



Executive

Monday, 18 October 2010 at 7.00 pm

Committee Rooms 1, 2 and 3, Brent Town Hall, Forty Lane, Wembley, HA9 9HD

Membership:

Lead Member Councillors:

Portfolio

| | |
|-------------------|---|
| John (Chair) | Leader/Lead Member for Corporate Strategy and Policy Co-ordination |
| Butt (Vice-Chair) | Deputy Leader/Lead Member for Resources |
| Arnold | Lead Member for Children and Families |
| Beswick | Lead Member for Crime Prevention and Public Safety |
| Crane | Lead Member for Regeneration and Economic Development |
| Jones | Lead Member for Human Resources and Diversity, Local Democracy and Consultation |
| J Moher | Lead Member for Highways and Transportation |
| R Moher | Lead Member for Adults, Health and Social Care |
| Powney | Lead Member for Environment, Planning and Culture |
| Thomas | Lead Member for Housing and Customer Services |

For further information contact: Anne Reid, Principal Democratic Services Officer
020 8937 1359, anne.reid@brent.gov.uk

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The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

Item **Page**

1 Declarations of personal and prejudicial interests

Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

2 Minutes of the previous meeting 1 - 8

3 Matters arising (if any)

4 Deputations (if any)

Children and Families Reports

5 Update on implementing the new policy for allocation of early years' full time places 9 - 12

Over the summer officers took the opportunity to update a previous assessment of the likely demand for and supply of fulltime places before commencing the consultation process with parents. Officers now need to reconsider the proposed minimum eligibility criteria given the potential mismatch between demand and supply. This will be followed by extensive consultation with parents as some children who are currently benefitting from fulltime provision may no longer be entitled to such provision. Parents/carers will therefore need an early indication if they are to make alternative provision.

Ward Affected:
All Wards;

Lead Member: Councillor Arnold
Contact Officer: Krutika Pau, Children and Families
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

Environment and Culture Reports

6 Petition against reduced staffing levels at Alperton Cemetery 13 - 16

This report informs the Executive of a petition that was received from residents against the reduction of staffing levels at Alperton cemetery. They have concerns that the level of maintenance of the cemetery will reduce. The petition also states that visitors felt safe when staff were present and that already a noticeable difference in security issues has

arisen.

Ward Affected: All Wards;
Lead Member: Councillor Powney
Contact Officer: Bob Langford,
Cemeteries/Mortuary Service
Tel: 020 8795 3138 bob.langford@brent.gov.uk

Housing and Community Care Reports

7 Furniture charging policy for homeless households 17 - 26

This report seeks Members' agreement to amendments to the existing policy for charging homeless households in relation to the removal, storage and delivery of their belongings.

Appendix also below

Ward Affected: All Wards;
Lead Member: Councillor Thomas
Contact Officer: Perry Singh, Housing
Needs/Private Sector
Tel: 020 8937 2332 perry.singh@brent.gov.uk

8 Brent Section 75 Partnership Agreement 27 - 32

This report updates Members as to discussions with Central and North West London NHS Foundation Trust with regard to a proposed fundamental review of partnership arrangements and recommends a further 5 year extension to the current partnership arrangement between the Council and Central and North West London NHS Foundation from 1 January 2011. This proposed extension to the partnership agreement includes a Break Clause enabling either party to terminate should there be any unforeseen changes in NHS structures. It also recommends amending the existing partnership agreement to incorporate mental health services for older people.

Ward Affected: All Wards;
Lead Member: Councillor R Moher
Contact Officer: Alison Elliott, Adult Social Care
Tel: 020 8937 4230 alison.elliott@brent.gov.uk

Central Reports

9 Award of contract for Brent Civic Centre Contractor 33 - 42

This report summarises the procurement process undertaken by the Council to procure a Design & Build contractor and requests authority to award a contract for the appointment of a Design & Build contractor for the new Civic Centre. A supplementary report will be tabled at the meeting identifying the successful tenderer.

