EA) has been started as part of this Programme. At this stage it profiles the staff which are currently in scope of this Programme. The EA will be further developed and reviewed at each key programme implementation stage to ensure that the Programme is developed in full recognition of the

diverse needs, circumstances, and concerns of the people who will be affected by it, both employees and communities across the two Boroughs.

18.3 **Programme risks**

18.3.1 A Risk Register is attached to this Business Case in Appendix 3. It highlights the major risks attached to this Programme. These risks will be mitigated through a range of actions and controls which will continue to be put in place throughout the implementation phase.

19 Appendices:

Appendix 1 - Catalogue of Services
Appendix 2 - Joint Committee and Delegation Agreement
Appendix 3 - Risk Register
Appendix 4 - Vehicle Matrix Scoring

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Project Romulus
Service Catalogue

Author: Stephanie Sharp – Romulus Programme Manager
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Contents

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Introduction

Purpose of this document

This Service Catalogue acts as a guide to the Romulus Programme offering by outlining the services to be delivered by the Havering and Newham Shared Service. The services are described and the processes are defined.

Overall scope of services

The programme scope is to include the support service functions; those illustrated below are currently included within scope of the programme.

There may be further services for which it makes sound business sense to share particularly to facilitate business growth to others or where expert resources are difficult to secure which may be included in the programme in the future.

London Borough of Havering

Service name:	**Strategic Human Resources and Organisational Development**
Head of Service name:	Caroline Nugent

Service description:
HR Business Partners Corporate HR and Change Strategy Organisational Development Commissioning Operational HR

External customers
Members and public

Internal customers
All Council employees Group Directors and Heads of Service Members Trade Unions Agency workers None have choice but to get strategic information this way

Service name:	**Business Systems**
Head of Service name:	Geoff Connell

Service description: Business Systems

Business Systems is responsible for overall governance and provision of ICT across the Council. This includes day-to-day ICT operational services, including system development and support, networking; data centre, bulk printing and advice on Information Governance and security. The service also manages the delivery of strategic ICT development through the ICT Transformation Programme. The Service is led through a partnership arrangement with Newham, which is widely credited with raising the quality of the service, through sharing capacity and reducing costs

ICT Customer Support provides day-to-day operations of the service and the prime contact point for the services customers. This team will provide first line support through the ICT service desk and drop in centre. It also oversees the wider up skilling and technology support for users.

ICT Architecture Management Office is responsible strategic technology advice and development of the Council's main corporate and business applications and providing the technical design authority for all new projects and upgrades. It also considers and evaluates new technology products and anticipates future requirements.

Applications Systems maintains, supports & develops key corporate and business applications, financials, procurement, HR, Payroll and CRM, Housing Social Care, Revenues and Benefits;

Infrastructure & Unified Communications has responsibility for servers, networks, telecoms and the suite of unified communications tools eg MS Lync. They also manage and support all end user devices, with the aim of providing better interoperability for users.

Information Systems maintain, support & develop key knowledge and Business Intelligence based systems, including Internet, Intranet, GIS, EDMS, workflow and master data management.

Projects Delivery team has responsible for all IT Transformation Programme and project related delivery, including technical project delivery. It also leads on business process re-engineering project resource planning and PMO functions for Business Systems. The team work closely with other transformation programme managers across the council.

Commercial Services provides a strategic function to ensure that IT suppliers and contracts continue to provide value to Havering, it also leads of developing new business and partnership opportunities with other

public bodies, partners and third sector organisations. In addition has responsibility for IT traded services within Business Systems, currently the Print Unit and Educational Computer Centre.	
External customers	
Educational Computer Centre – Schools Operates in a market open to all providers, works on a service "buy back model" from local schools. Print Unit Other public sector partners, schools, voluntary sector, other private customers Web based services – infrastructure Havering residents Other Local authorities Supply to staff with specialist skills to other local authorities Other partner organisations providing commissioned services from LBH sites,	
Internal customers	
All users of corporate IT and telephony ie officers and members	

Service name:	**Exchequer**
Head of Service name:	Jeff Potter
Service description:	
At a high level the service is responsible for ; The raising and collection of Council Tax payments The raising and collection of Business Rates payments The raising and collection of Housing Benefit Overpayments The Payment of Housing Benefit The Payment of Local Council Tax Support Corporate oversight of Debt Management Management of the Social Fund	
External customers	
Our external customers are, every household in the borough, every business in the borough occupying a property and all housing benefit claimants. None of our customers have the choice about where they receive their service from.	
Internal customers	
Our internal customers are CMT & Members	

Service name:	**Asset Management**
Head of Service name:	Mark Butler
Service description:	
Asset Management comprises of a number of service areas/teams, each supporting the development, management, maintenance and use of the Council's fixed assets (land, buildings and fleet assets). The focus is on delivering value by minimising costs in use, asset rationalisation and other means. Asset Management also plays a major role in delivering corporate projects **Strategic Property Services** • Strategic property advice • Asset management planning/property review	

- Property acquisitions and disposals
- Valuation
- Commercial property management,
- Rating appeals
- Property support to major projects and regeneration schemes
- Data management including GIS (digital mapping) systems.

Technical Services

- Architectural & building design services
- Structural engineering
- Building surveying
- Electrical and mechanical engineering

Facilities Management (Corporate Landlord)

- 'Hard' FM services including
  - accommodation planning
  - building and plant maintenance (electrical and mechanical)
  - legislative compliance including statutory test and inspections
- Soft FM functions
  - hall-keeping
  - reception
  - porterage
  - building cleaning and waste management
  - security, including mobile patrols
  - amalgamated reporting, ordering and monitoring of construction and service works

Education Asset Management

- Supporting asset management planning for schools
- Co-ordination of projects within schools capital programme
  - Maintenance programme
  - Other capital works e.g. Primary Expansion Programme

Transport

- Fleet management
- Fleet maintenance (workshops)
- Passenger Transport Service

Corporate Health & Safety and Support

- Health & safety advice – corporate and operational
- Investigations
- Asbestos management (policy, surveys, testing and management of removal)
- Corporate Support functions
  - Post room/scanning
  - Reception services to corporate buildings
  - Administration of access control systems and staff parking

External customers

Schools, Academies and Colleges buy in to discretionary services from:

- Transport (PTS)
- Health & Safety
- Technical Services
- Education Asset Management

LB Barking & Dagenham - PTS services (discretionary)

Essex County Council - PTS services (discretionary)

Various community groups - PTS services (discretionary)

Thurrock Council - Health & Safety services

Internal customers
By definition of being a back office function, all services are available to internal customers within LBH. Principal internal customers are: Regeneration Education Leisure Services

Service name:	**Finance**
Head of Service name:	Mike Stringer
Service description:	

Extracted from the 2013/14 Service Plan

Finance & Procurement sits within the Finance & Commerce directorate and is responsible for:

- strategic financial planning and management including the co-ordination of the corporate business planning and budget-setting processes and oversight of the budget monitoring process
- responding to recommendations from external assessors including the external auditors
- a range of corporate finance functions, including co-ordination of the closedown and audit of accounts, treasury management, and pensions fund administration
- the provision of strategic financial and procurement support to all services across the Council
- the provision of an internal audit and insurance service, which also covers fraud & corruption and risk management & insurance functions.

The service is responsible for the development of several key corporate strategies; these include the Medium Term Financial Strategy, the Capital Strategy, the Procurement Strategy, the Fraud & Corruption Strategy, and the Risk Management Strategy. These strategies all require formal approval by the Council. The service is also responsible for producing an annual Audit Plan and for the annual statement of accounts, both of which are approved by the Audit Committee.

Finance & Procurement is responsible for taking a leading role in the corporate business planning process, which brings together financial and non-financial goals and objectives, and culminates in the annual budget-setting process, where Council approves both revenue and capital budgets. These are key elements in achieving value for money, which is one of the Council's five Living Ambition goals.

Finance & Procurement is also responsible for ensuring that the Council's accounts, and the procedures that lead up to them, are compliant with a wide range of accounting standards and principles, and that the financial position is effectively communicated to partners and other stakeholders.

The internal audit service is closely associated with the corporate performance process alongside their more traditional audit role, and also leads on the assessment of internal controls, governance processes and the range of counter-fraud measures in place, including engagement in the National Fraud Initiative.

With the budgetary and fiscal constraint measures put in place since the election of the Coalition Government, the service has a key role in monitoring the impact on the Council's financial position and its budget strategy. The service has also contributed to the plans the Council has put in place to respond to them.

The service is currently effectively structured into three teams:

- the corporate finance team, which deals with all strategic financial planning matters and corporate finance functions
- the strategic finance and procurement business partners, who provide high-level support to the Council's service directorates, and who work closely with the operational finance team within Internal Shared Services
- the internal audit and insurance team, which provides internal audit services to the Council and to its schools, corporate fraud and housing benefit fraud investigation services, and an insurance service.

Corporate Finance is responsible for a range of corporate financial functions, including co-ordination of the key financial processes undertaken during the year – budget-setting, budget monitoring and closedown of accounts, including the annual audit. The service is responsible for ensuring that appropriate rules for financial management are in place, through the Financial Procedure Rules and the Financial Framework. The service provides advice and guidance on a variety of issues. Corporate Finance is also responsible for a range of corporate finance functions, including treasury management; pensions fund accounting and grant co-ordination. The service is also responsible for overseeing the operation and of the core financial systems, in particular the Oracle general ledger system. Finally, the team works closely with the Council's external auditors on both the accounts process and associated reviews.

The Strategic Business Partners are responsible for the provision of high-level financial and procurement advice and guidance to all services across the Council. There are three finance business partners and one procurement business partner. They work very closely with senior officers in service areas on the development of the budget, identification of efficiency savings, support to internal projects, service reviews, major procurements and collaborative projects, overall budget management reviews, and the closedown of accounts. They also operate in conjunction with the operational finance and procurement teams within ISS and with the Human Resource business partners.

Internal Audit is responsible for the provision of an internal audit service to the Council including schools as well as systems, contract, proactive and fraud audits, as well as overseeing the computer audit work, which is currently provided through an external supplier. The service is also responsible for both fraud & corruption and risk management functions, including the maintenance of relevant strategies, advice and guidance, and the application of audit standards both national and international. The service leads the development of the annual governance statement and contributes to the management of governance processes. The service incorporates the housing benefit investigations service, which is responsible for all fraud investigations related to benefit payments and from 1 April 2013, Council Tax support payments. The service also encompasses the Council's insurance team, which covers claims management as well as strategic insurance advice and liaison with the Council's insurers.

The F&P service works in conjunction with the commissioned Internal Shared Services (separately accountable to the Group Director Finance & Commerce) to ensure the:

- Provision of strategic finance & procurement advice, guidance and support to directorates
- Resolution of all finance & procurement queries
- Transaction of all finance & procurement issues.

External customers
The service currently has no external customers, excepting some schools for whom audit work is undertaken. Schools can however choose from whom such services are provided, especially if they are academies.
Internal customers
The services provided are in reality where there is not a choice in the provider, and there is no form of trading as such.

Service name:	**Shared Services**
Head of Service name:	Sarah Bryant
Service description:	
Internal Shared Services are involved in a major change project currently. They are supporting the development and delivery of the One Oracle project, which is seeking to implement a cross London Oracle system which will deliver consistent working processes and savings.	

1. **Transactional Services** – The essential "backbone" of the organisation, responsible for Payroll, Pensions, Transactional HR, Payments, Income Collection, System Control and Reconciliations, delivering audit recommendations and other 'transactional' activities' such as managing the pay of the whole council workforce accurately and on time, managing the oracle hierarchy, setting up new starters, administering the Local Government Pension Scheme, and i-Recruitment, OLM and PDR. This service has been expanded due to the growing number of Secondary and Primary Academies that have been established. **Year end audit (Statement of Accounts and Pension Fund Accounts)**

   a. **Accounts Payable**

   The work of Accounts Payable is mainly transactional and encompasses supplier set-up and management, invoice and payment management, purchase cards, iExpenses, journals, tender openings and Giro management. Detailed tasks include:

   - Control setting up and amendments of all Suppliers (Commercial and Non Commercial) inclusive of iProcurement Suppliers.
   - Security checks performed on all Supplier Bank set ups.
   - Manual invoice processing and checking of items.
   - Control of all AP Interfaces – reconcile and create files for payment.
   - Production of Pro-forma invoices from Swift Interface.
   - Checking of invoice on hold report for releasing prior to Payment Run which includes iProcurement items.
   - Regulate invoices in respect of CIS/VAT and Employment Status Procedures.
   - CIS verification of Suppliers with HMRC.
   - Processing Payment Runs for Bacs and Cheques, confirming payments and creating remittance advices.
   - Voiding Bacs and Cheque payments - cancellations or re-issues where necessary.
   - Monitor and recover Duplicate Payments.
   - Retention of documentation for 6 years.
   - Administration and reconciliation of Purchase Card.
   - Export of reconciliations of Purchase Cards into Oracle Payables.
   - Audit control of iExpenses and Export of claims into Oracle Payables.
   - User Support for iExpenses.
   - Processing of Journals and Accruals (actual/budget) to Oracle.
   - Open and witness new Tenders.
   - Transfer of Giro file from Santander for Reconciliations Team to pick up.

   b. **Accounts Receivable/Advanced Collections**

   The Income Team is part of Internal Shared Services and is responsible for raising and the debt collection of invoices for the London Borough of Havering within the Financial Framework of the Council, with regular reporting to the Debt Management Board.

   The Income transactional team providing support to the Council's service areas through the operations of a Shared Service Centre. This involves a variety of duties including: ensuring the provision of high quality and consistent advice and support; ensuring invoices raised and collected are validated in accordance with statutory requirement, polices, procedure and legislation; liaise and support external bodies; and representing the Council at Court.

   Staff take payments by Debt and Credit card and also arrange direct debits. The team also process the direct debit files recurring standing charges and varying interfaces, including:

   - Market Stalls Interface
   - PARIS
   - Lockbox
   - SWIFT (re Social Services interface)

   Recovery is in line with various legislative requirements and uses the claims on line service to issue summonses and various other collection and recovery methods, including charges on properties, etc to

maximise collection of all debts outstanding to reduce overall debt to the Council.

c. **Systems and Reconciliation**

i. **Systems Administration etc**

Systems Administration for Oracle, and Collaborative Planning (CP) – including all items of general systems administration including user setup, password resets, new codes/changes code hierarchy changes, period end and dealing with most problems and issues, dealing with issues raised in support works

ii. **Implementation and Development of Financial Systems**

Involvement in the development of oracle CP and Paris including: Testing systems and changes etc, developing new solutions, changes, upgrades etc

iii. **General Financial Duties**

Producing financial information via OBIE and other means, publication of payments over £500, managing the process for retrospective approval of journals over £100k, duplicate payments checking, bulk Payments and Recharges, season ticket/Car loans and corporate Oyster Card, payments recalls, tax returns CIS

iv. **Reconciliations & Closure of accounts**

The team plays a major part in the closure of accounts which operates and manages a schedule of reconciliations and covers all of the main reconciliations performed at periodic intervals. The team also undertakes reconciliations of systems to Oracle G/L etc including most of the feeder systems, reconciliation of the major control and suspense accounts, reconciliation of the Council's main bank accounts and dealing with various banking issues, payments recalls etc

d. **Payroll**

Payroll provide an end to end payroll service with full HMRC returns (P45s, P60s and P11ds) with a system that delivers multiple terms and conditions of service including the provision of:

- Monthly payments undertaken by credit transfer (BACS) directly to employee accounts
- Full enquiry and advice service for staff
- Maintenance of employee computer records
- Calculation and confirmation of gross and net pay for all staff including the calculation and reporting of all statutory and occupational payments, including PAYE, NI, sickness, maternity, paternity and adoption leave
- Gross to net processing
- Full implementation of income tax, national insurance administration and working families tax credits
- payment of statutory and contractual sick and maternity pay
- attachment of earnings orders and charitable donations
- pension contributions and other voluntary deductions
- Implementation of pay awards including calculation and payment of arrears
- Application of step progression and pay awards as instructed by the school and Schools HR
- Full reconciliation of payments made
- Electronic payslips where supported otherwise, payslip printing and distribution
- Monthly Local Government Pension Scheme (LGPS) administration and Teachers Pension Scheme (TPS) returns
- Monthly payments to appropriate organisations in respect of statutory and voluntary deductions, including the Local Government Pension Scheme, Teachers Pension Scheme and NHS Pension Scheme
- Manual payment of urgent salaries or wages adjustments as requested (at additional charge see below)
- End of year reconciliation and online returns for income tax, NI, Teachers Pensions etc. and completion of a range of statutory returns
- Calculation and payment of redundancy payments and gratuities to non-pensionable employees
- Liaison with HM Revenue and Customs, Teachers' Pensions, and external auditors.

- Named payroll Transactional Agent for each payroll
- Provision of monthly reports

e. **Human Resources (Transactional)**

The Transactional HR Team are responsible for processing the recruitment of all new employees and undertaking all types of contractual changes for staff throughout their employment with LBH from their initial recruitment and clearances including Disclosure and Barring Service, to the time that they leave. Various Oracle applications are used by the team, who also provide support to customers in the use these systems; I-Rec for recruitment, PDR (Performance Development Review). The team upload courses and maintain the training catalogue for the Council held on the OLM (Oracle Learning Management) system to enable staff to book and undertake training.

f. **Pensions Administration**

The Pension Team is responsible for the administration of the Local Government Pension Scheme (LGPS). This administration service is carried out on behalf of the London Borough of Havering, who are required in law to provide an administration service for the scheme. The Pension Team administers the pension scheme on behalf of the scheme employers (admitted and scheduled bodies). The main activities of the team are to administer and maintain records and to calculate benefits on behalf of members and employers of the various schemes; and the provision of data required for the purpose of the Pension Fund Valuation. The team provide:

- Pension Entitlement Calculations
- Transfer in and transfer out calculations
- Pension sharing on divorce calculations
- Maintaining Pensions Records
- Pension Statements and Reporting
- Where applicable provide Gratuity, salary plusage and redundancy calculations
- Provide ill health retirement quotes for members of the LGPS
- Monitor for annual allowance
- Pension estimates and associated strain costs for members of the LGPS employers who are aged 55 and over:
a. Pension on Redundancy and Efficiency
b. Flexible Retirement
c. Employer's consent

g. **Infrastructure and Hierarchies**

The Infrastructure/ Hierachy Team control the establishment of all positions across the Council and maintain the organisational structures within the Oracle system. The team are responsible for any amendments to the organisation, position and procurement hierarchies; processing the build of new structures/ organisations following restructurings. Production of structure charts.

h. **Freedom of Information**

Administration of FOI's for the Resources Directorate.

Send to appropriate officer, coordinate response and prepare appropriate paperwork for Head of Service review and authorisation.

2. **Operational Teams** – HR, Finance and Procurement experts provide support, advice and guidance on complex work and issues. They interpret strategy and policy and work with business partners and managers to support effective decision making and ensure legal obligations are met by the Council. They support key organisational processes such as budget-setting, performance management, P2P, the closure of accounts and are integral to corporate priorities like the transformation agenda.

The teams also drive the self service ethos through the development of support infrastructure including dashboard reporting, system development, intranet and internet content and processes to empower managers.

a. **Finance and HRA Finance**

i) Finance Dashboard

Support the development of self service infrastructure including dashboards, guidance notes, intranet

content, on-line and formal training, policy and process development and launch.

ii) Budget Setting

Prepare detailed plan and timetable for service area to comply with budget instructions and timetable issued by Corporate Finance Team. Ascertain service area policy objectives and instructions for the budget cycle. Work with cost centre managers to develop budgets and options for change, savings or growth. Review and finalise budget with Head of Service in collaboration with the Business Partner. Ensure HRA regulations are observed.

iii) Budget Monitoring

Support budget holders in preparation of their forecasts with guidance and advice, ensure relevant information is communicated to them, critically appraise and challenge their forecasts, discuss service area forecast with Head of Service. This applies to both revenue and capital budgets.

iv) Year end closure

Prepare detailed plan and timetable for service area to comply with year end close instructions and timetable issued by Corporate Finance Team. Provide guidance and support to budget managers relating to cut-off, accruals and prepayments. Ensure any "reconciliations" owned by the team are completed. Liaison with the external auditors with respect to year end closure and audit of Statement of Accounts

v) Support to Head of Service, Business Partners and cost centre managers

Conduct modelling and analysis to support impact assessments of changes in legislation, policies or procedures. Evaluate policy options under consideration. Provide correct and consistent financial advice on the interpretation of financial frameworks, policies and legislation.

vi) Service charge and rent calculation

Calculate tenants' service charges and rents during preparation of the annual budget. Calculate leaseholder service charges twice annually (estimates, then actual).

vii) Project work

Provide professional financial support to strategic corporate projects

viii) Rent Accounts supervision

Monitor activity within the team to ensure that deliverables are being achieved according to timetables, including:

- Setting up the rents and service charges on tenants accounts
- Processing direct debits on tenants accounts (from taking the initial instruction, through calculation of the monthly charge for input to BACS, reconciling the amounts taken to the amounts expected and corresponding with tenants on DD).

ix) Other

Monitor operational issues affecting the team, offering advice or providing support through liaison with other management as necessary on issues including:

- IT processing or software issues
- Interfaces with other systems/departments such as Academy (benefits) or Paris (cash)
- Complaints or questions from tenants
- Liaison with other teams such as Income Management, Tenancy, Empty Homes, Home Ownership and Finance
- Administration of tenant household contents insurance
- Maintenance of housing stock records – additions, deletions, description
- Project work
- Anite rent cash reconciliation
- Supporting Transformation projects with financial modelling
- Grant claim checklist reviews pre S151 sign off
- RO and RA form completion
- General financial advice and guidance as required

b. **Human Resources (Ops)**

i) Operational HR

- Implementation of HR Policies and provision of advice and guidance to ensure compliance
- Project definition, scope and management of H R improvement
- H R advice, guidance and support on complex workforce issues
- Provision of management information (dashboards, reports, statistical information) to enable more effective business decisions
- Management of the Councils employees through adherence and compliance with legislation and statutory guidance
- Minimise the risk of employee reputational damage to the Council
- Inspiring and enabling a self service culture to underpin new ways of working
- Enabling the Council to achieve a productive and motivated workforce

ii) Recruitment and resourcing issues:

- Advising and supporting managers with complex recruitment campaigns
- Apprenticeships
- Senior management recruitment
- Strengthening the Councils safeguarding obligation eg. Disclosure and Barring project
- Management of performance development through performance development review, competencies, objectives and development opportunities
- Redeployment co-ordination
- Procurement and contract management eg. agency worker provider (Beeline), occupational health (Medigold), employee assistance programme (Validium), recruitment advertising (Penna)
- Use of HR management information to inform future workforce development
- Developing the organisation (OD Strategy) resulting in a business focused, future proofed workforce
- Develop plans for business continuity, manpower and succession planning

iii) Employee relations issues :

- Well being and sickness absence management
- Disciplinaries
- Grievances
- Capability
- Performance management
- Restructures/reorganisations/realignments
- Compromise Agreements
- TUPE
- Job evaluation
- Trade union consultation
- Contract review including terms and conditions advice and guidance
- Reward advice and guidance
- Early retirement and flexible retirement
- Design, advice and guidance on hierarchy management
- Complex policy advice and guidance

iv) Workforce development issues:

- Providing advice and support to managers regarding learning and development issues
- OLM
- Commissioning providers/supporting managers to commission providers of learning and development solutions

- Coaching and mentoring schemes
- Corporate induction
- Training needs analysis
- Dashboard development
- Workforce information
- Delivery of blended learning to provide support to managers
- Design and delivery of E-learning
- Design, roll-out and embedding of bespoke HR toolkit and user guides
- Corporate Health performance management report for CMT
- FOI requests

c. **Procurement**

The role of Procurement is both strategic and operational, providing advice, guidance and support for both the lesser value and lower risk contracts whilst also leading on the higher risk, strategic and therefore typically high value opportunities.

The team supports but is not limited to:-

- issuing ITT's/OJEI notices
- ITT response evaluation,
- contract definition/specification
- developing terms and conditions
- contract management, monitor performance (KPI's)
- data gathering for renewals
- identifying contract renewals
- maintaining contracts register
- achieving best value/benchmarking
- collaboration with other parties
- updating the contract procedure rules
- supplier management in the purchase to pay process

d. **HRA Operational Finance**

i) Budget Setting

Prepare detailed plan and timetable for service area to comply with budget instructions and timetable issued by Corporate Finance Team. Ascertain service area policy objectives and instructions for the budget cycle. Work with cost centre managers to develop budgets and options for change, savings or growth. Review and finalise budget with Head of Service in collaboration with the Business Partner. Ensure HRA regulations are observed.

ii) Budget Monitoring

Support budget holders in preparation of their forecasts with guidance and advice, ensure relevant information is communicated to them, critically appraise and challenge their forecasts, discuss service area forecast with Head of Service. This applies to both revenue and capital budgets.

iii) Year end closure

Prepare detailed plan and timetable for service area to comply with year end close instructions and timetable issued by Corporate Finance Team. Provide guidance and support to budget managers relating to cut-off, accruals and prepayments. Ensure any "reconciliations" owned by the team are completed.

iv) Support to Head of Service, Business Partners and cost centre managers

Conduct modelling and analysis to support impact assessments of changes in legislation, policies or procedures. Evaluate policy options under consideration. Provide correct and consistent financial advice on the interpretation of financial frameworks, policies and legislation.

v) Service charge and rent calculation

Calculate tenants' service charges and rents during preparation of the annual budget. Calculate

leaseholder service charges twice annually (estimates, then actual).

vi) Project work

Provide professional financial support to strategic corporate projects

vii) Rent Accounts supervision

Monitor activity within the team to ensure that deliverables are being achieved according to timetables, including:

- Setting up the rents and service charges on tenants accounts
- Processing direct debits on tenants accounts (from taking the initial instruction, through calculation of the monthly charge for input to BACS, reconciling the amounts taken to the amounts expected and corresponding with tenants on DD).

Monitor operational issues affecting the team, offering advice or providing support through liaison with other management as necessary on issues including:

- IT processing or software issues
- Interfaces with other systems/departments such as Academy (benefits) or Paris (cash)
- Complaints or questions from tenants
- Liaison with other teams such as Income Management, Tenancy, Empty Homes, Home Ownership and Finance
- Administration of tenant household contents insurance
- Maintenance of housing stock records – additions, deletions, description
- Project work

3. **Customer Relationship Team** – Responsible for delivery of Continuous Improvement and Customer Service related to ISS customers & teams. This includes ensuring on-line training is accessible and available for all customers, providing management information via dashboards, reports and statistics, identifying key areas for improvement and change, working alongside the business to enhance the use of IT as well as identifying key areas of business for system and process efficiency They also manage effective communications for ISS internally. The team undertake improvement reviews of key cross-cutting system implementations on behalf of the service via the Customer Improvement Board.

   a. **Improvement Reviews**
   b. **Performance Management Info**
   c. **Issue Resolution**
   d. **Communications**
   e. **Relationship Management**
   f. **UPK Maintenance (functional maintenance by the relevant teams)**
   g. **Training**
   h. **Oracle I Business Needs & Analysis**
   i. **Change Control**
   j. **Customer Improvement Board Support**
   k. **Oracle Business Analysis**
   l. **Dashboard management and development**
   m. **Process and system improvement**
   n. **National Graduate Management Trainee programme**
   o. **Service planning**
   p. **Business continuity planning**
   q. **Customer surveys**

External customers

Transactional Services – Transactional services are largely focuses on internal customers, areas of specific external customers are identified below:

 i) **Accounts Payable – Suppliers, Foster Carers, HM Revenue and Customs, External Audit, Schools and Academies.**

ii) **Accounts Receivable** – Debtors, HM Revenue and Customs, External Audit, External Solicitors (charges on properties), Schools and Academies, Courts, other Local Authorities, PCTs, DWP (for the MR12, mortgages).

iii) **Payroll** - London Borough of Havering Schools, Academies, Union, Schools and colleges outside of the Borough, Teachers Pensions, Local Government Pensions, HM Revenue and Customs, Courts, CPA, and Charities. They have a choice as to whether they buy from ISS and Havering.

iv) **Human Resources** – iRec applicants

v) **Pensions Administration** - Scheduled and Admitted Bodies to the London Borough of Havering Pension Fund, they do not have a choice as the service is statutory, other pension fund administrators.

Operational Teams – The Operational teams are largely focussed on internal customers. They have limited external relationships e.g. leading London wide procurement contracts, supporting joint working with the NHS. There are also the traditional relationships with external partners and stakeholders e.g. DCLG, London Boroughs Recruitment Partnership LBRP, Vine HR. Specific areas of external customers are identified below:

i) **Procurement – Schools**

ii) **HRA Operational Finance – Tenants, Leaseholders**

Customer Relationship Team – The Customer Relationship teams are largely focuses on ISS and internal customers. Specific areas of external customers are identified below:

i) **Performance Management Info - Stat returns for Office of National Statistics, Schools workforce strategy for DfE, NMDS social care return, benchmarking with other shared services**

ii) **Relationship Management - Academies & Schools, Suppliers and iRec candidates**

iii) **National Graduate Management Trainee programme - Quest, Candidates**

Internal customers
Internal customers are all Council services, they do not have a choice as to if the service is provided to them. The London Borough of Havering is a unitary authority and provides: Education, Housing, Planning applications, Strategic Planning, Transport Planning, Passenger Transport, Highways, Social Services, Libraries, Leisure and Recreation, Waste Collection, Waste Disposal, Environmental Health, Revenue collection and back office functions to support all the services. The direct internal customers that ISS support are: Corporate Finance Heads of Service Budget holders Business Partners All employees Supervisors Managers Members CMT Leadership & governance boards Project Boards Internal audit iRec internal applicants Debt Management Board MPs. Councillors

Service name:	Legal and Democratic Services
Head of Service name:	Ian Burns
Service description:	

External customers
Former schools within the borough that have become Academies or Foundation Schools. Yes they are free to choose who is their provider.
Internal customers
All Council departments
Councillors (in their role as councillor or as Cabinet member of Committee Chairman)
Corporate Management Team

London Borough of Newham

Service name:	**Human Resources**
Head of Service name:	Beverley Williams/Jan Douglas

Service description: Provision of strategic, operational and transactional HR services, including Payroll

HR Shared Service and Advice Centre:

Payroll Service and Employee Services Team:

Payroll services for all council employees, schools, pensioners, members allowances and external payrolls.

Management of Pensions administration contract with LPFA

Transactional processing of variations to employment contract, maternity/paternity leave, sick pay entitlements

Establishment Control, Payroll Control and reconciliation, RTI and AE, electronic leave records, Trent People Manager and Self Service support

Shared Service and Advice Centre

Recruitment processing, employee compliance (CRB's referencing, Right to work), agency worker contract management, provision of management information and analysis

Advice team – telephone and intranet help desk

HR Advice and Consultancy

Strategic HR Business Partnering, transformational change, complex casework

Operational HR casework support/advice including conduct, capability, grievance, appeals, redundancy, change implementation

Strategic People Services:

People, Projects & Participation

People Management Policy and procedures

Employee Relations – corporate machinery

Occupational health – contract management

Workforce Wellbeing and Reward

Equalities in employment

Strategic HR projects

Staff Forum facilitation

Talent

Skills training, Youth Employment Scheme, Graduate Programme, Skills for Life/NVQ's, Redeployment

Leadership & OD

Performance Development Scheme

Competencies and Behavioural Framework

Management, Team and People Development

Mediation Scheme

Health & Safety

Policy, Risk Assessments, H&S Cttee, Fire Safety, Accident investigation, Construction risk assessment, RIDDOR, HSE liaison for all council services

External customers

We currently provide services to:

Active Newham (Leisure Trust) – Payroll and some HR services – they have a choice

Newham Partnership Working – Payroll and some limited corporate HR services – they have a choice

SRP – Payroll - Choice

TGLP –Payroll -Choice

Carpenters TMO – Payroll - Choice
NEWCO – Payroll and HR services – no choice currently
NEWVIC – Occupational Health Service

Internal customers
Chief Executive
Strategic Commissioning Directorate
Operations Directorate
Resources and Commercial Development Directorate
Councillors

Service name:	**Strategic Finance**
Head of Service name:	Deborah Hindson

Service description:
Strategic Finance supports the authority's financial strategy in the delivery of a comprehensive range of financial management, accountancy and advice services across the council and lead on the delivery of financial research work, responding to both corporate and service requirements.
Strategic Finance is responsible for producing a variety of financial reports such as the Council's Annual Budget Report, the Council Tax Report, the Resolution to set Council Tax and the annual Budget Book and the annual Fees and Charges Report.
The team also ensures that the authority's Medium Term Financial Strategy provides the primary financial strategic planning document underpinning the priorities and corporate/service strategies of the Council.
Strategic Finance produces the Accountancy benchmarking return for CIPFA. This requires input from numerous sources within Finance all of which is pulled together centrally for inclusion.
Financial control (cash control): Daily cash management, bank reconciliation of the corporate bank accounts, banking services contract management, clear cash suspense and miscellaneous income and missing payment investigation, process card refunds, chargebacks, bank account administration, Cash in transit contract management, reconciliation of card control accounts, BACs recalls, process card refunds.
Treasury: Daily dealing and checking process, Risk management of £1bn fund, Monthly reconciliations, monitor market information, intelligence, production of statutory reports, maintain risk management process, monthly reports, Member and officer training, recovery of Icelandic Deposits, balance sheet review, update HRA Business Plan and GF treasury forecast, council cash flow forecast, balance sheet review, TM strategy, performance management monitoring, administer loans to Small business prog, NLI – Olympic stadium, PSRV, review alternative finance proposals, contract manage the treasury management contract, benchmarking and statutory returns, treasury accounts and disclosure notes in the Council's SOA.
Pensions: Manage the triennial valuation process, manage governance of the Newham Pension Fund £840m+ – supporting all aspects of the Investment and Accounts Committee (IAC). Contract management of 10 fund managers, Prepare the Pension Funds accounts and Annual report, respond to consultations: LGPS 2014, London CIV and one fund initiative, custodian review and management, FRS 17 co-ordination, arrange pension capitalisation calculations, manage admitted and scheduled body agreements, statistical returns
Ad-hoc: Financial appraisal of tenderers for council contracts

External customers
The service does provide support for the Council in discharging the accountable body role for Thames Gateway London Partnership (TGLP) – this organisation is current winding up.
The service provides accountancy support for the Royal Docks Trust and is currently developing a proposal to provide similar accountancy support to Newham Legacy Investments Limited,
The service has provided a member of staff at cost to ActiveNewham, the Council's chosen provider for its Leisure service.
Pension fund: Other employers in the scheme – they have no choice on the provision of this service, CLG on response to consultations and completion of CLG returns such as SF3.
Treasury: completion of various DCLG forms

Internal customers

The service provides the Strategic Financial lead for the Council .The interaction with other Council services is less than Business Partnering.

The service provides support for a number of the Council's major projects – see below – and as such has many customers throughout the Council

Projects identified so far include;

- Canning Town regeneration
- Carpenters regeneration
- Atherton
- ActiveNewham
- Newco
- Local Space
- Olympic Stadium
- Private Sector intervention vehicle
- Shared equity
- Recharging \ charging for support services
- Charging policy

Supporting the resilience agenda and externalisation of services, these include series of smaller projects:

- Language Shop
- Street Cleansing Pilot
- Estates Pilot
- Amber Parenting Assessment & Contact Centre
- Pest Control

The service provides the Finance input into these projects, including where required external financial advice – the service acts as the client for this function. (See section on outsourced services above)

Financial Control (cash control) – Schools, Council services – schools have an option on whether to use the service

Treasury – FLT, Audit Board and cabinet – no choice

Pension – Council services, FLT, fund membership and pensioners, IAC

Service name:	**Business Systems**
Head of Service name:	Geoff Connell
Service description:	

Portfolio Management and Service Systems

This area looks after the relationship with the business via the Corporate projects list and includes a number of project managers running ICT projects along with the Support of Line of Business applications such as Carefirst and Rev's and Bens.

Support Centre

This is the single point of contact for all requests incidents and work requests which are logged, resolved or passed onto the other areas of ICT. The support Centre also has hardware field engineers and an ordering service for computer consumables and mobile phones.

Unified Communications

This area incorporates the Infrastructure team looking after the desktop software (upgrades, patches etc) and the server estate and various other ICT specific applications.

Printing Services

Provides print services for Newham and Havering… such as bulk printing, posting, posters etc

Information Governance and Corporate Systems

	This area supports the corporate systems such as FMS, Trent etc. Along with the Information governance and security management

External customers

- Active Newham (Leisure Centres) external through the Small Business project they use our infrastructure (network and access a number of council systems through this). They have a choice as to whether they use our services.
- Newham Partnership Working (NPW – schools support)). They access a number of council systems through the Remote access Portal (RAP). They have a choice as to whether to use our services or not.

Internal customers

The Whole Council uses and has access to the IT services with no choice whilst within the Council

Service name:	**Business Improvement and Programme Management**
Head of Service name:	Catherine Llewellyn

Service description: Business improvement and PMO

Business improvement

End to end Service reviews
1. Provide end to end service reviews and recommendations based on Lean, Systems thinking , BPR, ABC costing and other methodologies
2. To train service managers and staff with problem solving tools for them to produce and implement service improvement plans within their service
3. Resource modelling (based on structure of staff, costs, demand and capacity needed)
4. Analyse current service AS IS and provide a TO-BE model (savings proposals – workshops)
5. Support services once they have improved by embedding the continuous improvement culture through the training provided.
6. Project management (all reviews are treated as projects and rigor is applied to them)
7. Analysis of efficiency and quality frameworks and provide solutions to increase productivity
8. Removal of duplication of roles (wherever is not needed)
9. Complexity reduction – simplification of process (process review and redesign)
10. Reduction is errors (right first time)
11. Assessment of fit for purpose of ICT systems related to a service (processes and people)
12. Produce with services standard operating procedures
13. Information Centres and visual management techniques to improve performance.

Rapid review events
1. To undertake rapid review / improvement events to solve easy and small service problems that can have a big impact
2. Facilitating service workshops for managers and staff to come up with their own ideas of improvement and provide guidance as to how these will be implemented.

ABC costing – demand/capacity analysis , identification of savings mechanisms
1. Undertake full Rc ABC analysis of any service to understand the cost drivers, costs per unit and costs per transactions in order to work out savings mechanisms
2. For particular services ABC analysis and service review can provide a mechanism of income generation
3. ABC method is applied to service reviews to understand the "true "cost of a service which can then be managed in an easier way by the service and unnecessary expenses are identified in an easy manner
4. Provides support to the service on resource allocation in order to become more effective, increase productivity and achieve savings whilst Business as usual operations are not affected.

PMO – this function will evolve

Basic support services:

5. Providing administrative support for project managers right the way through the project's life cycle - from initiation to close
6. Collating and facilitating the reporting of project status to senior management - through the setting up of automated ICT reporting processes i.e. Verto
7. Providing standards, methodologies and a set of PM tools - Management templates, user guides etc.
8. Managing project documentation (*including risk registers, schedules, incidents logs etc.*)
9. Promoting project management within the organisation and adherence to a standardised PPM approach

Advanced specialist services:

1. Coordinating plans between projects and monitoring resource use
2. Monitoring and reviewing project performance by conducting regular and ongoing quality assessment checks for all projects within the organisation
3. Implementing and operating the ICT project information system, providing training, support and guidance to all users
4. Ensuring continuous improvement of current Project and Programme management processes - updating/revision of current methodology, tools, guidance documentation, ICT system etc.
5. Quality monitoring and enforcement of standards, ensuring the information and data recorded for projects and programmes is sufficient and meets acceptable standards in order to validate project progression to the next gateway stage

Advisory services:

1. Developing competencies of personnel, including training and monitoring for project managers - thereby raising individual and departmental PPM maturity levels
2. Acting as a centre of excellence - providing advise and guidance to project and programme managers as well as senior managers involved in overseeing projects and programmes
3. Evaluating project manager's performance
4. Recruiting, selecting and or allocating project managers
5. Recording, analysing and disseminating lessons learned - ensuring that association

Strategic and governance services:

1. Identifying, selecting and prioritising new projects, including involvement in benefits management and business cases, contingencies etc.
2. Allocating resources between projects and programmes
3. Providing advice and recommendation to senior management
4. Quality assurance - conducting project heath checks and post-project reviews
5. Establishing Gateway approval processes and monitoring compliance
6. Maintenance, support and administration of corporate ICT PPM system

External customers

None at this point in time, assuming that Romulus is approved there is a good chance that the service will evolve and will offer economics of scale which will allow offering services to other Local Authorities.

Internal customers

All Services that require business improvement and programme / project management support services.

Service name:	**Property and Commercial Development**
Head of Service name:	Zoe Power (Interim Head of Property)
Service description:	

The Property service provides leadership and direction to the strategic management of the Council's property portfolio so that it remains fit for purpose; is sustainable; and cost efficient. The service is responsible for the Council's operational and commercial estate and provides professional advice in respect of the housing and

school estates.	

Education Capital Strategy is responsible for the delivery of schools' building works, asset management, PFI management and the admissions process.

External customers

Schools:

- Can purchase mechanical / electrical / lifts support and advice if they wish from technical resources – majority currently do. Current SLA ends March 2014 – now considering whether or not to continue to provide any or all of these services as this may not be cost effective
- Choose to fund an element of support for repairs and maintenance etc from Dedicated Schools Budget;
- Commission Technical Resources and Capital Strategy teams to deliver capital projects (funded from capital)
- PFI Operational Contract management by LBN relating to schools is provided free of charge to schools. Schools are required to pay PFI Co costs as under the contract.

Internal customers

Technical Resources provides fee based services to Schools Capital Team/ FM / Housing – historically internal customers have been encouraged (but not mandated) to use technical resources.

FM provides services to all Council areas via its management of the operational estate. Internal customers are required to use this service.

Commercial Property provides fee based services to other service areas of the Council. Internal customers are encouraged, but not mandated to use this service. It also provides 'free' services in terms of valuation advice to Regeneration for example.