Appendices also below

Ward Affected: **Lead Member:** Councillor John

All Wards;

Contact Officer: Gareth Daniel, Chief Executive
Tel: 020 8937 1007 gareth.daniel@brent.gov.uk

10 2010/11 Revenue Budget

43 - 50

This report updates the position on the 2010/11 Revenue Budget based on forecasts for the first five months of the financial year. There is significant pressure on the budget and a number of overspends are reported. The report also asks the Executive to agree a number of virements.

Ward Affected:

All Wards;

Lead Member: Councillor Butt

Contact Officer: Clive Heaphy, Director of
Finance and Corporate Services

Tel: 020 8937 1424 clive.heaphy@brent.gov.uk

11 White Paper, "Equity and Excellence: Liberating the NHS" - council response 51 - 70

The government white paper, *Equity and Excellence – Liberating the NHS*, was published on the 12th July 2010. The white paper sets out a radical set of proposals for change within the NHS, including significant structural change and an overhaul of health service commissioning arrangements in England. Primary Care Trusts and Strategic Health Authorities are to be abolished. GP commissioning consortia will be established as statutory bodies and will be responsible for commissioning the majority of health services. The Executive should endorse the council's response to the NHS White Paper. Members

Ward Affected:

All Wards;

Lead Member: Councillor R Moher

Contact Officer: Andrew Davies, Policy and
Regeneration

Tel: 020 8937 1359

andrew.davies@brent.gov.uk

12 Annual Complaints Report 09/10

71 - 82

This report provides information about complaints against Brent Council considered by the Local Government Ombudsman, comments on the Council's performance under its own corporate complaints procedure, and reports on developments in the Council's complaint handling. The annual reports on the operation of the statutory children's and adult social care complaints process are presented with this report to give Members a comprehensive picture of complaints made against the Council.

Appendices circulated separately

Ward Affected:

All Wards;

Lead Member: Councillor John

Contact Officer: Philip Mears, Corporate

13 Authority to award contracts for banking services, card acquiring and bill payment services 83 - 94

This report requests authority to award three contracts for the provision of Banking, Card Acquiring and Bill Payment services as required by Contract Standing Order 88. This report summarises the procurement process undertaken by the Council to procure suppliers to provide the services and, following completion of the evaluation of tenders, recommends to whom the contract should be awarded.

Appendix also below

Ward Affected: All Wards;
Lead Member: Councillor Butt
Contact Officer: Karen Dobson, Procurement and Risk Management
Tel: 020 8937 1628 karen.dobson@brent.gov.uk

14 The redevelopment and leasing of the Eton Grove Nursery and Youth and Community Centre 95 - 104

This report seeks to inform Members as to the results of the tender for the redevelopment of the Eton Grove Nursery, Youth, and Community Centre and to seek their approval for the proposed redevelopment of the existing site and the granting of a long lease.

Appendix also below

Ward Affected: Queensbury;
Lead Member: Councillor Butt
Contact Officer: James Young, Property and Asset Management
Tel: 020 8937 1398 james.young@brent.gov.uk

15 Authority to appoint to a framework for leaseholder right to buy insurance and to award a call-off contract 105 - 116

This report relates to the appointment of an insurance provider to the West London Alliance (WLA) framework in respect of Right to Buy insurance for leaseholders and the award of a contract to that supplier by Brent Council. The proposed contract would be available from 1 November 2010 and this report summarises the process undertaken in tendering the framework and, following the evaluation of the tenders, recommends appointment to the WLA framework and the award of a Brent contract.

Appendix also below

Ward Affected: All Wards;
Lead Member: Councillor Butt
Contact Officer: Karen Dobson, Procurement and Risk Management

16 Printing Review Tender Results

117 -
134

This report relates to the provision of a managed print service covering all office printing and all printing currently undertaken by the Print Shop. The report summarises the process undertaken in tendering this contract and, following completion of the evaluation of the tenders, requests approval from the Executive for the award of the contract. The managed print service is expected to deliver estimated savings against current costs of a minimum of £2.7 million over 6 years.

Appendices also below

Ward Affected:

All Wards;

Lead Member: Councillor Butt

Contact Officer: Tony Ellis, Head of IT

Tel: 020 8937 1400 tony.ellis@brent.gov.uk

17 Reference of item considered by Forward Plan Select Committee (if any)

18 Any Other Urgent Business

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.