Service name:	**Legal**
Head of Service name:	Janet Fasan

Service description:

Support to front line services through legal advice and representation in relation to both contentious and non-contentious matters in respect of the whole range of the Council's functions. Advice and representation is provided across the following areas:

- Employment tribunal claims made by service and past employees including pre-tribunal management.
- The council's corporate functions including HR strategies and policies
- Bringing claims for possession and defending actions brought (including disrepair) in respect of council owned commercial property, temporary accommodation and secure tenancies
- Judicial review threats against unfavourable homelessness decisions including dealing with any resultant Judicial reviews or appeals
- Reviews of housing decisions and appeals in relation to homelessness matters and assistance with drafting decision letters
- General litigation matters including contract disputes, parking claims, FOI, legal comments on committee reports and general advice on process
- Prosecutions in relation to the council's regulatory functions e.g. licensing (including property licensing), planning, food safety, underage sales, environmental pollution and fraud including housing benefit fraud and antisocial behaviour
- Legal Services do not carry out the legal work associated with debt collection or insurance claims.

External customers

Newham Partnership Working - an independent schools traded service.

They do have a choice

Triangle TMO

No

Internal customers

Our customers are:
- Corporate centre
- Community Infrastructure
- Safety and Enforcement
- Property
- Planning

Service name:	**Legal**
Head of Service name:	Maria Uhlmann
Service description:	
Legal advice and support and conduct of all litigation regarding the entire safeguarding agenda – Adults & Children	
External customers	
None	
Internal customers	
Newham Council Adult Services and Newham Council Children & Young People Services including Education	

Service name:	**Legal Services – Assets and Projects**
Head of Service name:	Siobhan Fry
Service description: Assets and Projects	
Legal services in respect of Property, Projects and Planning	
External customers	
- Schools for contract and some property work	
Internal customers	

- Corporate centre
- Strategic Regeneration Planning and Olympic Legacy – planning and regeneration
- Environmental Services - highways
- Business Systems Property and Commercial Development –conveyancing (residential and commercial) and project work
- Community Infrastructure – residential conveyancing, regeneration work and housing scheme (rented vehicles) work, grant agreements
- Community Infrastructure – Housing (Right to Buy and Residential conveyancing work), Regeneration work
- Every Department of the Council – contract, project and procurement work as required (mainly where contracts are above a value of £250,000)
- Procurement Team.

Service name:	**Democratic Services Committees and Partnerships team**
Head of Service name:	Angelina Leatherbarrow
Service description:	
Responsible for the day-to-day management of the Council's political decision making bodies, Including;	

- Supporting council meetings and the Executive decision making process including Mayoral

        Proceedings Cabinet meetings and the Forward Plan
- Quasi judicial bodies such as the Development Control Committee and Licensing Committee
- Finance and Audit Board committees
- Partnership bodies such as the Newham Partnership
- Non-executive Member contribution to Council's Policy through Policy Forums
- All Members contribution to local issues through the Influential Councillor Consultation meetings
- To interpret the Council's Constitution and give advice to Members and officers
- Administration of and advice on member's allowances and members' code of conduct
- Administration and advice on Declaration of interests and gifts
- To support Member development, induction, Member planning days and other one off projects
- To facilitate Members at meetings including the provision of equipment and catering facilities
- To develop and support the members Intranet site
- To develop systems in the Unit
- To ensure that members receive effective IT support from Computer Services
- To develop and maintain the Members' library and other information support systems.

External customers

Public –

- Members of the public attending Public meetings,
- Viewing petitions
- Seeking information
- Responding to public enquiries
- Accessing Cllr information on line
- Administration of payments through Newham Peoples trust
- Applicants for licenses to sell alcohol, licensing agents and solicitors

Internal customers

Members

Through member support and administration of meetings as detailed below.

Officers

Through support of report submission and advising on Constitution/ policy as detailed below.

Service name:	**Scrutiny**
Head of Service name:	Hafsha Ali
Service description:	

Overview and Scrutiny is responsible for ensuring that local public services are delivered effectively, efficiently and in the best interests of residents. It plays an important role in making sure that the Council and partner organisations are transparent, accountable, and effective. Non-executive councillors undertake this role by:

- Holding the Mayor and partners to account by examining key decisions and actions to ensure that they being taken in the best interests of residents
- Holding the Mayor and partners to account by examining the Mayor's spending and budget strategy to ensure that resources are used to achieve outcomes in the most efficient, effective, equitable and sustainable way
- Holding the Mayor and partners to account by inviting them to declare, in public, their ambitions and commitments to improving outcomes for local people, and monitoring their achievements
- Driving improvement by scrutinising strategic policy, strategy, delivery and performance of the Council and partners
- Driving improvement by investigating issues of poor performance or concern to local people
- Engaging and involving residents to ensure that decision-making is informed by the views and experiences of local people, and that they have a say in the decisions that affect them.

The Overview and Scrutiny Team is responsible for coordinating and supporting the effective delivery of this

work. The main activities of the team are to:

- Direct and manage the work of the Overview and Scrutiny Committee (OSC) and Commissions to ensure that Members are looking at the right things at the right time and asking the right questions for effective scrutiny. This includes:
  - o Working with Members to develop, coordinate and manage scrutiny work programmes
  - o Ongoing oversight and analysis of matters affecting residents in Newham and working with Members to ensure that they are picked up by scrutiny appropriately
  - o Facilitating ongoing dialogue with Executive Members, lead officers and partners to maintain up to date awareness of decisions and matters affecting the remit of the Commission and working with them to ensure the effective scrutiny of them
  - o Ensuring that recommendations are taken forward.

- Provide research, policy analysis and performance review required for the delivery of work programmes. This is required for the delivery of a programme of in-depth reviews for each of the Commissions and breadth of issues that are examined by the Commissions and Committee at each of their meetings.

- Manage the day to day running of the OSC, Budget Working Party, Residents Housing Scrutiny Group, four Commissions and regional Joint Health and Overview and Scrutiny Committee. This includes:
  - o Coordinating, preparing for and managing monthly meetings
  - o Attending meetings and ensuring minutes of the meeting are accurate, well written and produced and published within 5 working days
  - o Ensuring members are well briefed in a timely manner and provided with the information and support to undertake their roles effectively
  - o Ensuring officers and partners invited to meetings understand the role of scrutiny and provided with the appropriate support and information to participate effectively.

- Ensure Members have adequate support and skills to perform their scrutiny role effectively. This includes:
  - o Training and development for Members to undertake their role effectively and deliver on the priorities of the Commission/Committee is assessed and training programme coordinated and delivered
  - o Relevant information and analysis is provided to Members in the form of briefings and other appropriate means on a regular basis
  - o Meetings are carefully structured and information provided in a way that enables Members to contribute most effectively.

- To engage and involve residents ensuring public services are shaped by the views, experiences and needs of local people, and that they have a say in the decisions that affect their lives. This includes engaging community organisations and identifying opportunities for Members to hear from local people in the most appropriate way.

External customers

Scrutiny is a statutory service responsible for ensuring that decisions are being taken in the best interests of residents and that public bodies are effective. It has the power to scrutinise any local body on behalf of residents.

Overview and scrutiny has wide-ranging powers. Local government scrutiny was formally introduced in the Local Government Act 2000. Since 2000, there has been a slew of Acts, often accompanied by secondary legislation (in the form of statutory instruments, or SIs) which have gradually increased the powers of overview and scrutiny. The Localism Act 2011 has sought to consolidate a significant amount of these provisions, which are still formally located in the 2000 Act.

Scrutiny has the power to scrutinise and make recommendations on any "matters which affect the authority's area or the inhabitants of that area". Scrutiny also has specific powers, which require health bodies and community safety partnerships to engage with scrutiny.

The ultimate customers of scrutiny are local residents. Other external stakeholders/customers are the bodies subject to scrutiny, which include those responsible for health and social care, crime, regeneration, transport, housing, education and children services.

Internal customers

Internal customers of scrutiny are
1) Councillors who are supported to deliver scrutiny
2) All internal services subject to scrutiny

Service name:	**Electoral Services**
Head of Service name:	Paul Libreri

Service description:

- Organises the annual electoral canvass and publishes revised register annually
- Send and processes applications to register January to September of each year
- Send and processes applications to vote by post and Proxy
- Send and process applications to vote as an overseas elector
- Send and process applications to vote as a service elector
- Maintains the electoral property database
- Supply of electoral registers to those entitled to receive them
- Organises and conducts borough, Mayoral, GLA and national elections and referenda in Newham.

External customers

- Political Parties
- Members of Parliament
- London Assembly Members
- The Mayor of London
- Members of the European Parliament
- Election Candidates and Agents
- The Electoral Commission
- Registered Credit Reference Agencies
- Newham residents
- Overseas electors
- Service electors

Internal customers

- Councillors
- The Mayor

Dated

(1) London Borough of Havering (LBH)

(2) London Borough of Newham (LBN)

Joint Committee and Delegation Agreement

CONTENTS

THIS AGREEMENT is made on

BETWEEN

(1)   London Borough of Havering, Town Hall, Main Road, Romford. RM1 3BD ("LBH")

(2)   London Borough of Newham, Town Hall, East Ham, Barking Road London E6 2RP ("LBN")

BACKGROUND

(A)   LBH and LBN are local authorities for the purposes of the Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999.

(B)   The Councils have agreed to establish and to participate in a joint committee (the "Joint Committee") to facilitate the joint delivery of certain of their functions (the "Delegated Functions") with a view to their more economical, efficient and effective discharge. Initially these functions shall comprise those associated with the Shared Services as listed in Schedule 2. The Councils have agreed to delegate their Executive functions as set out in Schedule 2.

(C)   The Councils have entered into this Agreement in reliance on the exclusive rights given to local authorities to undertake administrative arrangements of this nature in sections 101, 102, 112 and 113 of the Local Government Act 1972, sections 9EA and 9EBof the Local Government Act 2000 and Section 1 of the Localism Act 2011 and the regulations made under these Acts; and the supporting provisions within section 111 Local Government Act 1972 and all other relevant powers.

OPERATIVE PROVISIONS

1.   **DEFINITIONS AND INTERPRETATION**

1.1   In this Agreement the following expressions have the following meanings unless inconsistent with the context:

"Assets"	all and any assets used in delivery of the Shared Services including all items of furniture, information technology (including Software), and all other equipment supplied by the Councils for use in the delivery of the Shared Services
"Asset Register"	a register of all the Assets used by the Councils in the delivery of the Shared Services
"Background IPR"	shall mean all intellectual property rights which are proprietary to a Council prior to the Commencement Date
"Business Day"	any day other than a Saturday or Sunday on which banks are open for domestic business in the City of London; and additionally excluding 25, 26, 27, 28, 29, 30, 31 December
"Chief Officer"	an officer who in the structure of the employing Council falls within that Council's definition (consistent with the Local Authorities Standing Orders (England) Regulations 2001
"Commencement Date"	the date of this Agreement
"Commercially Sensitive Information"	any information in respect of which the Councils agree that disclosure would or would be likely to prejudice the commercial interests of any person
"Constitution of the Joint Committee"	the constitution set out at Schedule 1

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"Councils"	London Borough of Havering and London Borough of Newham
"Council"	means singly the London Borough of Havering or the London Borough of Newham
"Delegated Functions"	those functions and responsibilities set out in Schedule 2 which have been delegated by the Councils to the Joint Committee in the manner described in Schedule 2;
"Delegated Powers"	those detailed decision making powers the Delegated Functions which have been delegated from time to time by the Councils to the Joint Committee
"Deputy Chief Officer"	an officer who in the structure of the employing Council falls within that Council's definition (consistent with the Local Authorities Standing Orders (England) Regulations 2001)
"DPA"	Data Protection Act 1998
"Distribution Formula"	the formula and principles by which the percentage contributions of each of the Councils are determined in accordance with clause 11.9 and Schedule 4
"Exempt Information"	any information or class of information relating to this Agreement which may fall within an exemption to disclosure under FOI Legislation
"FOI Legislation"	the Freedom of Information Act 2000 (FOI) and subordinate legislation made under this and

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the Environmental Information Regulations 2004 (EIR)

"Finance Officer to
the Joint Committee"
the officer designated as Finance Officer to the Joint Committee by the Joint Committee from time to time

"Head of Paid Service"
an officer designated by a Council as the Council's Head of Paid Service in accordance with section 4 of the Local Government and Housing Act 1989

"Information Request"
a request for information under FOI Legislation

"Intellectual Property
Rights"
rights in patents, trade marks, service marks, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright (including rights in software), database rights, knowhow, trade secrets, confidential business information, trade or business names and any similar or analogous rights to any of the above, whether arising or granted under the Laws of England or of any other jurisdiction

"Key Decision"
is an Executive decision which is likely
(i) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates. For this purpose

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"significant"" is defined as in excess of £500,00; or

(ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.

In determining the meaning of "significant", regard must be had to any guidance issued by the Secretary of State

"Lawyer to the Joint Committee"

the officer designated as Lawyer to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time

"Managing Director"

The officer appointed by the Joint Committee on behalf of the Councils with responsibility for managing the Shared Services.

"Political Group Leader"

a person designated as the leader of a political group in accordance with the Local Government (Committees and Political Groups) Regulations 1990

"Relevant Staff"

staff employed in carrying out the Shared Services

"Reserved Function(s)"

the functions and responsibilities (if any) described in Schedule 2 as reserved function(s) and which have been reserved to either of the Councils and therefore not

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Delegated Functions and do not fall within the remit of the Shared Services described in Schedule 2

"Secretary to the Joint Committee"

the officer designated as Secretary to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time (also known as "Committee Secretary")

"Section 151 Officer"

the officer designated by a Council as the person responsible for the proper administration of its financial affairs, as required by section 151 of the Local Government Act 1972

"Service Director

an officer appointed by the Joint Committee reporting directly to the Managing Director and responsible for the management of one or more of the Shared Services

"Service Plan(s)"

plans prepared in a format to be agreed by the Joint Committee including planned service levels of the Shared Services for a defined period including financial and other related data

"Shared Service(s)"

those services detailed in Schedule 2   and which are associated with the performance of "Delegated Functions"; to include such additional services as are agreed by the Councils

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"Shared Services Policies and Procedures"	any policies and procedures which the Councils agree should apply to the Relevant Staff or some of them
"Software"	any and all computer programs in both source and object code form, including all modules, routines and subroutines of such programs and all source and other preparatory materials relating to them, including user requirements, functional specifications and programming specifications, ideas, principles, programming languages, algorithms, flow changes, logic, logic diagrams, orthographic representations, file structures, coding sheets, coding and any manuals or other documentation relating to them and computer generated works
"Support Services"	the services within each Council which may be required to assist the Joint Committee in the discharge of the Delegated Functions including secretariat services to support the administration of the Joint Committee itself

1.2 References to any statute or statutory provision (including any EU Instrument) shall, unless the context otherwise requires, be construed as including references to any earlier statute or the corresponding provisions of any earlier statute, whether repealed or not, directly or indirectly amended, consolidated, extended or replaced by such statute or provision, or re-enacted in any such statute or provision, and to any subsequent statute or the corresponding provisions of any subsequent statute directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and will include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.

1.3 The headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.4 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.

1.5 A reference in this Agreement to any clause, paragraph or Schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or Schedule to this Agreement.

1.6 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.

1.7 Words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words unless inconsistent with the context, and the rule of interpretation known as ejusdem generis shall not apply.

2 ESTABLISHMENT OF A JOINT COMMITTEE

2.1 In exercise of their powers under sections 101(5) and 102 of the Local Government Act 1972, sections 9EA and 9EB of the Local Government Act 2000 and all other enabling powers the Councils hereby agree the Constitution of the Joint Committee set out in Schedule 1 which shall govern the operation of the Joint Committee, established by the Councils, (and within this Agreement also referred to as "the Joint Committee") with effect from the Commencement Date.

3. FUNCTIONS OF THE JOINT COMMITTEE

3.1 The Councils agree that the Joint Committee shall be constituted and shall operate and conduct its business in accordance with the terms of this Agreement including the Constitution of the Joint Committee as set out at Schedule 1.

3.2 The Councils hereby agree to delegate and empower the Joint Committee to discharge on their behalf the Delegated Functions and empower the Joint Committee to arrange for the discharge of the Delegated Functions and Delegated

Powers in the manner set out in this Agreement with effect from the 1st April 2014 save that the Joint Committee shall between the Commencement Date and the 1st April 2014 determine the senior management structure of the staff delivering the Delegated Functions.

3.3 The Councils will each directly appoint and employ suitably qualified officers as their s.151 Officer and Monitoring Officer who are intended to also be Relevant Staff. In relation to the former, this will not be delegated beneath "service director" level, and organisational structures should reflect this.

4. **SERVICE PLANS**

4.1 Each Council shall submit to the Finance Officer of the Joint Committee before the end of October each year, their estimate of the funding likely to be available to fund the Shared Services for the following three (3) financial years.

4.2 The Managing Director shall prepare and submit to the Joint Committee no later than the end of November each year an annual written Service Plan for the Shared Services for the next three financial years, encompassing Service Plans for each of the Shared Services. This shall take into account any constraints arising from clause 4.1 above and set out inter alia the outputs to be achieved by and the resources required for the relevant Shared Service.

4.3 On receipt of a Service Plan for a Shared Service, the Joint Committee shall by the end of the calendar year, review, make such amendments as it thinks fit and approve the Service Plan together with the relevant service level agreement(s).

4.4 The Joint Committee shall be responsible for reviewing actual performance of the Shared Services against the Service Plans and service level agreement(s).

4.5 The Managing Director shall submit to the Joint Committee no later than the last working day of May each year, an annual report on the activities of the Shared Services over the past financial year including an account of financial matters and explaining the main plans and activities for the coming year.

4.6 In the event that for whatever reason the Managing Director does not submit his/her report to the Joint Committee or the Joint Committee does not meet the Parties agree that the services envisaged by this agreement will continue using the previous financial year's reports with a provisional budget based on that of the previous year amended to incorporate the estimated funding proposed by the Councils under clause 4.1 above.

5. **OFFICE ACCOMMODATION FOR SHARED SERVICES**

5.1 Each Council shall provide suitable working accommodation for each of the Relevant Staff as may be determined by the structure from time to time established by the Joint Committee for the performance of each of the Shared Services.

5.2 It is intended that Relevant Staff will remain in their existing locations where feasible, although re-location of staff may take place where, in the opinion of the Managing Director, this will enhance the efficiency of the Shared Service. Any re-location of staff shall be undertaken in accordance with the employing Council's procedures in that regard.

5.3 At the 1st April 2014 each Council shall provide suitable working accommodation for those of its staff who are Relevant Staff to enable them to perform the Shared Services. If at any time the Managing Director decides that any Relevant Staff should relocate from one Council's accommodation to another Council's accommodation, the Council to which they relocate shall provide suitable working accommodation for the Relevant Staff.

6. **SUPPORT SERVICES**

6.1 If either Council believes that additional Support Services may be required for the effective management or performance of the Shared Services it shall consult the other Council to reach agreement as to the appropriate way of providing the additional Support Services. If the Councils are unable to agree the appropriate way of providing the additional Support Services the matter shall be dealt with in accordance with the dispute resolution procedure set out at clause 16.

7. **ASSETS**

7.1 The Councils agree that on Commencement they will draw up an inventory of Assets ('The Asset Register') which will be kept and regularly updated by the Secretary to the Joint Committee.

8. **COSTS AND LIABILITIES IN RESPECT OF THE JOINT COMMITTEE**

8.1 All losses, claims, expenses, actions, demands, costs and liabilities incurred by the Joint Committee in fulfilling obligations under this Agreement shall be shared by the Councils in accordance with the Distribution Formula or on such other terms as may be agreed between the Councils.

8.2 Each Council hereby agrees that it shall accept liability for all claims, costs and expenses incurred by it as a result of any decision, advice, action or omission of staff carrying out the Shared Services whether they are employed by that Council or the other Council.

8.3 For the avoidance of doubt, such costs shall include matters relating to the employment and transfer of staff, losses, costs, expenses or liabilities arising from contracts with third parties and in relation to assets, by way of illustration. For the further avoidance of doubt each Council shall be responsible for all actions and liabilities arising prior to the commencement of Shared Services.

8.4 This clause 8 shall survive the expiry or determination of this Agreement.

9. **INSURANCE**

9.1 Each Council shall ensure that:

9.1.1 it maintains throughout the duration of this Agreement (or procures the taking out and maintenance of) adequate insurance to the levels set out in clause 9.2 and any other such insurances which may be required by law ;

9.1.2 the insurance obtained is effective no later than the date on which the relevant risk commences;

9.1.3   it is responsible for meeting and promptly pays all costs of all insurance premia for the insurances referred to in clause 9.2; and

9.1.4   upon written request it provides to the other Council making the written request:

9.1.4.1   copies of all insurance policies required under this clause;

9.1.4.2   evidence that all of the premia payable under such insurance policies have been paid in full; and

9.1.4.3   evidence that the insurances remain in full force and effect.

9.2   Each Council shall ensure that at all times an adequate level of insurance is maintained by it in respect of the provision of the Shared Services.

9.3   Where either Council allows its premises to be used to allow Relevant Staff to work on matters relating to this Agreement that Council shall ensure that adequate insurance cover is effected and maintained to cover employee liability (including vicarious liability for Relevant Staff employed by the other Council), public liability and any other insurance requirements which may accord with good practice.

9.4   Each Council warrants to the other that as at the date of this Agreement:

9.4.1   it has provided a copy of this Agreement to its insurer (in this clause 9, the "Insurer"); and,

9.4.2   upon receipt of a notice from an Insurer to a Council that the terms of the insurances required under this clause 9 have changed or that the Insurer withdraws its insurance that Council shall promptly notify the other and use its best endeavours to forthwith obtain replacement insurance as required under this clause 9.

10. **STAFFING**

10.1 As from a date to be agreed by the Joint Committee the Relevant Staff shall be deployed in accordance with the organisational structure approved by the Joint Committee. The Relevant Staff shall not be transferred to another employer as a result of the employing Council entering into this agreement.

10.2 Where a Relevant Staff member ceases to be employed thereby creating a vacancy or a new post is created (unless it is a Chief Officer or Deputy Chief Officer post) the Managing Director or the Service Director of the Relevant Shared Service acting under their authority shall appoint to the post. Any newly appointed Relevant Staff member shall be employed by the Council which employed the former Relevant Staff member unless otherwise agreed by the Managing Director or by the Joint Committee, in consultation with the s151 Officers of both Councils taking account of factors including service and pension fund requirements and the personal circumstances of the prospective employee.

10.3 (a) In the event of the Managing Director post becoming vacant, candidates shall be interviewed by the Joint Committee, and their preferred candidate shall be recommended to the employing Council to appoint following its own procedural rules.

(b) For statutory officers including the s 151 Oofficer and Monitoring Officer, candidates shall be interviewed by the Joint Committee together with the Managing Director and a selection panel (to be agreed for each appointment which may include representatives of the Joint Committee). The Joint Committee would then propose a shortlist of appointable candidates for subsequent interview and appointmente by the employing Council in accordance with its procedural rules for such appointments.

(c) For other Chief Officer or Deputy Chief Officer posts candidates for the vacancy shall be interviewed by the Joint Committee together with the Managing Director and the preferred candidate shall be recommended to the Councils for confirmation if required following the relevant procedural rules for appointment of Chief Officers and Deputy Chief Officers.

10.4 The Service Director of each Shared Service shall be responsible for the day to day management of the Relevant Staff, including but not limited to performance management, allocation of holiday, training, personal development reviews and sickness absence issues in accordance at all times with any applicable terms and conditions of employment and Shared Services Policies and Procedures. For the avoidance of doubt this will include administering ill-health and disciplinary procedures, in respect of instances of long term sickness absence by a member of Relevant Staff and/or where formal disciplinary action may lead to dismissal of a member of Relevant Staff.

10.5 Each Council shall ensure that all Relevant Staff are provided with appropriate authorisation to perform the Shared Services.

10.6 The Councils each hereby agree to place their Relevant Staff at the disposal of the other, in accordance with Section 113 of the Local Government Act 1972 and any successor legislation, for the purposes of the efficient and effective provision, to the Councils, of the Shared Services.

11. **FUNDING OF THE JOINT COMMITTEE**

11.1 The Finance Officer to the Joint Committee shall prepare a base budget forecast for the Shared Services in respect of the next three financial years by reference to the resources approved within the Service Plans and the estimate of funding provided by the Councils under clause 4.1 above.

11.2 The Joint Committee shall, as soon as practicable within the overall budget cycle, but in any event no later than the 10th January of each year, submit to each Council its funding requirements for the following financial year.

11.3 If any Council disagrees with the amount of their contribution payable in accordance with this clause 11 then they may pursue the dispute resolution procedure set out in clause 16 or may terminate their involvement in the Joint Committee in accordance with clause 14. For the avoidance of doubt during the period of the dispute the financial arrangements then in place shall continue until the dispute is resolved by the Parties through the mechanisms of this Agreement

11.4 Subject to paragraph 11.3 above:

   a) The Councils agree that the annual funding requirement of the Joint Committee and its administration shall be shared between the Councils in accordance with the Distribution Formula set out in 11.8 below, and,

   b) The Councils shall contribute funding in such sum as represents the proportion of the funding requirement for each financial year determined by the Distribution Formula

11.5 The Councils will annually by the 30th April calculate the total funding they have contributed on the Shared Services in accordance with clause 11.4 and Schedule 5 for the previous financial year and any balancing payment required between the Councils to achieve compliance with clause 11.4 shall be made within one month of the completion of the reconciliation.

11.6 The Councils' Section 151 Officers and other authorised officers shall have access at all reasonable times and with due notice to the relevant financial records of their Council and shall be entitled to seek explanations concerning queries relating thereto.

11.7 The staff carrying out internal audit functions and Councils' section 151 and Monitoring Officers shall have right of access to all records, assets, personnel and premises, including those of partner organisations and the authority to obtain such information and explanations as they consider necessary to fulfil their responsibilities.

11.8 The Distribution Formula shall be as set out in Schedule 4. Such proportion shall reduce or increase proportionately in the event that other Councils become parties to this Agreement, or any of the Councils withdraw.

12. DURATION OF AGREEMENT

12.1 This Agreement shall come into force on the Commencement Date and shall continue until terminated in accordance with the provisions of this Agreement.

13. VARIATION OF THIS AGREEMENT

13.1 Either of the Councils may request a variation to this Agreement by making such a request in writing to the Secretary to the Joint Committee.

13.2 The Secretary to the Joint Committee shall circulate the request to each of the Councils within 10 Business Days of receipt of the request for consideration and approval by the Councils. The Council who is requested to consider a variation to the Agreement shall respond within 20 business days of receipt or such other period as the Councils may agree.

13.3 If both of the Councils approve the variation then the Secretary to the Joint Committee shall arrange for the preparation of an appropriate Deed of Variation to this Agreement to be prepared for execution by both Councils and such change shall only take effect upon completion of that Deed and the costs associated with the preparation of such Deed of Variation shall be shared pro rata between the Councils on such terms as set out in Schedule 4.

13.4 If one of the Councils does not approve the change then the change to this Agreement shall not occur. If the Councils are unable to agree the variation the matter shall be dealt with in accordance with the dispute resolution procedure set out at clause 16.

14. **WITHDRAWAL FROM THE JOINT COMMITTEE**

14.1 Any Council may withdraw from the Joint Committee in accordance with the following procedure:

14.1.1 Any Council which wishes to withdraw from the Joint Committee shall give not less than 15 months' notice to the other Council and the Secretary to the Joint Committee of its intention to do. The Secretary to the Joint Committee shall consult the Council upon which such notice has been served giving due consideration to:

14.1.1.1 any loss of funding which may arise from such withdrawal to include any non-payment, clawback or repayment of such funding;

14.1.1.2 any other loss, liability, damage, claim or expense arising

directly from the withdrawal, but excluding any on-going increase in costs from the carrying out of functions within the Shared Services;

which would be incurred by the Council upon which notice has been served by reason of such withdrawal from the Joint Committee.

14.2 Any Council wishing to withdraw from the Joint Committee undertakes as a condition of such withdrawal to make within 3 months of the start of the notice period such reasonable payment or payments which fairly reflect the actual costs, claims, losses, liabilities or expenses caused by or anticipated as a result of the withdrawal as shall be determined jointly by the Councils pursuant to clauses 8, 11 and 14.1 above acting reasonably and no notice under this clause 14 shall take effect unless and until such payment has been made. Failure to make such reasonable payment within 3 months (unless such failure is as a result of mediation – see Clause 14.5) shall be treated as a withdrawal of that notice.

14.3 The Councils and the Joint Committee will work jointly to identify as soon as practicable, and in any event within 11 weeks of the start of the notice period, all the costs, claims, losses, liabilities or expenses caused by or anticipated as a result of the withdrawal so that the payment referred to in clause 14.2 can be made within 3 months of the start of the notice period. Any additional costs associated with the withdrawal identified after the payment has been made remain with whichever Council has legal liability for them.

14.4 The Council which has given notice to withdraw from the agreement can unilaterally withdraw the notice at any point prior to the payment of the additional costs referred to in clause 14.2, but can only withdraw it after the clause 14.2 payment has been made with the consent of the other Council.

14.5 For the avoidance of doubt, clause 17 (Mediation) shall apply in the event of agreement is not reached on the amount payable under this clause and in the event of the mediation process being invoked the timescales set out in clauses 14.2 and 14.3 shall be adjusted so that the Council that has given the notice has 2 weeks from the date of the conclusion of the mediation to make the payment or withdraw their

notice, and the notice period will end 12 months and 2 weeks after the conclusion of the mediation. .

14.6 Where one Council withdraws from this Agreement the Agreement shall terminate and the provisions of clause 15 shall apply.

15. **TERMINATION OF THIS AGREEMENT**

15.1 Without prejudice to Clause 14.1 the Councils agree that this Agreement may be determined upon terms agreed by both Councils subject to the terms of this Agreement.

15.2 In the event of termination of this Agreement:

15.2.1 Any party shall supply to any other party when requested any information which the other party requires for the continuing provision by that other party of any of the Shared Services.

15.2.2 Any Intellectual Property Rights created under this Agreement shall be owned by the then parties in equal proportions; and

15.2.3 Each of the parties shall undertake to pay such reasonable payment or payments which fairly reflect the obligations of that Council pursuant to this Agreement on the basis set out in clauses 8, 11 and 14.

15.3 In the event of termination of this Agreement, all Assets held by either of the Councils for the purposes of this Agreement shall:

15.3.1 Where reasonably practicable be divided between the Councils proportionate to the average cost of the relevant Shared Service over the previous year;

15.3.2 Be sold for the best consideration possible and the proceeds of sale divided between the Councils proportionate to the average cost of the Shared Services over the previous year, or where relevant;

15.3.3 Be retained by either Council for its own use and purposes subject to an equitable financial settlement to the other Council as agreed between the

Councils;

      15.3.4   Be dealt with as otherwise agreed between the Councils; or

      15.3.5   In the absence of agreement, in accordance with the dispute resolution procedure in clause 16.

15.4   It shall be the duty of all of the parties to try to minimise any losses arising from the determination of this Agreement. Amongst other issues the Councils shall use all reasonable endeavours to offer priority redeployment to any of their respective staff then employed in the provision of the Shared Services, whether by redeploying the staff to provide one or more of the Shared Service functions for the Council or to be redeployed more generally and/or by helping to seek alternative employment for them.

16.   INTERNAL DISPUTE RESOLUTION

16.1   The Councils (and where the context requires, the Heads of Paid Service of the Councils) undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this joint working arrangement) to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the parties.

16.2   Any dispute or difference relating to this Agreement shall in the first instance be referred to the Service Director to resolve in liaison with the other Council. In the event that such matters cannot be resolved within 10 Business Days it shall be referred to the Managing Director and in default of agreement within a further 10 Business Days the matter shall be referred to the Heads of Paid Service. If the Heads of Paid Service are unable to resolve the matter then it shall be referred to the Joint Committee for determination.

16.3   In the event of any dispute or difference between the Councils relating to this Agreement which it has not been possible to resolve by the Joint Committee (whether this may be a matter of interpretation or otherwise) the matter shall be referred to mediation in accordance with clause 17.

17. **MEDIATION**

If at any time any dispute or difference shall arise between the Councils or any of them which they are not able to resolve in accordance with this Agreement the same shall be referred to and settled by a single mediator to be appointed by agreement by the Councils; or in default of agreement, nominated on the application of either of the Councils by the Secretary of State.

18. **NOTICES**

18.1 Form of notice

Any demand, notice or other communication given in connection with or required by this Agreement shall be made in writing and shall be delivered to, or sent by prepaid first class post to, the recipient at the address stated in Schedule 3 (or such other address as may be notified in writing from time to time) or sent by electronic mail to the electronic mail address of the recipient stated in Schedule 3 (or such other address as may be notified in writing from time to time).

18.2 Service.

Any such demand, notice or communication shall be deemed to have been duly served:

18.2.1 if delivered by hand, when left at the proper address for service;

18.2.2 if given or made by prepaid first class post, two Business Days after being posted; or

18.2.3 If sent by electronic mail at the time of transmission provided in each case that if the time of such deemed service is either after 4.00 pm on a Business Day or on a day other than a Business Day, service shall be deemed to occur instead at 10.00 am on the next following Business Day.

19. **INFORMATION AND CONFIDENTIALITY**

19.1 The Councils shall keep confidential any Commercially Sensitive Information relating to this Agreement or the Intellectual Property Rights of the parties and shall use all reasonable endeavours to prevent their employees and agents from making any disclosure to any person of any Commercially Sensitive Information relating to the Agreement or Intellectual Property Rights of the parties.

19.2 Clause 19.1 shall not apply to:

19.2.1 Any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Agreement;

19.2.2 Any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;

19.2.3 Any disclosure to enable a determination to be made under clause 17 (Mediation);

19.2.4 Any disclosure which is required by any law (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;

19.2.5 Any disclosure of information which is already lawfully in the possession of the receiving party prior to its disclosure by the disclosing party;

19.2.6 Any disclosure by a party to a department, office or agency of the Government;

19.2.7 Any disclosure for the purpose of the examination and certification of a party's accounts.

19.3 Where disclosure is permitted under clause 19.2, the recipient of the Commercially Sensitive Information shall be placed under the same obligation of confidentiality as that contained in this Agreement by the disclosing Council.

20. **DATA PROTECTION**

20.1 The Councils shall at all times comply with the DPA, including maintaining a valid and up to date registration or notification under the DPA, covering any data processing to be performed in connection with this Agreement and their responsibilities as data processors and/or data controllers.

20.2 The Councils shall only undertake processing of Personal Data reasonably required in connection with the operation of this Agreement and in accordance with this clause and any relevant legal requirements.

20.3 The Councils shall not transfer any Personal Data to any country or territory outside the European Economic Area.

20.4 The Councils shall not disclose Personal Data to any third parties other than:

20.4.1   in response to a data subject access request;

20.4.2   to employees and contractors to whom such disclosure is necessary in order to comply with their obligations under this Agreement; or

20.4.3   to the extent required to comply with the law.

21. **SCRUTINY AND AUDIT**

21.1 The Councils agree that scrutiny relating to this Agreement and the Agreed Functions shall be the responsibility of each Council.

21.2 The relevant committees/boards of each Council responsible for scrutiny and audit shall have the right to inspect any documents relating to this Agreement and to require the Joint Committee to answer any questions raised by them, in accordance with the Constitution and procedural rules of each Council.

21.3 The accounts of each council relating to the Shared Services and this Agreement shall be the subject of audit by any external auditor appointed by any of the Council.

22. **VAT**

22.1 The Councils agree that so far as permitted by law they shall not charge VAT on any

amounts payable under the terms of this Agreement as a non-business supply arising out of an administrative event.

23. **INTELLECTUAL PROPERTY**

23.1 All Intellectual Property Rights in material created by or on behalf the Councils during the provision of the Shared Services arising directly from the performance of this agreement and excluding Background IPR shall vest jointly in the Councils which will hold the Intellectual Property Rights and they shall be held on behalf of all of the parties to this agreement at the time the rights were created.

24. **FREEDOM OF INFORMATION**

24.1 The parties recognise that the Councils are public authorities as defined by FOI Legislation and therefore recognise that information relating to this Agreement may be the subject of an Information Request.

24.2 The parties shall assist each other in complying with their obligations under FOI Legislation, including but not limited to assistance without charge, in gathering information to respond to an Information Request.

24.3 Any Council shall be entitled to disclose any information relating to this Agreement and the Shared Services in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information:

   24.3.1   the Council which receives the Information Request shall circulate the Information Request and shall discuss it with the other Council

   24.3.2   the Council which receives the Information Request shall in good faith consider any representations raised by the other Council when deciding whether to disclose Exempt Information; and

   24.3.3   the Council which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the Council to which it relates.

24.4   The parties to this Agreement acknowledge and agree that any decision made by a Council which receives an Information Request as to whether to disclose information relating to this Agreement pursuant to FOI legislation is solely the decision of that Council. A Council will not be liable to any party to this Agreement for any loss, damage, harm or detrimental effect arising from or in connection with the disclosure of information in response to an Information Request.

25.   **FORCE MAJEURE**

All parties shall be released from their respective obligations in the event that a Force Majeure Event renders the performance of this Agreement not reasonably practicable whereupon all money due to any party under this Agreement shall be paid immediately and clause 15 (Termination of this Agreement) shall apply, as if all Councils in membership of the Joint Committee had agreed to determine this Agreement.

26.   **SEVERABILITY**

26.1   If at any time any clause or part of a clause or schedule or appendix or part of a schedule or appendix to this Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable in any respect:

26.1.1   that shall not affect or impair the legality, validity or enforceability of any other provision of this Agreement;

26.1.2   the parties shall in good faith amend this Agreement to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision to the extent that such spirit and intention is consistent with the laws of that jurisdiction and so that the amended Agreement complies with the laws of that jurisdiction.

27.   **SUCCESSORS**

This Agreement shall be binding upon and shall enure to the benefit of each party's successors and permitted assigns.

28. **RELATIONSHIP OF PARTIES**

Each of the parties is an independent local authority and nothing contained in this Agreement shall be construed to imply that there is any relationship between the parties of partnership or principal/agent or of employer/employee. No party shall have any right or authority to act on behalf of another party nor to bind another party by contract or otherwise except to the extent expressly permitted by the terms of this Agreement.

29. **THIRD PARTY RIGHTS**

The parties agree that they do not intend that any third party which may benefit from this Agreement shall have any rights of enforcement under the terms of the Contracts (Rights of Third Parties) Act 1999.

30. **ENTIRE AGREEMENT**

This Agreement and all documents referred to in this Agreement set forth the entire agreement between the parties with respect to the subject matter covered by them and supersede and replace all prior communications, representations (other than fraudulent representations), warranties, stipulations, undertakings and agreements whether oral or written between the parties. Each party acknowledges that it does not enter into this Agreement in reliance on any warranty, representation or undertaking other than those contained in this Agreement and that its only remedies are for breach of this Agreement, provided that this shall not exclude any liability which either party would otherwise have to the other in respect of any statements made fraudulently by or on behalf of it prior to the date of this Agreement.

31. **LAW OF AGREEMENT OR JURISDICTION**

This Agreement shall be governed by the laws of England and Wales and subject to clauses 16 and 17 (Internal Dispute Resolution and Mediation) the parties submit to the exclusive jurisdiction of the courts of England and Wales.

IN WITNESS whereof the parties have caused their respective Common Seals to be

hereunto affixed to this deed the day and year first before written

Sealed for and on behalf of   )

London Borough of Havering   )

in the presence of:)

MayorAuthorised Officer

Sealed for and on behalf of   )

London Borough of Newham   )

in the presence of:)

SCHEDULE 1
Constitution of the Joint Committee

1   Each of the Councils shall appoint three Members (being elected members of the Executive of that Council) as its nominated Members of the Joint Committee. The Members appointed shall have full voting rights.

2   Each Council may nominate one or more substitute Members of its Executive to attend any meeting in place of an appointed Member from that Council, subject to notification being given to the Secretary to the Joint Committee before the start of the meeting. The Member appointed as a substitute shall have full voting rights where the member for whom they are substituting does not attend. If a Council's nominated Members attend a meeting of the Joint Committee, any named substitute may also attend as an observer but shall not be entitled to vote.

3   Each Member of the Joint Committee shall comply with the Code of Conduct of their Council when acting as a Member of the Joint Committee.

4   Each of the Councils may remove any of its nominated Members or substitute Members of the Joint Committee and appoint a different Member or substitute to the Joint Committee by giving written notice to the Secretary to the Joint Committee.

5   Each Council shall have three votes. These shall be exercised by the nominated Members who are elected members of the Council. In the absence of a Council's nominated Member, a vote may be exercised by the named substitute who is an elected member of the Council.

6   Each Member of the Joint Committee shall serve upon the Joint Committee for as long as he or she is appointed to the Joint Committee by the relevant Council but a Member shall cease to be a member of the Joint Committee if he or she ceases to be a Member of the Council appointing him or her or if the relevant Council removes him or her as a Member of the Joint Committee.

7   Any casual vacancies howsoever arising shall be filled by the Council from which the vacancy arises by notice in writing sent to the Secretary to the Joint Committee.

8   Meetings of the Joint Committee shall be held at the venue or venues as agreed by the Joint Committee.

9   The Council hosting the first meeting shall appoint one of its nominated members as Chairman and that member shall remain Chairman until the first meeting taking place after the elapse of one year from the time of his or her appointment unless he or she ceases to be a Member of the Joint Committee. On the expiry of the first Chairman's term of office as Chairman, the Council which did not appoint the first Chairman shall appoint one of its nominated members as Chairman for a period of one year from the time of his or her appointment. The same procedure shall be followed for the appointment of Chairman in subsequent years.

10   The Council which has not appointed the Chairman of the Joint Committee in any year shall appoint one of its nominated members as Vice Chairman.

11.   The Joint Committee shall meet at least once every six months.

12.   The Secretary to the Joint Committee may call additional meetings by providing at least five clear days' notice to Members of the Joint Committee, for the purposes of resolving urgent matters arising between the meetings of the Joint Committee. The Secretary to the Joint Committee must call a meeting of the Joint Committee if at least one Member of the Joint Committee from each Council requests it or the Head of Paid Service of both Councils requests it.

13.   Meetings shall be notified to Members of the Joint Committee by the Secretary to the Joint Committee.

14.   The Secretary to the Joint Committee shall send electronically to all members and relevant officers of each Council the agenda for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting. The

Secretary to the Joint Committee shall send if requested to any Members of the Joint Committee, to the Political Group Leaders of each Council and relevant officers of each Council, printed copies of the agenda for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting.

15. The Secretary to the Joint Committee shall arrange for written minutes to be taken of each meeting of the Joint Committee and shall present them to the Joint Committee at its next meeting for approval as a correct record. If the Joint Committee confirms that the minutes contain an accurate record of the previous meeting, those minutes shall be signed by the Chairman or Vice-Chairman.

16. Meetings of the Joint Committee will commence at a time to be agreed by the Joint Committee.

17. A meeting of the Joint Committee shall require a quorum of two Members of each Council who are entitled to attend and vote. If there is a quorum of members present but neither the Chairman nor the Vice Chairman is present, the Members present shall designate one Member to preside as Chairman for that meeting.

18. Subject to the provisions of any enactment, all questions coming or arising before the Joint Committee shall be decided by a majority of the Council Members of the Joint Committee immediately present and voting thereon. Subject to the provisions of any enactment, in the case of an equality of votes the Chairman shall have a second or casting vote but before exercising this, the Chairman shall consider whether it is appropriate to defer the matter to the next meeting of the Joint Committee.

19. Any Member of the Joint Committee may request the Joint Committee to record the votes of individual Members of the Joint Committee on a matter for decision.

20. A Member when speaking shall address the Chairman. If two or more Members wish to speak, the Chairman shall call on one to speak. While a Member is speaking other Members shall remain silent.

21.   A Member shall direct his/her speech to the question under discussion or to a personal explanation or to a point of order.

22.   Only one amendment to a proposal may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of, providing that the Chairman may permit two or more amendments to be discussed (but not voted on) together if circumstances suggest that this course would facilitate the proper conduct of the Joint Committee's business.

23.   If an amendment be lost, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.

24.   The order of business shall be indicated in the agenda for the meeting.

25.   When a motion is under debate by the Joint Committee no other motion shall be moved except the following:

25.1   to amend the motion;
25.2   to adjourn the meeting;
25.3   to adjourn the debate;
25.4   to proceed to the next business;
25.5   that the question be now put;
25.6   that a Member be not further heard;
25.7   by the Chairman that a Member do leave the meeting;
25.8   a motion under Section 100(A)(4) of the Local Government Act 1972 to exclude the public;
25.9   to postpone consideration of the item.

26.   A Member may move without comment at the conclusion of a speech of another Member, "That the Committee proceed to the next business", "That the question be now put", "That the debate be now adjourned", or "That the Committee do now adjourn", on the seconding of which the Chairman shall proceed as follows:

26.1   on a motion to proceed to next business; unless in his opinion the matter before the meeting has been insufficiently discussed put to the vote the motion to proceed to the next business

26.2   on a motion that the question be now put; unless in his opinion the matter before the meeting has been insufficiently discussed he shall first put to the vote the motion that the question be now put

26.3   on a motion to adjourn the debate or the meeting; if in his opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion put the adjournment motion to the vote

26.4   the ruling of the Chairman shall not be open for discussion.

27.   Any member of the Councils who is not a Member of the Joint Committee is entitled to attend the Joint Committee but he/she shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chairman and comments will be recorded only on the direction of the Chairman.

28.   Meetings of the Joint Committee will be open to the public except to the extent that they are excluded under paragraph 30.

29.   Any decision of the Joint Committee which is a Key Decision shall be published by the Joint Committee and the relevant Council(s) in accordance with the Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

30.   The public may be excluded from a meeting of the Joint Committee during an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that, if members of the public were present during that item, confidential information as defined in section 100A(3) of the Local Government Act 1972 or exempt information as defined in section 100I of the Local Government Act 1972 would be disclosed to them.

31.   Each Council may call in any decision of the Joint Committee in accordance with the overview and scrutiny provisions of that Council's constitution. If any decision of the

Joint Committee is subject to call in by a Council, the Joint Committee shall take no action to implement that decision until after the call in process is completed.

32.   The Joint Committee may delegate a function to a Sub-Committee or an officer.

33.   Any contractual arrangements that relate to a Shared Service will be undertaken by one of the Councils and that Council will apply its own financial regulations and contract procedure rules until such time as the Joint Committee adopts its own financial regulations and contract procedure rules. The Service Director of the relevant Shared Service that is incurring the expenditure will normally determine which of the Councils' financial regulations and contract procedure rules will apply and in the event of any dispute or uncertainty the matter should be referred to the Managing Director to whom all of the Service Directors report.

34.   The Secretary to the Joint Committee shall provide governance and secretarial support services to the Joint Committee on such terms as may be agreed from time to time between the Councils.

35.   The Lawyer to the Joint Committee shall provide legal advice and support services to the Joint Committee.

36.   The Finance Officer to the Joint Committee shall provide financial support services to the Joint Committee.

SCHEDULE 2

Delegated Functions and Shared Services

London Borough of Havering	London Borough of Newham
Resources Directorate	**Resources and Commercial Development Directorate**
Legal and Democratic Services • Legal Services • Democratic Services • Electoral Services • Leader's and Mayor's Offices	**Legal** • Legal Services • Democratic Services, Committees and Partnerships • Scrutiny • Electoral Services
Internal Shared Services • Operational Finance and HR • Operational Procurement • HR, Payroll Pensions and Finance Administration • Customer Relationship and Improvement **Strategic HR and OD** • HR Business Partners • Corporate HR and Change Strategy • Organisational Development	**HR** • Shared Service Centre • Strategic HR • Employee Services • People, Projects and Participation • Talent • Leadership and Organisational Development • Health and Safety
Finance and Procurement • Corporate Finance • Strategic Finance Business Partners • Internal Audit, Risk, Insurance and Fraud • Strategic Procurement Business Partner	**Finance** • Strategic Finance • Financial Control • Revenue and Exchequer Services • Finance Business Partnering • Internal Audit, Counter Fraud, Risk and Insurance • Procurement • NNDR • Council Tax • Council Tax and Housing Benefit
Exchequer Services • Benefits • Council Tax and Business Rates • Corporate Debt Recovery **Asset Management** • Corporate and School Premises Management • Transport and Fleet Services • Technical Services (Design and Maintenance) • Health and Safety	**Property and Commercial Development** • PMO and Business Improvement • Facilities Management • Strategic Property • Capital Strategy and School Organisation • Management of Schools Capital
Business Systems • ICT Strategy and Operations • Support Centre • Information Governance • Print Unit	**Business Systems** • Information Governance and Corporate Systems • Support Centre • Print Services • Unified Communications • Architectural Management • Contract and Supplier Management • Portfolio Management and Business Analysis • Printing Services

SCHEDULE 3
Notice Provisions

London Borough of Havering, Town Hall, Main Road, Romford. RM1 3BD

Tel: 01708 43248

Email: ian.burns@havering.gov.uk

London Borough of Newham, Town Hall, East Ham, Barking Road, London.

E6 2RP

Telephone: 020 33739236

Email: helen.edwards@newham.gov.uk

SCHEDULE 4

Distribution Formula

General

1.1   The overriding principle is that the Councils will share costs, expenses and savings involved fairly, transparently and on an agreed share basis. There may need to be exceptions, recognising that there may be differences in relation to the historic and future usage of each of the Shared Services.

1.2   The Councils shall ensure that a separate account is kept in respect of all costs and expenses involved in supporting the Joint Committee and in the delivery of the Shared Services. Such account shall include the staff costs (including on costs) incurred by each of the parties, and non-staffing costs.

1.3   At end of the financial year the total costs incurred by each Council will be added together and the distribution formula applied to establish each Council's share. Where appropriate an equalisation payment between the councils may be required to adjust actual costs incurred to the level required under the formula. The amounts calculated by the Councils for the financial year 2013/14 shall form the initial Baseline Budget for the delivery of the Delegated Functions.

Savings From Discharging The Delegated Functions

2.1   The savings achieved from the discharge of the Delegated Functions by the Joint Committee shall be split between the Councils as follows:

Type of Savings	Calculation Basis
Senior Management	pro-rata to the respective relevant 2013/14 Baseline Budget
Duplication (9%)	50 : 50
Process Efficiency (11%)	pro-rata to the respective relevant 2013/14 Baseline Budget
LBN Oracle Implementation	Newham only
New External Customers	50 : 50

2.2   The estimated proportions of savings from the table in paragraph 2.1 are used to calculate the proportionate sharing of costs set out in the table at paragraph 3.1.

2.3   Any saving achieved as a result of joint working between the Councils on a service which is not included in the Delegated Functions or in respect of a service which is delegated by only one of the Councils is not covered by this Agreement.

Cost Sharing of Discharging the Delegated Functions

3.1   The total cost of discharging the Delegated Functions each financial year by the Joint Committee for the period 1st April 2014 to 31st March 2019 shall not exceed the amount (at 1st April 2014 values) shown in column B of the table below and the proportion of that total cost paid by LB Newham and LB Havering shall be as set out respectively in columns C & D of the table.

	B Total Cost £000	C Newham%	D Havering %
2014/15	53,128	64	36
2015/16	49,450	64	36
2016/17	48,296	63	37
2017/18	47,492	63	37
2018/19	46,628	63	37

3.2   The total cost of discharging the Delegated Functions for future financial years and the relative proportions of the cost to be paid by each Council shall be recalculated by the Joint Committee & Councils annually by mid-January preceding the start of the relevant financial year on the same basis as set out above unless otherwise agreed by the Councils.

1.3   The annual estimated cost of each Delegated Functions will be set and agreed by the Joint Committee and the two councils within their budget setting strategy, based on the Annual Service Plan and will then only be adjusted in the event of significant differences in the levels of service required by the Council's during the year. Significant for this purpose shall be more than 1% total annual revenue cost of the relevant Delegated Functions of each council.

4.   **Shared Services Implementation/Investment Costs**

4.1   Each Council shall be responsible for the cost of any investment required for the Delegated Functions, except where only one Council participates in the Service, on the basis of the final calculation in the table in paragraph 3.1.

4.2   Investment shall include system changes, enhancements and service transformation costs, such as: the purchase of equipment or expenditure on enhancements to existing equipment; ICT software or hardware; expenditure on

installation of any new or enhanced equipment, and the cost of employees/consultants to introduce and operate new equipment and systems.

4.3   Where part of the investment involves staffing reductions with consequent severance costs then both Councils will share the costs on the same basis as identified in paragraph 3.1 above.

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BUSINESS RISK ASSESSMENT

RISK ASSESSMENT COMPLETED BY PROGRAMME MANAGER		ROMULUS SPONSORS	Chris Pope and Andrew BlakeHerbert			

CORE OBJECTIVE		TO SHARED SUPPORT SERVICES - NEWHAM AND HAVERING			

Risk No.	Details of Risk Event	Negative / Positive Consequences	Date Raised	Current Assessment of Risk — Consider controls already in place			Mitigating Actions / Controls	Controlled — When ALL controls are implemented			Risk Owner	% Complete	Status
				Impact	Likelihood	Risk Rating		Impact	Likelihood	Risk Rating			
R3	TOM does not meet the needs of Newham and Havering services supported by back office services	• Each LAs clarity as to vision, benefits and detail of proposed TOM are inconsistent, - services not buy into services, implementation jeopardised.	14/11/2012	4	3	12	• Agreement through discussions with Board as to requirements and buy in to the project - clear comms and engagement plan • Data analysis, cost: benefit analysis, market research and workshops carried out to inform preferred TOM. Key stakeholders consulted • Key stakeholders are mapped and engaged with effectively throughout development of TOM.	1	2	2	SS/TH	65%	Open
R4	Benefits of TOM are not clearly identified or understood	• TOM options, and their benefits not clearly identified; Local Authorities do not engage with TOM and its implementation • Options appraisal, including cost: benefit analysis not robust, or not completed due to lack of data, leading to poor costing of model • Appropriate benefit performance measures not developed for success of model.	14/11/2012	4	3	12	• Benefits identification and mapping are reviewed and developed; benefits communicated to key stakeholders; benefits are reviewed during TOM development, and through implementation stage as part of implementation plan • All data is supplied re contracts, staffing, skills-mapping. As'-is' service mapped and understood • Reviewing performance measures, and developing most appropriate performance measures to measure success and impact of new TOM.	1	2	2	SS	65%	Open
R5	All Stakeholders are not engaged or engagement is not effective	• All key stakeholders are not mapped which could hinder successful implementation • Key services that will be required to implement the model may not be identified, to ensure their appropriate involvement at the right time • Senior stakeholders do not have a common understanding of the benefits of the TOM, and do not fully engage with its development • Services across LAs, do not understand or agree with benefits of `TOM • Staff do not understand the benefits of this model, and resist its implementation.	14/11/2012	4	3	12	• Clearly identify all stakeholders, and map their influence and interest. Develop a communications and consultation approach/and implement this, during the TOM development and implementation stages e.g. legal and HR - who will be required to implement model • Engage with senior stakeholders asap to understand level of buy-in, and their requirements. • Engage with services to ensure their requirements, and how to effectively secure their engagement through model development, and implementation • Develop and implement staff comms and engagement plan - to inform them about Development of TOM, and its implementation, including its impact on them, and how it will be implemented.	2	3	6	ALL	50%	Suggest Close
R6	Implementation plan does not provide clear route map: actions, timescale, and resources to successful implementation of TOM	• Implementation of TOM does not identify realistic timeframe nor resources to deliver it, which may lead to reputational risk, and resistance.	14/11/2012	3	3	9	• Develop business case that clarifies approach, options appraisal, resource requirements, project team R&R • Identify Implementation Manager/Director to lead implementation.	1	2	2	SS	45%	Open
R7	Misunderstanding of the role of the Joint Committee / Political changes	• Central Government legislation dictating alternative approaches • Political or senior management changes resulting in different approaches • Inability of participants to understand what the project involves • Political divide - "our way is better than yours" • Reputational or crisis issue splits the authorities.	08/04/2013	4	3	12	• Clear comms with Members • Joint agreement and delivery of key messages • Early agreement on key decisions • Evidence of benefits.	4	1	4	CP/ABH	30%	Open
R8	ICT/Systems do not facilitate new shared processes and practices	• Systems not delivering objectives • Reluctance or technical difficulties with migration to single system • Timing of IT alignment.	08/04/2013	2	2	4	• Already have a joint Head of ICT • Common IT platforms • Provide training and development • Technical/Process(es)/People.	2	2	4	GC	40%	Open
R10	Conflicting priorities of the stakeholders	• Tensions between Benefit Sharing between partners • Conflicting benefits i.e. what is good for one may be bad for the other • Other new initiatives take priority • Partners disagree on certain aspects • Lack of clarity in relation to client demands of new service • LBN worries over migration to ERP.	08/04/2013	3	3	9	• Capacity • Clarity in the Business Case • Agreed objectives and targets • The dispute resolution mechanism • Not revisiting decisions made without reason.	3	2	6	CP/ABH	50%	Open
R11	Breakdown in stakeholder relationship	• Impact of worsening T&Cs and housekeeping • Sabotage – made to go wrong • Misleading each other – not being open and honest • Lack of senior manager sign up • Lack of experience, capacity and/or capability • Trade Union opposition • The admin/client overhead • Delays of other projects impacting on resources • Change in CE, SRO, Programme Manager • Relationship breakdown between equivalent staff in each organisation as they jockey and compete for positions against one another • Self preservation interests of participants out weigh the interest of the project – turkeys voting for Christmas.	08/04/2013	3	3	9	• Honesty • Transparency • Clear expectations • Clear, consistent and simultaneous Comms. • Staff engagement • Trade Union engagement • Training and development • Consistent HR policies and processes	3	2	6	ALL	30%	Open
R12	Partnership is unable to agree on Service Specification	• Two differing views of the end solution • No facility available to argue/agree the service is required and the costs • Politicians change their minds midstream • One direction of travel benefits one partner and not the other.	08/04/2013	3	2	6	• Consult/determine customer requirements • Recognition of different needs	3	2	6	SS/TH	0%	Open

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ID	Risk	Causes	Date	L	I	Score	Mitigation	L	I	Score	Owner	%	Status
R14	Breakdown in stakeholder relationship creating negative communication issue (sabotage)	• Failure to respond to requests for information • Misinformation to staff and TU's • Directors insurmountable difference of opinion • Lack of buy in • Union disruption • Varied responses from TU branches • Deliberately requesting FOI's • Leaks	08/04/2013	3	3	9	• Develop story and vision • Stakeholder Analysis • Robust Comms Plan • Clear, consistent, simultaneous Messages • Confidence outwardly displayed by Programme team • Flexibility • Effective consultation • Strong leadership	3	2	6	TS	30%	Open
R15	Inability of Partnership to adopt new ways of working	• TUPE • T&Cs • Location of staff – moving or not • Level of support given • Getting staff in both boroughs to genuinely feel that they are working in a shared working approach • Seen as not having a local government – people are attached to their council • Not dealing with the all important housekeeping issues such as car parking impact on the overall project – diverting attention • Transport costs • Failure to align LBN and LBH structures etc.	08/04/2013	2	3	6	• Comms • Culture • Staff engagement (within limits) • Identifying was is reasonable.	2	2	4	ALL	30%	Open
R16	Programme fails to deliver benefits	• Vision (and Specifications) is 'woolie' and 'airy fairy' • Benefits unachieved • Lack of key milestones and early wins • Failure to assure clients that service will deliver and at an affordable price • Only completing half – and the impact on reputation and staff morale • Impact of failure on other projects.	08/04/2013	3	3	9	• Effective project management and governance • Strong client • Effective governance • Managers to meet DIY expectations • Training and development • Shared knowledge • Appropriate scenarios.	2	2	4	SS/TH	0%	Open
R17	Communications Plan and Stakeholder Engagement Strategy not in place/not executed	• Not being on the front foot • Not preparing FAQs in advance • Letting the TUs dictate the project • Not being honest • Lack of consistency between the messages going to LBN and LBH • Allowing cracks to form by issuing inaccurate or vague messages • Rumour Mill is more valuable to staff than official Comms • Negative press in local newspapers.	08/04/2013	3	4	12	• Develop story and vision • Stakeholder analysis • Robust Comms Plan • Clear, consistent, simultaneous messages • Confidence outwardly displayed by Programme team • Flexibility • Effective consultation • Strong leadership	3	2	6	TS	70%	Open
R18	Loss of key staff	• Key players depart • Focus changes • Influential staff departures.	08/04/2013	4	3	12	• Succession Plan • Anticipation	3	2	6	CP/ABH	0%	Open
R19	Lack of staff commitment/co-operation	• Staff become difficult • Staff pick and choose what they want to do • The unofficial leaders and influencers are not project representatives • Not wanting to/unable to travel to new locations • Failure to manage expectations • We've seen these things fail before.	08/04/2013	3	3	9	• Effective and common comms • One message to both staff groupings • Getting the "leaders inside the tent" • Opportunity to shape the destiny • Identify and recruit champions • Transparency • Honesty • Appropriate scenarios	3	2	6	ALL	0%	Open
R20	Lack of TU commitment /cooperation	• Staff strike • Staff work to rule • Too big a leap - systems completely different to existing • Lack of training and development at the key stages in the project journey • Not accepting o communicating that failure has occurred - impacts on staff perception "we cant trust them to tell us facts" • TU branches not on same page.	08/04/2013	3	3	9	• Being on the 'Front Foot' • One Message to both branches of all Trade Unions • Transparency • Honesty • Build Trust and Confidence by Efficient Governance • Appropriate Scenarios • In readiness for Divide and Conquer (the two boroughs) tactics	2	2	4	BW	0%	Open
R21	Lack of implementation resources	• Failure to deliver financial savings as per FBC profile • Failure to deliver service reviews • Failure to deliver system improvements •	30/09/2013	3	2	6	• Programme Board, Programme team • Business Case has sufficient investment resources built in • Commitment to change • Implementation plan • Benefits realisation.	2	2	4	CP/ABH	40%	Open
R22	Management resistance	• Legal challenges • Lack of governance • Managers not working to the new structure – always referring to people from the old structures • Lack of buy in • Managers lobbying for an alternative model.	08/04/2013	3	2	6	• Anticipating the questions and having the answers • Comms • Developing the appropriate scenarios.	2	2	4	CP/ABH	10%	Open
R23	Conflicting Terms and Conditions	• Different pay, leave, expectations of work, work patterns, flex, etc.	08/04/2013	2	4	8	• Recognition and acceptance these are important to staff and crucial to the Programme. • Effective mapping of the differences.	2	4	8	BW	0%	Open
R25	Housekeeping (location, car parking, subsistence, transition etc. etc.)	• Issues that matter to staff • Lack of a quick resolution of these impacts on delivery times of core project.	08/04/2013	2	4	8	• Recognition and acceptance these are important to staff and crucial to the Programme. • Effective mapping of the differences • Early determination of the common stance.	2	4	8	SS	0%	Open

ID	Risk	Description	Date	L	I	Score	Mitigation	L	I	Score	Owner	%	Status
R26	Culture clashes	• Politicians having a differing approach to employee relations • Them and us -What do you expect its Havering - What do you expect its Newham - We told you it would fail - Employees not on same page • Lack of flexibility, Lack of discipline • Breakdown of the two borough relationship.	08/04/2013	2	3	6	• One message comms • Shared Programme team • Clear aims and objectives • Encourage other instances of working together by the two boroughs • Detailed procedures and processes.	2	2	4	BW	10%	Open
R27	Vision is not actioned	• Words not actions. Lack of clarity on what the client can afford, and wants	08/04/2013	3	2	6	• Realistic Project Plan, timescales and milestones • Regular reporting to sponsors and members • Effective comms to staff and Trade Unions.	2	1	2	SS/TH	20%	Open
R28	Do not understand client requirements	• Lack of regular reporting and challenge	08/04/2013	3	2	6	• Engagement and dialogue • Development of SLAs • Determination of what can they afford? • Determination of what can they get, for what they can afford? • Can it? (be delivered) • Determining low cost or high quality?	2	2	4	SS/TH	10%	Open
R29	Dependant IT system (Oracle) is not implemented for go live April 14	• This is a separate but dependant project. If this approach and system is not adopted then the full benefits may not be realised. (this risk impacts on the speed and delivery of the new shared service not on the ability to implement the programme as a whole)	11/06/2013	4	3	12	• Oracle R12 to be implemented for LBH by Dec 13 and LBN by Oct/Nov 14 - the LBN date has changed from the initial plan (Apr 14) and has been accounted for in the Business Case savings forecast and service review schedule - providing the Oct/Nov date is met the current expected programme benefits can still be achieved • Romulus formally linked to One Oracle Project • Regular status reporting of One Oracle project • One Oracle Programme Plan in place • Appropriate resources in place for One Oracle at LBH and LBN • Consideration of conflicting resource requirements of the two programmes • Early warning of risks reported to Romulus Board.	3	3	9	GC	20%	Open
R30	Lack of commitment to standardise and streamline processes	• If commitment to this vision and of new ways of working is not there through the implementation phases of the programme, then the benefits may not be fully realised.	11/06/2013	3	2	6	• Develop story and vision • Stakeholder analysis • Robust comms plan • Clear, consistent, simultaneous messages • Confidence outwardly displayed by Programme team • Flexibility • Effective consultation • Strong leadership	3	2	6	CP/ABH	50%	Open
R31	Level of financial savings stated in the Business Case will not be realised	• The savings have been calculated at this point of the programme using a standard shared service formula which is based on the savings achieved in other programmes. As such this is subject to deviation when applied on each project and presents a risk to achieving the level of savings stated in the Business Case.	11/06/2013	2	3	6	• Test the BC level of financial savings and assumptions in the Full Business Case • Undertake deep dive service reviews to understand expected level of savings for ICT and Property during BC • Undertake service reviews for other services during implementation to fully achieve savings and improvements. Programme Board to receive regular reports on progress of service reviews	2	3	6	CP/ABH	40%	Open
R32	Inability of internal stakeholders to think radically enough	That alternative models and improvements are considered to provide the best, most efficient and viable shared service.	19/06/2013	3	2	6	TOM workshop to be externally facilitated to give a commercial insight. Change management plan in place. Programme open to new ideas and ways of working.	2	2	4	SS	20%	New
R34	One Oracle solution does not meet the needs of Romulus	System does not meet HR hierarchy needs of Romulus. Extra costs from Capgemini are incurred to implement a solution which meets its needs	19/06/2013	2	3	6	The requirements of Romulus to be discussed early with the One Oracle Programme and planned into the work.	2	2	4	SS	0%	New

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		Vehicle Option				
	Weighting	**Company**	**Joint Committee**	**Outsource**	**Join Another Shared Service**	**Scoring Rationale**
Alignment with overall vision	3	6	6	3	3	An amalgamation of below.
Lowest cost, at agreed quality delivered consistently	3	6	6	6	6	JC can be set up almost immediately and work commenced to deliver savings. Company would require a large TUPE transfer delaying any delivery of savings. Outsourcing would require contract specifications to be drawn up and an OJEU process delaying savings. Joining an existing shared service could be quicker but savings would be shared.
Speed of benefit delivery	3	3	6	3	6	Current legislation allows councils (Joint Committee) to provide services to other local authorities / public bodies outside of an OJEU process depending on demonstrating that there is genuine cooperation. A company would need to tender through an OJEU process to win external work, with a limit of 10% of
Ease of gaining external work	3	3	6	0	3	JC minimises the pension fund issues as employees stay with existing council. Company approach would require a possible split of pension membership that is currently untested. Outsourcing and joining another shared service would have large consequences for the council's pension funds.
Pension Fund Issues	3	3	6	0	0	The company board has total control of its own governance. For a JC two councils need to work together within each councils constitution. Outsourcing would be a contractual arrangement and a client side would be required. Joining a existing shred service if a JC would have same issues as for JC
Governance Effectiveness	2	4	2	2	2	For JC and Company the councils still have control over decision making. With outsourcing and sharing with another shared service any flexibility is limited by the contractual arrangements and within a contract specification.
Flexibility regarding service delivery	2	4	4	2	2	
Resilience	2	4	4	4	4	Cultural change is more easily delivered when employees are employed by a distinct separate employer.
Options for cultural change	2	4	2	4	4	Outsourcing could only be phased by service.
Ability to provide phased approach	2	4	4	2	4	To date a company has not been set up for such a wide range of services.
Maturity of model	1	1	2	2	2	Once a contractual arrangement is entered into it is more difficult to change the model of delivery. For JC and company the councils still have some level of direct control over decisions.
Flexibility to evolve model	1	2	2	1	1	JC and company can have direct control over where posts are located. This is not as easily delivered through the other two options.
Local employment opportunities	1	2	2	1	1	
Total Score		**46**	**52**	**30**	**38**	

Fully meets criteria	2
Partially meets criteria	1
Does not meet criteria	0

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Project Romulus
Equality Analysis

Document Control

Document details

Name	Equality Analysis
Version number	2
Status	Approved
Author	Nicola Williams
Lead Officer	Beverley Williams
Approved by	People and Change Workstream Project
Scheduled review date	April 2014

Version history

Version	Change	Date	Dissemination

Approval history

Version	Change	Date	Approving body
1		18/9/13	People and Change Workstream Project
2		15/10/13	People and Change Workstream Project

Equality Analysis

SCOPE OF PROPOSAL

The purpose of this Equality Analysis is to assess the impact of staff identified in scope for sharing services between the London Borough of Havering (LBH) and the London Borough of Newham (LBN), as part of the Romulus Programme.

It provides an assessment of 4 out of the 9 Protected Characteristics, and identifies areas where there are potential areas of risk.

PEOPLE AFFECTED

The services that are likely to be affected by the activity are listed below:

- Finance
- Human Resources
- Payroll
- ICT
- Council Tax, Benefits and NNDR
- Legal
- Democratic Services
- Procurement
- PMO and Business Improvement (LBN)
- Property, Asset Management and Facilities
- Health and Safety
- Audit, Insurance and Risk
- Transport (LBN)

The protected characteristics that have been considered as being of High relevance for the purposes of this EA are: age, disability, race and sex. The remaining protected characteristics have been considered as being of Medium relevance but haven't been fully assessed in the EA due to lack of reliable data.

Protected characteristic	Assessment of relevance High, Medium, Low	Provide evidence
Class or socio-economic disadvantage	Medium	Not provided in this EA
Age	**High**	**Evidence below**
Disability	**High**	**Evidence below**
Pregnancy and maternity	Medium	Not provided in this EA
Race	**High**	**Evidence below**
Religion / belief	Medium	Not provided in this EA
Sex	**High**	**Evidence below**
Sexual orientation	Medium	Not provided in this EA
Transgender	Medium	Not provided in this EA

Creating the Shared Service model will ultimately change the way the two Councils operate and the dynamics of the staff structures will continue to evolve over a period of months/years. There will be a continual need to update and review the EA as the project evolves, with the main emphasis being on maintaining high quality and efficient services reflective of customers' needs, while addressing duplication between the two Councils to increase efficiency and to make cost savings where applicable.

STAFF

Provided below is the diversity profile data available for staff included in the scope of Romulus. Breakdowns are currently available on age, gender, race and disability.

Partial information is available for the remaining protected characteristics of gender reassignment, marriage, pregnancy or maternity, religion or belief or sexual orientation. The current EA is therefore unable to fully assess the impact on staff with those protected characteristics.

The organisation profile data referred to below is listed only for those staff included in scope of and affected by Romulus.

Havering Council

The number of employees in post, that are identified as in scope are: **572**

Newham Council

The number of employees in post, that are identified as in scope are: **788**

Combined Councils

Total number of staff affected: **1360**

At this stage of the Full Business Case, new structures have not been identified, therefore, the information contained in this EA is for all staff in posts within Scope and identified as potentially 'at risk' at some future stage. It is not possible to break the information down any further.

Further analysis will be done when new structures are proposed and consultation commences.

Age

By far the largest employee age group in both Councils that will be affected is **45 to 54** years of age. There are relatively few employees in the **18 to 24** age group, and the **65 to 69** age group. However, the latter group may grow in numbers, following the abolition of the default retirement age as may the impact, particularly for Havering which has an aging population and workforce.

Age Range	Havering Council		Newham Council		Combined Councils	
	No of Employees	% of Employees	No of Employees	% of Employees	No of Employees	% of Employees
Under 18	2	0.36	3	0.38	5	0.37
18-24	16	2.79	40	5.08	56	4.12
25-34	92	16.08	170	21.57	262	19.26
35-44	106	18.53	151	19.16	257	18.90
45-54	179	31.29	301	38.20	480	35.29
55-64	152	26.58	118	14.97	270	19.85
>=65	20	3.50	5	0.64	25	1.84
70 and over	5	0.87	0	0	5	0.37
Grand Total	**572**	**100**	**788**	**100**	**1360**	**100**

We will be monitoring the changes in the workforce age profile on a regular basis so as to be able to plan ahead and mitigate against any disproportionate affect on any age group.

By way of mitigation against any disproportionate impact implementation of the Shared Back Office will be managed in accordance with each Council's agreed Change Management procedures, which take full account of equalities legislation and best practice in employment.

Disability

The information below shows that Havering has a significantly higher number of staff who have **not** declared their disability status. It is possible that figures may not be fully reflective of the real picture due to underreporting because staff may not be aware that their illnesses or health conditions are considered to be a disability according to the Equality Act 2010. This will be an issue that we raise with staff as part of future employee monitoring. and workforce data collection..

Disability	Havering Council		Newham Council		Combined Councils	
	No of Employees	% of Employees	No of Employees	% of Employees	No of Employees	% of Employees
Yes	31	5.42	64	8.12	95	6.99
No	149	26.04	724	91.88	873	64.19
Not Declared	392	68.54	0	0	392	28.82
Grand Total	**572**	**100**	**788**	**100**	**1360**	**100**

By way of mitigation against any disproportionate impact, the implementation of the Shared Back Office will be managed in accordance with each Council's agreed Change Management procedures, which take full account of equalities legislation and best practice in employment and in particular the impact on people with disabilities through reasonable adjustments.

Gender

Both Councils have a predominately female workforce and the figures below reflect the general demographics of the workforce, with both Councils having a higher proportion of female workers identified as potentially 'at risk' within scope.

Gender Organisation Profile	Havering Council		Newham Council		Combined Councils	
	No of Employees	% of Employees	No of Employees	% of Employees	No of Employees	% of Employees
Female	321	56.12	454	57.61	775	56.98
Male	251	43.88	334	42.39	585	43.02
Grand Total	572	100	788	100	1360	100

Again, further analysis will need to be done once new structures have been identified, and we will be mindful during implementation stages of any specific needs of the female workforce.

By way of mitigation against any disproportionate impact, the implementation of the Shared Back Office will be managed in accordance with each Council's agreed Change Management procedures, which take full account of equalities legislation and best practice in employment.

Ethnicity

The ethnic profile of the two Councils is quite different and is reflective of the wider community profile in the two boroughs. While Havering Council has a predominately White workforce with over 86% of employees categorising themselves as either White or White British, in Newham Council, the workforce is more diverse and the percentage of White or White British workforce is just over 42%.

Gender Organisation Profile	Havering Council		Newham Council		Combined Councils	
	No of Employees	% of Employees	No of Employees	% of Employees	No of Employees	% of Employees
African	13	2.27	93	11.80	106	7.80
Asian	3	0.52	28	3.55	31	2.28
Black	6	5.82	1	0.12	7	0.51
Other Ethnic	0	0	4	0.53	4	0.29
Mixed	2	0.35	4	0.53	6	0.44
White	11	1.92	19	2.41	30	2.21
White British	483	84.44	317	40.23	800	58.82
Bangladeshi	1	0.17	42	5.33	43	3.16
Caribbean	9	1.57	110	13.96	119	8.75
Chinese	1	0.17	4	0.53	5	0.37
Indian	12	2.10	88	11.17	100	7.35
Irish	5	0.87	14	1.78	19	1.40
Pakistani	2	0.35	34	4.31	36	2.65

White & Asian	2	0.35	5	0.64	7	0.51
White & Black African	1	0.17	2	0.25	3	0.22
White & Black Caribbean	1	0.17	7	0.88	8	0.59
Prefer not to Say	0	0	13	1.65	13	0.96
Unknown	20	3.49	3	0.38	23	1.69
Grand Total	**572**	**100**	**788**	**100**	**1360**	**100**

While the differences in the Boroughs' community and workforce ethnic profiles is not seen as a barrier, a more in-depth analysis will need to be undertaken by each of the Councils when the new structures are proposed.

By way of mitigation against any disproportionate impact, the implementation of the Shared Back Office will be managed in accordance with each Council's agreed Change Management procedures, which take full account of equalities legislation and best practice in employment.

As part of implementation work will be undertaken to identify any potential organisational practices or cultural differences that could present a challenge to the effective implementation of the shared back office.

Conclusion

At the time of drafting this EA, no proposed structures or restructures have been proposed.

Further analysis can only be undertaken when the proposed structures have been identified.

As the project progresses and structures are developed, it will be easier to identify the risks and to see if any particular protected characteristics are disproportionately affected. It is also recognised that separate EAs might need to be produced for each Council to fully and thoroughly assess the impact on their workforce and communities.

An Action Plan and an assessment of the impact on the workforce and communities of each Borough and desired equality outcomes, including issues and recommendations will be produced when the EA is reviewed at the point when the new structures are proposed.

It should be noted that the implementation of the Shared Back Office will be managed in accordance with each Council's agreed Change Management procedures, which take full account of equalities legislation and best practice in employment. In addition, employees will retain their current terms and conditions which include all procedures and entitlements as they relate to their employment contract.

CABINET
20 November 2013

Subject Heading:	**Outline Proposals to address Primary Rising Rolls: Phase 2 of Expansion Programme**
Cabinet Member:	**Councillor Paul Rochford**
CMT Lead:	**Joy Hollister - Group Director, Children, Adults and Housing**
Report Author and contact details:	**Mary Pattinson** **mary.pattinson@havering.gov.uk** **01708 433808**
Policy context:	**The recommendations have implications throughout the Borough**
Financial summary:	**It is the responsibility of Government to provide funding for schools to meet demand for places. A Government announcement of additional Basic Need funding is expected in December. Financial implications to be reassessed once detailed proposals known and wherever possible addressed as part of the 14/15 Budget setting process. Immediate pressure is to deliver approx. 15 classrooms for September 14 which requires addition to 13/14 Capital programme, funded from Grant.**
Is this a Key Decision?	**Yes as expenditure arising from implementation of the recommendations is likely to exceed £500,000**
When should this matter be reviewed?	**November 2014**
Reviewing OSC:	**Children and Learning**

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[]
Championing education and learning for all	X
Providing economic, social and cultural activity in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[]
Delivering high customer satisfaction and a stable council tax	[]

SUMMARY

In September, Cabinet signed off the first phase of Havering's primary school expansion plan. This agreed permanent expansions to 15 primary schools in areas of greatest need, to provide adequate primary school places given the increasing birth rate in the Borough.

However, across the country and London in particular, demand for school places continues to rise, driven by a number of factors. The issue is particularly pressing in primary schools.

Havering has not seen the spikes in demand as in other areas of the Capital, but demand for places is now threatening to outstrip the supply of primary school places in the Borough. This unprecedented and unforeseeable surge in demand means that the Council needs to do two things:

1. Find ways to absorb the immediate extra demand for places, while protecting the Borough's excellent reputation for good schools – which is already well underway.

2. Plan for a longer term growth in pupil numbers, which means creating more capacity in the Havering school system.

This report seeks Cabinet's approval to an approach to managing the forecast increase in primary phase pupil numbers beyond the current Phase 1 of the Council's Programme of Primary School Expansions.

The recommendations take account of the Council's agreed *Commissioning School Places Strategy 2012/13-2016/17*, updated pupil forecasts and other related developments in School Organisation.

Approval of the recommendations will enable officers to undertake consultation with stakeholders including the encouragement of new Free Schools as part of the Council's strategy of ensuring that there are sufficient school places to meet the best assessment of likely future demands.

Officers will also be authorised to commission detailed feasibility work to assess, appraise and prioritise the capital implications and to firm up specific proposals for final decision by March 2014, subject to the outcome of a Department for Education (DfE) review of school organisation change processes.

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┌─────────────────────────────┐
│       RECOMMENDATIONS       │
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1. That officers be authorised to develop Phase 2 of the Council's Primary Expansion Programme based on the following 'three-stranded' approach:

   • encourage potential new Free Schools into Havering coupled with consideration of new 'all-through' provision potentially on existing secondary school sites;

   • expand current primary phase schools by using additional sites adjacent to existing school sites;

   • expand existing primary phase schools on their existing school sites, starting with bulges for 2014/15 and including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance.

2. That power to take further decisions on Phase 2 of the Primary Expansion Programme be delegated to the Lead Member, Children's Services and Lead Member for Value, following consideration of the above and including a preference for expanding existing popular and high-performing schools and inclusion of nursery provision where appropriate and practicable;

3. That Cabinet agree to increase the "primary expansion" allocation within the 13/14 Capital Programme by £4,610,221 to be funded by 14/15 basic need grant (£4,451,633) and extended schools grant 2008/11 (£155,588) noting that although commitments may need to be made prior April 2014, it is unlikely that any grant will need to be physically spent prior to this point.

4. That Cabinet note that the financial consequences of phase 2 of primary expansion will be addressed as part of the 2014/15 budget setting process and also be reassessed at the point further decisions are taken.

5. That Cabinet note that plans to address Phase 3 will be the subject of future reports.

REPORT DETAIL

Introduction

Phase 1 of Havering's programme of fifteen permanent expansions across primary phase schools has proceeded successfully according to approved timescales and in accordance with the Council's *Commissioning School Places Strategy 2012/13-2016/17*.   This will follow through, as planned, to KS2 expansions in September 2015 and 2016.   It is now necessary for the Council to identify and develop options for ensuring the provision of school places beyond 2013/14 so that all appropriate consultation and other processes can be completed.

The need for additional permanent school places from 2015/16

There are a number of factors that lie behind the need for additional places.

A rapidly rising birth-rate is one of the main reasons for the national trend in demand for school places. In Havering, the birth rate has risen by 26 per cent over the last 10 years. This has long been factored into the planning around school places, but the birth-rate has continued to accelerate, over and above what was expected. In the coming years it will continue to rise and this must be factored in to projections.

Other unforeseeable factors have emerged more recently, leading to a sharp increase in demand.

The current economic climate has led to a migration of families out of inner London to more affordable areas to buy or rent homes. Havering is not only more affordable, but it also has a high quality of life and good schools, so unsurprisingly, new families are attracted to the Borough.

There has also been a general growth in population across the country, and particularly in London, which attracts people from across the world. This inward migration to London is also a factor. For example in relation to inward migration over the summer holiday period, we had 371 Primary applications, of which 13% were from overseas. We also had 110 Secondary applications, of which 25% were from overseas. Combined figures were 481 applications, of which 16% were from overseas.

In the light of updated projections of pupil numbers and set out in the Background Paper to this report, school planning officers need to consider a range of options for increasing primary phase school provision including the expansion of existing community schools.   Alternatives include the expansion of existing schools on 'split sites' where existing main sites are constrained, the establishment of primary phase provision on secondary school sites possibly as 'all through provision' and the encouragement of Free Schools to be established in areas of highest need.

Final decisions about which schools to propose for expansion from September 2015 will be made as soon as discussions with schools are complete and certainly by March 2014 to allow time for design work for capital projects and for any necessary statutory school organisation processes. The statutory school organisation processes are currently being reviewed by the DfE.

The table below indicates the minimum additional permanent primary phase capacity, expressed as forms of entry (FE) that officers forecast will be needed for each School Planning Area for September 2015 and then for the next five years.