19 Exclusion of Press and Public

The following item(s) is/are not for publication as it/they relate to the following category of exempt information as specified in the Local Government Act 1972 namely:

Information relating to the financial or business affairs of any particular person (including the authority holding the information)”:

APPENDICES:

- **Award of contract for Brent Civic Centre Contractor**
- **Authority to award contracts for banking services, card acquiring and bill payment services**
- **The redevelopment and leasing of the Eton Grove Nursery and Youth and Community Centre**
- **Authority to appoint to a framework for leaseholder right to buy insurance and to award a call-off contract**
- **Printing Review Tender Results**

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings:

APPENDIX: Furniture charging for homeless households

(Reports above refer

Date of the next meeting: Monday, 15 November 2010



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
 - Toilets are available on the second floor.
 - Catering facilities can be found on the first floor near The Paul Daisley Hall.
 - A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

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LONDON BOROUGH OF BRENT

MINUTES OF THE EXECUTIVE Tuesday, 14 September 2010 at 7.00 pm

PRESENT: Councillor John (Chair), Councillor Butt (Vice-Chair) and Councillors Beswick, Crane, Jones, J Moher, R Moher, Powney and Thomas

APOLOGIES: Councillors Arnold

1. **Declarations of personal and prejudicial interests**

None.

2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 11 August be approved as an accurate record of the meeting subject to:

Clause 7 - Educational use of former Scout Hut on Coniston Gardens, delete 'Councillor J Moher (Lead Member, Highways and Transportation)' and insert 'Councillor Arnold (Lead Member, Children and Families)'.

3. **Deputation - footpath between Station Grove and Lyon Park Avenue**

Ms Pervez, on behalf of local residents, addressed the meeting and referred to concerns over personal safety for users of the footpath between Station Grove and Lyon Park Avenue in Wembley. They felt that the lighting was inadequate and requested the installation of CCTV cameras as a deterrent. While the area was surveyed by plain clothes police officers, it was recognised that they could not be on site 24 hours a day. The footpath was a convenient link to many roads in the vicinity however residents were reluctant to use it due to concerns for personal safety. Ms Pervez urged the Executive to take action before a serious incident occurred.

4. **Petition for improved safety measures in the footpath between Station Grove and Lyon Park Avenue**

Councillor J Moher responded to the deputation presented earlier in the evening on behalf of residents living in the vicinity of the footpath between Lyon Park Avenue and Station Grove in Wembley. He advised that having visited the area he had noted that visibility along the path was hindered by the layout, some of the lights were in need of repair and over-hanging trees were also a potential problem. However, Councillor Moher advised that it was considered that CCTV was not

appropriate for such residential areas and that alternative solutions would have to be identified. He urged residents to report lighting problems as soon as possible. He was pleased that plain clothes police were in the area at the time of his visit. Michael Read (Assistant Director, Policy and Regulation) added that the lighting provision complied with the standards for the location and also confirmed that the area was not considered by police as appropriate for CCTV cameras.

Members suggested that residents work with ward councillors on means of providing additional lighting and also consider the placement of an unbreakable mirror to allow visibility around the bend on the path. Members were reminded that at the meeting of the Full Council the previous evening, the Borough Commander had expressed concern over the crime in the area, in particular mugging however he had assured that despite public sector funding cuts the fight against crime would continue. Councillor Beswick (Lead Member, Crime Prevention and Public Safety) proposed that the police be asked to carry out a risk assessment for the area and recommended that residents work with ward councillors to try and identify sources of funding for additional safety measures.

RESOLVED:-

- (i) that the contents of the petition received seeking better lighting and consideration of CCTV in the footpath between Station Grove and Lyon Park Avenue, Wembley be noted;
- (ii) that the current status of street lighting in the footpath concerned be noted;
- (iii) that the Council's CCTV Strategy's position on the priorities for the installation of new CCTV be noted;
- (iv) that the information supplied by the police in relation to this alleyway be noted;
- (v) that this Executive does not support the investment in new CCTV or additional street lighting in this area;
- (vi) that residents be recommended to work with ward councillors to try and identify sources of funding for additional safety measures.