School Planning Area	Primary Phase Schools with size as at 1 September 2013 expressed as Forms of Entry (FE)	Phase 2 - Additional need for 2015/16	Phase 3 - Further additional need for next 5 years
Collier Row	Clockhouse Primary (3 FE) Crownfield Infant & Junior (3 FE) Parklands Infant & Junior (4 FE) Pinewood Primary (2 FE) Rise Park Infant & Junior (3 FE) St. Patrick's Catholic Primary (2 FE)	**2 FE**	**2 FE**
Elm Park & South Hornchurch	Benhurst Primary (1.5 FE) Elm Park Primary (2 FE) Scargill Infant & Junior (3 FE) Scotts Primary (1 FE) St. Alban's Catholic Primary (1 FE) Suttons Primary (1 FE) The R J Mitchell Primary (1 FE) Whybridge Infant & Junior (2 FE)	**1 FE**	**2 FE**
Harold Hill	Broadford Primary (1.5 FE) Brookside Infant & Junior (2 FE) Dame Tipping CE VC Primary (0.5 FE) Harold Court Primary (2 FE) Hilldene Primary (3 FE) Mead Primary (3 FE) Pyrgo Priory Primary (2 FE) St Ursula's Catholic Infant (2 FE)	**1 FE**	**2 FE**
Hornchurch	Ardleigh Green Infant & Junior (3 FE) Harold Wood Primary (3 FE) Langtons Infant & Junior (3 FE) Nelmes Primary (2 FE) Squirrels Heath Infant & Junior (3 FE) St Mary's Catholic Primary (2 FE) Towers Infant & Junior (3 FE)	**2 FE**	**2 FE**
Rainham	Brady Primary (1 FE) La Salette Catholic Primary (1 FE) Newtons Primary School (1.5 FE) Parsonage Farm Primary (3 FE) Rainham Village Primary (2 FE)	**1 FE**	**2 FE**
Romford	Crowlands Primary (2.5 FE) Gidea Park Primary (2 FE) Hylands Primary (2 FE) St Edward's CE VA Primary (3 FE) St Peter's Catholic Primary (1 FE) The Mawney (2 FE) Wykeham Primary (3 FE)	**3 FE**	**3 FE**

	Oasis Academy (3 FE)		
Upminster & Cranham	Branfil Primary (3 FE) Engayne Primary (3 FE) Hacton Primary (1.5 FE) James Oglethorpe Primary (1.5 FE) St. Joseph's Catholic Primary (2 FE) Upminster Infant and Junior (3 FE)	**1 FE**	**1 FE**
Total		**11 FE**	**14 FE**

Meanwhile, officers predict a maximum overall need for additional classes across all year groups for 2014/15 as set out in the table below. It is possible that some of this can be delivered by utilising existing space within schools and/or rephasing expansions that have already been approved and funded. Current estimates are that of the 23 class rooms needed, 15 will need new accommodation. This also includes a 5% additional capacity, recommended as good practice by the DfE.

Need for Primary Places for 14/15								
Planning Area	**Year R**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Total**
Collier Row	1	1						2
Harold Hill	1					1		2
Hornchurch	1.5							1.5
Rainham	1	1			1	1		4
Romford	3	1		1	1	1	1	8
South Hornchurch and Elm Park	1							1
Upminster	1	1		0.5		1	1	4.5
Total	**9.5**	**4**		**1.5**	**2**	**4**	**2**	**23**

Initially it is proposed that the needs for 2014/15 be met through 'bulging' year groups at certain schools as necessary, as has been the case in previous years. The final position regarding admissions for the 2014/15 school year will not be clear until the new school year has started, however it would seem prudent to undertake preliminary planning at this stage to minimise disruption. Subject to the availability of capital funding and sufficient time for statutory processes it may be also possible to bring forward capital projects, already within the current Capital Programme to commence permanent expansion at certain schools from September 2014.   Clearly it will be preferable to 'align' bulges, wherever practicable, to those schools eventually identified for permanent expansion from September 2015.

Expansion of schools through the Priority School Building Programme

The inclusion of Hacton Primary School for expansion from 1.5-3 FE, as part of the national Priority School Building Programme (PSBP) will help with the longer term provision of additional places in the Upminster and Cranham Planning Area from September 2016.   Similarly, Suttons Primary School in the Elm Park and South Hornchurch Planning Area is due to expand from 1 FE to 2 FE as part of the PSBP also from September 2016.   Originally, in October 2011, Havering put forward three primary schools for inclusion in the PSBP - Hacton Primary, Suttons Primary

and The Mawney Foundation - and all three were successful in being prioritised by DfE in May 2012 for rebuilding and expansion,   The expansion of The Mawney Foundation School beyond 2 FE (as bid for) would contribute to the additional place requirements in the Romford School Planning Area but would be dependent both on finding a suitable new site large enough to accommodate an increased capacity and on the provision of additional funding.

Free Schools as an option for securing additional places to cope with increased demand

For Free Schools intended to open in 2015 or 2016 DfE has invited applications to be received during three 'windows' – one in September 2013, another in January 2014 and the third in May 2014.   Clearly the first opportunity for applications has elapsed and we are identifying and working with, wherever possible, potential Free Schools for the January 2014 "window". Subject to the progress of investigating the feasibility of the other options it would be prudent for officers to seek to engage actively with potential Free School promoters for 2015 and 2016 to increase the chances of new schools being established in areas of highest demand for pupil places. The expectation is that Education Funding Agency at the DfE would fund the costs of building new free schools with the assumption that the Local Authority would provide a site.   The issues around land availability and/or, funding of new sites and or loss of capital receipts will all be considered in detail in the appraisal of options.

Impact of Early Education Entitlement for 2, 3 and 4 Year Olds

The Local Authority has a statutory duty to ensure, so far as is reasonably practical, that there is sufficient childcare in the area to meet the requirements of parents enabling them to work or undertake training leading to work.   From September 2013 this has been extended from entitlement to all 3 and 4 year olds to more disadvantaged 2 year olds that meet criteria.   The Early Education Entitlement (EEE) is currently delivered by 15 Nursery Classes in Maintained Schools and by approximately 130 Private, Voluntary and Independent (PVI) Full Day Care Nurseries, Pre-Schools and Childminders.

The projected increase in the population of under 5s in Havering by 14.4% between 2012 and 2019, with significantly higher increases in certain areas, together with the extension of the 2 year old offer will put pressure on place availability.   As primary schools are considered for Phase 2 of the Expansion Programme of additional school places it is proposed that consideration also be given to nursery provision particularly where is are potential EEE place pressures. The financial implication of this are still to be assessed, however Early Years Capital Grant of £422,000 is available towards this.

Proposed approach to ensuring sufficiency of school places

In the light of the changing schools landscape the permanent increase in primary phase school capacity could be met in a number of ways and involving a number of

providers of new places. The following **'three stranded' approach** is therefore proposed to ensure a robust strategy is developed with minimal risks:

- **encourage potential new Free Schools** into Havering coupled with consideration of **new 'all-through' provision** potentially on existing secondary school sites.

- **expand existing primary phase schools onto additional sites** (i.e. split sites), including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance;

- **expand existing primary phase schools on their existing school sites**, starting with bulges for 2014/15 and including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance;

Next steps

The next stage of the Phase 2 planning process will be to consider the extent to which the need for additional pupil places can be met through the above three approaches to be developed 'in parallel' and through consultation with stakeholders. For options involving the potential establishment of primary phase provision on secondary school sites (either as separate primary/secondary or as 'all-through') there will clearly be the need to consult carefully and in plenty time with the governing bodies and sponsors involved to support appropriate planning, designing and an appropriate consultation process if needed. During this period we are expecting to receive notification of the next round of Basic Need funding, following the authority's recent submission. This submission alerts the Education Funding Agency of the Department for Education to the significant increase in pupil numbers.

REASONS AND OPTIONS

Reasons for the decision

This decision is necessary to ensure the provision of sufficient additional primary places to meet the forecast rise in primary pupil numbers projected beyond Phase 1 of the Council's Programme of Primary Phase School Expansions.

Other options considered

A number of options have been identified in this paper each requiring further consideration. So far no option has been rejected.

Not providing any additional places is not an option as we would be failing to meet our statutory duties.

IMPLICATIONS AND RISKS

Financial implications and risks

Capital

Without detailed proposals it is difficult to estimate the costs of additional classrooms as the needs at each site will be different. However, previously officers have estimated costs at £250,000 per classroom (or £1,750,000 per Form of Entry)

The Council's capital strategy assumes that LBH resources will cover spend on universal type assets and grant will cover any major investment in schools. If such grant is not forthcoming this will be a major change in the Councils Capital Strategy and will therefore need to addressed as part of the Councils budget setting process.

It is estimated that 23 classrooms will be required It is estimated that 23 classrooms will be required in September 2014, as part of phase 2 of the primary expansion. Wherever possibly existing accommodation will be utilised, or current expansion programmes rephased to provide space earlier. Current estimates are that approximately 15 new classroom will be needed.

Bulge Classrooms for September 14 (ultimately to become part of the September 15/16 permanent expansions	Total Estimated Cost
COSTS	
New Classrooms to be built	**15**
Cost per classroom	£250,000
Costs of providing additional places through extending existing schools.	**£3,750,000**
FUNDING	
13/14 Capital Programme for future primary expansion – current balance (funded from 13/14 basic need grant)	**£2,719,286**
2008/11 Extended Schools Grant *	£158,588
14/15 Basic Need Grant *	£4,451,633
Total Funding Available	**£7,329,507**
Balancing for remainder or phase 2	**£3,579,507**

* It is recommended that Cabinet add the grants shown to the 13/14 Capital Programme for "primary expansion" to enable decisions to be made to progress the September 14 "Bulge" classrooms prior to finalisation of the 2014/2015 budget. It should be noted that although the bulk of the grant relates to 14/15, although commitments will need to be made prior to the commencement of the financial year, all significant spend is expected to take place post April 2014.

The financial implication of developing the Impact of Early Education Entitlement for 2, 3 and 4 Year Olds has yet to be assessed, however it should be noted that Early Years Capital Grant of £422,000 is available for this purpose.

During the planning period we are expecting to receive notification of the next round of Basic Need funding, following the authority's recent submission to the Education Funding Agency of the Department for Education, notifying them of the significant increase in pupil numbers. This should then enable us to plan the next phase.

Revenue Implications for schools

The revenue implications for schools are that, in creating an additional class from September 2014, additional resources will be incurred particularly for teaching and support staff. From the financial year 2015/16 the schools will receive additional funding through their budget shares as the pupils will be on roll at the date of the pupil census that is used to calculate funding. For the period September 2014 to March 2014, however, additional resources will need to be provided. These will be met from a pupil growth contingency held within the Schools Budget (funded by the Dedicated Schools Grant) as agreed by the Schools Funding Forum. A similar situation will arise for those places created from September 15.

The demand for increased funding to be held as a pupil growth contingency from a ring-fenced DSG is likely to result in less funding being available for distribution to schools putting at risk the ability of schools to maintain current levels of expenditure. School are, however, guaranteed through DFE financial regulations to not have their funding reduced by greater than 1.5% per pupil,.

Revenue Implications for the Local Authority

It should be noted that an increase in school admissions across the Borough may also have a 'knock-on effect' on other LA budgets such as special educational needs, home to school transport, etc. The details of this are currently being quantified and any pressures arising will be addressed through the appropriate channels. As mentioned previously, the DSG will be increased from 2015/2016; the bulk will be allocated to schools however there may be some available to fund LA services.

Risks

There is a risk that utilising a substantial amount of funding to deliver bulge classrooms (especially if achieved via temporary accommodation) will mean that there is insufficient funding available to fund the remainder of the permanent expansion programme. However, it may be that some of the classrooms provided can ultimately be used for permanent expansion and in other cases where demountables have been purchased they can be relocated thus reducing the costs of any future bulge classes.

There is also a risk that pupil numbers continue to grow and that the places delivered as a result of phase 2 are insufficient.
Further risks, are that capital projects develop, costs increase over and above the funding available and/or that additional costs are incurred as a result of the short timescales available for the delivery of classrooms for September 14. In addition to the financial risks the short timescale also put the delivery of the September 14 programme at risk. Wherever possible measures are being taken to minimise these risks.

The full financial implications of this programme will need to be reassessed as proposals develop and considered as part of the 2014/15 budget setting process.

Legal implications and risks

At present certain types of school organisational change (including change of age range, change of character and expansion through enlargement of premises) are subject to statutory processes of consultation and decision-making. Statutory processes were undertaken for a number of the school expansions in Phase 1 of the Primary Expansion Programme and all the statutory proposals were agreed without change. The outcome of the current review of DfE school organisation processes is unlikely to be known before 31 December 2013. At this stage we assume the current law will still apply but this will need to be kept under review.

Should the provision of additional primary phase capacity involve expansion of existing academies or foundation schools consideration will need to be given to the school organisation processes involved. Nationally there are cases of academies having changed their character and/or expanded to 'absorb' pupils previously in community schools. Should this approach be adopted in Havering then a specific and detailed risk assessment would need to be undertaken. At this stage there are minimal risks in setting out the direction of travel and the principles to be applied. The risks involved at later stages in the processes will need to be the subject of detailed legal advice based on the legislative regime applicable at the time.

Human Resources implications and risks

The human resources implications for the schools to be proposed for expansion will be managed by the schools themselves. There is likely to be a need to recruit additional teaching and support staff and the relevant schools will undertake the recruitment and selection process in accordance with the appropriate policies and procedures. It is not anticipated that these schools will have any difficulties

recruiting new teaching or support staff as long as appropriate planning is undertaken. The Havering Education HR service will provide support as appropriate and required to all schools, academies or free schools that purchase relevant services.

Equalities implications and risks

An Equality Analysis was conducted for Phase 1 of the Primary Expansion Programme and a similar analysis will be undertaken for Phase 2 of the Expansion programme as firm proposals emerge to fully assess their impact on children with protected characteristics and their families.

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BACKGROUND PAPERS

</div>

Programme of Additional School Places Phase 2

BACKGROUND PAPER
Programme of Additional School Places Phase 2

Appendix A: PROJECTED PRIMARY PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Primary	18,299	18,378	18,460	18,651	19,078	19,839	20,492	21,195	21,910	22,738	23,472	24,190	24,713	25,206	25,642
Total Primary with housing						19,919	20,651	21,390	22,123	22,935	23,627	24,276	24,747	25,218	25,650
Total Primary with housing plus target (not yet planned)						19,919	20,651	21,393	22,143	22,994	23,725	24,412	24,918	25,410	25,847
Total Primary with housing plus target (not yet planned) PLUS 5%						20,915	21,684	22,463	23,250	24,143	24,911	25,633	26,164	26,681	27,139
BY ADMISSION NUMBER (AN)															
Primary Capacity (AN)	20,231	19,974	19,533	19,548	19,578	19,863	20,268	20,673	21,078	21,498	21,843	22,128	22,218	22,218	22,218
Primary Surplus/Deficit (no additional housing)	1,932	1,596	1,073	897	500	24	-224	-522	-832	-1,240	-1,629	-2,062	-2,495	-2,988	-3,424
Primary % Surplus/Deficit	9.5%	8.0%	5.5%	4.6%	2.6%	0.1%	-1.1%	-2.5%	-3.9%	-5.8%	-7.5%	-9.3%	-11.2%	-13.4%	-15.4%
Primary % Surplus/Deficit inc.housing						-0.3%	-1.9%	-3.5%	-5.0%	-6.7%	-8.2%	-9.7%	-11.4%	-13.5%	-15.4%
Primary % Surplus/Deficit inc.housing + target						-0.3%	-1.9%	-3.5%	-5.1%	-7.0%	-8.6%	-10.3%	-12.2%	-14.4%	-16.3%
Additional places needed to maintain 5% surplus						1,052	1,416	1,790	2,172	2,645	3,068	3,505	3,946	4,463	4,921

Note: Cells highlighted in red show a projected deficit of places.

GRAPH 2

BACKGROUND PAPER
Programme of Additional School Places Phase 2

FIGURE A1: PROJECTED PRIMARY NUMBERS

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Reception	2,607	2,701	2,679	2,826	2,906	3,130	3,196	3,283	3,417	3,468	3,551	3,603	3,639	3,675	3,707
Year 1	2,557	2,623	2,722	2,698	2,858	2,929	3,155	3,221	3,309	3,443	3,495	3,579	3,631	3,668	3,704
Year 2	2,463	2,590	2,660	2,735	2,703	2,880	2,951	3,179	3,246	3,334	3,470	3,522	3,606	3,659	3,696
Year 3	2,579	2,478	2,630	2,677	2,779	2,724	2,903	2,974	3,204	3,272	3,360	3,497	3,549	3,635	3,688
Year 4	2,635	2,590	2,486	2,639	2,677	2,801	2,745	2,925	2,998	3,229	3,297	3,387	3,524	3,577	3,663
Year 5	2,726	2,657	2,593	2,490	2,657	2,698	2,822	2,767	2,948	3,021	3,254	3,323	3,413	3,552	3,605
Year 6	2,732	2,739	2,690	2,586	2,498	2,678	2,719	2,844	2,788	2,971	3,045	3,279	3,349	3,440	3,580
Total	**18,299**	**18,378**	**18,460**	**18,651**	**19,078**	**19,839**	**20,492**	**21,195**	**21,910**	**22,738**	**23,472**	**24,190**	**24,713**	**25,206**	**25,642**
Projected Primary Pupil Yield from additional housing						80	160	195	213	197	155	87	34	12	8
Projected Primary Pupil Yield from housing target (not yet planned)						0	0	3	21	59	98	136	171	193	197
Projected PrimaryTotal with additional housing						19,919	20,651	21,390	22,123	22,935	23,627	24,276	24,747	25,218	25,650
Projected PrimaryTotal with housing plus target						*19,919*	*20,651*	*21,393*	*22,143*	*22,994*	*23,725*	*24,412*	*24,918*	*25,410*	*25,847*
Projected PrimaryTotal with housing plus target plus 5%						*20,915*	*21,684*	*22,463*	*23,250*	*24,143*	*24,911*	*25,633*	*26,164*	*26,681*	*27,139*

GRAPH 1

BACKGROUND PAPER
Programme of Additional School Places Phase 2

FIGURE A2: PROJECTED RECEPTION PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Birth	2,743	2,801	2,877	2,994	3,039	3,090	3,139	3,164	3,172	3,193	3,214	3,242	3,258	3,247	3,228
Total Reception	2,607	2,701	2,679	2,826	2,906	3,130	3,196	3,283	3,417	3,468	3,551	3,603	3,639	3,675	3,707
Projected Reception Total inc. housing						3,170	3,276	3,381	3,523	3,566	3,628	3,646	3,656	3,681	3,711
Total Reception with housing plus target (not yet planned)						3,170	3,276	3,382	3,533	3,595	3,677	3,714	3,742	3,778	3,809
Total Reception with housing plus target (not yet planned) PLUS 5%						3,329	3,440	3,551	3,710	3,775	3,861	3,900	3,929	3,967	4,000
BY ADMISSION NUMBER (AN)															
Reception Capacity (AN)	2,775	2,800	2,799	2,799	2,799	3,084	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174
Reception Surplus/Deficit	168	99	120	-27	-107	-46	-22	-109	-243	-294	-377	-429	-465	-501	-533
Reception % Surplus/Deficit	6.1%	3.5%	4.3%	-1.0%	-3.8%	-1.5%	-0.7%	-3.4%	-7.6%	-9.3%	-11.9%	-13.5%	-14.7%	-15.8%	-16.8%
Reception % Surplus/Deficit inc.housing						-2.8%	-3.2%	-6.5%	-11.0%	-12.3%	-14.3%	-14.9%	-15.2%	-16.0%	-16.9%
Reception % Surplus/Deficit inc.housing + target						-2.8%	-3.2%	-6.6%	-11.3%	-13.3%	-15.9%	-17.0%	-17.9%	-19.0%	-20.0%

Note: Cells highlighted in red show a projected deficit of places.

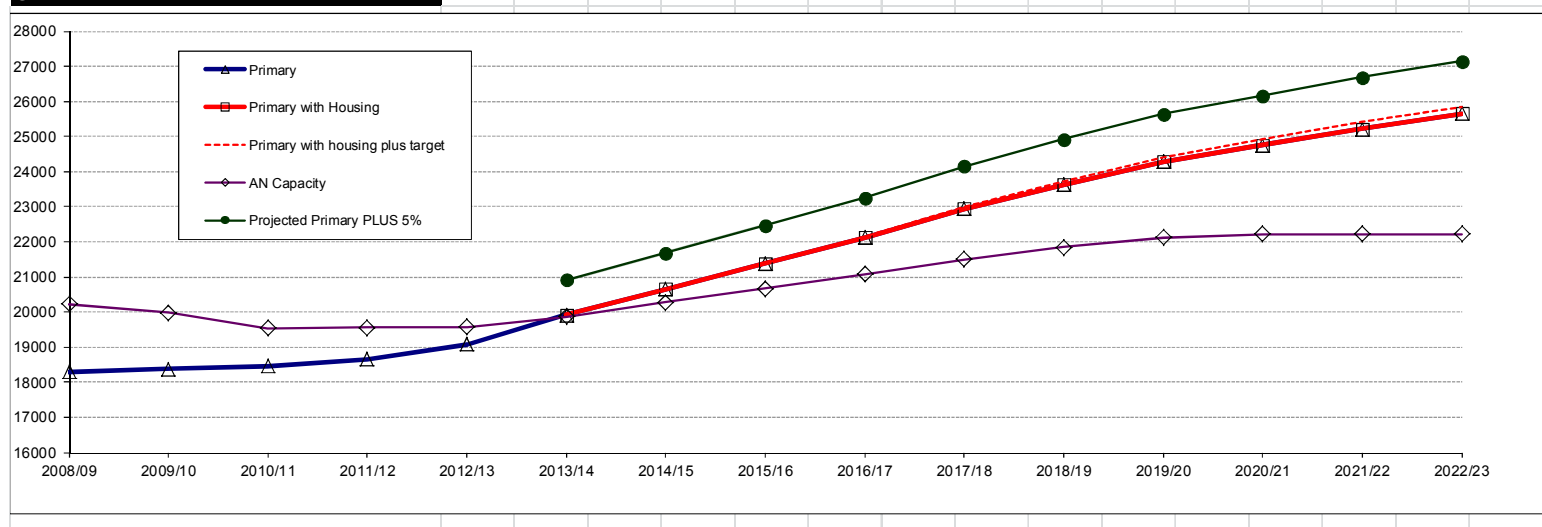| **Additional places needed to maintain 5% surplus**						245	266	377	536	601	687	726	755	793	826

GRAPH 3

BACKGROUND PAPER
Programme of Additional School Places Phase 2

APPENDIX B: PROJECTED YEAR 7 TO 11 PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Secondary Year 7-Year 11	15,422	15,409	15,353	15,150	15,029	14,725	14,629	14,577	14,803	15,017	15,540	15,948	16,570	17,133	17,855
Total Secondary Y7-Y11with housing						14,782	14,743	14,716	14,955	15,157	15,651	16,010	16,594	17,141	17,860
Total Secondary Y7-Y11with housing plus target						14,782	14,743	14,718	14,970	15,200	15,720	16,107	16,716	17,279	18,001
Total Secondary with housing plus target (not yet planned) PLUS 5%						15,521	15,480	15,454	15,718	15,959	16,506	16,912	17,552	18,143	18,901
BY ADMISSION NUMBER (AN)															
Secondary Capacity (AN)	15,906	15,928	15,715	15,829	15,953	16,057	16,146	16,170	16,160	16,140	16,140	16,140	16,140	16,140	16,140
Scondary Surplus/Deficit	484	519	362	679	924	1,332	1,517	1,593	1,357	1,123	600	192	-430	-993	-1,715
Secondary % Surplus/Deficit	3.0%	3.3%	2.3%	4.3%	5.8%	8.3%	9.4%	9.9%	8.4%	7.0%	3.7%	1.2%	-2.7%	-6.2%	-10.6%
Secondary % Surplus/Deficit inc.housing						7.9%	8.7%	9.0%	7.5%	6.1%	3.0%	0.8%	-2.8%	-6.2%	-10.7%
Secondary % Surplus/Deficit inc.housing + target						7.9%	8.7%	9.0%	7.4%	5.8%	2.6%	0.2%	-3.6%	-7.1%	-11.5%

Note: Cells highlighted in red show a projected deficit of places.

Additional places needed to maintain 5% surplus											366	772	1,412	2,003	2,761

GRAPH 2

BACKGROUND PAPER
Programme of Additional School Places Phase 2

FIGURE B1: PROJECTED YEAR 7 PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Year 6	2,732	2,739	2,690	2,586	2,498	2,678	2,719	2,844	2,788	2,971	3,045	3,279	3,349	3,440	3,580
Total Year 7	3,125	3,061	3,085	2,934	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654	3,731	3,833
Projected Year 7 Total with additional housing						2,812	3,041	3,099	3,245	3,177	3,366	3,423	3,666	3,736	3,835
Projected Year 7 with additional housing plus target (not yet planned)						*2,812*	*3,041*	*3,100*	*3,253*	*3,198*	*3,401*	*3,472*	*3,727*	*3,804*	*3,906*
Total year 7 with housing plus target (not yet planned) PLUS 5%						2,952	3,193	3,255	3,415	3,358	3,571	3,645	3,914	3,995	4,101
BY ADMISSION NUMBER (AN)															
Year 7 Capacity (AN)	3,184	3,199	3,204	3,238	3,248	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228
Year 7 Surplus/Deficit	59	138	119	304	353	445	244	199	59	121	-83	-164	-426	-503	-605
Year 7 % Surplus/Deficit	1.9%	4.3%	3.7%	9.4%	10.9%	13.8%	7.6%	6.2%	1.8%	3.8%	-2.6%	-5.1%	-13.2%	-15.6%	-18.7%
Year 7 % Surplus/Deficit inc.housing						12.9%	5.8%	4.0%	-0.5%	1.6%	-4.3%	-6.1%	-13.6%	-15.7%	-18.8%
Year 7 % Surplus/Deficit inc.housing + target						12.9%	5.8%	4.0%	-0.8%	0.9%	-5.4%	-7.6%	-15.5%	-17.9%	-21.0%

Note: Cells highlighted in red show a projected deficit of places.

Additional places needed to maintain 5% surplus								27	187	130	343	417	686	767	873

GRAPH 3

BACKGROUND PAPER
Programme of Additional School Places Phase 2

FIGURE B2: PROJECTED SECONDARY NUMBERS

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Year 7	3,125	3,061	3,085	2,934	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654	3,731	3,833
Year 8	3,098	3,122	3,055	3,075	2,944	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654	3,731
Year 9	3,090	3,081	3,116	3,056	3,085	2,944	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654
Year 10	3,108	3,088	3,053	3,082	3,079	3,085	2,944	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392
Year 11	3,001	3,057	3,044	3,003	3,026	3,017	3,023	2,885	2,837	2,728	2,924	2,969	3,106	3,045	3,244
Y7 - Y11 Total	15,422	15,409	15,353	15,150	15,029	14,725	14,629	14,577	14,803	15,017	15,540	15,948	16,570	17,133	17,855
Year 12	645	686	716	737	743	706	775	783	765	760	696	754	767	808	790
Year 13	574	587	629	651	653	673	639	702	709	693	688	630	683	695	732
Y12 - Y13 Total	1,219	1,273	1,345	1,388	1,396	1,379	1,415	1,485	1,474	1,453	1,384	1,385	1,450	1,503	1,521
Y7 - Y13 Total	16,641	16,682	16,698	16,538	16,425	16,103	16,044	16,062	16,277	16,470	16,924	17,333	18,020	18,636	19,376
Projected Secondary Pupil Yield from additional housing						57	114	139	152	140	111	62	24	8	6
Projected Secondary Pupil Yield from housing target (not yet planned)						0	0	2	15	42	70	97	122	138	141
Projected Secondary Y7-Y11 Total with additional housing						14,782	14,743	14,716	14,955	15,157	15,651	16,010	16,594	17,141	17,860
Projected Secondary Y7-Y11 Total with housing plus housing target						14,782	14,743	14,718	14,970	15,200	15,720	16,107	16,716	17,279	18,001
Projected SecondaryTotal with housing plus target PLUS 5						15,521	15,480	15,454	15,718	15,959	16,506	16,912	17,552	18,143	18,901

GRAPH 1

6

SCHOOL PLANNING AREA MAP

Havering Schools

- Infant
- Junior
- Primary
- Secondary
- Special

Schools Planning Areas

- Collier Row
- Harold Hill
- Rainham
- Romford
- Upminster
- Hornchurch
- South Hornchurch and Elm Park

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BACKGROUND PAPER
Programme of Additional School Places Phase 2

INTRODUCTION

The Local Authority has a statutory duty to plan and secure sufficient schools for their area to meet the needs of its children and families and therefore it is obliged to plan for the expansion of its school capacity.

As the increasing pupil population continues to impact across our Primary, Secondary and Special school provision, we need to ensure that we effectively deliver sufficient school places.

This paper focuses on the current projections in our primary & secondary school pupil numbers, highlighting the additional school places needed from 2014 onwards and supports the proposals being put forward for the second phase of the primary school expansion programme.

BACKGROUND SUMMARY

In September 2012, Cabinet approved a school expansion programme as part of the Commissioning School Places Strategy 2012/13 -2016/17 agreed in July 2012. The programme highlighted a need for up to 12 FE expansions to cope with the projected deficit of primary school places.

Following this Cabinet decision, Phase 1 of the Programme included delivering 15 permanent expansion schemes which resulted in 1590 additional permanent primary places available from September 2013. This was not sufficient to manage the demand for in year applications for primary school places and during the early part of 2013, a programme of temporary provision ('Bulges') was also initiated.
The majority of this first phase progressed well and was delivered.

We have now secured as listed on the table below; the following primary school places through the creation of additional permanent, supplemented by contingency bulge places to help us meet fluctuations in demand for in-year applications.

School Planning Area	Permanent Places 2013	Temporary Places (Bulges) 2013	Total Places
Collier Row	405	15	420
Elm Park & South Hornchurch	45	75	120
Harold Hill	315	90	405
Hornchurch	195	120	315
Rainham	210	45	255
Romford	210	90	300
Upminster & Cranham	210	0	210
Grand Total	1590	435	2025

The final part of this phase 1 programme will create an additional 120 extra places each in Rise Park & Towers Junior and 60 at Scargill Junior Schools which will bring the total number of permanent places created to 1890

BACKGROUND PAPER
Programme of Additional School Places Phase 2

A. NEEDS ASSESSMENT

National guidelines have identified a number of key issues local authorities need to understand at a local level to plan school places effectively:

- When and where growth in the birth rate requires changes to primary and secondary provision
- How population movement, both migration (new arrivals) and local (within and between areas of the borough) is changing the pattern of demand for places
- How major changes in the housing market and uncertainty over new developments are creating difficulties in planning

In July 2013, the pupil forecast data was revised to take account of the above mentioned factors. In addition to the increased birth rate, Havering has experienced a growth in the cohort between birth and Reception and this rate of growth has been increasing in recent years, from +9.4% in 2009/10 to +14.2% in 2012/13. A 2 yr average cohort rate of 14.1% has been applied to the birth figures for the approaching cohorts over the next 4 years.
Cohort growth continues throughout the primary year groups, and for the previous 3 years has been around 1% per cohort per year on average.

The revised forecast show a deficit of around 350 Reception places and a deficit of around 1800 places across all the year groups by 2015/16. Hence the need for Phase 2 expansion programme of 11 FE (form of entry) which will result in 330 additional Reception places and around 2000 additional primary places across all year groups.

Revised Spring Forecast
Appendices **A** and **B** shows the revised forecasts for both Primary and Secondary pupil population.

Primary Pupil Numbers
Total pupil numbers in Havering Primary schools began to increase in 2007/08 and by 2020 are projected to rise by 24% compared with 2011 *(Appendix A)*

The total primary pupil numbers are forecast to rise by 12.0% by 2015 and by 29% by 2020.*(See Figure A1)* We expect that this rise will be sustained longer term, driven mainly by the underlying increase in annual birth rate which is projected to peak at 3,320 in 2015/16 and to continue at this level for the foreseeable future.

The most significant growth is projected for Year R the first year of entry to compulsory primary education *(See Figure A2).* Numbers are forecast to rise from 2,906 in 2012/13 to some 3,523 in 2016/17 (18%), and to 3,681 (21%) by 2020/21.

Secondary Pupil Numbers
The spring projections have been revised as follows:

- Y6-Y7 growth rate calculated on a 4 yr average (111.4%)
- Y8 to Y10 calculated on 100% progression
- Y10 to Y11 calculated on 98% progression

A 4-year average of the growth between Year 6 and Year 7 is taken. This average is then applied to the projected figures for Year 6 to arrive at projected Year 7 figures.

At secondary level (11-16) we are forecasting a small deficit of places in Year 7 for 2015/16 and from 2018/19 it is projected to rise steeply thereafter. *(Appendix B)*

Birth Rate
The birth rate has grown substantially with remarkable implications on the sufficiency of places in primary schools, especially in the first year of entry. Nationally the birth rate has been rising since 2002 and is projected to continue to rise until 2014.

Havering's birth rate is forecast to continue to rise until 2018/19 when it will peak at 3,300 births and this peak is projected to be sustained up to 2024/25. By this time, projections indicate that there will be 32% more children born to Havering residents than in 2005.
(Source: GLA 2011 Round Demographic Projections).

In 1991 Havering's annual birth rate was 2,822 and experienced a steady fall until 2001 when it reached the lowest point of 2,226. This trend markedly reversed in 2006/07 when the birth rate began to rise.

The increased birth rate from 2006/07 to 2011/12 varies across our school planning areas as follows:

School Planning Area	% increase between 2006/7 and 2011/12
Collier Row	14.4%
Elm Park & South Hornchurch	18.4%
Harold Hill	18.4%
Hornchurch	13.4%
Rainham	18.8%
Romford	35.8%
Upminster & Cranham	18.9%

Migration and high levels of Mobility
Migration, including changes to the housing benefits system has led to a movement of families with school age children from housing in expensive central areas of London to the more affordable housing available in outer London boroughs such as Havering.

Cohort growth across all primary year groups
The number of in-year applications has been on the increase in all the planning areas since 2010/11. This has resulted in the need to provide additional places in the other year groups as most schools in the planning areas schools are already operating to full capacity.

Primary In-year statistics from 2010 to week commencing 7 October 2013

School Planning Area	2010 / 2011	2011 / 2012	2012 / 2013	(From Sept-October2013)
Collier Row	215	222	258	124
Elm Park & South Hornchurch	168	180	182	92
Harold Hill	190	233	246	125
Hornchurch	181	217	238	115
Rainham	131	125	142	68
Romford	236	302	295	166
Upminster & Cranham	125	147	146	88
Total for each academic year	1273	1426	1507	778

Impact of Housing Development

In common with other boroughs, Havering has experienced a period of increased housing development, which is projected to continue.   Small scale housing developments are incorporated into the pupil projections by the cohort growth factor.   For major housing developments (defined as being 10 or more units) a separate pupil yield calculation is made, along with an approximate timeline, and added to the base projections.   In recent years major development has been taking place on 2 ex-hospital sites, and this is ongoing.

One of these will mainly impact the Romford area, with the other being in Harold Wood.   These will place additional pressure on existing primary places and increase the need for increased primary capacity. The draft Havering Annual Monitoring Report 2011/12 indicates that planning permission has been granted for more than 2,600 additional units, with discussion taking place regarding some 1,600 units.

Number of residential developments with granted approval between 14/10/2010 - 14/10/2013 in each of our School planning areas.

School Planning Area	2010-11	2011-12	2012-13	Total
Collier Row	31	21	15	67
Elm Park & South Hornchurch	778	139	85	1002
Harold Hill	66	1262	219	1547
Hornchurch	98	76	20	194
Rainham	23	47	38	108
Romford	66	346	63	475
Upminster & Cranham	16	9	6	31
Grand Total	1078	1900	446	3424

B. SUPPLY ANALYSIS

Primary Places

In 2012, there were a total of 19,463 primary places in the borough for 19,135 pupils, an occupation rate of 94%, above the 90% rate recommended by Audit

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Commission to allow flexibility for parental preferences and population movement. Of the 59 primary schools, 28 were full or had pupils in excess of their capacity and 31 had one or more unfilled places.

When pupil projections are broken down into school place planning areas as shown on our map *(Appendix C)* and compared with the availability of places in the area, the forecast need for places in each area is assessed in forms of entry (FE) as follows:

Collier Row School Place Planning Area

Total number of permanent reception places in 2013/14 = 510

July 2013 Forecast	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Reception Capacity	510	510	510	510	510	510	510	510
Projected Rolls	520	516	529	549	557	569	577	583
Projected Rolls with Housing	520	517	530	550	557	569	577	583
Surplus/Deficit	-10	-7	-20	-40	-47	-59	-67	-73
Additional places needed to maintain 5% surplus	-36	-33	-47	-68	-75	-87	-96	-102

Planning area need:
- 2FE needed by 2015/16
- 2FE permanent expansion required over the next five years

Elm Park South Hornchurch and School Place Planning Area

Total number of permanent reception places in 2013/14 = 375

July 2013 Forecast	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Reception Capacity	375	375	375	375	375	375	375	375
Projected Rolls	380	379	389	407	413	425	431	437
Projected Rolls with Housing	382	381	393	411	418	428	432	437
Surplus/Deficit	-7	-6	-18	-36	-43	-53	-57	-62
Additional places needed to maintain 5% surplus	-26	-25	-38	-57	-64	-74	-79	-84

Planning area need:
- 1FE needed by 2015/16
- 2FE permanent expansion required over the next five years

Harold Hill School Place Planning Area
Total number of permanent reception places in 2013/14 = 480

July 2013 Forecast	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Reception Capacity								

5

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		480	480	480	480	480	480	480	480
Projected Rolls		476	471	486	519	533	542	542	549
Projected Rolls with Housing		480	483	502	525	534	544	545	548
Surplus/Deficit		0	-3	-22	-45	-54	-64	-65	-68
Additional places needed to maintain 5% surplus		-24	-27	-47	-71	-81	-91	-92	-95

Planning area need:
- 1FE needed by 2015/16
- 2FE permanent expansion required over the next five years

Hornchurch School Place Planning Area

Total number of permanent reception places in 2013/14 = 570

July 2013 Forecast	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Reception Capacity	570	570	570	570	570	570	570	570
Projected Rolls	578	575	587	605	612	624	631	636
Projected Rolls with Housing	585	586	602	624	630	636	638	640
Surplus/Deficit	-15	-16	-32	-54	-60	-66	-68	-70
Additional places needed to maintain 5% surplus	-44	-45	-62	-85	-92	-98	-100	-102

Planning area need:
- 2FE needed by 2015/16
- 3FE permanent expansion required over the next five years

Rainham School Place Planning Area

Total number of permanent reception places in 2013/14 = 255

July 2013 Forecast	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Reception Capacity	255	255	255	255	255	255	255	255
Projected Rolls	257	255	263	274	279	286	291	294
Projected Rolls with Housing	259	267	281	297	304	313	309	305
Surplus/Deficit	-4	-12	-26	-42	-49	-58	-54	-50
Additional places needed to maintain 5% surplus	-17	-25	-40	-57	-64	-74	-69	-65

Planning area need:
- 1FE needed by 2015/16
- 2FE permanent expansion required over the next five years

Romford School Place Planning Area

Total number of permanent reception places in 2013/14 = 465 { 2014/15 = *555}

(*90 places planned for Oasis Academy)

July 2013 Forecast	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21

Reception Capacity	465	555	555	555	555	555	555	555
Projected Rolls	485	570	590	622	634	653	666	674
Projected Rolls with Housing	509	609	634	666	669	678	679	676
Surplus/Deficit	-44	-54	-79	-111	-114	-123	-124	-121
Additional places needed to maintain 5% surplus	-69	-84	-111	-144	-147	-157	-158	-155

Planning area need:
- 3FE needed by 2015/16
- 4FE permanent expansion required over the next five years

Upminster & Cranham School Place Planning Area

Total number of permanent reception places in 2013/14 = 429

July 2013 Forecast	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**
Reception Capacity	429	429	429	429	429	429	429	429
Projected Rolls	435	433	439	450	454	461	465	468
Projected Rolls with Housing	435	433	439	450	454	461	465	468
Surplus/Deficit	-6	-4	-10	-21	-25	-32	-36	-39
Additional places needed to maintain 5% surplus	-28	-26	-32	-44	-48	-55	-59	-62

Planning area need:
- 1FE needed by 2015/16
- 2FE permanent expansion required over the next five years

Secondary Places

There were a total of 18,123 secondary places (11-19) in 2012 for 16,411 pupils, giving a 91% occupancy rate which is slightly above the 90% recommended by Audit Commission.

Of the 18 schools in the borough in 2012, 4 were full, 1 had pupils in excess of their capacity and the remaining 13 three or more unfilled places. A total of 1,712 unfilled places across all secondaries.

An analysis of Year 7 forecasts, projected pupil numbers including housing and a 5% 'working margin' of surplus capacity shows a deficit of Year 7 places from 2015/16 onwards when numbers are forecast to begin a long term rise.

By 2018/19 this is projected to result in a significant deficit of secondary school places in Year 7. *(See figures B1)*

When YR 7-11 pupil numbers are projected to include housing and a 5% 'working margin' of surplus capacity to match existing capacity, it shows a shortage of places by 2018/19. *(See Figures B2)*

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Appendix A: PROJECTED PRIMARY PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Primary	18,299	18,378	18,460	18,651	19,078	19,839	20,492	21,195	21,910	22,738	23,472	24,190	24,713	25,206	25,642
Total Primary with housing						19,919	20,651	21,390	22,123	22,935	23,627	24,276	24,747	25,218	25,650
Total Primary with housing plus target (not yet planned)						19,919	20,651	21,393	22,143	22,994	23,725	24,412	24,918	25,410	25,847
Total Primary with housing plus target (not yet planned) PLUS 5%						20,915	21,684	22,463	23,250	24,143	24,911	25,633	26,164	26,681	27,139
BY ADMISSION NUMBER (AN)															
Primary Capacity (AN)	20,231	19,974	19,533	19,548	19,578	19,863	20,268	20,673	21,078	21,498	21,843	22,128	22,218	22,218	22,218
Primary Surplus/Deficit (no additional housing)	1,932	1,596	1,073	897	500	24	-224	-522	-832	-1,240	-1,629	-2,062	-2,495	-2,988	-3,424
Primary % Surplus/Deficit	9.5%	8.0%	5.5%	4.6%	2.6%	0.1%	-1.1%	-2.5%	-3.9%	-5.8%	-7.5%	-9.3%	-11.2%	-13.4%	-15.4%
Primary % Surplus/Deficit inc.housing						-0.3%	-1.9%	-3.5%	-5.0%	-6.7%	-8.2%	-9.7%	-11.4%	-13.5%	-15.4%
Primary % Surplus/Deficit inc.housing + target						-0.3%	-1.9%	-3.5%	-5.1%	-7.0%	-8.6%	-10.3%	-12.2%	-14.4%	-16.3%
Additional places needed to maintain 5% surplus						1,052	1,416	1,790	2,172	2,645	3,068	3,505	3,946	4,463	4,921

Note: Cells highlighted in red show a projected deficit of places.

GRAPH 2

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FIGURE A1: PROJECTED PRIMARY NUMBERS

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Reception	2,607	2,701	2,679	2,826	2,906	3,130	3,196	3,283	3,417	3,468	3,551	3,603	3,639	3,675	3,707
Year 1	2,557	2,623	2,722	2,698	2,858	2,929	3,155	3,221	3,309	3,443	3,495	3,579	3,631	3,668	3,704
Year 2	2,463	2,590	2,660	2,735	2,703	2,880	2,951	3,179	3,246	3,334	3,470	3,522	3,606	3,659	3,696
Year 3	2,579	2,478	2,630	2,677	2,779	2,724	2,903	2,974	3,204	3,272	3,360	3,497	3,549	3,635	3,688
Year 4	2,635	2,590	2,486	2,639	2,677	2,801	2,745	2,925	2,998	3,229	3,297	3,387	3,524	3,577	3,663
Year 5	2,726	2,657	2,593	2,490	2,657	2,698	2,822	2,767	2,948	3,021	3,254	3,323	3,413	3,552	3,605
Year 6	2,732	2,739	2,690	2,586	2,498	2,678	2,719	2,844	2,788	2,971	3,045	3,279	3,349	3,440	3,580
Total	**18,299**	**18,378**	**18,460**	**18,651**	**19,078**	**19,839**	**20,492**	**21,195**	**21,910**	**22,738**	**23,472**	**24,190**	**24,713**	**25,206**	**25,642**
Projected Primary Pupil Yield from additional housing						80	160	195	213	197	155	87	34	12	8
Projected Primary Pupil Yield from housing target (not yet planned)						0	0	3	21	59	98	136	171	193	197
Projected PrimaryTotal with additional housing						19,919	20,651	21,390	22,123	22,935	23,627	24,276	24,747	25,218	25,650
Projected PrimaryTotal with housing plus target						*19,919*	*20,651*	*21,393*	*22,143*	*22,994*	*23,725*	*24,412*	*24,918*	*25,410*	*25,847*
Projected PrimaryTotal with housing plus target plus 5%						*20,915*	*21,684*	*22,463*	*23,250*	*24,143*	*24,911*	*25,633*	*26,164*	*26,681*	*27,139*

GRAPH 1

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FIGURE A2: PROJECTED RECEPTION PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Birth	2,743	2,801	2,877	2,994	3,039	3,090	3,139	3,164	3,172	3,193	3,214	3,242	3,258	3,247	3,228
Total Reception	2,607	2,701	2,679	2,826	2,906	3,130	3,196	3,283	3,417	3,468	3,551	3,603	3,639	3,675	3,707
Projected Reception Total inc. housing						3,170	3,276	3,381	3,523	3,566	3,628	3,646	3,656	3,681	3,711
Total Reception with housing plus target (not yet planned)						3,170	3,276	3,382	3,533	3,595	3,677	3,714	3,742	3,778	3,809
Total Reception with housing plus target (not yet planned) PLUS 5%						3,329	3,440	3,551	3,710	3,775	3,861	3,900	3,929	3,967	4,000

BY ADMISSION NUMBER (AN)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Reception Capacity (AN)	2,775	2,800	2,799	2,799	2,799	3,084	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174	3,174
Reception Surplus/Deficit	168	99	120	-27	-107	-46	-22	-109	-243	-294	-377	-429	-465	-501	-533
Reception % Surplus/Deficit	6.1%	3.5%	4.3%	-1.0%	-3.8%	-1.5%	-0.7%	-3.4%	-7.6%	-9.3%	-11.9%	-13.5%	-14.7%	-15.8%	-16.8%
Reception % Surplus/Deficit inc.housing						-2.8%	-3.2%	-6.5%	-11.0%	-12.3%	-14.3%	-14.9%	-15.2%	-16.0%	-16.9%
Reception % Surplus/Deficit inc.housing + target						-2.8%	-3.2%	-6.6%	-11.3%	-13.3%	-15.9%	-17.0%	-17.9%	-19.0%	-20.0%

Note: Cells highlighted in red show a projected deficit of places.

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Additional places needed to maintain 5% surplus						245	266	377	536	601	687	726	755	793	826

GRAPH 3

Legend:
- Total Birth
- Total Reception
- Projected Reception Total inc. housing
- Total Reception with housing plus target (not yet planned)
- Total Reception with housing plus target (not yet planned) PLUS 5%
- Reception Capacity (AN)

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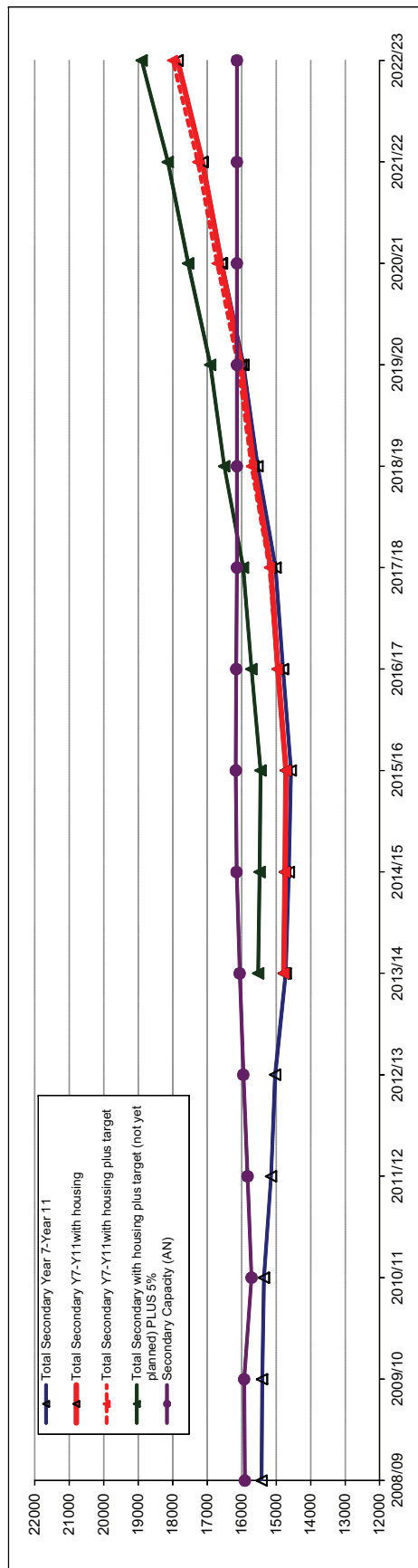
APPENDIX B: PROJECTED YEAR 7 TO 11 PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Secondary Year 7-Year 11	15,422	15,409	15,353	15,150	15,029	14,725	14,629	14,577	14,803	15,017	15,540	15,948	16,570	17,133	17,855
Total Secondary Y7-Y11 with housing						14,782	14,743	14,716	14,955	15,157	15,651	16,010	16,594	17,141	17,860
Total Secondary Y7-Y11 with housing plus target						14,782	14,743	14,718	14,970	15,200	15,720	16,107	16,716	17,279	18,001
Total Secondary with housing plus target (not yet planned) PLUS 5%						*15,521*	*15,480*	*15,454*	*15,718*	*15,959*	*16,506*	*16,912*	*17,552*	*18,143*	*18,901*

BY ADMISSION NUMBER (AN)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Secondary Capacity (AN)	15,906	15,928	15,715	15,829	15,953	16,057	16,146	16,170	16,160	16,140	16,140	16,140	16,140	16,140	16,140
Secondary Surplus/Deficit	484	519	362	679	924	1,332	1,517	1,593	1,357	1,123	600	192	-430	-993	-1,715
Secondary % Surplus/Deficit	3.0%	3.3%	2.3%	4.3%	5.8%	8.3%	9.4%	9.9%	8.4%	7.0%	3.7%	1.2%	-2.7%	-6.2%	-10.6%
Secondary % Surplus/Deficit inc.housing						7.9%	8.7%	9.0%	7.5%	6.1%	3.0%	0.8%	-2.8%	-6.2%	-10.7%
Secondary % Surplus/Deficit inc.housing + target						7.9%	8.7%	9.0%	7.4%	5.8%	2.6%	0.2%	-3.6%	-7.1%	-11.5%

Note: Cells highlighted in red show a projected deficit of places.

	2018/19	2019/20	2020/21	2021/22	2022/23
Additional places needed to maintain 5% surplus	366	772	1,412	2,003	2,761

GRAPH 2

Legend:
- Total Secondary Year 7-Year 11
- Total Secondary Y7-Y11 with housing
- Total Secondary Y7-Y11 with housing plus target
- Total Secondary with housing plus target (not yet planned) PLUS 5%
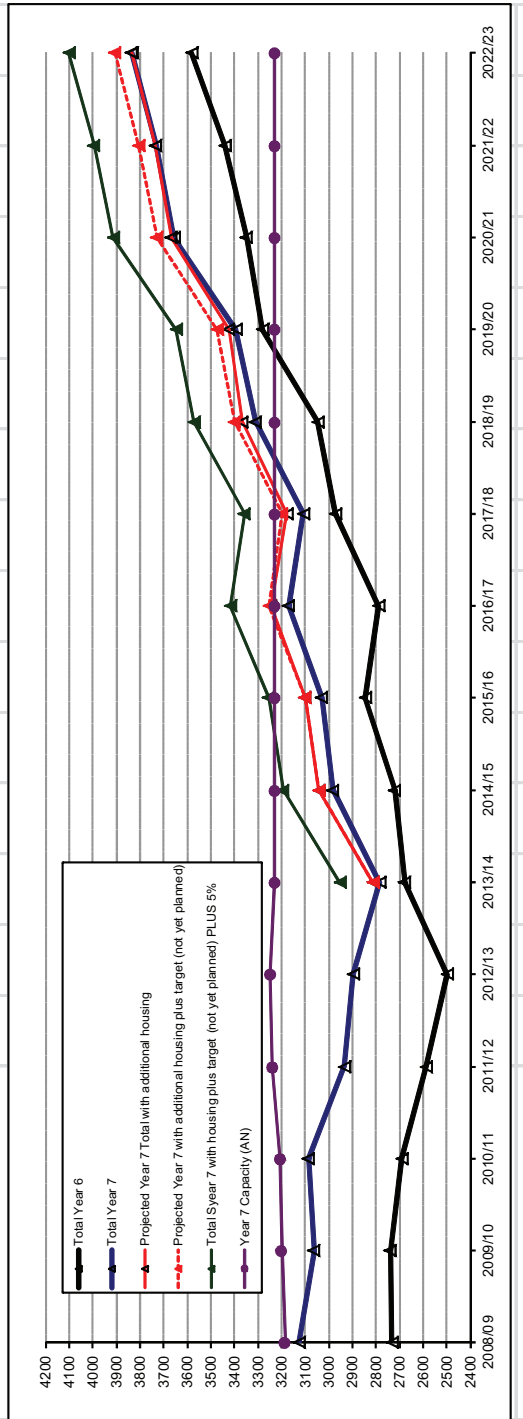- Secondary Capacity (AN)

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FIGURE B1: PROJECTED YEAR 7 PUPIL POPULATION 2013-14 TO 2022-23

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Year 6	2,732	2,739	2,690	2,586	2,498	2,678	2,719	2,844	2,788	2,971	3,045	3,279	3,349	3,440	3,580
Total Year 7	3,125	3,061	3,085	2,934	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654	3,731	3,833
Projected Year 7 Total with additional housing						2,812	3,041	3,099	3,245	3,177	3,366	3,423	3,666	3,736	3,835
Projected Year 7 with additional housing plus target (not yet planned)						2,812	3,041	3,100	3,253	3,198	3,401	3,472	3,727	3,804	3,906
Total year 7 with housing plus target (not yet planned) PLUS 5%						2,952	3,193	3,255	3,415	3,358	3,571	3,645	3,914	3,995	4,101
BY ADMISSION NUMBER (AN)															
Year 7 Capacity (AN)	3,184	3,199	3,204	3,238	3,248	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228	3,228
Year 7 Surplus/Deficit	59	138	119	304	353	445	244	199	59	121	-83	-164	-426	-503	-605
Year 7 % Surplus/Deficit	1.9%	4.3%	3.7%	9.4%	10.9%	13.8%	7.6%	6.2%	1.8%	3.8%	-2.6%	-5.1%	-13.2%	-15.6%	-18.7%
Year 7 % Surplus/Deficit inc.housing						12.9%	5.8%	4.0%	-0.5%	1.6%	-4.3%	-6.1%	-13.6%	-15.7%	-18.8%
Year 7 % Surplus/Deficit inc.housing + target						12.9%	5.8%	4.0%	-0.8%	0.9%	-5.4%	-7.6%	-15.5%	-17.9%	-21.0%
Additional places needed to maintain 5% surplus								27	187	130	343	417	686	767	873

Note: Cells highlighted in red show a projected deficit of places.
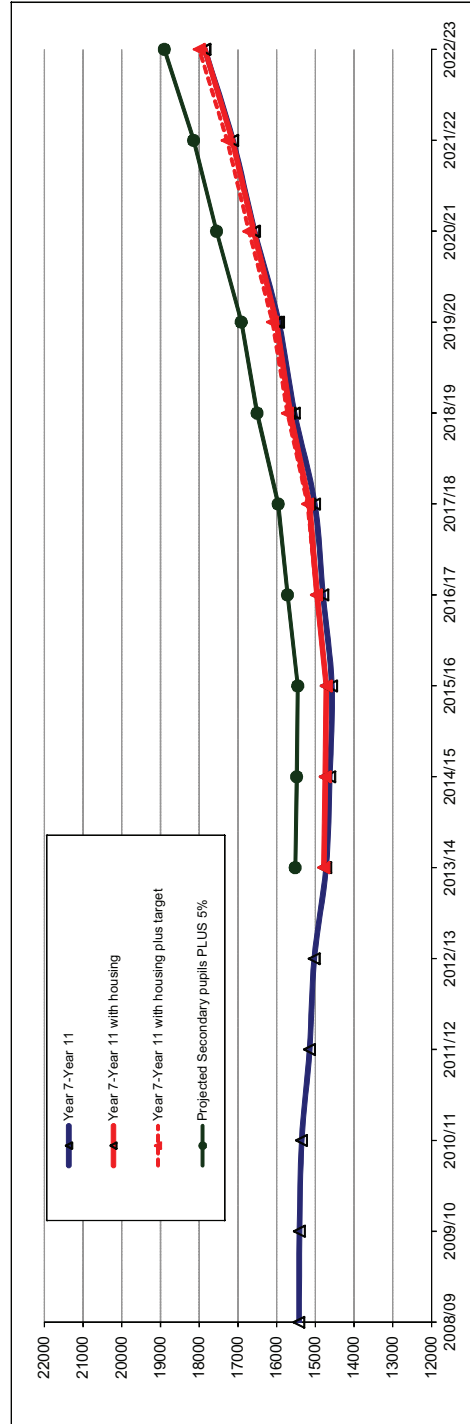
GRAPH 3

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FIGURE B2: PROJECTED SECONDARY NUMBERS

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Year 7	3,125	3,061	3,085	2,934	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654	3,731	3,833
Year 8	3,098	3,122	3,055	3,075	2,944	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654	3,731
Year 9	3,090	3,081	3,116	3,056	3,085	2,944	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392	3,654
Year 10	3,108	3,088	3,053	3,082	3,079	3,085	2,944	2,895	2,783	2,984	3,029	3,169	3,107	3,311	3,392
Year 11	3,001	3,057	3,044	3,003	3,026	3,017	3,023	2,885	2,837	2,728	2,924	2,969	3,106	3,045	3,244
Y7 - Y11 Total	15,422	15,409	15,353	15,150	15,029	14,725	14,629	14,577	14,803	15,017	15,540	15,948	16,570	17,133	17,855
Year 12	645	686	716	737	743	706	775	783	765	760	696	754	767	808	790
Year 13	574	587	629	651	653	673	639	702	709	693	688	630	683	695	732
Y12 - Y13 Total	1,219	1,273	1,345	1,388	1,396	1,379	1,415	1,485	1,474	1,453	1,384	1,385	1,450	1,503	1,521
Y7 - Y13 Total	16,641	16,682	16,698	16,538	16,425	16,103	16,044	16,062	16,277	16,470	16,924	17,333	18,020	18,636	19,376
Projected Secondary Pupil Yield from additional housing						57	114	139	152	140	111	62	24	8	6
Projected Secondary Pupil Yield from housing target (not yet planned)						0	0	2	15	42	70	97	122	138	141
Projected Secondary Y7-Y11 Total with additional housing						14,782	14,743	14,716	14,955	15,157	15,651	16,010	16,594	17,141	17,860
Projected Secondary Y7-Y11 Total with housing plus housing target						14,782	14,743	14,718	14,970	15,200	15,720	16,107	16,716	17,279	18,001
Projected SecondaryTotal with housing plus target PLUS 5%						15,521	15,480	15,454	15,718	15,959	16,506	16,912	17,552	18,143	18,901

GRAPH 1

Legend:
- Year 7-Year 11
- Year 7-Year 11 with housing
- Year 7-Year 11 with housing plus target
- Projected Secondary pupils PLUS 5%

CABINET **20 November 2013**	
Subject Heading:	**Education and Skills Delivery Strategy**
Cabinet Member:	**Councillor Paul Rochford**
CMT Lead:	**Joy Hollister**
Report Author and contact details:	**Mary Pattinson** **Head of Learning and Achievement** **mary.pattinson@havering.gov.uk** **01708 433808**
Policy context:	**Supports the corporate goal to champion education and learning for all**
Financial summary:	**The implementation of the Education and Skills Delivery Strategy will be met from within existing service resources.**
Is this a Key Decision?	**Yes**
When should this matter be reviewed?	**September 2014**
Reviewing OSC:	**Children and Learning**

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough   []
Championing education and learning for all   [x]
Providing economic, social and cultural activity
                                in thriving towns and villages   []
Valuing and enhancing the lives of our residents   [x]
Delivering high customer satisfaction and a stable council tax   []

SUMMARY

This report seeks Cabinet's approval for the Education and Skills Delivery Strategy.

The Education and Skills Delivery Strategy sets out and updates in the current context the Council's vision and ambition for education in Havering. The Strategy describes the processes that will be undertaken to achieve this vision and how success will be measured.

Discussion and consultation has taken place with all education providers, including early years settings, schools and colleges over the last 6 months. Their views and suggestions have been incorporated into the final version of the Strategy.

RECOMMENDATIONS

The Cabinet approve the attached Education and Skills Delivery Strategy.

REPORT DETAIL

1. Background

1.1 The Local Authority has a significant number of responsibilities in relation to children and young people. These are set out in a number of places, including in Section 136, Education and Inspections Act 1996, Section 10, Children Act 2004 and the Education Act 2011.

1.2 This legislation places significant responsibility on the authority to:

- Promote high standards
- Ensure fair access
- Ensure the fulfilment of learning potential.

1.3 This role, and the associated responsibilities, of all local authorities as "Education Champions" have been helpfully summarised by the DfE following the Education Act 2011. In this summary it sets out the three key education roles that authorities must undertake, ie that:

- **High quality provision** is available for all children and young people, by the commissioning of places for children between the ages of 2-5, ie Early Years provision, Schools (5-19) , and for those children and young people with special educational needs (up to 25) or additional needs or who have been excluded from school.

- There is **equity of provision** by ensuring strong and robust challenge and early intervention where an individual child, groups of pupils or educational providers performance falls below national expectations, there is unfair practice leading to inequality, schools are in financial difficulty or there is unfair or unsafe practice taking place or early signs of failure in the provision.
- There is **strong partnership working** with all agencies that ensure the well-being of all children and young people, irrespective of their needs or the governance arrangements of the provision.

1.4 Further details of these responsibilities are set out in Annex C of the attached Strategy Document.

2. Ofsted

2.1 In June 2013 Ofsted started inspecting local authorities in relation to how successful they are in carrying out these duties. The stated aims of these education inspections is to assist local authorities in their duty to promote high standards and the fulfilment of potential in schools and other education and training providers, so that all children and young people benefit from at least a good education.

2.2 The new Ofsted Framework acknowledges that the role of local authorities has changed in relation to schools and academies, including UTCs and Free Schools, and for those 14-19 year olds attending a college, where these sit outside of local authority control. However, Ofsted's view is that local authorities still have an important statutory duty to promote high standards and fulfilment of potential of all children and young people.

2.3 Ofsted inspections of local authorities are intended to perform four essential functions:

- provide parents, elected council members, schools and other providers and those who lead and manage the local authority with an assessment of how well the local authority is performing in supporting and challenging its schools and other providers to improve;
- provide information for the Secretary of State for Education about how well the local authority is performing its role in promoting high standards, ensuring equality of access to opportunity, fulfilling children's potential and providing support to schools causing concern;
- promote improvement in the local authority, its schools, children and young people and the education system more widely;
- require the local authority to consider the actions that it should take in the light of the report and prepare a written statement setting out those actions and the timetable for them.

2.4 It is therefore appropriate and timely to produce an Education and Skills Delivery Strategy (attached) which is fit for the current context.

3.   The Education and Skills Delivery Strategy

3.1   This Strategy sets out the key quality indicators required of those with a responsibility to provide education and training opportunities (the providers), to ensure all children and young people reach their potential and the best possible outcomes.

3.2   It is focused on improving standards and quality of education provision; so that all children and young people can go to a good school and that all young people are engaged in purposeful education and training.

3.3   It describes how this will be achieved. This includes by learning from and spreading the influence of the best practice, working in partnership across all providers; promoting innovation and creativity and supporting and challenging all providers to be at least good.

3.4   To achieve high quality education provision the authority is expecting all providers to:

- improve to a 'good' or 'outstanding' judgement by Ofsted within 2 years of a 'Requires Improvement' (or worse) judgement;
- tackle the inequality of disadvantage, by working to narrow the performance gap for pupils receiving free school meals (FSM), Looked After children and pupils with special educational needs (SEN) through early help and support;
- ensure that the most able children and young people are challenged to thrive and attain the very highest possible level;
- minimise within school and school-to-school variability or between providers, by maximising progress for all children and young people, and addressing inconsistency in provision across the authority.

3.5   In order to achieve this we will strengthen partnership working and provider networks through the authority's strategic influence with all providers. In particular through:

- a commitment to retain The Children's Trust and the Children and Young People's Plan;
- growing and developing the Education Strategic Partnership (ESP) which is a key platform for partnership working and includes representatives across all education providers;
- establishing a School Improvement Alliance, putting all education providers at the heart of our improvement processes;
- establishing a Traded Services Review Board to ensure high quality traded services are available for local schools to purchase from high quality local providers.

REASONS AND OPTIONS

Reasons for the decision:

The decision is necessary in order to set out the vision, ambition and process whereby all children andyoung people in Havering will attend good or better education provisions.

Other options considered:

None.

IMPLICATIONS AND RISKS

Financial implications and risks:

The resources to meet the Local Authority's statutory duties set out above are mainly held within the Learning and Achievement Service in the Directorate of Children, Adults and Housing. This is funded through an Education Services Grant based on the number of children attending maintained schools. The current allocation to Havering is £3,510,598, which funds the direct costs of the provision and recharged costs from central services. This grant is reduced for every school that converts to an academy based on the number of pupils on roll. These reductions could potentially put at risk the Councils' ability to continue to meet the responsibilities to maintain high quality educational provision for all children, including those attending academies. In the current economic climate Council funding streams generally are subject to significant reductions, recent budget reports to Cabinet explore the impact of this on the Council's financial position and associated risks arising.

Legal implications and risks:

The Education and Skills Strategy is not a statutory requirement, however, in the light of the powers of the Secretary of State to inspect a Local Authority on its overall performance in elation to its education functions, it is a prudent step to devise an appropriate strategy.

There are minimal risks involved in devising the strategy. The effectiveness of the strategy to achieve its stated aims will be subject to assessment in due course.

Human Resources implications and risks:

There are no immediate Human Resources implications.

Equalities implications and risks:

This Education and Skills Delivery strategy outlines the key quality indicators for education and training providers in Havering so as to ensure that all children and young people living in the Borough, particularly the most vulnerable and disadvantaged groups reach their full potential and the best possible outcomes.

The strategy has been informed by in-depth data analysis and extensive self-evaluation of Havering's arrangements for supporting school improvements, and has also been developed in consultation with all education providers, including early years' settings, schools and colleges.

Annex

Education and Skills Delivery Strategy

BACKGROUND PAPERS

Ofsted Framework for the Inspection of Local Authorities

Ensuring Excellence for All

An Education and Skills Delivery Strategy

Index   **Page**

Foreword:

The Council's vision is that the London Borough of Havering will have a world-class education and training offer to support those living in the area, and to attract families considering building their lives here. This provision will build and develop the knowledge, skills and qualities in our children and young people, needed to support the local economy and wider economy in the future and ensure that the London Borough of Havering is dynamic, ambitious, prosperous - the very best place to grow up, live and work

This strategy document outlines our ambition and journey towards excellent education and training provision in Havering in our early years settings, schools, the Pupil Referral Service (PRS) and in post-16 provision. It sets out our aspirations for all children and young people in the area. Within it is a core set of values, policies and principles which define our shared responsibility for educational improvement and excellence. These are already implicit in the very strong partnerships that already exist between the Council, early years settings, maintained schools, academies, post 16 providers, and other key partners with whom we work.

The Council wants the best for the children and families in Havering who are the lifeblood of our community. We acknowledge that there is a very close relationship between the strength of our education provision - regardless of governance - the economic wellbeing of the area, and the way Havering is perceived by those around us - across London, and more widely. We are ambitious for the communities we serve, and want to ensure we remain the location of choice where families want to live because of the very high quality of life and education provision available to them.

The foundations for our ambition are built upon three related concepts:

1. **Equity** - **every** child and young person deserves to thrive regardless of their starting point

2. **Excellence** - excellent provision in teaching and learning to help **every** child and young person to make excellent progress

3. **Entitlement** - it is **every** child's entitlement to be safe and happy in well-led education provisions, supporting the development of the whole child to become a well-equipped and confident citizen of tomorrow

As the Leader of the Council, I wish to confirm our commitment to the development of excellent provision in the London Borough of Havering as outlined in this strategy and stress the opportunities provided to us all by the renewed national focus on educational improvement.

Councillor Michael White, Leader of the Council

Introduction

Across all phases of education, there has never been a time when they have been under greater pressure to succeed both because of the increasing demands of the communities they serve, and because for young people to thrive in an increasingly competitive global economy, they need to perform to their very best and have access to the best education, training and skill development that can be provided. Nor has there been a time where settings, schools and colleges in particular, with Local Authorities, find themselves under the spotlight of attention from OFSTED in quite the same way.

Clearly, all education provisions should be at least "good" to meet the needs of the children and young people they serve. We also want to ensure that schools are free to make the choices about their status and governance arrangements, not have those defined by an external agency as happens when a school is deemed to be failing. To make that a reality all provision needs to become good – and to be moving towards outstanding.

All providers must accept that it is their responsibility to ensure that they are working energetically and purposefully to become the very best they can be, independently of the local authority. Increasingly the role of the authority is to support all schools and other education providers strategically in establishing the conditions where they can sustain an OFSTED judgement of 'good' or better without help from outside, and move rapidly towards outstanding.

At a time where an education provision is identified as "requiring improvement" there needs to be a clear plan established and support identified to make "rapid progress" against the areas for improvement defined on inspection. The journey to being judged good needs to be rapid, in order for providers to support good progress for all children and to retain their autonomy. We must use the skills and resources of our good and outstanding provision, and our good and outstanding leaders to support that journey.

What has become increasingly clear is that even provisions judged to be outstanding struggle to maintain that "gold standard" if they do not continue to benchmark their practice against external standards of performance.

Vision

This delivery strategy document outlines the key quality indicators required of those with a responsibility to provide education and training opportunities (the 'providers') to all the children and young people in our Borough, and to ensure that they reach their full potential the best possible outcomes.

In the London Borough of Havering we have the same expectations for every child and young person to make good progress in their learning, to achieve well and to have the best opportunities for an independent economic, personal, cultural and social life as they become young adults.

Every child and young person will go to good or outstanding education provision, have access to the best teaching, and benefit from settings and schools and other providers working in partnership with each other to share the best practice as they continue to improve. To create a cultural, economic and physical environment that stimulates children and young people to open their minds to the full range of opportunities that are available to them. Our strategic priorities in the London Borough of Havering are to ensure all pupils meet their full potential, to shape education and skills provision around the needs of our economy and our partners in the sub region and beyond; at the same time we must continue to improve services for the most vulnerable young people.

Our Ambition:

Central to our ambition is the desire to create the conditions in which pupils experience the best learning and teaching, and where pupils' moral and intellectual development and confidence can flourish, where they can reach their full potential. We want every young person to benefit from a broad range of pathways to further learning and employment, for their own achievement and for the success of the London Borough of Havering and wider London economy.

We will do this by focusing relentlessly on improving standards and the quality of education provision so that excellence is promoted across the system. We will ensure children and young people continue to get a good start in life, by working alongside all the agencies who work with very young children and their families, particularly health practitioners and those providing services through our Early Help Services especially our Children's Centres, so that we promote the highest quality early learning and childcare in the Foundation Stage.

We will grow and commission provision, wherever possible, that is, or will, become rapidly good provision through our Commissioning School Places Strategy. We will encourage Free School providers where we need additional places, that have a track record of excellence to become part of our family of schools in Havering.

We will work tirelessly to ensure every child can go to a good school where they make good progress and can have "fair access" to school provision and we will ensure every young person to age 18 (and up to 25 for those young people with an Education Health and Care Plan) is engaged in purposeful education and training, and they are well prepared for skilled employment and higher learning.

We will achieve this by learning from and spreading the influence of the best practice, whether locally, nationally or internationally and through working in partnership across all types of school and phases of education and learning and with partners across the business sectors, further and higher education, local government, health, social care, the arts and cultural sector, the voluntary and community sectors, and especially with parents, carers, local communities and the children and young people themselves.

We will support the best education providers and the best leaders to lead the system and drive improvement across all schools, settings, education and training providers, supporting and challenging each other in how we achieve our goals, so that we are able to transform outcomes for all of our children and young people. We will promote innovation and creativity in teaching and learning and the curriculum, so that the London Borough of Havering achieves a world class education system, greater social mobility and reverses the national trends of under performance for vulnerable and disadvantaged groups which hold back progress in our economy and our society.

We see learning as a lifelong process in which learners should always be able to progress to the next stage of their lives, with the necessary foundations for success, to develop their skills, training and qualifications both in and out of work and in informal and formal learning situations. We will give particular priority to improving the skills and employability of 14 – 24 year olds, so that they make a good start to adult life and they are able to fully participate and contribute in the local, national and international community.

We are aware of the challenges posed and the issues related to lower funding, we are currently the second lowest funded local authority in London but we must not use these as excuses. Our young people and their families deserve the very best we can provide in our rapidly changing community.

The world is changing fast, expectations are rising rapidly and a more diverse education system is developing quickly. The UK has to achieve a more educated and skilled workforce and cannot afford to lose the potential of so many young people who, if they are not educated well enough, will lead less productive and satisfying lives. The economic and social cost of educational failure is immense. In this mix the role of the local authority is changing to be more ambitious, focused and strategic in bringing about educational transformation for children of the London Borough of Havering by being a strong and influential partner with schools and other providers.

To support this vision our ambition is:

- For all educational provisions to be judged 'good' or better by OFSTED by 2016 - *every child deserves this*
- That our best education providers, their leaders and educators are used to provide support to all provisions to improve-*Good and outstanding schools, colleges and settings helping all to succeed*
- For "all schools to be free to make their own choices" in terms of becoming an academy or remaining a maintained school. *Supporting providers to become self-improving institutions*
- That all children and young people will be able to access their preferred route to success in a system that values a collaborative approach. We will do this by developing skills provision across the schools, colleges and other providers in the Local Authority and beyond - developing both academic and vocational routes to excellence- *the local economy, and demands on the local workforce require this. Ensuring young people are well placed to access successfully local and regional employment opportunities*
- For every child to make good or better progress from whatever their starting point - *barriers to achievement will be broken down, whether they are linked to individual needs or the context of the community, children and young people are supported to succeed, not challenged into failure*
- That high quality early years and pre-school support will give children the very best start ensuring they are prepared for school-life and confident and eager to learn. *The best possible start as the key entitlement for all children*
- That all education providers will be supported and challenged to improve in line with their progress on the journey to excellence- *We will celebrate the successes –which are numerous - of an education system which produces good results, supports a high proportion of young people making a successful next step in their lives and has a very low number of young people who are not in employment education or training.*

To achieve this, we require all education provisions to:

- Improve to a 'good' or 'outstanding' judgement by Ofsted within 2 years of a 'Requires Improvement' (or worse) judgement
- Tackle the inequality of disadvantage, by working to narrow the performance gap for pupils entitled to free school meals (FSM), Looked After children and pupils with special educational needs (SEN) through early help and support
- Ensure that the most able children and young people are challenged to thrive and attain at the very highest possible level
- Minimise in-school and school-to-school and setting by setting variability by maximising progress, and addressing inconsistency across the authority.

<u>**How Will We Get There?**</u>

New ways of working are the key to success in a more diverse educational landscape, with many different providers across the early years, schools and post 16 skills and employment sectors. This landscape requires us to drive change through strategic influence, highly effective partnership arrangements and networks in which there can be pooled effort and shared priorities, to achieve better outcomes, to increase capacity in the system and to create more innovative solutions at a time of reducing levels of resource. More successful delivery in the London Borough of Havering will see the emergence of strengthened structures for joint working and partnership. Our partnership working is based on the following beliefs and principles:

- Education improvement happens in settings, schools and post 16 provision – local authority Quality Assurance Officers are there to support this
- Leaders, Principals and Headteachers have to become increasingly the system leaders for the local area
- Governors play a vital role in leading improvement
- The role of the local authority is to ensure the conditions are created whereby leaders are able to lead and teachers are able to teach without the distractions of excessive bureaucracy and interference
- The creation of excellent provision regardless of phase is a collaborative activity with a triangular relationship, between all education providers and the local authority and the parents
- The current "Teaching School" and any future Teaching Schools, our National Leaders of Education (NLE), Local Leaders of Education (LLEs) and excellent local college providers through our School Improvement Alliance (Support for schools by schools programme), is at the heart of the improvement process
- A range of collaborative models is central to our strategy for change. Collaboration is the only way to deliver the full range of positive outcomes for all children and young people. Collaboration needs to take place across the full range of Children's Trust partners
- Early Help and support to remove barriers to learning and success is key to enable all children and young people to succeed and maximise their potential
- Development of community budgets and place based working and commissioning to pool and target resources to support and help to meet local needs more effectively
- To ensure that the "collaborative dividend" delivers higher standards, a wider range of opportunities and better value for money, with education at the heart of community sustainability, we need to make sure that the workforce is empowered and skilled enough to reap the rewards
- High quality impartial, independent advice and guidance is crucial to ensure that the best pathway to economic independence and prosperity is identified

- Continuing professional development (CPD) is a fundamental right of all members of the children's and young people's workforce and it must be relevant and close to practice to make an impact on outcomes for children and young people
- Where providers fail to deliver adequate standards, local authority intervention needs to be early and decisive, working alongside our good and outstanding education providers and their provisions to bring about rapid change
- High quality performance data is always used to identify and learn from rapidly improving trends
- There should be a focus on improvement and innovation in teaching and learning so that satisfactory teaching improves to good very quickly
- Encourage peer led creativity and innovation in schools
- Support system wide innovation and experimentation, especially in the design of the curriculum, the development of new provision and better models of support for vulnerable learners
- Develop and support system leaders to lead and support change beyond their own schools including the development of a School Improvement Alliance (Support for Schools by Schools Programme), school partnerships and hard and soft federation models

In order to bring about the improvements we are all committed to we will put most of our effort into doing the following priorities:

- Strengthen our partnership relationship with all schools and other providers, based on collaboration and shared effort, to build greater capacity in the system (see Annex B).
- Focus relentlessly on raising educational standards and support and challenge lower performing schools and other providers to improve quickly
- Support greater choice for parents and families by ensuring that there is a sufficient and diverse supply of places in strong schools and quality early years settings
- Make the most effective and efficient use of the available resources to support improved outcomes
- Ensure we provide an effective strategic commissioning and oversight role which builds capacity for improvement and brokers the best arrangements for longer term sustainable success
- Support vulnerable pupils, including those in receipt of FSM, looked after children and pupils with special educational needs and disabilities, so that they achieve well and make good progress; working closely with all Children's Social Care teams and other key partners. Develop provision within the special education system for learning opportunities post 16 and up to the age of 25, working closely with colleagues in Adult Social Care.
- Develop the provision of more high quality locally based solutions for children with special and additional needs so that they remain local, can be supported more effectively and represent better value for money, fully implementing the revised SEN practices enshrined within the Children and Families Bill

- Ensure every child has fair access to high quality education provision
- Deliver an effective school improvement strategy
- Provide effective, value for money, quality traded services for schools
- Promote and champion an education, training and skills system that delivers a range of options and pathways for all young people into higher levels of learning or employment to age 24
- Promote and champion educational excellence through our role as 'Education Champions' and provide vision and drive for a world-class system (see Annex C).

How We Will Measure Our Success

- Provision and outcomes for all children and young people improves significantly to be in the top performing quintile for all measures against national and statistical neighbours (see Annex A)
- Education leaders will lead the system through the already established Education Strategic Partnership (ESP) and School Improvement Alliance (Support for Schools by Schools Board), and a newly established Traded Services Review Board (TSRB) with a strong and purposeful working relationships with the Children's Trust Board to deliver the best opportunities and outcomes for children and young people
- The majority of schools and academies will procure high quality services through Havering Education Traded Services and its local brokerage service
- Havering's School Improvement Alliance (Support for Schools by Schools Programme Board) will deliver a school improvement model based on strong school collaborations and the development of effective school to school support
- Our key strategic partnerships with health, the voluntary sector and training providers to maximise effort and increase our capacity to transform early learning, education in schools, and post 16 learning and training so that it is truly excellent.

This Strategy is closely linked to a number of well established policies and other strategy documents which have been developed in partnership. These include:

Special Educational Needs Strategy for Change
Prevention and Intervention Strategy
Commissioning School Places Strategy
Inclusion and Fair Access Protocol
Early Years Commissioning Strategy
Raising the Participation and NEET Strategy
School Improvement Strategy.

There are a number of new developments which are currently being finalised and/or updated that are also relevant. These include:

Early Help Strategy
Post 16 SEN Strategy.

Annex A

Targets and Priorities

Following discussion with headteachers and other partners at a range of meetings we have a shared ambition to achieve the following improvements by 2016.

Where Are We Now?	Our Future
Ofsted • **A mixed economy of early years and school college provision ranging from outstanding and good provision to a small amount of underperforming provision, i.e. provision that is 'Satisfactory', or 'Requires Improvement' or below.** •	**Ofsted** • **No Havering school or setting will be in an Ofsted category.**
Early Years • **Mostly good or better provision in early years settings** • **Outcomes for children at the end of the Foundation Stage are above average. However, as the community of Havering goes through rapid changes, maintaining this position is increasingly challenging.**	**Early Years** • **To improve to match national at 77% of good or better provision.**
Early Help • **Ensuring that the most disadvantaged children and their families receive the targeted early support through an Early Help Strategy they require in order to prevent escalation of potential problems and children are eager and able to learn well when they start school.**	**Early Help** • **To increase by 5% of families receiving Early Help as recorded by FIS and Children's Centres.**
Primary • **79% of our schools are good or better; however this is fewer than in similar statistical areas and only 1% above the national average (DataView: 30/06/2013)** • **Only 17% of primary schools are outstanding.** • **7% improvement since August 2010 in the overall effectiveness of primary schools.**	**Primary Outcomes** • **% of schools that are good or better be well above statistical neighbours 83%.** • **% of outstanding primary schools increase year by year to be well above national at 23%.** • **KS1 standards continue to be in line with top 15% of LAs currently .**

• LAC performance remains too low. • **In 2013 Key Stage 2 79% of pupils achieving Level 4 in reading, writing and maths which is 4% above National and improved from 32nd to 22nd of 152 local authorities (Top 15%) and 3rd amongst our statistical neighbours. Performance gap for FSM was 23%, 4% higher than National, with FSM at 59% and Non-FSM 82% respectively.**	• **KS2 standards and progress continue to be in line with top 15% LAs.** • **Performance gap for FSM narrows to equal our statistical neighbours.** • **Performance gap for LAC narrows to equal our statistical neighbours.**
Secondary • **Overall effectiveness of schools has steadily improved from 59% in 2010 to 73% in 2013 are good or better. However, we are only 85th out of 152 authorities. (dataview: 30/06/2013).** • **27.8% of secondary education is 'Satisfactory' or 'Requires Improvement', which is better than national average of 28.2% However it currently has no inadequate schools (National 4.4%).** • **Only 2 Secondary schools are outstanding.** • **Key Stage 4 standards, as measured by 5+A-C dipped in 2013 to 79%, and now are below statistical neighbours 84% and below the national average 81%. (DfE 2013 provisional release)** • **63.3% of pupils gained 5+A-C GCSE' including English and maths, the first year since 2009 the difference between Havering and compared with National has increased.** • **However, only 35.8% of pupils on free school meals attained five good GCSEs, including English and mathematics in 2013, compared to 37.7% nationally.** (EPAS data,DfE not available) • **71.8% of pupils made expected progress in English (70.1% Nat).** • **73.6% of pupils made expected progress in maths (70.6% Nat).**	**Secondary Outcomes** • **% of schools that are good or better, be well above statistical national at 76%.** • **% of outstanding secondary schools increase year by year to 22%.** • **KS4 standards and progress to improve to be in line with top 20% of LAs (or our statistical neighbours).** • **Performance gap for FSM narrows to equal our statistical neighbours.** • **Performance gap for LAC narrows to equal our statistical neighbours.**
SEN • **Special education is strength.** • **The range of specialist provision in the London Borough of Havering has increased, so that more children with complex needs are able to access local, specialised provision, rather than having to attend external placements.** • **New Additionally Resourced Provision have opened within the last few years to cater for young people on the autism spectrum and with behaviour, emotional and social difficulties.**	**SEN** • **Further additional resource provision is developed as the needs of the SEN population changes over time.** • **Performance of children on SA, SA Plus and statements continue to improve by 3% per year from 2013 performance.** • **Special schools continue to be judged as good or better by Ofsted.**

• There are proposals to develop new post 16 SEN provision to enhance the opportunities that already exist to enable young people with special needs to lead increasingly independent lives. • All Havering special schools are rated by OFSTED good.	
PRUS • 4 Pupil Referral Units in the London Borough of Havering have recently merged into the Pupil Referral Service. • Four previous provisions were graded 1, 2, 2, and 3 for the James Oglethorpe PRU, KS3, the Tuition Service and the KS4 PRU respectively. • Work is beginning to create a full Pupil Referral Service fit for purpose to review our PRS provision to improve outcomes for the children and young people, expanding the curriculum offer, whilst driving costs down. • More flexible provision, fewer exclusions, better support for reintegration into mainstream schools and improved outcomes for the pupils aged 14-16 who follow alternative curriculum pathways by attending college or work based learning providers. • Fixed and permanent exclusion rates are lower than those nationally and in our statistical neighbours. We are ambitious to become a "non-excluding" borough so these figures remain too high. •	**PRUS** • PRUS achieve a good judgement by Ofsted at its next inspection. • Exclusions, fixed term and permanent exclusions reduce further to zero, so Havering becomes a non-excluding authority.
School Attendance: • Primary school attendance 95.4%. This is worse than statistical neighbours and the national average. • Secondary attendance 94.4%. This is better than statistical neighbours and the national average.	**School Attendance:** • Primary attendance continues to be in line with statistical neighbours 95%. • Persistent absence continue to be in line with statistical neighbours. • Secondary attendance remains above statistical neighbours. • Secondary persistent absence remains above statistical neighbours.