5. Homes and Communities Agency investment plan

This report from the Director of Housing and Community Care sought approval to the draft Borough Investment Plan (BIP) that was being negotiated with the Homes and Communities Agency (HCA) under their "Single Conversation" process. This process governed the way in which investment resources would be allocated to deliver housing, regeneration and infrastructure. The BIP would form the basis of a detailed borough investment agreement with the HCA to confirm the proposed levels of investment required in the borough. The BIP was expected to be agreed with the HCA before the Comprehensive Spending Review announcement in October 2010.

Councillor Thomas (Lead Member, Housing and Customer Services) drew attention to the investment plan which had been drafted in consultation with local agencies

including landlords and also developers. It was the intention for plans to be in place ready for when the Mayor of London took over responsibility for housing and regeneration under the proposed Decentralisation and Localism Bill due to receive Royal Assent in late 2011.

RESOLVED:

- (i) that approval be given to the draft Borough Investment Plan attached to Appendix 1 of the report from the Director of Housing and Community Care;
- (ii) that authority be delegated to the Director of Housing and Community Care and the Director of Regeneration and Major Projects (once appointed) to agree the final draft of the Borough Investment Plan;
- (iii) that authority be delegated to the Director of Housing and Community Care and the Director of Regeneration and Major Projects to submit an Expression of Interest to enter into a Devolved Delivery Agreement with the Mayor and other investment stakeholders.

6. **ALMO New Build Programme**

Councillor Thomas introduced the report on the ALMO new build programme which sought to progress the Brent Housing Partnership Limited (BHP) development of five new affordable homes under the Homes and Communities Agency's (HCA) 2008-11 National Affordable Housing Programme. This report specifically requested the disposal of the Ander Close, Mead Court and Coppermead Close Garage sites to BHP at nil financial consideration, to allow BHP to enter into a Grant Agreement with the HCA. and for the Council to enter into a performance guarantee bond and rent charge agreement with the HCA. The Council would receive 100% nomination rights to these homes. Councillor Thomas added that this arrangement would help address the problem of overcrowding in the borough.

The Director of Housing and Community Care agreed to look into the issue of alternative access to Oak Tree Dell and advise.

The Executive also had before them appendices to the report which were not for publication as they contained the following category of exempt information as specified in the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

RESOLVED:-

- (i) that approval be given to dispose of the Council owned HRA land at the Ander Close, Mead Court and Coppermead Close Garage sites to BHP at nil financial consideration;
- (ii) that approval be given to enter into a building lease with BHP under which they will agree to procure the construction of the five new homes on terms to be determined by the Director of Housing and Community Care in consultation with the Borough Solicitor;

- (iii) that BHP be authorised to finance the development using its reserves to cover the shortfall in funding the scheme subject to the availability of grant. The reserve sum is shown in appendix 4 of the report from the Director of Finance and Corporate Resources;
- (iv) that BHP be authorised to enter into a new Grant Agreement with the HCA and allow the Council to enter into:
 - (1) a performance guarantee bond in respect of the grant agreement on terms to be approved by the Director of Finance and Corporate Resources
 - (2) a rent charge agreement to charge the council's freehold land to the HCA as required by the grant agreement on terms to be approved by the Borough Solicitor.

7. **New building control scheme of charges**

The report from the Director of Environment and Culture Agreement sought agreement for the introduction of a replacement London Borough of Brent Building Regulations Charging Scheme 2010 from the 1 October 2010, based on the new charges regulations as outlined in the report. Under the transitional provisions contained in the regulations the new charging scheme must be made before 1 October 2010 at the latest. Councillor Powney (Lead Member, Environment and Culture) advised that the new charges would be more in line with costs.

RESOLVED:-

- (i) that the London Borough of Brent Building Regulations Charging Scheme 2010 to come into effect on 1 October 2010, as outlined in Appendix A of the report from the Director of Environment and Culture, be agreed;
- (ii) that the Director of Environment and Culture be given delegated authority to publish, amend, revoke or replace any future London Borough of Brent Building Regulations Charging Scheme made under the new Building (Local Authority Charges) Regulations 2010.