Post 16

- **Increasing number of 14-16 year olds who undertake vocational courses, helping many young people to move into a traineeship or apprenticeship.**
- **NEET performance is strong and our NEET strategy and close partnership working is continuing to support our most vulnerable young people.**
- **Proportion of 16 year olds recorded in education and training (June 2013) at 95.4%, compared to 92.9% in London and 91.8% in England.**
- **Proportion of 17 year olds recorded in education and training (June 2013) at 86.3%, compared to 89.8% in London and 85.2% in England.**
- **Havering Sixth Form College, currently graded as 'Satisfactory, is working hard to move back to a judgement of good at its next inspection.**
- **The percentage of young people achieving 3 or more A levels at A*-E is 57%, compared to the national average of 55.5%.**
- **The average point score per A level student is 740.8, compared to the national figure of 754.5.**
- **55 percent went to a Higher Education Institution, compared to 56 percent in London and 48 percent nationally.**
- **Zero percent went to the University of Oxford or Cambridge, which compares to 1 percent in London and in England. Six percent studied at another Russell Group University, which compares to 8 percent in London and the national averages.**
- **A very small percentage of NEETs at 5.0% (July 2013) against a London percentage of 5% and a national percentage of 6.6%, with schools and colleges working hard across Havering to prepare their students well for the world of work. However in the current economic climate there is a challenge to be faced to keep youth unemployment to a minimum.**

Post 16

- **School sixth form provision and Havering College of FE is rated by OFSTED as good or better.**
- **Post-16 performance improves to be in line with national averages.**
- **NEET continues to be below national and London percentages.**
- **Participation in education and training at 16 and 17 to be above London and England percentages.**

Annex B

Wider Partnership Working

1. For many children and young people, early years settings, schools and colleges are the public services that they benefit from most. It is where they spend much of their time and come into contact with adults not in their own families. This places significant responsibilities on those providers to play their role in ensuring that children and young people are kept safe from harm, and benefit from a good education. These responsibilities are enshrined in legislation; the authority has a duty to promote high standards, ensure fair access and the fulfilment of learning potential and all providers have a duty to safeguard their students and to cooperate with the local authority and other public agencies in keeping all children and young people safe as well as promoting their health, emotional and educational wellbeing.

   1.1. This role and the associated responsibilities of all local authorities as "Education Champions" have been helpfully clarified in the 2011 Education Act (see Annex C). These are set out here. Local Authorities must ensure that:

   - **high quality provision** is available for all children and young people, by the commissioning of places for children between the ages of 2-5, ie Early Years provision, Schools (5-19), and for those children and young people with special (up to 25) or additional needs or who have been excluded from school;
   - there is **equity of provision** by ensuring strong and robust challenge and early intervention where an individual child, groups of pupils or educational providers performance falls below national expectations, there is unfair practice leading to inequality, schools are in financial difficulty or there is unfair or unsafe practice taking place or early signs of failure in the provision;
   - there is **strong partnership working** with all agencies that ensure the wellbeing of all children and young people, irrespective of their needs or the governance arrangements of the provision.

2. The core principle of a shared commitment to improve the lives of children, young people and families – enshrined in Section 136 Education and Inspections Act 1996, Section 10 Children Act 2004, 'duty to co-operate' and the Education Act 2011; remains as important as ever and the focal point for decision-making about local children and young people clearly should be shaped by local considerations. In Havering there remains a commitment to retain The Children's Trust and the Children and

Young People's Plan with the Trust's primary responsibility for partnership working. This responsibility is shared also through the Education Strategic Partnership (ESP) which is a key platform for partnership working too. However, in addition to ESP and the Children's Trust, the introduction of the new Health and Wellbeing Boards across local authorities has provided a new opportunity to review the way we work together to ensure the long term wellbeing for all children and young people, along with the development of other Children and Young People's Commissioning and Partnership Boards that are being developed.

3. In Havering, the priorities for our Health and Wellbeing Board are:

- prevention, keeping people healthy, early identification, early intervention and improving wellbeing;
- better integrated support for people most at risk;
- quality of services and patient experience.

A number of these priorities focus on children and young people, and the Health and Wellbeing Board will be considering the services that need to be commissioned to improve outcomes for this group in our community, particularly for those with Additional Needs, eg Mental Health and Special Needs, such as Therapies.

Education Strategic Partnership

A review of the roles, responsibilities, and remit of the Education Strategic Partnership has recently been undertaken with a refreshed governance structure, based on discussions with headteachers, now set in place. The Education Strategic Partnership now reporting more formally into the Children's Trust and with a ESP linked committee structure that enables headteachers to fully participate in all key LA decision making processes that affect children and young people. See Page 23

The Role of the Education Strategic Partnership is:

➢ To strengthen commissioning and policy decision making in relation to all 0-25 Education Provision including for Special Schools and the Pupil Referral Service through an increased knowledge and understanding of "grass roots" working; informing key decision making and providing evidence to monitor the impact of activities carried out; and as a key consultative group for Education policy and practice within the authority.

- The main communication forum for decisions made by LA and other groups, Partnerships and Boards as well as a forum where by the views and issues from education providers/groups can be raised.
- A key influencing group as decisions are being made that impact on children and young people and education providers.
- To make recommendations about policy, or to confirm and share with partners the agreement of a new policy/direction of travel.

Its responsibilities are:

- To consult with key stakeholders before and after each meeting so that there can be "true" representation and hence effective decision making.
- To ensure issues/concerns/feedback from all education providers are brought to the meetings.
- To be advocates wherever possible, and information sharers at all times, to other education colleagues.

Representation (2 per category)

- Early Years Reference Group (Early Years providers), Primary, and Secondary Schools clusters/partnerships, Colleges, Independent Sector, Special Schools. (There is cross representation with LSCB, IFAP, SFF, School Improvement Alliance(Support for Schools by Schools Management Group, Traded Service Review Board via a wider termly all partners meeting)

Traded Services Review Board

The role of the Traded Services Review Board, broadly defined, is to support the development of the Local Authority's traded services to schools. The board will act as a key consultative and advisory entity in ensuring that in-house services comply with established protocols and guidelines/policies such as quality standards and key performance indicators, fees and charging policy, complaint and communication management guidelines.

The Role of the Board is to:

➢ Support the development of the Local Authority's traded offers through knowledge sharing about school needs and market opportunities.
➢ Monitor compliance with quality standards and key performance indicators based on evidence from research, surveys and complaints.
➢ Monitor and inform on the impact/outcomes of activities carried out by in-house service teams.
➢ Contribute to and monitor the implementation of the Traded Services Development Plan
➢ Recommend modifications to procedures, guidelines and policies, or to confirm and share with partners and colleagues the agreement of a new policy/direction of travel.
➢ Act as informed advocates for the Local Authority's traded services in and out-of borough wherever possible, and information sharers at all times, to other education colleagues.

Its responsibilities are:

➢ To consult with key stakeholders before and after each meeting so that there can be "true" representation and hence focused and meaningful deliberation.
➢ To ensure issues/concerns/feedback from all education providers are brought to the meetings.
➢ Provide feedback on compliance with the terms set out in the service level agreements for maintained schools and contract for professional services for academies.
➢ Audit and/monitor adherence to LBH and Havering Education Services policies and procedures
➢ To gather and share market intelligence e.g. school needs, gaps in service provision and buying trends
➢ To review traded services activities, operational procedures, protocols and guidelines

Representation (2 per category)

Primary, and Secondary Schools clusters/partnerships, Colleges, Independent Sector, Special Schools.

School Improvement Alliance

The role of the School Improvement Alliance is:

➢ To improve outcomes for all children and young people educated in Havering, particularly the most vulnerable, by putting schools at the heart of our improvement process.
➢ To collect, collate and share good practice across the community of schools.
➢ To develop and support systems leaders to lead and support change beyond their own schools.
➢ To build and strengthen partnership working across the family of schools in the authority.

Its responsibilities are:

➢ To consider the strengths and areas for development across schools in Havering, both at LA and individual school level.
➢ To prioritise areas needing development across the authority and in particular schools.
➢ To support the allocation of resources, both financial or personnel from across the Havering community and Hsis.
➢ To agree and then monitor the outcome of support provided through this process.
➢ To agree the criteria and processes for identifying high quality support for aspects of individual schools needing support.

Representation:

➢ Teaching School(s), NLE, LLE, Local Leaders for School Improvement, Hsis,   Representatives from the primary and secondary school partnerships/groups.

Delivery plans are being set out in the Children and Young People's Plan, Learning and Achievement Service Plan and a variety of strategies targeted at particular vulnerable groups eg Raising the Participation Age and Post 16 Strategy. These are set out in Annex 2.

Havering Children's Trust

Non Statutory Forum for local key stakeholders including LA, Voluntary Sector, Health, Police, Council Members, Schools, LSCB.

Support prioritisation, commissioning and monitoring of services specifically for children and young people.

Key Documents
- Children and Young People's Plan (& JSNA).
- Action Planning & Monitoring Process

Havering's Health and Wellbeing Boards

Statutory Forum for local leaders, including CCG, LAs (including Public Health), Police, Council Members and other local services Prioritisation of commissioning decisions and monitoring of local services to improve health and wellbeing outcomes for local people.

Key Documents
- Joint Strategic Needs Assessment
- HWB commissioning priorities and strategic action planning

14+ Progression and Transition Partnership

Inclusion & Fair Access Protocol Special Educational Needs Panels

Local Safeguarding Children's Board

School Funding Forum

School Improvement Alliance

Traded Service Review Board

Education Strategic Partnership Board

Non Statutory Forum of all education providers 0-25 to review, support, and monitor impact of LA, Health, Voluntary Sector, commissioning priorities and services.

Key forum for discussion, agreement and consultation on policy, procedure and systems.

Key Documents
- Education & Skills Strategy
- LA Data Dashboard / SEF
- Children and Young People's Plan

Secondary/Primary Partnership Groups

Early Years Reference Group

Education and Skills Vision and Priorities for Excellence

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Annex C "Education Champions"- our statutory role

Strategic Vision for the authority	Strategy Documentation	Data Sets / Tools
	Education, Learning and Skills Strategy	LA data Dashboard
Vulnerable Children and Young People Local authorities should work with partners to promote prevention and early intervention and offer early help so that emerging problems are dealt with before they become more serious. This will help to improve educational attainment, narrow the gaps for the most disadvantaged and promote the wider wellbeing of children and young people, including at key transition points. More specifically, councils must: • act as effective and caring corporate parents for looked after children, with key roles in improving their educational attainment, providing stable and high quality placements and proper planning for when they leave care;	Early Help Strategy	LAC Performance Data - Attainment - Progress - Attendance - Exclusions - Placement Stability
• ensure that disabled children and those with special educational needs (SEN) can access high quality provision that meets their needs and fund provision for children with statements of SEN;	Special Educational Needs Strategy for Change	SEN - Attainment - Progress - Attendance - Exclusions
• must ensure arrangements are in place for alternative provision for children outside	Early Intervention – Attendance and Exclusions Home Education Policy	PRS Performance Data - Attainment

Education and Skills
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mainstream education or missing education (eg due to permanent exclusion or illness) to receive suitable full-time education; • ensure there is coherent planning between all agencies providing services for children involved in the youth justice system (including those leaving custody), secure the provision of education for young people in custody and ensure that safeguarding responsibilities are effectively carried out; • understand local need and secure provision of services taking account of the benefits of prevention and early intervention and the importance of co-operating with other agencies to offer early help to children, young people and families.	Prevention and Intervention Strategy	- Progress - Attendance - Exclusions School Exclusion Data - Permanent - Fixed Term Exclusions YOT Outcome Data Early Help Performance Data MASH Performance Data
Fair Access to Services Local authorities should promote the interests of children, young people, parents and families and work with local communities to stimulate and support a diversity of school, early years and 16-19 provision that meets local needs. More specifically, they must:	Schools Commissioning Strategy	
• ensure fair access to all schools for every child in accordance with the statutory School Admissions and School Admissions Appeal Codes and ensure appropriate information is provided to parents;	Inclusion and Fair Access Protocol (IFAP)	Admissions - Place Planning Data - Percentage of pupils in first choice provision IFAP Performance Measures
• must ensure provision for suitable home to school transport arrangements;	School Transport Policy	Percentage of good or better schools including newly commissioned provisions

• actively promote a diverse supply of strong schools, including by encouraging good schools to expand and, where there is a need for a new school, seeking proposals for an Academy or Free School;		
• promote high quality early years provision, including helping to develop the market, securing free early education for all three and four year olds and for all disadvantaged two year old, providing information, advice and assistance to parents and prospective parents, and ensuring there are sufficient Sure Start children's centre services to meet local need and sufficient childcare for working parents;	Early Years Commissioning Strategy	Early Years Performance Data - Percentage of 2 year old uptake - Percentage of 3/4 year old uptake
• secure access for young people to sufficient educational and recreational leisure-time activities and facilities for the improvement of their wellbeing and personal and social development;	Culture Strategy Library Strategy Arts Strategy Sports and Physical Activities Strategy	Number of Library visits
• promote children's and young people's participation in public decision-making so they can influence local commissioners;		
• promote participation in education or training of young people, including by securing provision for young people aged 16-19 (or 25 for those with learning difficulties/disabilities).	Raising the Participation Age & NEET Strategy	DfE Participation Data NEET Performance Data

Educational Excellence		
Working with headteachers, school governors and academy sponsors and principals, local authorities should promote educational excellence for all children and young people and be ambitious in tackling underperformance. More specifically, the council should:	School Improvement Strategy	
• take rapid and decisive action in relation to poorly performing schools, including using their intervention powers with regard to maintained schools and considering alternative structural and operational solutions;		Percentage of Schools/Settings Causing Concern Percentage of Schools/Settings rated as good or better
• develop robust school improvement strategies, including choosing whether to offer such services in a competitive and open school improvement market, working beyond local authority boundaries;		
• promote high standards in education by supporting effective school to school collaboration and providing local leadership for tackling issues needing attention which cut across more than one school, such as poor performance in a particular subject area across a cluster of schools;	School Improvement Alliance Terms of Reference	Percentage of schools contributing to high quality school to school support
• support maintained schools in delivering an appropriate National Curriculum and early years providers in meeting the requirements	Literacy Strategy	EYFS Performance Data Percentage of children at each Key Stage with age appropriate literacy skills

of the Early Years Foundation Stage (as outlined in the EYFS Statutory Framework);		Percentage of schools with deficit/surplus budgets
• establish a schools forum for their area, maintain a scheme for financing maintained schools and provide financial information;	School Finance Scheme	Percentage of schools meeting financial management standards
• undertake specified responsibilities in relation to staffing and governance of maintained schools.	Education HR Policies & Procedures	Percentage of schools judged with effective governance by Ofsted
		Percentage of schools with full LA governor's representation

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CABINET
20 November 2013

Subject Heading:	Proposal for additional Post-16 provision in Havering for young people aged 16-19 with special educational needs and/or disabilities.
Cabinet Member:	Councillor Paul Rochford
CMT Lead:	Joy Hollister
Report Author and contact details:	Mary Pattinson Head of Learning & Achievement mary.pattinson@havering.gov.uk 01708 433808
Policy context:	Supports the goal to champion education and learning for all, as set out in the Corporate Plan 13/14 Living Ambition Vision.
Financial summary:	Estimated costs of £1m, with £928k s106 potential funding. Financial implications to be reassessed once a detailed proposal is developed.
Is this a Key Decision?	Yes – expenditure of more than £500,000
When should this matter be reviewed?	November 2014
Reviewing OSC:	Children and Learning

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[]
Championing education and learning for all	[X]
Providing economic, social and cultural activity in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[]

SUMMARY

1.1. This report seeks Cabinet's approval in principle to expand Post-16 provision for young people with special educational needs and/or disabilities ("SEND"). If this is granted, further approval will be sought from Cabinet of a final proposal once location and development options have been explored in more detail.

1.2. Demographic trends and changes in the type and complexity of learning difficulties have led the Council to review the size and suitability of its existing Post-16 provision. Analysis of current pupils aged 11 to 15 years at the borough's three special schools, and of school/college destinations at age 16 over the last three years has taken place. The results of this correspond with the concern voiced by a small number of parents of children with SEND that the Council is not making sufficient or appropriate provision for their children from age 16. This data is given in more detail below and is set out in full in Appendix A, the Post-16 SEND Strategy document.

1.3. Discussion and analysis has taken place through a strategy group over the last 18 months, in conjunction with parent representatives. Views have also been welcomed from head teachers of the borough's special schools, as well as colleagues across Children's Social Care, Learning & Achievement, Adult Social Care and Health. Young people have also been consulted on what they think post-16 provision should be like.

1.4. Providing additional in-borough provision for a small number of 16-19 year olds with high levels of SEND will require significant investment but will have numerous benefits. Primarily, by creating a continuum of appropriate and local provision, young people will be able to remain in their home environment rather than potentially travelling to out of borough provision. By ensuring that these young people maximise their potential for independence, it will not only improve their quality of life and long-term outcomes but it is also anticipated that they will require less support from Adult Social Care in the future as a result.

RECOMMENDATIONS

1. That Cabinet give approval in principle to the development of new post-16 provision in Havering for 16-19 year olds with special educational needs and/or disabilities by September 2015.

2. That Cabinet approve the "Post-16 Strategy for young people with special educational needs and/or disabilities" (Appendix A).

3. That Cabinet note that the financial consequences of this proposal will be addressed as part of the 2014/2015 budget setting process.

<div style="border:1px solid black; display:inline-block; padding:10px;">**REPORT DETAIL**</div>

Background

3.1. The local authority has a duty to secure enough suitable education and training to meet the reasonable needs of young people with SEND. The analysis which has been carried out demonstrates that there is a gap in post-16 provision within Havering which is due in part to the increasing complexity of the needs of many young people with SEND. This view is supported by parent representatives.

3.2. Currently, post-16 provision within Havering for young people with SEND exists at:

   - Ravensbourne School, which serves pupils with severe and profound and multiple learning disabilities to age 19.

   - Havering College, which offers programmes at its Foundation Skills Centre for adults aged 16 to 25 with learning difficulties and disabilities.

   - Havering College also runs a satellite unit for a small number of 16-19 year olds based at Corbets Tey School but this is not a permanent arrangement.

3.3. A number of young people with SEND attend Barking & Dagenham College (which although not in Havering is nearby) but others whose needs could not be met either at Ravensbourne School or Havering College have in the past been placed at out-of-borough special schools with sixth forms or in out-of-borough residential provision. Not only is this a relatively expensive option for the Council but as student numbers continue to rise in all boroughs putting pressure on existing provision, it is an option which is not guaranteed to be available in the future. In addition, parents would naturally prefer their children to be educated locally and it is widely accepted that this is more likely to result in better outcomes for those young people in the long-term.

Rationale

3.4. Analysis of historical destinations at age 16 was carried out and discussions took place with the head teachers of the borough's three special schools about the predicted post-16 requirements of current pupils.

3.5. Head teachers of both Ravensbourne School and Dycorts School felt that the vast majority of pupils currently in years 7 to 11 would have their needs met by the Ravensbourne Further Education Unit and local colleges respectively at age 16. It should however be noted that the needs of children attending Dycorts School are becoming increasingly complex and that it is too early to predict

whether children currently of primary age at the school would be able to access Havering College when they reach the age of 16.

3.6. Analysis of the pupils in years 7 to 11 at Corbets Tey showed that whilst some were prospective Havering College learners, the majority would require alternative provision at age 16. The full details are set out on page 15 of Appendix A.

3.7. When added to a small number of children currently at mainstream schools and Looked After Children presently living out of borough, the conclusion was that over any three-year period (i.e. age 16-19) in the next five years, suitable provision would need to be found for between 25 and 30 students.

3.8. The reason for such an apparent increase in demand for alternative provision is due primarily to an increasing complexity of the needs in recent years of children with SEND. There is a rising number of children who, by the time they leave school at age 16, will not have reached the level expected of a child at primary school reception age. Contributing factors include the increase in survival rates of preterm infants and the rise in use of IVF (which impacts the number of babies born preterm). These dynamics and others are discussed in detail in Appendix A.

3.9. The changing nature of the complexity and type of need, as well as rising birth rates and a projected increase of 7.5% across all categories of learning difficulties and disabilities in Havering by 2017 will all contribute to the need for additional post-16 provision.

Collaboration and Consultation

3.10. The Council has worked closely with parents to discuss existing provision and to identify any gaps in that provision. The parents' forum Positive Parents have represented families at a strategy group which was convened with the aims of: setting out the current provision available; identifying the need for any additional or alternative options; establishing which of those options can be pursued; and how this will be achieved.

3.11. The strategy group consists of officers from the Council and Health Service, as well as parents and head teachers. Members of the group have made visits to a number of special schools and colleges both within and outside the borough to identify what is currently available and to formulate ideas as to what any future provision might look like.

3.12. If Cabinet supports the proposals, a working group will be set up to discuss a potential brief for any new building, an appropriate curriculum and other services to fit around any new Post-16 provision which may be commissioned. It is envisaged that this group will report to a formal project team and will include representation from parents, departments across the Council, special schools and also Havering College.

3.13. A consultation of 14-30 year olds with special educational needs or learning difficulties and/or disabilities was also carried out during September 2013 across a variety of provisions in Havering, including special schools, colleges and supported employment programmes.

3.14. The consultation was carried out using a short questionnaire in large print and pictorial formats to find out what this group of young people would like and expect from post-16 provision and/or their experience in post-16 provision, for example, what they liked, what could have been better. The purpose of the consultation was to assist in identifying the potential form of any alternative or additional options at age 16.

3.15. Eighty responses have been received to date. Whilst the questions which were posed did not relate to identifying any need for additional provision, the results strongly support the view that post-16 provision should be available in the local area and that young people with SEND would like more help with developing independence and employment skills as they get older.

3.16. In response to the question "If you could design your own school or college for 16-19 year olds, where would it be?", 55 of the 59 (93%) young people who specified a geographic location named an area within Havering, presumably either near to their home address or their current school, college or employment.

3.17. A more detailed summary of the responses is attached in Appendix B.

3.18. A small number of young people were also consulted by PACT (a voluntary organisation which aims to support the needs of families, carers and friends of children with Autistic Spectrum Disorders living in Barking & Dagenham, Havering and Redbridge) during their 2013 summer scheme programme. These young people were not Havering residents but their views were consistent with those who took part in the Havering consultation.

Considerations

3.19. If young people's needs cannot be met within the borough, parents will apply for them to attend out of borough provision. The cost of these placements varies considerably and will indeed vary for each young person as most provision has individual charges based on the needs of the students. Just as importantly, it is widely accepted that young people who remain in provision near to their home and family have better outcomes in the long-term for many reasons. For example, learning independence skills such as travelling on public transport or shopping are more valuable and successful if practised in a familiar area.

3.20. If new provision is agreed, it is essential that it properly meets the needs of those who require it. With this in mind, Appendix A sets out agreed principles and a proposed curriculum model which is based on developing the independence of young people so that they can lead more fulfilling lives and need less help from adult services in the future.

3.21. Any new provision would be developed in tandem with adult services so that appropriate independent living accommodation can be commissioned to suit the young people, enabling them to remain in Havering and receive a good and appropriate service whilst minimising costs over the longer term.

Potential Development Options

3.22. Sites which are initially being considered for development are detailed below:

- Ravensbourne School, Harold Hill – early indications are that there is no space at the site for further development.

- Havering College – discussions with the College need to be initiated to establish the scope for any development; there are concerns that a location on the Rainham campus may not be sufficiently central and that it is potentially difficult to access.

- Corbets Tey School, Upminster – see 3.23 below

- Dycorts School, Harold Hill – see 3.23 below

- Avelon Road, South Hornchurch – see 3.23 below

- Other sites – possible premises are to be explored with Adult Social Care colleagues.

3.23. Drawing studies have been prepared for Corbets Tey School, Dycorts School and Avelon Road and while these indicate the potential to develop as infill development, planners have not yet been consulted. It is theoretically possible to develop each of these sites in respect of area availability. However, detailed planning would be required for access and actual location within the buildings.

3.24. Based on the assumption that an overall area of some 400 square metres would be required, the estimated build cost would be £800k to £1million.

3.25. The future potential need for expanding facilities to meet rising demand at these sites (including for under-16s at the existing special school locations) needs to be considered. This may be of greater consequence where the availability of site space is limited.

REASONS AND OPTIONS

4. **Reasons for the decision:**

4.1. The Council has a duty to provide suitable education for young people with SEND. While existing local post-16 provision is very good, it is acknowledged

that there are a number of young people whose needs are not profound enough for Ravensbourne to be appropriate but who would not yet be able to access Havering College.

4.2. The Council should respond to the changing needs of its young residents with SEND and prepare to meet the demands of demographic predictions.

4.3. Out of borough provision for those whose needs cannot be met in Havering is costly and cannot be guaranteed in future years as those boroughs will meet their own local demand before making places available to other local authorities.

4.4. Capital investment now will enable future demand to be met appropriately.

5. **Other options considered:**

5.1. Do nothing: This was rejected for all of the reasons set out above.

IMPLICATIONS AND RISKS

Financial implications and risks:

CAPITAL

In the absence of a detailed proposal it is difficult to quantify costs. However, based on industry norms it is estimated that a new provision will cost in the order of £1,042,000, depending on the size and type of provision, and a more detailed review has identified that costs are likely to be in the region of £800k to £1m.

There is currently £928,000 of Section 106 payments which could be allocated to fund the bulk of a new provision and it is likely that further payments will be received in the future.

If the scheme costs more than the Section 106 funds available then alternative sources will need to be identified. Once a detailed proposal and accurate costings have been developed, the financial implications can be reassessed and raised through the appropriate channels. However, it should be noted that the financial consequences of this proposal will be addressed as far as possible as part of the 2014/2015 budget setting process.

REVENUE

The funding for the revenue costs of running any new provision will depend on whether it will be the sixth form provision of an existing special school or a further education establishment. For either, the LA is required to meet the cost of commissioning the places from the High Needs Block of the Dedicated Schools Grant (DSG) but place led costs will either be met from the DSG or met by the Education Funding Agency (EFA).

Post-16 places are funded on the basis of lagged student numbers so there is potentially a full academic year in which no funding will be allocated. There is also uncertainty at this stage in any new provision receiving sufficient funding to meet its revenue costs as the EFA has not yet confirmed funding arrangements for 2014/15.

There are also potential revenue savings/cost avoidance for the authority should young people attend in borough provision rather than costly out-of-borough placements, not only reducing cost of provision itself but also ancillary costs such as transport. It has also been suggested that developing an in house provision may help improve the independence of young people and ultimately reduce their reliance on Adult Social Care in the future. Again, this may lead to cost avoidance but it is difficult to quantify at this stage and as such, no reliance should be placed on any potential savings.

Legal implications and risks:

Currently the Authority is under a duty to secure that enough suitable education and training is provided to meet the reasonable needs of persons in their area who are over compulsory school age but under 19, and in doing so must have regard to—

(a) the persons' ages, abilities and aptitudes;
(b) any learning difficulties the persons may have;
(c) the quality of the education or training;
(d) the locations and times at which the education or training is provided.

And must—
(a) act with a view to encouraging diversity in the education and training available to persons;
(b) act with a view to increasing opportunities for persons to exercise choice;
(c) act with a view to enabling persons to whom Part 1 of the Education and Skills Act 2008 applies (i.e. individuals who do not have two A level equivalent qualifications) to fulfil the duty imposed by section 2 of that Act [that they should be in full time education or training];
(d) take account of education and training whose provision the authority think might reasonably be secured by other persons. (section 15ZA Education Act 1996)

It appears that without positive action to provide more in borough facilities for education for 16-19 year olds with SEN that the Authority may be in danger of failing to fulfil its duty under section 15ZA.
An additional provision will also assist in encouraging diversity of provision and increasing choice.

Legal advice is likely to be required to assist with the evaluation of feasibility of each of the proposals.

Human Resources implications and risks:

There will be recruitment requirements for this new service which will need to be in place prior to the commencement of the new service. As there will be the requirement

to have qualified teaching staff, the recruitment will need to take into account teaching contractual timescales. It is anticipated that there will be a requirement for one teacher and two Learning Support Assistants for every 8 pupils. It is not anticipated that there will be any impact on existing staff.

Equalities implications and risks:

This proposal is intended to improve the equality of outcomes, social inclusion and well-being of children and young people with SEND and their parents/carers.

By offering a variety of local Post-16 provision, young people will be able to attend an appropriate provision nearer to their home. This will result in fewer young people having lengthy journeys out of borough. It will also mean that life skills learnt while at Post-16 provision can be put into practice more easily in the young person's local area, leading to greater independence and social inclusion.

A full equality analysis has been carried out in relation to the potential impact of the proposals and is attached as Appendix C.

BACKGROUND PAPERS

None.

APPENDICES

Appendix A - Post-16 Strategy for young people with special educational needs and/or disabilities

Appendix B - Summary of 14-30 Consultation responses

Appendix C - Equality Analysis

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Post-16 Strategy

For young people with special educational needs and/or disabilities

1. INTRODUCTION

1.1　Status of this document:

This strategy document has evolved through discussion and development by the strategy group. This version is intended to inform and support decisions about future Post-16 SEND provision.

1.2　Scope:

This strategy covers the options available to young people with a statement of special educational needs at age 16 and into young adulthood.

1.3　Aims:

To set out the current provision available; identify the need for any additional or alternative options; establish which of those options can be pursued; and how this will be achieved.

1.4　Timescale:

Initial strategy to be agreed by autumn 2013 for implementation over 18 months with a few to completion by September 2015.

1.5　Context of this strategy:

There are financial aspects of which the strategy will need to take account. These include changes to funding arrangements as well as balancing the reducing Council budgets with increasing pupil numbers.

The development of the strategy comes at a time of change following the SEN Green Paper which has resulted in the draft Children and Families Bill. Although the new legislation will not come into force until September 2014, the strategy needs to take account of the proposed changes.

The success of the strategy is contingent on the effective working relationships between the Council and partners in the health economy, further education colleges and the private and voluntary sectors.

1.6　Development process:

The development process is being led by the Head of Learning & Achievement, Mary Pattinson. Karen Fletcher-Wright and Elizabeth Murphy are collating the content of the strategy document.

Stakeholders who have been consulted outside Havering Council include:

- Emma Allen (Head teacher of Corbets Tey School)
- Margaret Cameron (Head teacher of Ravensbourne School)
- Geoff Wroe (Head teacher of Dycorts School)
- Karen Street (representing Positive Parents)
- Ruth Blackburn (Havering CCG)
- Debbie Wilkins (Clinical Nurse Commissioner, NHS)

Stakeholders who have been consulted inside Havering Council include:

- Group Director, Children, Adults and Housing
- Head of Learning & Achievement
- Service Manager, Prevention & Intervention
- Manager – Inclusion, Assessment & Support
- Education Provision & Specialist Commissioning Manager
- 14-19 Young People Learning Manager
- Learning Support Service
- Learning Disability Service Manager

Work which has taken place to date:

- 4th July 2012: Initial group meeting of internal and external stakeholders held. Led to development of draft principles for the strategy.
- 2nd October 2012: Visit to Treetops School, Thurrock (Positive Parents met head teacher Paul Smith)
- 9th October 2012: Visit to Trinity School, Dagenham (Positive Parents, Mary Pattinson, Trevor Sim met head teacher Peter McPartland)
- 12th October 2012: Follow-up group meeting. Included discussion of revenue and capital funding.
- 23rd October 2012: Visit to Quarles Campus, Havering College (Positive Parents, Mary Pattinson, Trevor Cook met Jenny Probert and Sharon Mills)
- 12th March 2013: Visit to St John's School (Positive Parents, Mary Pattinson, Trevor Cook met Associate Head Steve Richards)
- 2nd May 2013: Strategy meeting held.

Needs, expectations and priorities of the stakeholders:

(1) To identify any gaps in the existing Post-16 provision for young people with special educational needs; and

(2) To develop a strategy with medium and long-term objectives for extending what can be provided locally to offer continuing education and key independence skills.

2.   ANALYSIS

2.1   <u>Legal background</u>:

The local authority has a legal duty to secure enough suitable education and training to meet the reasonable needs of young people aged 16-19 and of young people aged 19 but under 25 who have a learning difficulty assessment.[1]

In deciding whether education or training is suitable to meet those reasonable needs, the LEA must in particular have regard to:

♦   The ages, abilities and aptitudes of those young people;
♦   Any learning difficulties they may have;
♦   The quality of the education or training; and
♦   The locations and times at which the education or training is provided.

Statements automatically lapse when a young person moves into further or higher education.

s139a assessments (Learning Difficulties Assessment – "LDA"):

•   must be conducted for any person with a statement of SEN who is expecting to leave school for their post-16 education (draft LDA should be produced in autumn term of year 11);
•   may also be conducted in other situations where it is believed that it would be beneficial to the young person.

2.2   <u>Children and Families Bill – proposed changes</u>:

<u>EHC 0-25</u>

•   Education, Health & Care Plans ("EHC") running from birth to 25 plan to replace Statements and LDAs;
•   Providing statutory protections comparable with those currently associated with a Statement up to 25 years old in further education (intended to help young people into employment and independent living);
•   The EHC will focus on outcomes for the CYP and should be reviewed regularly in response to changing needs.

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[1] s15ZA of the Education Act 1996 inserted by the Apprenticeships, Skills and Children and Learning Act

<u>Local offer</u>

- 'Local offer' to be published by the LA setting out the support that can be reasonably expected by CYP with SEN and their families and how this is accessed. The information would include schools and colleges, other educational or training provision, local health and social care services and travel arrangements.

<u>Personal budgets</u>

- By 2014, the right to a personal budget (including for educational support) would be introduced for all families with an EHC. This will give families the *option* of a personal budget to enable them to have more control over the services their need for their child and how those services are provided.
- Personal budgets are intended to draw funding streams together in order to ensure a multi-agency package of support.
- Education Act 2011 s75 (inserted provisions into Education Act 1996) set up pilot scheme for direct payments for young people with Statements or LDAs; max 2 year pilot but can be extended for up to 4 years to 2015.
- Special Educational Needs (Direct Payments) (Pilot Scheme) Order 2011 SI2012 No 206 – set out details of pilot scheme; 16 year olds could manage their own DPs; voluntary arrangements; in force from 30 January 2012.

<u>School choice</u>

- New legal right to seek a place at state Academies and Free Schools (i.e. no longer limited to mainstream and special state-funded schools but still excluding independent schools). The preference expressed must meet the needs of the CYP, be an efficient use of resources and be compatible with the education of other children.

<u>Joint Commissioning</u>

- Local authorities and health care services will be required to commission services jointly. This will result in more cost-effective SEN provision.

- Multi-agency professionals, together with colleagues in the voluntary and community sector will be able to work together more, giving parents and communities increased influence over local services.

<u>Making the assessment process more independent</u>

- Introduction of independent mediation to resolve disputes before cases can be taken to tribunal;
- Possible trial of giving children the right to appeal.

2.3   <u>Demography and geography</u>:

<u>London Borough of Havering</u>

Havering's principal town is Romford but other main communities also exist in Hornchurch, Upminster, Rainham and Harold Hill. The borough is primarily characterised by suburban development with large areas of protected Metropolitan Green Belt land.

Geographically, Havering is significantly larger than its neighbouring London boroughs (43.35 square miles, compared with Barking & Dagenham being 13.93sqm, Redbridge 21.78sqm and Bexley 23.38sqm). Due to the large areas of parkland and protected areas, Havering is much less densely populated than its London neighbours (approx. 5,500 people per square mile, compared with Barking & Dagenham and Redbridge – each with 13,000 people per sqm and Bexley with 10,000 people per sqm). Whilst Havering's population is slightly smaller than Redbridge's (237,500 compared with 281,400)[2], it is spread over an area twice as large.

These differences do impact the way in which education and other services can be provided, with children and young people potentially having to travel further than their peers elsewhere in London to access suitable schooling within the borough.

<u>Transport Links</u>

The special schools which service the Havering population are based in Harold Hill in the north of the borough (Dycorts School and Ravensbourne School) and Upminster towards the south of Havering (Corbets Tey School). Although there are good transport links within the borough (including London Underground, buses and trains), and independent travel is actively encouraged by the Council, there are many young people with special educational needs or disabilities who require supported travel in some form and will continue to do so on leaving school.

All Local Authorities are under a legal obligation to organise suitable and free travel arrangements for children who cannot reasonably be expected to walk to

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[2] Population data estimated 2011

their school due to their special educational needs, disability or mobility problems. However, once young people reach adulthood, the Council's duty is "to support participation in education and training" for young adults aged 19-25 with learning difficulties and disabilities. Although Havering currently provides free travel assistance to many of these young adults, it is not a strict legal requirement.

<u>Increase in incidence and complexity of SEND</u>

In planning for the future, changes in the number of children with special educational needs and the types of need should be taken into account. Many factors will affect future demand for all SEN provision at all ages, including:

<u>Growing Population</u>

With birth rates continuing to rise and with Havering's population estimated to grow by 19.26% from 2010 to 2033 (compared with London 17.81% and England 16.32%)[3], an increase in the number of children with special educational needs is inevitable. The number of children and young people (0-19) in Havering is expected to rise by almost 25% by 2021.[4] Current projections suggest an overall increase of 7.5% across all categories of learning difficulties and disabilities by 2017.[5]

<u>Preterm births</u>

One of the major contributing factors in the rise and complexity of the needs of children in recent years is the increase in survival rates of preterm infants (gestational age of less than 37 weeks), especially those born very preterm (less than 32 weeks) and extremely preterm (less than 28 weeks). Survival rates of preterm babies are particularly high in the United Kingdom, compared with other European countries[6].

The EPICure studies in 1995 and 2006[7] looked and survival and morbidity rates in babies born extremely preterm at less than 26 weeks and 27 weeks respectively. In 1995, 40% of these infants survived to discharge from hospital. By 2006, due to advancement in medical technology, this percentage had risen to 52%. However, the study also showed that the prevalence of major morbidities in survivors in 2006 was almost identical to the situation in

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[3] Office for National Statistics (2010) *Change in population 2010-2033, ONS population Projections*

[4] London Borough Of Havering (January 2013) *Demographic, Diversity and Socio-economic Profile of Havering's Population*, p6

[5] ibid., p7 (informed by 2011/12 Joint Strategic Needs Assessment data)

[6] Field D, Draper ES, Fenton A, Papiernik E, Zeitlin j, Blondel B, et al (2009) *Rates of very preterm birth in Europe and neonatal mortality rates.*

[7] BMJ (4 December 2012) *Short term outcomes after extreme preterm birth in England: comparison of two birth cohorts in 1995 and 2006 (the EPICure studies)*

1995. Therefore, while an increasing number of children will survive extreme preterm birth free from impairments, the number with long-term health problems will also rise.

A follow-up study of the 1995 cohort showed that at age 6, 80% had some form of disability and 46% had moderate to severe disability. At age 11, these figures fell to 68.5% and 39.7% respectively[8].

Increased use of IVF

Multiple pregnancy (i.e. twins or triplets) is more likely to result in premature birth. However, IVF twins are 23% more likely to be born prematurely than naturally-conceived twins. In single pregnancies following IVF, there is about a two-fold increased risk of premature birth[9]. The increasing use of IVF will also impact the number of babies born preterm.

Complexity of learning difficulties

The Specialist Schools and Academies Trust has identified a distinct "new" group of learners which they define as having complex learning difficulties and disabilities ("CLDD"). Whilst this includes those with co-existing conditions such as autism and ADHD, or PMLD, it also applies to a new and increasing cohort of those who: "have difficulties arising from premature birth; have survived infancy due to advanced medical interventions; have disabilities arising from parental substance or alcohol abuse and/or rare chromosomal disorders"[10]. In addition, many may be affected by "multisensory impairment or mental ill-health, or require invasive procedures, such as supported nutrition, assisted ventilation and rescue medication"[11].

Geographical accessibility, adequate provision in terms of meeting increasing demand and the changing nature of the complexity and type of need are factors to be considered in the medium- to long-term strategy for Post-16 provision.

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[8] Specialist Schools and Academies Trust (2011) *Complex Learning Difficulties and Disabilities Research Project*

[9] Royal College of Obstetricians and Gynaecologists (release 6 June 2012)

[10] ibid. 8, *Report Overview*

[11] ibid.

2.4 Data:

Current Pupil Numbers[12]

Year Group	Corbets Tey	Dycorts	Ravensbourne	Out of borough Special	In borough Mainstream	Out of borough Mainstream	TOTAL
N			5		1		**6**
NURSERY TOTAL	0	0	5	0	1	0	6
R	0	4	3		26	4	**37**
1	6	6	8	1	24	1	**46**
2	7	2	2		11	4	**26**
KEY STAGE 1 TOTAL	13	12	13	1	61	9	109
3	4	3	2		8	1	**18**
4	9	5	5		16	3	**38**
5	7	4	6	3	14	2	**36**
6	7	11	3	6	24	3	**54**
KEY STAGE 2 TOTAL	27	23	16	9	62	9	146
7	11	8	7	3	27	4	**60**
8	17	7	4	4	46	3	**81**
9	14	6	4	4	63	5	**96**
KEY STAGE 3 TOTAL	42	21	15	11	136	12	237
10	11	8	5	8	42	2	**76**
11	13	6	4	10	37	6	**76**
KEY STAGE 4 TOTAL	24	14	9	18	79	8	152

[12] Pupil numbers for Corbets Tey, Dycorts and Ravensbourne taken from the School Census January 2013; Pupil numbers for in-borough Mainstream Schools represent the number of children with Statements of SEN in December 2012; Out of borough figures represent the number of children with Statements of SEN in April 2013.

Year Group	Corbets Tey	Dycorts	Ravensbourne	Out of borough Special	In borough Mainstream	Out of borough Mainstream	TOTAL
12			8	7		1	**16**
13			7	6		2	**15**
14			6	13			**19**
POST-16 TOTAL	0	0	21	26	0	3	50
TOTAL:	106	70	79	65	339	41	700

Of the 26 young people currently in years 12 to 14 at out of borough special schools, 13 of these are attending St John's RC School in Woodford Bridge. The other 13 young people are spread between 10 other special schools.

v2.0 Oct 2013

The map on the following page shows the home address locations of all Havering students currently attending the borough's three special schools – Dycorts School, Corbets Tey School and Ravensbourne School.
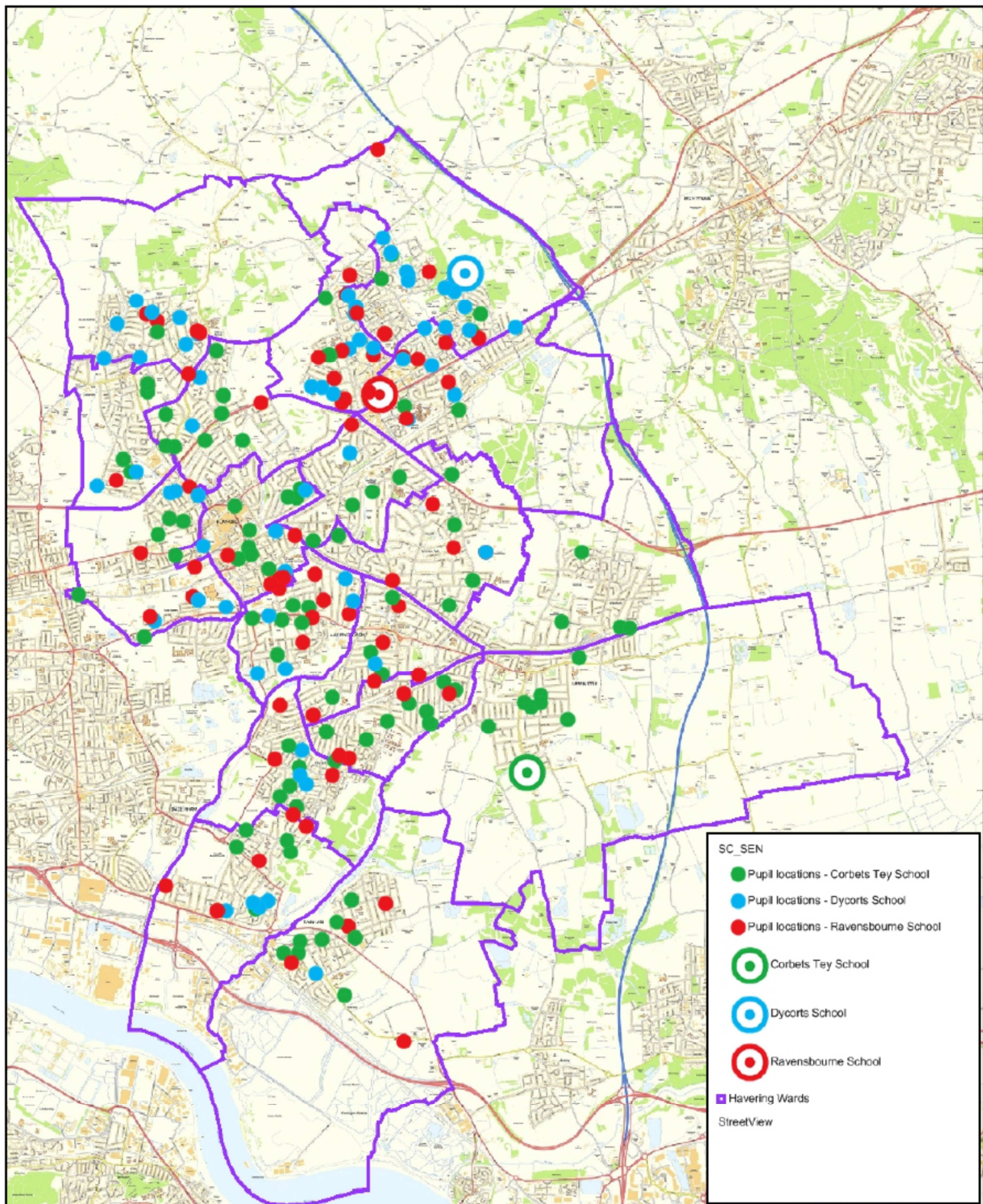
SPECIAL SCHOOL PUPIL LOCATIONS - MARCH 2013

SC_SEN

- ● Pupil locations - Corbets Tey School
- ● Pupil locations - Dycorts School
- ● Pupil locations - Ravensbourne School
- ◉ Corbets Tey School
- ◉ Dycorts School
- ◉ Ravensbourne School
- ■ Havering Wards
- StreetView

N

nlpg

N SG NATIONAL STREET GAZETTEER

OS Ordnance Survey Licensed Partner

Scale: 1:80000
Date: 30 April 2013

0 250 500 750 metres

Havering LONDON BOROUGH

London Borough of Havering
Town Hall, Main Road
Romford, RM1 3BD
Tel: 01708 434343

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Ordnance Survey 100024327

<u>Historical destinations at age 16 (Havering residents at Havering Special Schools)</u>[13]

The data in the following table shows where pupils have moved on to after leaving Corbets Tey School and Dycorts School at age 16. As the vast majority of Ravensbourne pupils stay on at the school until age 19, the information relating to Ravensbourne leavers shows the destination placements at age 19 rather than at age 16.

Please note that this only relates to pupils leaving the Borough's three special schools. It does not currently include information about 16 to 19 year olds who were already in out of borough provision at age 16 (and who stayed there).

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[13] Pupil destination information for Corbets Tey and Dycorts pupils supplied by Prospects, February 2013; Data for Ravensbourne leavers provided by Ravensbourne School, April 2013.

School: Destination:	Corbets Tey (2010)	Corbets Tey (2011)	Corbets Tey (2012)	Dycorts (2010)	Dycorts (2011)	Dycorts (2012)	Ravensbourne (2010)	Ravensbourne (2011)	Ravensbourne (2012)	Total for each destination
Barking & Dagenham College	4				1	1				6
Havering College of FE	2	1	2	4	8	3	1			21
Havering College Post-16 Unit Corbets Tey		4	2		1	1				8
Little Heath School (6th Form)					1					1
Ravensbourne (6th Form)			1							1
South East Essex College					1					1
South Essex College						1				1
St John's RC School (6th Form) (non-maintained school)	6	2	1	1	1	1				12
Treetops School (6th Form)	1									1
Moved house - changed school								1		1
Home tutored									1	1
In care to another LA (now out of borough)									1	1
No provision (at home)									1	1
Adult Social Care - day services							5	4	3	12
Deceased									1	1
Total number of leavers:	13	7	6	6	12	7	6	5	7	69

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<u>Predicted future destinations at age 16 for children currently at Key Stages 3 and 4 at Havering Special Schools</u>

All of the children included in the data below currently attend Corbets Tey School. Both Dycorts and Ravensbourne head teachers thought that they might have 1 or 2 children over the five years whose needs may not be met by existing provision but these have not been included in the chart below. The needs of the children at Dycorts School are becoming increasingly complex and so there are likely to be some children currently in the primary age range who would not be able to access Havering College at 16 but it is too early to identify them at this stage. Consultation with the Learning Support Service revealed that there are one or two children per year in mainstream schools who may benefit from any new provision (if it is demonstrated and agreed that this is required and feasible) at 16 before moving on to college later, as well as one or two Looked After Children who are currently out of borough.

Current Year Group	Year due to enter FE	Total Cohort	Havering College prospective learners	Prospective learners for whom Havering College not suitable
11	September 2013	12	5	7
10	September 2014	11	3	8
9	September 2015	13	4	9
8	September 2016	18	7	11
7	September 2017	11	2	9

A small number of young people from Corbets Tey School are catered for in a satellite provision provided by Havering College but based at Corbets Tey. However, as the accommodation at the school is not entirely suitable for the needs of this group, they have been included in the numbers for whom (in the opinion of the head teacher) Havering College would not be a suitable option at age 16.

However, it can be seen from this table that over any three-year period (i.e. age 16-19), suitable provision would need to be found for between 25 and 30 students. This number includes the young people from Corbets Tey and the others identified above.

Independent Specialist Providers

The table below details the approximate costs per annum for Independent Specialist Providers ("ISP"s) attended by Havering Post-16 learners over the past three years. Average costs have been given rather than the actual cost for each ISP due to the small numbers attending each ISP (the costs for individual learners should not be identifiable). This information is given to put into context the level of funding required for different types of provision, as detailed in the remainder of this section.

It is very difficult to predict with any accuracy the future number of learners who, due to their particular needs, would attend ISPs.

Academic year	No. of Post-16 learners*	Total placement cost per annum	Average cost per annum
2010 – 2011	6	£230,929	£38,488
2011 – 2012	10	£606,556	£60,656
2012 – 2013	9	£598,948	£66,550

*includes those in residential and day ISPs

The ISPs attended by Havering learners during the current academic year are detailed below:

ISP Name	Location
The David Lewis Centre	Cheshire
RNIB College	Loughborough
Treloar College	Hampshire
Langdon College	Manchester
St Elizabeth's College	Hertfordshire
The Royal National College for the Blind	Hereford
National Star College	Cheltenham
Westgate College	Margate
Derwen College	Shropshire

Placements prior to ISP

Students currently attending ISPs previously went to a variety of different educational establishments:

Name/type of provision	Particular specialism	Number of students
Mainstream School or College		3
St John's RC School		2
Trinity School		1
St Elizabeth's School	Epilepsy	1
Dorton House School	Visual Impairment	1
Joseph Clarke School	Visual Impairment	1
Royal School for the Deaf	Hearing Impairment	1

Average Placement Costs for other Schools and Colleges

Please note that the placement costs detailed in the following table are current estimates of the average cost per student for 2013-14. Actual costs will vary year on year, particularly due to the needs of the individual students. Where no figures were readily available for 2013-14, the estimate has been based on the placement cost in previous years.

Name of provision	Estimated placement cost for 2013-14
Havering College	£10,977*
Barking & Dagenham College	£10,977*
St John's School (sixth form) (non-maintained)	£24,276
Treetops (sixth form)	£20,081
Little Heath School (sixth form)	£16,231
Ravensbourne School (sixth form)	£23,566
Doucecroft School (sixth form) (independent)	£73,904

*excluding any high needs top up funding which may be required following individual assessment. For college placements, this is estimated to be approximately £2,000-£3,000.

3. COST OF NEW PROVISION

3.1 Capital

These costs are calculated using the DfEs recommended space allocation for children with special education needs. The guidance is based on the notion that young people will spend about 50% of their time based at the school and for the rest of the time their learning will take place in the community, independent living or college facilities. This is in line with the provision that the SEND Post 16 strategy group agreed would be best suit the young people.

Each of the following ranges of SEN provides tutor bases and common room facilities and assumes some pupils will use the special school's specialist spaces

or vocational facilities at a local FE college or work-based training facilities. If students stay on site for vocational courses additional spaces plus storage for course work will be needed that range from 50-90m² plus storage for course work.

Range	A			B			D*		
Post-16 student places:	24			40			24		
	Area m²	No Rms	Total area	Area m²	No Rms	Total area	Area m²	No Rms	Total area
Teaching base	52	3	156	60	5	300	65	3	195
Common room	40	1	40	70	1	70	50	1	50
Dining rm	20	1	20	30	1	30	25	1	25
Small group rms	15	1	15	15	3	45	15	2	30
Staff rm	10	1	10	15	1	15	10	1	10
Staff preparation rm	8	1	8	12	1	12	8	1	8
Mobility equipment bays	-	-	-	5	5	25	10	3	30
Teaching resource storage	4	3	12	4	5	20	4	3	12
Common rm store	4	1	4	4	1	4	4	1	4
Total net area			265			521			364
Estimated costs Based on £2,000 pm2	**£530,000**			**£1,042,000**			**£728,000**		

A – Pupils with behaviour, emotional & social difficulties as main SEN; students mainly ambulant, very active, rarely physical difficulties.

B – Pupils with wide range of needs: M/SLD, speech, language, communication and ASD; no students with profound and multiple learning difficulties.

D - Pupils with wide range of needs: M/SLD, speech, language, communication and ASD 50%+ have profound and multiple learning difficulties; 50%+ have significant physical difficulties.

* Facilities with less than 50% students with profound and multiple learning or significant difficulties (range C) would have similar schedules to range D but marginally less overall area.

It should be noted that the cohort of young people identified as requiring additional Post-16 SEND provision are in Range B above.

3.2 Place Funding

From September 2013, all Post-16 placements will be funded differently and split into three separate elements:

- Element 1: Core education funding
  This is calculated per student using the national 16-19 funding formula. For college placements such as Havering College, this will be approximately £4,000 per student.

- Element 2: Additional support funding
  A contribution of £6,000 is made for additional support required by each student with high needs.

Elements 1 and 2 are place-led and cover the basic placement costs at any setting. This funding will be provided by the maintaining authority (for maintained schools) and the Educational Funding Agency ("EFA") (for all non-maintained settings).

- Element 3: Top-up funding
  If necessary, top-up funding is negotiated and agreed with the Council to meet the particular assessed needs of each student placed in that setting. The amount of this will depend on the individual but is in most cases approximately £2,000 - £3,000. This 'high needs' top-up funding will be provided directly to the setting from the commissioning local authority.

3.3 Revenue

It is very difficult to anticipate the precise cost of such provision however the current pilot project for young people based at Corbets Tey but delivered by Havering College cost £19k in the first year when the provision was not full and £14k per pupil in the second. The young people in the new provision would have higher levels of need but the cost should not exceed £20k per pupil per annum.

4. KEY PRINCIPLES

Positive outcomes for the young person

The purpose is to secure the best outcomes for young people with LDD, with the primary focus on supporting them and their parent/carer in developing key independence skills as they move to adulthood.

Practical examples include progressing to sustainable employment and/or independent living through work experience opportunities, travel training, and other life skills such as cooking, DIY, horticulture.

Providing value for money

The strategy aims to improve outcomes for young people and is not about saving money. However, in endeavouring to meet the assessed needs of a young person, consideration must be given to whether a proposed placement is compatible with funding arrangements and the most efficient use of resources.

Equity of provision

All young people with similar needs should have an equitable access to resources.

<u>Meeting individual needs</u>

Successfully meeting individual needs will remain the priority. The young person must have the opportunity to voice his or her views and aspirations during the process of determining the appropriate future provision.

Where possible, a choice of provision will be offered. The aim is to provide a safe environment which, while being structured, is flexible enough to support the young person's particular needs.

<u>Promotion of strong partnerships</u>

Liaison between professionals in Health, Social Care and Education is essential to ensuring that young people have clear, supported pathways. The strategy will seek to build on existing multi-agency participation.

<u>Effective communication and transition between providers</u>

Knowledge that the current school has of a young person should be drawn upon to assist with a smooth transition to any new provision, and it is their responsibility to prepare the young person for the next stage of their life journey.

<u>Localisation</u>

Use of existing local provision will be maximised wherever appropriate, as it is generally accepted that the best support for young people is within their local community.

5. FUTURE DIRECTION

5.1 The data in this document shows a need for the Council to develop provision for a small number of young people with high levels of special educational need thus creating a continuum of provision within the borough which will reduce the need for out of borough placements and allow young people to remain in their home environment. Any development would also reduce costs to adult services by ensuring that young people maximise their potential for independence and do not require very costly residential provision in the future.

The continuum would include at post 16:

- Ravensbourne School for students with high levels of physical and medical needs
- Possible new provision for highly vulnerable students with severe learning and communication difficulties

- Havering College provision for students with moderate to severe learning difficulties

At 19, the continuum would include:

- Havering College
- Adult Social Care provision
- Adult education
- Leisure activities
- ISPs for students with the highest level of need

In the event that a new provision is created, more young people would remain in-borough until age 19 therefore reducing the likelihood of requiring access to an ISP.

5.2   Characteristics of new post 16 provision

After consultation with parents and professionals at the Post-16 SEND Strategy group, the following characteristics were identified as important for any new provision.

Location
- Within Havering and
- Close to shops and transport networks.

Facilities and resources
- Outside space for relaxation but also for outdoor learning, for example horticulture
- Fully accessible with appropriate personal care facilities
- Home environment to learn skills for independent living
- Space for practical activities

Environment
- A small, safe place which is not too busy and noisy
- A safe and secure site
- Strong safeguarding and care procedures

Curriculum
- Individual and personalised to the young person's ability and needs
- A clear focus on realistic and achievable outcomes
- Opportunities for experiencing work and real life activities
- Communication programmes focused on future needs
- Independent living skills

<u>Staff</u>
- Staff to student ratio proportionate to needs of learners
- Staff skilled and experienced in specialist approaches for communication and behaviour management
- Staff with a 'can do' attitude who are ambitious for learners with high levels of need

<u>Multi agency</u>
- Continued therapy services, if appropriate
- Involvement with health providers to ensure service is available at 19, where appropriate
- Interaction with adult social care to enable successful transition to adult services
- Interaction with Havering College to facilitate progression, if appropriate

5.3 <u>Transition at 19</u>

It is important that provision from 16-19 refers to the work of "Valuing People"[14] and "Pathways to Getting a Life"[15], which concentrates on four key areas to assist young people to achieve as independent a life as possible. These are:

- Paid employment;
- Housing;
- Health; and
- Developing friends and relationships within the community.

These pathways address the barriers faced by many young people and set out what needs to change to improve outcomes for a group of vulnerable young people from continuing to be excluded. It is essential that transition planning starts early and is in keeping the all of the principles of "Valuing People".

Adult Social Care, in conjunction with local health services, have a range of provision at 19 including day service activities that young people are supported to access, including leisure or work related opportunities, education classes, college or purposeful occupation. Some day services are located within specialist centres, for example The Avelon Centre and The Willows and others are community-based activity programmes designed for each individual depending on their interest.

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[14] Department of Health White Paper (2001) *Valuing People: A New Strategy for Learning Disability for the 21st Century*
[15] Department of Health & National Development Team for Inclusion (2011) *Pathways to Getting a Life: transition planning for full lives*

Alternatively, it may be appropriate at 19 for young people to transfer to Havering College and pursue an entry level qualification developing life skills and independence, along with English, maths and ICT. Sessions could include cooking, creativity, horticulture, healthy living, travel experience, home craft, music and enterprise.

Transition at 19 will depend on each individual learner's ability, needs and interests but it is critical that their future is in Havering, where they can continue friendships and family relationships. This will not only provide a better life for the young people but will enable Havering to develop its own services rather than spending its funds on independent residential provision.

Outcomes

The diagram below illustrates the variety of outcomes, both for young people and in terms of cost-effectiveness, which could be achieved by creating a local Post-16 provision.
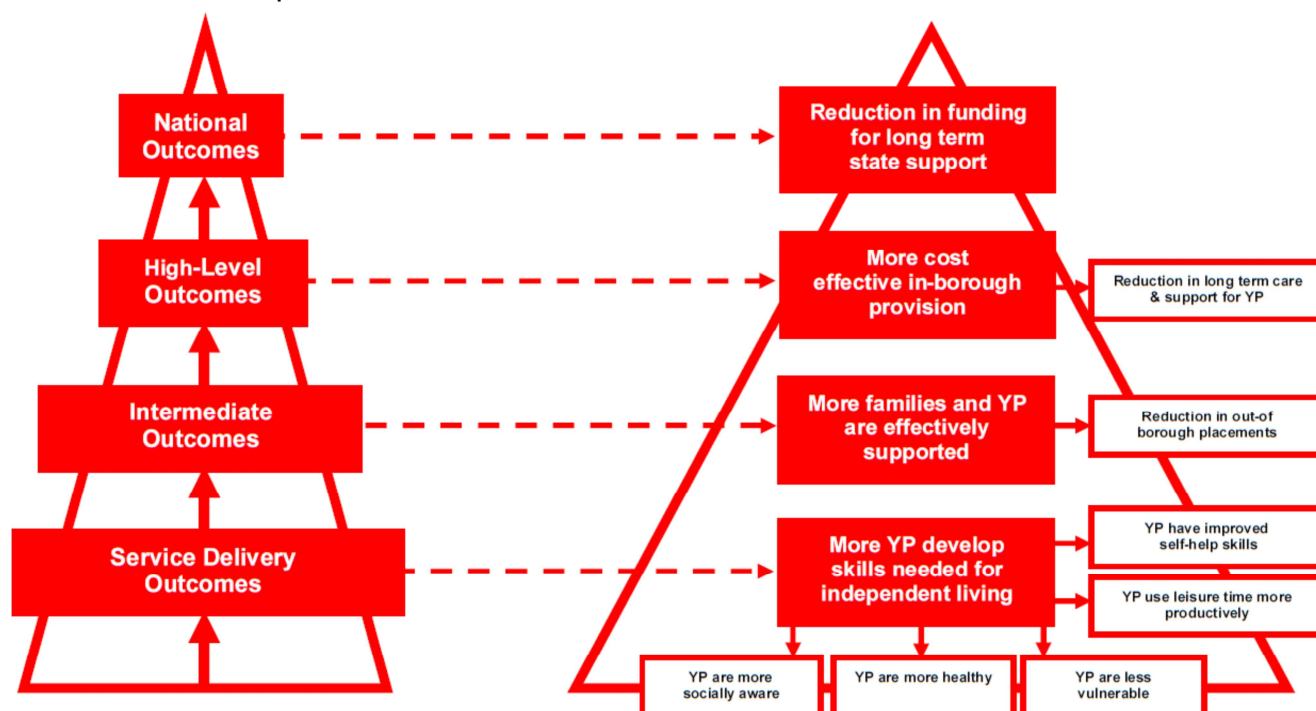
Savings that could be made if new provision were available in Havering

If children and young people's needs cannot be met within the borough parents will then apply for them to attend out of borough provision. The cost of these placements varies considerably and indeed costs for each child vary as most provision has individual charges based on the needs of the students.

If a young person were to attend an Independent Specialist College the average cost for this provision is currently £66k per annum. School provision, which would meet these young people's needs ranges from Tree Tops School at £20k to Doucecroft School at £73k. This would make the average cost of

an out of borough placement approximately £46k representing a saving of £26k per pupil per annum or about £876k per annum once the provision is at full capacity.

These figures are subject to change dependent upon the eventual curriculum and needs of the young people but show that as well as providing for the young people within their home borough there are substantial savings to be made.

The Post 16 strategy contains the principles and proposed curriculum model which is based on developing the level of independence of the young people so that they are less reliant on adult services in the future. Any new provision will be developed in tandem with adult services so that appropriate independent living accommodation can be commissioned to suit the young people and help them to remain in Havering receiving a good service whilst incurring minimum costs.

6. NEXT STEPS

Officers will carry out research into the costs of a small modular build that could cater for about 25 young people. A working party will be created to take the work forward and both parents and young people will be consulted during the development phase. In order to ascertain the views of children and young people a questionnaire using pictorial language is being prepared. Children of school age will be asked about their wishes for the future when they leave school and young people at college will be asked about their current provision and what else they might have wanted to do given the opportunity. It is anticipated that the questionnaires will be used during the summer play schemes where helpers will be able to ensure that children and young people understand what is being asked of them. In the interim, it will be important to ensure that as many young people as possible are able remain in the borough and with that in mind, an interim solution will be explored for leavers in 2014.

7. IMPLEMENTATION

A working party will be created in autumn 2013 with a view to implementing the agreed plan for ensuring sufficient high quality provision is available.

GLOSSARY

ADHD   Attention Deficit Hyperactivity Disorder

CLDD   Complex Learning Difficulties and Disabilities

CYP   Children and Young People / Child or Young Person

DP   Direct Payments

FE   Further Education

ISP   Independent Specialist Provider

IVF   In-Vitro Fertilisation

LA   Local Authority

LDA   Learning Difficulties Assessment

LDD   Learning Difficulties and Disabilities

LEA   Local Education Authority

PMLD   Profound and Multiple Learning Difficulties

SEN   Special Educational Need

SEND   Special Educational Need and Disability

SLD   Severe Learning Difficulties

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1.   **Scope of consultation:**

A consultation was carried out with children and young people aged 14 to 30 with special educational needs and/or learning difficulties or disabilities currently attending the borough's special schools, colleges and supported employment projects. At time of writing, responses have not yet been received from Ravensbourne School.

The consultation took place during the week commencing 23rd September 2013 and was carried out by questionnaire in either pictorial format or large print. Where necessary, staff at the various establishments assisted the young people in completing their answers.

The numbers and location of respondents are as follows:

Age range	Location	Type of establishment	Number of responses
14-16	Dycorts School	Special School	12
14-16	Corbets Tey School	Special School	15
16-30	Havering College – Quarles campus	FE College	31
16-19	Havering College at Corbets Tey	Post-16 Unit	2
18-30	Education for Employment	Adult College	12
18-30	Shaw Trust	Supported employment project	3
18-30	Jackson's Café	Supported employment project	5

   2.   **Results:**

Positive aspects of school or college

Questions relating to what young people like or had liked about their school or college illustrated that the predominant 'best thing' about it was interaction with friends and teachers. 29 out of 45 (64%) of the 16-30 year olds at college had stated this.

Negative aspects of school or college / potential for improvement

There were no common themes as to what could make their school or college even better with the majority of respondents saying there was nothing they didn't like about it.

Future aspirations

Of those who were still at school in KS4, 14 of 27 (52%) said they wanted to get a job when they left school or college.

Of the 16-30 year olds (not including those in supported employment), this figure rose to 35 out of 45 (78%), with many being quite specific about the kind of work they would like. 4 out of 45 (9%) wanted to take another college course.

Skills young people would like more help with

When the young people were asked if there was anything they would like more help with as they get older, there were 5 recurring responses:

- Cooking – 28%
- Work experience / getting a job – 24%
- Travelling independently – 13%
- Shopping – 11%
- Money skills – 8%

These responses are broken down below between the age groups. This demonstrates that the 14-16 year olds are keen to learn to cook but this is clearly overtaken by a desire for work experience amongst the 16-30 year olds.

Designing their own school or college for 16-19 year olds

We asked where it would be, what it would be like and what people would learn there. The last two questions did not generate any common themes, with a wide variety of suggestions offered, many of which conflicted (e.g. big, small, quiet, noisy). Ideas of what would be learned ranged from traditional subjects such as maths, English, ICT to more practical areas such as cooking and mechanics.

With regards to the location, the response was overwhelmingly that it would be local, with 55 of 59 (93%) who gave a specific location naming somewhere in Havering. The results are broken down in more detail below.

3.   **Summary:**

Social interaction is clearly very important to this group of young people, particularly to those aged 16 or over. Attending a local provision would enable friendships made at school or college to be developed further.

The lack of suggestions as to what could make school or college even better gives reassurance that existing provision suits its current students very well. It should be noted that for practical reasons, the consultation did not encompass those students who do not attend Havering's in-borough provisions, i.e. those for whom any new provision may be most suitable.

The clear aspirations of these young people demonstrate that independent living skills and employment opportunities are very important to them.

The strongest message from the consultation is that young people with SEND would like their post-16 provision to be in their local area.

POST-16 PROVISION CONSULTATION OF YOUNG PEOPLE WITH SEND AGED 14-30 SUMMARY OF RESULTS

Is there anything you would like more help with as you get older?	14-16 KS4	16-30 College	16-30 Supp Emp	Total out of 80	Total %
Cooking	8	10	4	22	28%
Work experience / getting a job	3	15	1	19	24%
Travelling independently	0	9	1	10	13%
Shopping	2	7	0	9	11%
Money skills	1	5	0	6	8%

If you could design your own school/college for 16-19 year olds, where would it be?	14-16 KS4	16-30 College	16-30 Supp Emp	Total out of 59	Total %
Romford	6	11	1	18	33%
Havering	0	8	0	8	14%
Harold Hill	4	4	0	8	14%
Upminster	5	2	0	7	12%
Hornchurch	2	1	3	6	10%
"Near home"	3	2	0	5	8%
Rainham	1	2	0	3	5%

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LONDON BOROUGH OF HAVERING EQUALITY ANALYSIS

PROPOSAL FOR ADDITIONAL POST-16 PROVISION IN HAVERING FOR YOUNG PEOPLE AGED 16-19 WITH SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES

SCOPE OF PROPOSAL

1. **What is the scope and intended outcomes of the activity being assessed; in terms of both the Council's organisation and staffing, and services to the community?**

The proposal is to create additional in-borough provision for a small number (approximately 25-30) of 16-19 year olds with high levels of special educational needs and/or disabilities ("SEND"). If the necessary approvals are granted and funding is available, it is hoped that new provision could be in place for September 2015.

1 (a)   Organisation and Staffing

The will be no impact on existing staff. If a new provision is developed, additional staff will be required to work at the facility. The guidance is that one teacher and two Learning Support Assistants would be required for every 8 learners.

1 (b)   Services to the Community

The local authority has a duty to secure enough suitable education and training to meet the reasonable needs of young people with SEND. The Council currently offers post-16 provision within Havering at the following:

- Ravensbourne School, which serves pupils with severe and profound and multiple learning disabilities to age 19.

- Havering College, which offers programmes at its Foundation Skills Centre for adults aged 16 to 25 with learning difficulties and disabilities.

- Havering College also runs a satellite unit for a small number of 16-19 year olds based at Corbets Tey School but this is not a permanent arrangement.

The needs of Havering's young people with SEND are also met by some out-of-borough special schools and sixth forms, where neither Ravensbourne School nor Havering College is deemed appropriate.

By creating a continuum of appropriate and local provision, young people will be able to remain in their home environment rather than potentially travelling to out of borough provision. It is anticipated that this proposal will ensure that these young people maximise their potential for independence, will improve their quality of life and long-term outcomes and will potentially reduce long-term reliance on Adult Social Care.

PEOPLE AFFECTED

2. Which individuals and groups are likely to be affected by the activity?

2 (a)   Staff Individuals and Groups

No direct impact has been identified on existing staff individuals or groups as a result of this proposal. As explained above, if the proposal is successful, additional staff will be required to ensure that the needs of children and young people with SEND are adequately met.

We do recognise, however, that some staff members living locally might be indirectly affected as parents/carers of children and young people with SEND. The impact on those staff members and their children has been considered under the Community sections of the EA.

2 (b)   Community Individuals and Groups *(including voluntary organisations)*

Children and young people currently in Key Stage 4 or below at the borough's special schools.

Parents and carers of those children and young people.

By virtue of the scope of the project, the children and young people who will be affected are currently aged 16 and under with "SEND", i.e. children and young people who have learning difficulties and/or disabilities that make it harder for them to learn or access education than most children of the same age. The majority of those aged 3 to 19 have statements of special educational need and attend special schools rather than mainstream education.

Other protected characteristics and socio-economic profiles have not been examined as this proposal relates to meeting the needs of a specific section of society which have arisen *because* of their protected characteristics of age and disability.

The purpose of the proposal is to improve and increase the options available to those young people when they reach age 16, as many cannot access mainstream college provision.

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DATA AND INFORMATION

3. **What data/information do you have about the people with 'protected characteristics' or other socio-economic disadvantage among these individuals and groups? What information do you have about how they will be affected by the activity? Will you be seeking further information in order to assess the equalities impact of the activity? How is this information being used to influence decisions on the activity?**

3 (a)   Staff

Please refer to sections 2(a) and 3(b).

3 (b)   Community

London Borough of Havering

Havering's principal town is Romford but other main communities also exist in Hornchurch, Upminster, Rainham and Harold Hill. The borough is primarily characterised by suburban development with large areas of protected Metropolitan Green Belt land.

Geographically, Havering is significantly larger than its neighbouring London boroughs (43.35 square miles, compared with Barking & Dagenham being 13.93sqm, Redbridge 21.78sqm and Bexley 23.38sqm). Due to the large areas of parkland and protected areas, Havering is much less densely populated than its London neighbours (approx. 5,500 people per square mile, compared with Barking & Dagenham and Redbridge – each with 13,000 people per sqm and Bexley with 10,000 people per sqm). Whilst Havering's population is slightly smaller than Redbridge's (237,500 compared with 281,400)[1], it is spread over an area twice as large.

These differences do impact the way in which education and other services can be provided, with children and young people potentially having to travel further than their peers elsewhere in London to access suitable schooling within the borough.

Transport Links

Although there are good transport links within the borough (including London Underground, buses and trains), and independent travel is actively encouraged by the Council, there are many young people with special educational needs and/or disabilities who require supported travel in some form and will continue to do so on leaving school.

Increase in incidence and complexity of SEND

One of the key factors in the proposal for developing new provision is the change in the number of children with special educational needs and the types of need. The

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[1] Population data estimated 2011

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increase in incidence and complexity of SEND must be taken into account in planning appropriate provision.

Given Havering's growing general population (set to rise by 19.26% from 2010 to 2033, compared with London 17.81% and England 16.32%)[2], an increase in the number of children with SEND is inevitable. The number of children and young people (0-19) in Havering is expected to rise by almost 25% by 2021[3] with current projections suggesting an overall increase of 7.5% across all categories of learning difficulties and disabilities by 2017[4].

However, it is not just the number of children with SEND which is set to rise. The complexity of their needs is also changing due to an increase in the survival rates of preterm infants, especially those born very preterm (less than 32 weeks) and extremely preterm (less than 28 weeks). The increased use of IVF is also a factor, with IVF twins being 23% more likely to be born prematurely than naturally-conceived twins[5].

A new and increasing cohort of learners with complex learning difficulties and disabilities has recently been identified nationally. These children in addition to having difficulties arising from premature birth or from parental substance/alcohol abuse and/or rare chromosomal disorders may also require invasive procedures such as assisted ventilation[6]. These changes pose challenges for all ranges of SEND provision.

Summary

Geographical accessibility, adequate provision in terms of meeting increasing demand and the changing nature of the complexity and type of need are factors to be considered in the medium- to long-term strategy for Post-16 provision.

Additional data relating in particular to preterm births can be found in Havering's "Post-16 Strategy for young people with special educational needs and/or disabilities".

CONSULTATION

4. **If no data and information is available about the groups likely to be affected by the activity, how would you inform your EA? Will you be considering carrying out some consultation to inform your EA?**

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[2] Office for National Statistics (2010) *Change in population 2010-2033, ONS population Projections*

[3] London Borough Of Havering (January 2013) *Demographic, Diversity and Socio-economic Profile of Havering's Population*, p6

[4] ibid., p7 (informed by 2011/12 Joint Strategic Needs Assessment data)

[5] Royal College of Obstetricians and Gynaecologists (release 6 June 2012)

[6] Specialist Schools and Academies Trust (2011) *Complex Learning Difficulties and Disabilities Research Project, Report Overview*

4

4 (a)   Staff

Staff that have been consulted as stakeholders in the strategy development process include:

- Group Director, Children Adults & Housing;
- Head of Learning and Achievement;
- Service Manager, Prevention & Intervention;
- Manager – Inclusion, Assessment & Support;
- Education Provision & Specialist Commissioning Manager;
- 14-19 Young People Learning Manager;
- Learning Support Service;
- Learning Disability Service Manager;
- Havering Clinical Commissioning Group.

4 (b)   Community

Parents and carers; head teachers

A strategy group was set up in mid-2012 to discuss existing provision and identify any gaps in that provision. This group included representatives from Positive Parents as well as head teachers and officers from the Council and Health Service.

If Cabinet approves the proposals, a working group will be set up to discuss a potential brief for any new building, an appropriate curriculum and other services to fit around any new Post-16 provision which may be commissioned. Again, this group will include parent representatives.

Young people with SEND

It was important to gather the views of young people with SEND who were either in post-16 provision or supported employment, or who were in Key Stage 4 at the special schools. A consultation of 14 to 30 year olds was carried out in the form of a questionnaire (in pictorial and large print formats). This took place across special schools, colleges and supported employment programmes and aimed to find out what this group of young people would like and expect from post-16 provision and/or their experience of post-16 provision (for example, what they liked, what could have been better).

The responses from these questionnaires supported the view that post-16 provision should be available in the local area and should help to encourage independence by providing life skills such as cooking, shopping, travelling by bus as well as preparing young people for potential employment by offering work experience opportunities.

LIKELY IMPACT

5.   Based on the collected data and information, what will be the likely impact of the activity on individuals and groups with protected characteristics or other socio-economic disadvantage?

5

5 (a)   Staff

No direct impact has been identified on existing staff as a result of this proposal. As explained above, if the proposal is successful, additional staff will be required to ensure that the needs of children and young people with SEND are adequately met.

We do recognise, however, that some staff members living locally might be indirectly affected as parents/carers of children and young people with SEND. The impact on those staff members and their children has been considered under the Community sections of the EA.

5 (b)   Community

This proposal is intended to improve the equality of outcomes, social inclusion and well-being of children and young people with SEND and their parents/carers.

It is anticipated that the impact on young people with SEND and their families will be wholly positive. By offering a variety of local post-16 provision, young people will be able to attend an appropriate provision nearer to their home. This will result in fewer young people having lengthy journeys out of borough. It will also mean that life skills learnt whilst at Post-16 provision can be put into practice more easily in the young person's local area, leading to greater independence and social inclusion.

6.   What is the likely impact on arrangements for safeguarding children and/or safeguarding vulnerable adults?

6 (a)   Vulnerable children

If the proposal to create additional SEND provision is approved, there is likely to be a need to recruit additional teaching and support staff to meet the needs of children and young people with SEND.

All necessary checks (e.g. DBS checks and disclosures) will be carried out prior to recruitment of any new staff members.

We will ensure that all staff members working with children and young people with SEND have completed relevant Safeguarding, Equality and Diversity and other relevant training.

6 (b)   Vulnerable adults

If the proposal to create additional SEND provision is approved, there is likely to be a need to recruit additional teaching and support staff to meet the needs of young people with SEND.

All necessary checks (e.g. DBS checks and disclosures) will be carried out prior to recruitment of any new staff members.

We will ensure that all staff members working with young people with SEND have completed relevant Safeguarding, Equality and Diversity and other relevant training.

6

PREVENTING DISCRIMINATION

7. **If any negative impact is identified, is there a way of eliminating or minimising it to reasonable level? If not, how can the negative impact be justified?**

    7 (a)   Staff

If the proposal to create additional SEND provision is approved, there is likely to be a need to find a suitable and accessible accommodation and recruit additional teaching and support staff to meet the needs of children and young people with SEND.

A working party will be created to take the work forward to ensuring sufficient high quality provision is available, and both parents and young people will be consulted during the development phase.

    7 (b)   Community

Please refer to section 7(a) above.

PROMOTING EQUALITY

8. **How will the activity help the Council fulfil its legal duty to advance equality of opportunity in the way services are provided?**

    8 (a)   Staff

Please refer to section 5(a).

    8 (b)   Community

Please refer to sections 2(b) and 5(b).

A key objective of any new post-16 provision would be to provide equality of opportunity for this group of young people. They will have post-16 provision which will be appropriate to their needs. It will offer them the chance to develop life skills, independence and potential employment opportunities which other members of the community take for granted.

SPECIFIC NEEDS

9. **What actions will you be taking in order to maximise positive impact and minimise negative impact from the activity?**

    9 (a)   Staff

Please refer to section 9(b) below.

7

9 (b) Community

Positive impact will be maximised by involving parents, head teachers and other professionals to ensure that any new provision is developed to provide the best possible opportunities and outcomes for this group.

MONITORING AND REVIEW

10. **Once implemented, how often do you intend to monitor the actual impact of the activity?**

    10 (a)   Staff

Please refer to section 10(b).

    10 (b)   Community

Positive impact of any new provision could be monitored in several ways. The key indicator of success will be through looking at positive long-term outcomes and the resulting change in need and reliance on Adult Social Care in the future.

SIGN OFF AND PUBLICATION

11. **When completed, the Equality Analysis needs to be signed off by the Head of Service. Once signed off, it should be forwarded to the Directorate Equality Analysis Web administrator to publish it on the council's website.**

HEAD OF SERVICE   Name: Mary Pattinson

Date: 17-10-13   Signature: M Pattinson

CABINET
20 November 2013

Subject Heading:	Corporate Performance Report Quarter 2 2013/14
Cabinet Member:	Councillor Michael White
CMT Lead:	Cynthia Griffin
Report Author and contact details:	Claire Thompson, Corporate Policy & Community Manager claire.thompson@havering.gov.uk 01708 431003
Policy context:	The report sets out the Council's performance against the Corporate Performance Indicators for Quarter 2 2013/14.
Financial summary:	There are no direct financial implications arising from this report. It is expected that the delivery of targets will be achieved within existing resources.
Is this a Key Decision?	No
Is this a Strategic Decision?	No
When should this matter be reviewed?	The Corporate Performance Report will be brought to Cabinet at the end of each quarter.
Reviewing OSC:	Value, Towns and Communities, Individuals, Environment, Children and Learning

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[X]
Championing education and learning for all	[X]
Providing economic, social and cultural activity in thriving towns and villages	[X]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[X]

This report sets out the performance of the Council's Corporate Performance Indicators for Quarter 2 (July to September 2013) 2013/14, against the five Living Ambition Goals of the Corporate Plan:

- Environment
- Learning
- Towns and Communities
- Individuals
- Value

The report identifies where the Council is performing well (Green) and not so well (Amber and Red). The variance for the 'RAG' rating is:

- Red = more than 10% off the Quarter 2 Target and where performance has *not improved* compared to Quarter 2 2012/13[1]
- Amber = more than 10% off the Quarter 2 Target and where performance has *improved or been maintained* compared to Quarter 2 2012/13.
- Green = on or within 10% of the Quarter 2 Target

Where the RAG rating is 'Red', a 'Corrective Action' box has been included in the report. This highlights what action the Council is taking to address poor performance, where appropriate.

Also included in the report is a Direction of Travel (DoT) column which compares performance in Quarter 2 2013/14 with performance in Quarter 2 2012/13. A green arrow (⬆) signifies performance is better and a red arrow (⬇) signifies performance is worse. A black arrow (➜) signifies that performance is the same.

Quarter 2 2013/14 - Performance Summary

Of the 55 indicators, 44 are measured quarterly and 37 of these have been given a RAG rating in Quarter 2. In summary:

- o **27 (73%)** indicators are rated as **Green**
- o **3 (8%)** indicators are rated as **Amber**
- o **7 (19%)** indicators are rated as **Red**

Members are asked to review the report and note its content.

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[1] With the exception of '% of NNDR collected' and '% of council tax collected ' where the tolerance is 5%

Highlighted below is a summary of the Corporate Performance Indicators for Quarter 2 2013/14, where performance is RAG rated as **Green** or **Amber** and shown an improvement on Quarter 2 2012/13; and where performance is RAG rated as **Red**. For these few indicators, corrective action is taking place to improve performance.

Green or Amber and showing better performance than Quarter 2 2012/13

Environment

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
SC05 - % missed collections put right within target	93%	94%	⬆

Learning

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
LA1 - Number of apprentices recruited in the borough	375 (Q3 AY 2012/13)	497 (Q3 AY 2012/13)	⬆
This indicator is reported by Academic Year (AY), which runs from August to July. This indicator is for Quarter 3 (February-April 2013). It is more than likely to achieve the year-end target. Quarter 4 data will be available in mid-November.			

Towns and Communities

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
R3 – Number of businesses accessing advice through regeneration initiatives	350	433	⬆
Over the last quarter, 103 businesses accessed advice through the Leader's Network, Women In Business, Procurement Workshop and Business Start-up Programme.			
R2 – Net external funding (£) secured through regeneration initiatives	£500,000	£1,572,342	⬆
£165,902 funding secured for two bids for Ardleigh Family Centre and Upminster Windmill Heritage Site.			
(ex) NI157a – Processing of major applications within 13 weeks	60%	67%	⬆
Six out of nine major decisions were issued in time.			

Individuals

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
L5 – Total number of Careline and Telecare users in the borough	4,000	4,080	⬆
(ex) NI130/1C (ii) – Direct payments as a proportion of self-directed support	14%	16%	⬆
Staff continue to encourage the take up of direct payments at assessment and review.			
(ex) NI131/2C (ii) – Number of delayed transfers of care from hospital attributable to Adult Social Care and health per 100,000	3	2	⬆
To date, there have been 16 delays; compared to 35 delays at the same time last year.			
CY2 - % of placements lasting at least two years	68%	70%	⬆
70% of eligible Looked After Children aged under 16 years have been in the same placement for at least 2 years.			
1 - % of children with three or more placements during the year	11%	4%	⬆
It has been a good start to the first half of the year with just eight Looked After Children having had three or more placements; compared to 20 at the same time last year.			
CY13 - % of Child Protection Plans lasting more than 24 months	4%	5%	⬆
To date, 65 children have come off Child Protection Plans (three had remained on them for two years or more).			

Value

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
CS11 - % of NNDR collected	58.9%	59.1%	⬆
CS1 - % of Council Tax collected	58.1%	58.3%	⬆
CS4 – Speed of processing changes in circumstances of HB/CTB claimants	18 days	16 days	⬆
Performance continues to improve from Quarter 1, which was 19 days.			
CS10 – % of Member/MP enquiries completed within 10 days	90%	88%	⬆
There is significant improvement from Quarter 1, when performance was 67%. Of the 1,139 enquiries, three-quarters were for Streetcare.			
CS7 - % of corporate complaints completed within 10 days	90%	83%	⬆
Performance has increased significantly from Quarter 1 (65%).			

Red and showing worse performance than Quarter 2 2012/13

Towns and Communities

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
DC4 - % of appeals allowed against refusal of planning permission	30%	50%	↓
Due to the low numbers of appeal decisions received each quarter, it is difficult to conclude that there is trend of increased appeals being allowed. For the year to date the percentage of appeals allowed is 37%. This is a little worse than target, but close to the national average of 36%.			
(ex) NI157b - Processing of minor applications within 8 weeks (%)	65%	31%	↓
(ex) NI157c - Processing of other applications within 8 weeks (%)	80%	56%	↓
Additional resourcing has been engaged and an Action Plan devised to bring about improvements in decision-making. Over time, an upturn in performance is anticipated.			

Individuals

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
L3 - % of people who, having undergone reablement, return to ASC 91 days after completing reablement and require an ongoing service	6%	7%	↓
21 people returned to Adult Social Care requiring an ongoing service during the first six months of the year.			
(ex) NI130/1C (i) - % of people using social care who receive self-directed support and those receiving direct payments	52%	44%	↓
Staff are continuing to promote the use of self-directed support. *Note: as with the direct payments, the inclusion of reablement and equipment within the denominator has a detrimental effect on this indicator.*			
(ex) NI065 - % of children becoming the subject of a Child Protection Plan for a second or subsequent time within 2 years	4%	9% (5 children)	↓
Work is underway through the Quality Assurance Group to determine whether children are being 'de-planned' too early. This indicator will be closely monitored due to concerns that more young people will soon be subject of a Child Protection Plan for a second/ subsequent time within two years			

Value

Indicator	Quarter 2 Target	Quarter 2 Performance	DoT
CI1 - Sickness absence rate per annum per employee (days)	7.6 days	9.3 days	⬇
This is the first complete rolling year to include former Homes in Havering sickness absence data. Homes in Havering had a significantly higher number of days absent per employee, which has consequently impacted on the overall absence figure. Active management of absence cases is taking place.			

The full Corporate Performance Report for Quarter 2 2013/14 is attached as Appendix 1.

REASONS AND OPTIONS

Reasons for the decision: To provide Cabinet Members with a quarterly update on the Council's performance against the Corporate Performance Indicators.

Other options considered: N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

Adverse performance for some Corporate Performance Indicators may have financial implications for the Council. Whilst it is expected that targets will be delivered within existing resources, officers regularly review the level and prioritisation of resources required to achieve the targets agreed by Cabinet at the start of the year.

Legal implications and risks:

Whilst reporting on performance is not a statutory requirement, it is considered best practice to regularly review the Council's progress against the Corporate Plan.

Human Resources implications and risks:

There are no specific Human Resources implications.

Equalities implications and risks:

The following Corporate Performance Indicators rated as 'Red' could potentially have equality and social inclusion implications if performance does not improve:

- L3 - % of people who, having undergone reablement, return to ASC 91 days after completing reablement and require an ongoing service
- (ex) NI130/1C (i) - % of people using social care who receive self-directed support and those receiving direct payments
- (ex) NI065 - % of children becoming the subject of a Child Protection Plan for a second or subsequent time within 2 years

The commentary for each indicator provides further detail on steps that will be taken to improve performance.

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BACKGROUND PAPERS

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The Corporate Plan 2011-14 and 'Plan on a Page' 2013-14 are available on the Living Ambition page on the Havering Council website at: http://www.havering.gov.uk/Pages/Campaigns/living-ambition-our-20-year-vision.aspx

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Appendix 1: Corporate Performance Report - Quarter 2 2013/14

Cabinet – 20th November 2013

Key

RAG Rating		Direction of Travel (DoT)		
Green	On or within 10% of the Quarter 2 Target[1]	⬆	Performance is better than Quarter 2 2012/13	
Amber	More than 10% off the Quarter 2 Target and where performance has *improved or been maintained* compared to Quarter 2 2012/13	➜	Performance is the same as Quarter 2 2012/13	
Red	More than 10% off the Quarter 2 Target and where performance has *not improved* compared to Quarter 2 2012/13	⬇	Performance is worse than Quarter 2 2012/13	

	Corporate Plan Indicator

Environment - to ensure a clean, safe and green borough

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
SC05	% of missed collections put right within target	Bigger is Better	93%	93%	94%	93%	⬆	This indicator is on target and performing better than last year. A slight problem in July has been rectified and performance is back on track.	Streetcare
SC07	Total number of fly tip incidents	Smaller is Better	2,704	1,554	1,702	1,645	⬇	This indicator is below target but within the 10% tolerance. The number of flytips being recorded has risen this year, this is consistent with figures from other boroughs.	Streetcare

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[1] With the exception of '% of NNDR collected' and '% of Council Tax collected ' where the tolerance is 5%

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
SC9	Parking income against budget	Bigger is Better	£3,964,420	£1,982,210	£1,746,566	New Indicator	N/A	No RAG rating as new indicator for 2013/14. Car parks income is currently under-recovering and the predicted amount of income from new traffic parking schemes has not yet materialised. Performance is expected to improve as more schemes come on line.	Streetcare
SC01 (ex) NI191	Residual household waste (kg) per household	Smaller is Better	640Kg	337Kg	228Kg (up to end July)	339Kg	N/A	No RAG rating or DoT as figure up to end July only. This data comes from East London Waste Authority (ELWA) and lags by about 6-8 weeks. The Quarter 2 figure will be available at the end November.	Streetcare
SC02 (ex) NI192	% of household waste sent for reuse, recycling and composting	Bigger is Better	36%	36%	36% (up to end July)	36%	➔	No RAG rating or DoT as figure up to end July only. This data comes from East London Waste Authority (ELWA) and lags by about 6-8 weeks. The Quarter 2 figure will be available at the end November.	Streetcare

Learning - to champion education and learning for all

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
LA6	% of Early Years providers, Private, Voluntary & Independent (PVI) settings and Childminders only	Bigger is Better	75%	75%	77%	N/A	N/A	This indicator is above target. No DoT as the methodology has changed from last year. Maintained schools with Nursery classes no longer receive separate Early Years ratings and the indicator now relates to Private, Voluntary and Independent nursery settings and Childminders.	Learning and Achievement
LA1	Number of apprentices recruited in the borough	Bigger is Better	500 (AY 2012/13)	375 (Q3 AY 2012/13)	497 (Q3 AY 2012/13)	461 (Q3 AY 2011/12)	⬆	This indicator is reported by Academic Year (AY), which runs from August to July. This indicator is for Quarter 3 (February-April 2013). It is above target and performing better than the previous year. It is more than likely to achieve the year-end target. Quarter 4 data will be available in mid-November.	Learning and Achievement

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
(ex) NI117	% of 16 to 19 year olds (school years 12-14) who are not in education, employment or training	Smaller is Better	4.9%	4.9%	4.9%	18.1%	N/A	This indicator is on target. No DoT as last year's figure was an anomaly due to the DfE requesting that all students rising from Year 12 to Year 13 over the Summer be recorded as 'unknown' in the September Client Caseload Information System (CCIS). In previous years, when students were on a 2 year programme they were included in the in-learning figures when they entered Year 13 and followed up in line with the usual currency rules, and/or checked against the college/school lists of students. In light of the change in instruction, the September figure was not an accurate reflection of performance.	Learning and Achievement

Towns and Communities - to provide economic, social and cultural opportunities in thriving towns and villages

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
R3	Number of businesses accessing advice through regeneration initiatives	Bigger is Better	700	350 (cumulative)	433	318	⬆	This indicator is above target and performing better than last year. Over the last quarter, 103 businesses accessed advice through the Leaders Network, Women In Business, Procurement Workshop and Business Start-up Programme.	Economic Development
R2	Net external funding (£) secured through regeneration initiatives	Bigger is Better	£1,000,000	£500,000 (cumulative)	£1,572,342	£925,000	⬆	This indicator is above target and performing better than last year. £165,902 funding secured from 2 successful bids for Ardleigh Family Centre and Upminster Windmill Heritage Site.	Economic Development
CL2	Number of library visits (physical)	Bigger is Better	1,600,000	399,069	471,509	491,698	⬇	The number of physical library visits is above target but lower than last year.	Culture and Leisure
(ex) NI157a	Processing of major applications within 13 weeks (%)	Bigger is Better	60%	60%	67%	50%	⬆	This indicator is above target and performing better than last year. 6 out of 9 major decisions were issued in time.	Regulatory Services

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Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
H2	Percentage of repairs completed on time (including services contractors)	Bigger is Better	90%	90%	97%	N/A	N/A	This indicator is above target, notwithstanding a new contract beginning on 1st November 2013. The initial stages of the contract will be closely monitored to ensure performance remains on track. No DoT as indicator not reported last year.	Homes and Housing
H4	Number of homes made decent	Bigger is Better	2,224	389	388	New Indicator	N/A	This indicator is on target. No DoT as a new indicator for this year, replacing '% Decent Council Homes' as more indicative of homes being made decent.	Homes and Housing
H5	% of rent arrears against rent debit	Smaller is Better	3%	2.5%	2.4%	2.4%	→	This indicator is on target and maintaining the same level of performance as last year. This is somewhat surprising as the impact of the Welfare Reforms was expected to have a detrimental impact on tenants' ability to pay. Individual work with affected tenants has enabled the anticipated problems to be managed successfully. The income management team has seen a 25% reduction in their cases owing £50 and over in the last few months.	Homes and Housing
H1	Percentage of Leaseholder Service charge arrears (excluding major works) collected (quarterly snapshot set against estimated and actual figures)	Bigger is Better	93%	49%	48%	N/A	N/A	This indicator is on target. No DoT as indicator not reported last year. 2012/13 actuals have been raised on the account. However, there was a problem with the BACS system regarding Direct Debit (DD), which resulted in the DD being allocated to the account late. This has been rectified and will reflect in October's figures.	Homes and Housing
DC4	% of appeals allowed against refusal of planning permission	Smaller is Better	30%	30%	50%	29%	↓	This indicator is below target and performing worse than last year. Due to the low numbers of appeal decisions received each quarter, it is difficult to conclude that there is trend of increased appeals being allowed. For the year to date the percentage of appeals allowed is 37%. This is a little worse than target, but close to the national average of 36%.	Regulatory Services

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
(ex) NI157b	Processing of minor applications within 8 weeks (%)	Bigger is Better	65%	65%	31%	66%	⬇	This indicator is below target and performing worse than last year. **Corrective Action** Additional resourcing has been engaged and an Action Plan devised to bring about improvements in decision-making. Over time, an upturn in performance is anticipated.	Regulatory Services
(ex) NI157c	Processing of other applications within 8 weeks (%)	Bigger is Better	80%	80%	56%	86%	⬇	Although this indicator remains below target, there is significant improvement on Quarter 1 (40%). Performance is worse than last year. **Corrective Action** Additional resourcing has been engaged and an Action Plan devised to bring about improvements in decision-making. Over time, an upturn in performance is anticipated.	Regulatory Services
H3	Average void to re-let times	Smaller is Better	22 days	22 days	32 days	New Indicator	N/A	The indicator seeks to ensure that there is the minimum waiting time between when a property is empty and when it is re-let. The Council has usually let properties within its own housing stock of between 600-650 units per year and this has been constant for the last 3 years. The Council has embarked on a programme to assist residents who have been affected by aspects of the Welfare Reform attributable to under occupation. The number of additional properties this strategy has added to the normal level of re-lets, as at September 2013, is 82. In addition a new development for the elderly has been completed in Gidea Park offering 78 rental and 20 shared ownership units. In total, 35 residents have/will be housed in this new scheme who previously resided in Council housing stock with the consequential additional empty	Homes and Housing

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
								properties being created. As at the end of September, an additional 117 voids have been created to the normal expected of 300 units. In addition to this there has been a decline in the performance of the contractor undertaking the works. Steps have been taken through contract management processes to address this. There will be a new voids contractor from 1st November 2013.	

Individuals - to value and enhance the lives of our residents

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
L5	Total number of Careline and Telecare users in the borough	Bigger is Better	4,000	4,000	4,080	3,584	↑	This indicator is above target and performing better than last year.	Homes and Housing
(ex) NI130/ 1C (ii)	Direct payments as a proportion of self-directed support (%)	Bigger is Better	15%	14%	16%	11%	↑	This indicator is above target and performing better than last year. Staff continue to encourage the take up of direct payments at assessment and review. *Note: the inclusion of reablement and equipment within the denominator has a detrimental effect on this indicator.*	Adult Services
(ex) NI131/ 2C (ii)	Number of delayed transfers of care from hospital attributable to Adult Social Care (ASC) and health per 100,000	Smaller is Better	3	3	2	4	↑	This is a partnership indicator between Adult Social Care (ASC) and Health relating to hospital discharges which measures the total number of delayed discharges across the system including in the hospital itself. The indicator is above target and performing better than last year. To date, there have been 16 delays; compared to 35 delays at the same time last year.	Adult Services

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Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
(ex) NI131 2C (iii)	Delayed transfers of care that are attributable to Adult Social Care only per 100,000 population	Smaller is Better	1	1	1	New Indicator	N/A	The indicator is on target. No DoT as a new indicator for 2013/14, highlighting delayed transfers of care attributable to ASC only. To date, there have been 7 delays; compared to 15 delays at the same time last year.	Adult Services
CY2	% of placements lasting at least 2 years	Bigger is Better	68%	68%	70%	66%	⬆	This indicator is above target and performing better than last year. 70% of eligible LAC aged under 16 years have been in the same placement for at least 2 years.	Children's Services
1	% of children with 3 or more placements during the year	Smaller is better	11%	11%	4%	8%	⬆	This indicator is on target and performing better than last year. It has been a very good start to the first half of this year with just 8 (4.3%) LAC having had 3 or more placements; compared to 20 (10.6%) at the same time last year.	Children's Services
CY13	% of Child Protection Plans lasting more than 24 months	Smaller is Better	4%	4%	5%	8%	⬆	This indicator is slightly below target but performing better than last year. To date, 65 children have come off Child Protection Plans (3 had remained on them for 2 years or more). Performance is expected to improve towards the end of the financial year.	Children's Services
14	Number of new in-house foster carers	Bigger is better	15	7.5	6	6	➡	This indicator is slightly below target but maintaining the same level of performance as last year. The service has approved a number of "connected persons" as foster carers for named children, thereby offering a level of permanence for children and young people.	Children's Services
L3	% of people who, having undergone reablement, return to ASC 91 days after completing reablement and require an ongoing service	Smaller is Better	6%	6%	7%	5%	⬇	This indicator is below target and performing worse than last year. 21 people returned to ASC requiring an ongoing service during the first 6 months of the year.	Adult Services

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
(ex) NI130/ 1C (i)	% of people using social care who receive self-directed support and those receiving direct payments	Bigger is Better	70%	52%	44%	47%	⬇	This indicator is below target and performing worse than last year. However, performance has improved from Quarter 1. **Corrective Action** Staff are continuing to promote the use of self-directed support. *Note: as with the direct payments, the inclusion of reablement and equipment within the denominator has a detrimental effect on this indicator.*	Adult Services
(ex) NI065	% of children becoming the subject of a Child Protection Plan for a second or subsequent time within 2 years	Smaller is better	4%	4%	9% (5 children)	0%	⬇	This indicator is below target and performing worse than last year. 58 children have become the subject of a Child Protection Plan (5 children (2 sibling groups) became the subject of a CPP for the second time within 2 years), giving a figure of 9%. Although, this is significantly higher than the target figure, it is very early in the year and is expected to get closer to the target throughout 2013/14. **Corrective Action** Work is underway through the Quality Assurance Group to determine whether children are being 'de-planned' too early. This indicator will be closely monitored due to concerns that more young people will soon be subject of a CPP for second/subsequent time within 2 years.	Children's Services

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
13	% children who wait less than 21 months between entering care and moving in with their adopting family	Bigger is Better	55%	55%	44%	New Indicator	N/A	No RAG or DoT as this is a new indicator. However, the Quarter 2 figure is below target. To date, there have been 10 children ceasing to be looked after upon the granting of an adoption order, and a further 8 placed with their prospective adopters. Of those, 8 (44%) waited less than 21 months between entering care and moving in with their adoptive family. There are 5 LAC with an adoption plan on placement orders waiting to be placed with prospective adopters, 4 of which have been looked after for less than 15 months. As such, it is expected that performance will improve over the next 6 months.	Children's Services
PH1	Chlamydia diagnoses (quarterly, but with a time lag of up to two quarters)	Bigger is Better	475 positive cases	N/A	Awaiting data	N/A	N/A	Awaiting data for Quarter 2.	Public Health

Value - to deliver high customer satisfaction and a stable council tax

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
CS11	% of NNDR collected	Bigger is Better	96.5%	58.9%	59.1%	58.9%	↑	This indicator is on target and performing better than last year.	Exchequer Services
CS1	% of Council Tax collected	Bigger is Better	97%	58.1%	58.3%	58.1%	↑	This indicator is on target and performing better than last year.	Exchequer Services
CS4	Speed of processing changes in circumstances of HB/CTB claimants (days)	Smaller is Better	18 days	18 days	16 days	26 days	↑	This indicator is on target and performing better than last year. Performance continues to improve from Quarter 1, which was 19 days.	Exchequer Services

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Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
ISS10	% of suppliers paid within 30 days of receipt, by Transactional Team, by invoice	Bigger is Better	97%	97%	96%	98%	⬇	This indicator is slightly below target but within the 10% tolerance.	Corporate Health Indicator – provided by Internal Shared Services
CS21	% customer satisfaction with the Contact Centre	Bigger is Better	85%	85%	89% (based on 5,314 surveys)	New Indicator	N/A	This indicator is on target. No DoT as new indicator for 2013/14. The opening hours of the Contact Centre changed on 1st July. It is encouraging to note that customer satisfaction has not been impacted and has indeed improved. Full resources are now available for the peak demand periods resulting in a lower abandoned call rate.	Customer Services
CS10	% of Member/MP enquiries completed within 10 days	Bigger is Better	90%	90%	88%	84%	⬆	This indicator is on target and performing better than last year. There is significant improvement from Quarter 1 when performance was 67%. Of the 1,139 enquiries, three-quarters were for Streetcare.	Corporate Health Indicator - provided by Exchequer Services
	% of corporate complaints escalated to Stage 2	Smaller is Better	10%	10%	9%	New Indicator	N/A	This indicator is on target. No DoT as new indicator for 2013/14.	Corporate Health Indicator - provided by Exchequer Services
CS7	% of corporate complaints completed within 10 days	Bigger is Better	90%	90%	83%	79%	⬆	This indicator is on target and performing better than last year. Performance has increased significantly from Quarter 1 (65%).	Corporate Health Indicator - provided by Exchequer Services
CS3	Speed of processing new HB/CTB claims (days)	Smaller is Better	24 days	24 days	33 days	33 days	➡	This indicator is below target and performing the same as last year. The first quarter of the year has been dedicated to clearing outstanding work and this has	Exchequer Services

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Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
								impacted the year-to-date figure. The second quarter, performance has improved from Quarter 1 and Quarter 3 is expected to show further improvement.	
CI1	Sickness absence rate per annum per employee (days)	Smaller is Better	7.6 days	7.6 days	9.3 days	8.1 days	↓	This indicator is below target and performing worse than last year. However, this is the first complete rolling year to include former Homes in Havering sickness absence data. Homes in Havering had a significantly higher number of days absent per employee, which has consequently impacted on the overall absence figure. **Corrective Action** Active management of absence cases is taking place.	Corporate Health Indicator - provided by Internal Shared Services
TBC	% of queries resolved at first point of contact	Smaller is Better	TBC	TBC	Not available	New Indicator	N/A	MI reporting to capture this data via CRM is in progress. Will be able to report in Quarter 3.	Customer Services

Partnership Indicators *(the Council is not solely responsible for the target and/or performance)*

Ref.	Indicator	Value	2013/14 Annual Target	2013/14 Quarter 2 Target	2013/14 Quarter 2 Performance	2012/13 Quarter 2 Performance	DOT	Comments	Service
CSP1	The number of burglaries reported	Smaller is Better	2,580	645	501	872	⬆	This indicator is on target and performing better than last year. Currently achieving a 16% reduction in burglary.	Corporate Policy and Community
CSP2	The number of anti-social behaviour incidents reported	Smaller is Better	5,970	1,493	Not available	2,931	N/A	Unable to extract data due to vacant analyst role. Recruitment is taking place.	Corporate Policy and Community
(ex) NI131/ 2C (i)	Overall number of delayed transfers of care from hospital per 100,000 population	Smaller is Better	7	7	5.4	15.2	⬆	This is a partnership indicator relating to hospital discharges which measures the total number of delayed discharges across the system including in the hospital itself. This indicator is on target and performing better than last year. To date, there have been 47 delays; compared to 141 delays at the same time last year.	Adult Services
(ex) NI112	Teenage pregnancies per 1,000 population (< 18 year old girls)	Smaller is Better	35	35	30 (Q2 2012/13)	30 (Q2 2011/12)	➔	This indicator is on target and performing the same as the previous year. The most recent figure released by the Office for National Statistics is for Q2 2012/13. There continues to be a downward trend in local teenage conceptions since 2009.	Public Health
PH3	Take up of NHS Health Checks (quarterly)	Bigger is Better	16.5% offered 49% of those offered, received	16.5% offered 49% of those offered, received	Awaiting data	N/A	N/A	Awaiting data for Quarter 2.	Public Health

CABINET
20 November 2013

Subject Heading:	Future Financing Member Project
Cabinet Member:	Cllr Roger Ramsey
CMT Lead:	Andrew Blake-Herbert
Report Author and contact details:	Andrew Blake-Herbert, Group Director Resources Andrew.blakeherbert@havering.gov.uk 01708 432218
Policy context:	To provide information to residents, partners and businesses about the changes to how Local Government and Havering in particular is funded, and the risks and opportunities that this provides.
Financial summary:	This project was delivered within existing resources.
Is this a Key Decision?	No
When should this matter be reviewed?	N/A
Reviewing OSC:	Value

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough	[]
Championing education and learning for all	[]
Providing economic, social and cultural activity in thriving towns and villages	[]
Valuing and enhancing the lives of our residents	[X]
Delivering high customer satisfaction and a stable council tax	[X]

SUMMARY

At the beginning of this term, ten Strategic Administration Projects were established to help deliver services more effectively and in new ways. The Projects were each to be driven by a Member of the Cabinet, working with a select team of officers, representing a diverse variety of disciplines within the Council.

The projects were:

Council Effectiveness	**Neighbourhood Responsibility**
Think Family	**Civic Pride**
Open Government	**Future Financing**
Community Action	**Rainham Compass**
Harold Hill Ambitions	**Romford Regeneration**

In the last year of this Administration, each Project will be reporting back to Cabinet, to note the achievements attained and the progress made.

The **Future Financing** project was established to better understand the most significant change in Local Government funding in recent history and what implications this would have for Havering.

The project focused on the impact of the following:

- How to maximise Council resources under the new Grant Regime, with the return of Business Rates to Local Authorities.
- The New Homes Bonus and changes to Housing Revenue Account funding.
- Promoting Business Investment.
- The Comprehensive Spending Review & Grant Changes.
- The Corporate Office Property Strategy (COPS), in particular the move from Scimitar House.
- The review of Council Assets.

RECOMMENDATIONS

That the Cabinet note the outcomes delivered by the Future Funding project.

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REPORT DETAIL

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1. BACKGROUND

1.1. The future funding project was formally initiated in July 2011 and was substantially completed in February 2013.

1.2. Although the project was initiated in July 2011, it crystallised senior level discussions on the budget strategy, which had been taking place since the Administration came back to power in May 2010.

1.3. The project looked at what changes were being made to the way local authorities were funded, the threats and opportunities it brought and how the Council might achieve the best possible outcome for Havering.

1.4. It also considered the best use of the Council's property assets.

2. OUTCOMES FROM THE PROJECT

BUSINESS RATES

2.1 The key objectives of this area of the project were to:
- Understand the implication of the Government's proposals
- Maximise the opportunities to Havering of the proposed new model.

2.1 The implications of the changes to the way Local authorities were funded in respect of business rates was reflected in the budget strategy.

2.2 As the control and maximisation of the Business Rate is a key element within the Council's funding, a number of opportunities have been identified.The first was the return of the Business Rate service to an in-house arrangement, disbanding the previous partnering arrangement with the London Borough of Barking and Dagenham from 1st October 2013. This has been successfully achieved with a new team now in place.

2.3 A dedicated property inspector post has been created with access now available to LLPG GPS software to ensure the property base can be accurately checked and mapped. Similarly, the recovery roles have been centralised to enable best use of resources.

2.4 A new project is due to commence to undertake a forensic analysis of the local Valuation List and other data sets, coupled with an audit to identify missing or inaccurately listed property.

BUSINESS RATES POOLING

2.5 Discussions on a potential business rates pool have been ongoing and a report was submitted to Cabinet in October. This authorises officers to progress these discussions with the aim of reaching agreement on the creation of a pool. Officers have been meeting finance and economic development colleagues in Barking & Dagenham, Thurrock and Basildon on a regular basis. Agreement has been reached on the basis on which a pool would operate and this will include the creation of a small pot of money to fund economic development activity across the four boroughs.

2.6 The detailed submission has been submitted to DCLG. A decision on whether the Department agrees to the establishment of the pool is expected sometime in January.

NEW HOMES BONUS & HRA FUNDING

2.7 They key objectives of this area of the project were to:
- Try to determine the level of new completions expected over the coming years and the impact of thison the Council tax base
- Balance planning policies, the Borough's housing needs and the potential return from the new homes bonus
- Develop the business case for a self financing HRA
- Carry out the necessary borrowing to support the HRA going forward.

2.8 The Council Tax base is reviewed annually as part of Council Tax setting.

2.9 The introduction of Self Financing for the Housing Revenue Account (HRA) in April 2012 has led to a number of significant changes to the way in which the Council's housing is managed. There is now a thirty year business plan, which looks at the finances of managing the stock in a more planned and effective way. The Council calculates its income and expenditure using a range of assumptions about stock condition, inflation, interest rates and stock numbers.

2.10 As a result of the introduction of Self Financing for Council housing, Havering has been able to accelerate its Decent Homes Programme. This will bring all the Council's housing stock up to Decent Homes standard by March 2015.

2.11 In addition, the Council has become an approved provider of new homes as registered by the GLA, and in that capacity has bid successfully for funds. The grant of £1.8m, put together with funds from the HRA Business Plan, and Right to Buy receipts will deliver 70 new homes over the next 2 years. Further opportunities for development which meet the Council's housing needs will be considered as part of the Council's future HRA Business Plan.

2.12 However, there are a number of risks to the Business Plan, some of which were anticipated, and others which have arisen unexpectedly. The major risks that have materialised have been changes to Government policy. The first change to have a significant impact was the increase in the Right to Buy discount which has led to an increase take up of the Right to Buy. The Business Plan anticipated only 15 sales on average a year, whilst the sales in 2013/14 are likely to reach around 100. The Department of Communities and Local Government have recently informed Havering of their intention to target Havering with additional advertising in order to increase the take up of the Right to Buy.

2.13 The second major change in Government policy is that the Government are proposing to end rent restructuring, and the formula for increasing rents from RPI + 0.5% + £2 to a formula of CPI + 1%. For Havering, where rents are below target, this will have a significant impact. The Council will consider options on how to address the challenges that this presents, in the budget round setting rents for 2014/15 and beyond.

2.14 Other risks, which were anticipated, have been managed. The risk in changes to interest rates has been managed by fixing most of the Council's borrowing of housing debt over 15 years at low rates. Inflation on costs has also remained low, and therefore the Housing Revenue Account is in a relatively stable position.

PROMOTING BUSINESS INVESTMENT

2.15 The key objectives of this area of the project were to:
- Model the financial benefits of retaining and growing businesses in particular sectors and/or locations, in terms of both impact and probability
- Establish whether there is a strong business case for devoting resources to attracting new investment and assisting existing businesses to grow.

2.16 Economic growth has become Central Government's top priority and Local Authorities have been incentivised to drive forward the agenda through the localisation of business rates.

2.17 The Council's commitment to the business community is reflected in the Living Ambition goal for Towns and Communities; to provide economic, social and cultural opportunities in thriving towns and villages. Recognising that a strong business community is a prerequisite to achieving a better quality of life for Havering residents, the Living Ambitions strategy goes on to state 'We will let enterprise and entrepreneurship open the door to prosperity for more Havering residents and we will work with partners to support local business and attract new jobs'.

2.18 The Council has a well-established programme of support for businesses, from advice and guidance, and procurement programmes through to

networking events and the Business Awards. To strengthen this activity, Cabinet approved a Business Growth Programme in March 2013, which established a comprehensive programme of business support to contribute towards the delivery of the Living Ambition goal to create prosperity for local residents. This programme seeks to build on existing services, to provide a co-ordinated programme to grow the business base, create jobs, improve the effectiveness and efficiency of service delivery and increase business rates income to support local services.

COMPREHESIVE SPENDING REVIEW & GRANT CHANGES

2.19 The key objectives of this area of the project were to:
- Develop and deliver a balance revenue budget strategy
- Ensure Council Tax increases are kept to minimal levels
- Develop and deliver a balanced capital budget strategy.

2.20 Officers have worked with Cabinet to deliver options to set a balanced budget. This was borne out through the MTFS to deliver £40m of savings between 2010 and 2014/15.

2.21 Officers have continued to monitor developments in the funding system and will respond to the announcement of the Local Government financial settlement, which is expected in early January. A review of information feeding into the Council Tax base setting is underway and this is being linked with the projected level of New Homes Bonus, as both are heavily impacted by property numbers. This intelligence is being fed into the development of the 2014/15 detailed budget, although it is speculative until the settlement details are available.

LOCAL COUNCIL TAX SUPPORT SCHEME

2.22 In April 2013, Government abolished the national Council Tax Benefit scheme and challenged local Councils to design their own local council tax support schemes with a 10% reduction in funding. For Havering, the 10% reduction was estimated at £1.9 million. The Local Council Tax Support Scheme (LCTS) has been in place since April 2013 and robust monitoring takes place to ensure expenditure remains within budget. The budgeted amount for LCTS is £18.6 million and forecast expenditure remains in line with the budget.

2.23 The Council Tax Reforms which came into effect from April 2013 allowed local authorities to reduce or remove certain exemptions for Council Tax, therefore increasing the collectible debt. These reforms have been implemented by the Council to offset the reduction in Government funding for the LCTS scheme.

CORPORATE OFFICE PROPERTY STRATEGY – SCIMITAR HOUSE

2.24 The key objectives of this area of the project were to:

- Plan moves and ensure accommodation could cater for relevant staff numbers
- Work with relevant staff teams to ensure buy-in and understanding of the changes
- Ensure property, and ICT requirements were managed to deliver successful moves
- Ensure that Scimitar house was vacated before the lease expired

2.25 Work was completed to Mercury House and the moves from Scimitar House were planned and executed on time.Staff were moved on a phased basis each weekend, with all staff up and running on the following Monday morning causing minimal, if any, disruption to services.

2.26 Scimitar house was successfully handed back before the lease expired.

REVIEW OF COUNCIL ASSETS

2.27 Asset transfer can enable Councils to shed responsibility for asset-related costs namely:
- Non domestic rates – many community organisations have charitable status, making them eligible for a minimum 80% reduction in NNDR liability
- Repairs and insurance – whether transferred via freehold sale or granting of a lease, responsibility for repairs, maintenance and other elements of statutory compliance (subject to the lease terms) can be transferred to the community organisation.
- If the asset includes a community service, there are potentially further opportunities to reduce operation costs of that service.

2.28 In addition, by securing a freehold or significant leasehold interest, community groups are often able to access external funding e.g. Big Lottery Fund, Heritage Lottery Fund, Community Asset Transfer Fund which is otherwise unavailable to local authorities, to enable investment into community facilities e.g. Upminster Windmill Preservation Trust. Such a move also supports capacity building within local communities.

2.29 The on going rationalisation of the Council's operational property portfolio (and associated cost reduction) has seen the Authority shed leasehold liabilities associated with Purfleet Depot, Portman House, Midland House and shortly CEME in the two year period since the surrender of Scimitar House. Future partnership working will allow further reviews of the occupation arrangements for staff.

3 **Conclusion**

3.1 The Future Financing project looked at the unprecedented changes in Local Authority funding and the risk and opportunities it presented for Havering.

3.2 New ways of funding Local Authorities were understood and reflected for a Havering perspective and the best options on how to manage the changes were presented though to Cabinet as required.

3.3 The changes were far reaching and although largely implemented, it will take a number of years for them to fully bed in, and for the Council to understand the full impact.

3.4 Any future work required on Future financing will be delivered by services in line with the principles established throughout this project, to ensure that Havering is making the best use of its assets and continuing to have a solid financial base from which to provide services to residents and businesses of the Borough.

REASONS AND OPTIONS

Reasons for the decision:

This report is being brought to cabinet to provide Members with an overview of the Council Future Financing project.

Other options considered:

N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

This project was delivered using existing resources.

Legal implications and risks:

There are no legal implications or risks arising from this report.

Human Resources implications and risks:

There are no HR implications arising from this report.

Equalities implications and risks:

There are no Equalities implications arising from this report

CABINET
20 November 2013

Subject Heading:	Romford Leisure Development
Cabinet Member:	Councillor Roger Ramsey
Lead Member for Value
CMT Lead:	Andrew Blake Herbert
Group Director Resources
Report Author and contact details:	Simon Parkinson
Head of Culture and Leisure Services
Simon.parkinson@havering.gov.uk
Mark Butler
Head of Asset Management
Mark.butler@havering.gov.uk
Policy context:	Havering Culture Strategy
Financial summary:	The report confirms the Council's commitment to developing a new state-of-the-art leisure centre in Romford and seeks agreement, in principle, to increase the budget for the project to cover additional costs, amounting to approximately £2m. This will ensure final agreement can be secured with Morrisons. The additional costs have arisen since the original pre tender estimated costs were reported to Cabinet in June 2011. These costs can be met from a sum that has already been prudently set aside as an earmarked reserve, so there will be no direct impact on current or future capital, or revenue funding for other Council services or projects.
Is this a Key Decision?	Yes - Expenditure above £500k.
When should this matter be reviewed?	November 2014
Reviewing OSC:	Value

The subject matter of this report deals with the following Council Objectives

Ensuring a clean, safe and green borough []
Championing education and learning for all [x]
Providing economic, social and cultural activity
in thriving towns and villages [x]
Valuing and enhancing the lives of our residents [x]
Delivering high customer satisfaction and a stable council tax [x]

SUMMARY

The Administration is committed to the development of a brand new, state-of-the-art leisure centre in Romford. The centre will feature a new competition ice rink and competition pool - delivering a boost to sport, health and wellbeing in Havering for generations to come. It will also back the Council's wider aim of supporting the viability and vibrancy of the town centre.

This report seeks Member approval to finalise negotiations with Morrisons to ensure that the Romford Leisure Development project can proceed, thus securing all the sporting, culture and regeneration benefits that have previously been reported to Cabinet.

Various costs have increased since the pre tender estimates were reported to Cabinet in June 2011, resulting in a requirement to increase the budget for the Romford Leisure Development project by £2m. This will require final approval by Council.

This decision is therefore subject to Council agreeing to an overall increase in the capital funding allocation for the Romford Leisure Development project, and the agreement with Morrisons becoming unconditional.

RECOMMENDATIONS

1. To note the effective current approved budget for the scheme of £26.848m

2. To agree to an increase of £2m to this budget, making a revised capital budget of £28.848m, and to refer this £2m increase to Council for final approval, subject to the Agreement with Morrisons becoming unconditional.

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REPORT DETAIL

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The original report on the Romford Leisure Development proposals was considered at item 7 and the exempt item E1 of the Cabinet meeting held on 15 June 2011. This was considered in both open and closed sessions of the meeting. The main parts of the decision are set out at minute 57 of the exempt part of the agenda.

The current projected costs for the whole project, including construction costs, fit out costs, tender costs, fees and other client costs, are £28.848m, £2m over the current effective budget and £4.074m over the initial estimated budget of £24.774m. The gap that has arisen since the Cabinet report in June 2011 has been reduced as a result of the Council securing a grant of approximately £2m from Sport England.

There are various reasons why costs have moved since the original pre tender budget estimate was originally reported to Cabinet . The initial estimated budget was prepared over two years ago, since when the market has changed and inflation has also become a factor (construction inflation is now increasing). Project requirements have firmed up, and clearly part of this process involved ensuring that the project delivered Sport England's objectives, plus various planning requirements have needed to be met. The impact of the ground soil surveys has also increased costs. Finally, clearly tendered costs are only actually known at the point of tender, when tenderers have formed a commercial view on the works as specified. While savings have been delivered by reviewing requirements and identifying efficiencies, this has still resulted in an additional budget requirement – though this has been closed down to approximately £2m.

The project cost consultants have provided the Council with a report that identifies a number of reasons why costs have increased. The revised price is considered to be a reflection of current market prices, including items such as ground condition issues that were not known about at the time the pre tender budget costs were estimated and the impact of inflation arising from the timescale associated with progressing a significantly complex project.

Wilmott Dixon were appointed via a competitive process, and the view of CBRE, the Council's advisers, is that the tender reflects market conditions. However, it was felt necessary, given the scale of the contract, to seek some validation. Reviews of the tender figure were commissioned from two sets of consultants; both of whom concluded that market rates were very close to the tendered figure. Additionally, an independent structural review was commissioned.

Accordingly, the Council has rigorously tested the costings for the new leisure centre but there is still a £2m gap between the total anticipated cost and the authorised funding. In order to ensure that sufficient funding is in place to enable the project to proceed it is recommended that an additional £2m be allocated to the available budget.

REASONS AND OPTIONS

Reasons for the decision:

The decision to recommend to Council the allocation of additional funding of £2m for the Romford Leisure Development project has been taken to ensure that the project can be delivered as originally envisaged, securing all the benefits to Havering residents that have been set out in previous reports.

Other options considered:

The option of not recommending an increase in the budget of £2m was considered, but rejected, because the project could not proceed as originally envisaged unless this extra money was provided.

The option of changing the design and /or the mix of facilities provided in the new facility was considered, but rejected, because that would undermine the Council's objectives for the project.

IMPLICATIONS AND RISKS

Financial implications and risks:

As regards the required additional funding of £2m, it can be contained within the overall financing envelope available as a result of an earmarked reserve having been prudently set up to cover an possible additional costs that might arise as the scheme developed. This means that there will be no direct impact on the Council's current or planned capital or revenue spending, or any other services or projects.

The allocation of additional capital funding of £2m is subject to agreement by Council.

Additional financial information is provided in an exempt appendix to this report.

Legal implications and risks:

The Council is contractually committed, subject to certain contingent events, e.g.

planning permissions and construction costs, being fulfilled, to constructing a new leisure facility. The increase in construction costs potentially allows the Council or Morrisons to terminate the agreement early next year unless the issue is resolved.

While there is a substantial degree of flexibility around the deployment of the capital budget, an increase in its total size and/or specific budgeted proposals requires the approval of the full Council.

Human Resources implications and risks:

None specific to this report

Equalities implications and risks:

None specific to this report.

BACKGROUND PAPERS

None

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