8. **Adoption of new 'Sexual Entertainment Venue' provisions of Local Government (Misc. Provisions) 1982**

Councillor Powney (Lead Member, (Environment, Planning and Culture) introduced the report from the Director of Environment and Culture which advised of the amendment to the entertainment licensing legislation to allow councils to separately licence "sexual entertainment venues". Section 27 of the Policing and Crime Act 2009 requires the Council to either adopt Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 or to hold full community consultations to decide whether to adopt.

RESOLVED:-

that approval be given to the adoption of Schedule 3 of The Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Police and Crime Act 2009 and to appoint 12 October 2010 as the first appointed day.

9. **Brent - Our Future 2010 - 2014**

The report from the Chief Executive accompanied the proposed corporate strategy - 'Brent – Our Future 2010 – 2014' for agreement. The strategy set out the strategic priorities and commitments of the new Administration for the coming four years. It aimed to provide an ambitious and clear direction for the council's future financial and service planning both internally and with partners in the public, private, voluntary and community sectors.

RESOLVED:-

- (i) that approval be given to the document 'Brent – Our Future 2010 -2014' as the strategic policy framework for the borough for the coming four years;
- (ii) that 'Brent – Our Future 2010 -2014' be presented to Full Council for agreement.

10. **Access to health sites for people with learning disabilities task group - final report**

Councillor R Moher (Lead Member, Adults, Health and Social Care) and also a member of the task group, introduced the report and set out for the Executive some of the problems experienced by people with learning disabilities in accessing health facilities. The task group had visited venues and conducted many interviews. She emphasised the need for staff to be trained on the needs of people with learning disabilities. Councillor Moher drew attention to one of the recommendations in the report which Brent NHS had agreed to develop namely to develop a project similar to that which exists in LB Ealing which has a range of measures to improve the experience for patients with learning disabilities when they use services at Ealing Hospital. In the current financial climate it was now unclear if this would be progressed.

Members thanked the task group for their work.

RESOLVED:-

- (i) that agreement be given to the recommendations set out in the Task Group report;
- (ii) that members of the task group be thanked for their work.

11. **Local Authority Gold Resolution**

The ALG Leaders' Committee, at their meeting on 13 July 2010, agreed the text of an addendum to be recommended to London local authorities. This would amend the previous 'Gold' resolution agreed by the Brent Executive on 13 March 2004. The purpose of the addendum was to broaden the powers of the 'Gold' Chief Executive so as to enable him or her to act on behalf of all the London local authorities in responding to an emerging incident as well as to enable a trigger for Local Authority Gold to respond to incidents and in the event of extreme and disruptive weather, where if necessary incurring minimum levels of expenditure not

exceeding £1 million. In addition, the Executive was asked to consider the value of Brent signing a Memorandum of Understanding to give assistance to another local authority if required during an emergency.

RESOLVED:-

- (i) that the addendum to the Local Authority Gold Resolution, attached as Appendix B to the report from the Borough Solicitor, be agreed subject to any further changes considered necessary by the her following consultation with the ALG and other London boroughs who shall have delegated authority to make such changes to it;
- (ii) that agreement be given to Brent signing a Memorandum of Understanding as set out in Appendix C to the report to provide assistance to other London local authorities during an emergency.

12. **Disposal of two former park keeper properties on the Barham Park**

The joint report from the Directors of Finance and Corporate Resources and Environment and Culture set out the current position regarding 776 and 778 Harrow Road Wembley following members' decision on 14 December 2009 to approve disposal of these two former park keepers houses to Notting Hill Housing Trust (NHHT) and for the capital receipt to be used for improvements within Barham Park as match funded with application to Heritage Lottery Fund. Councillor Butt (Lead Member, Resources) stated that the situation had now changed as NHHT were no longer interested in the development and it was now for the Executive to consider the options for the properties and to determine whether the properties were to be retained for other operational purposes or were to be sold in the open market, subject to the appropriate Charity Commission and Planning approvals.

The Director of Housing and Community Care in response to questions advised that restrictions were in place that meant the site was not a viable option for Brent Housing Partnership and reminded that capital receipts from any sale would go the park for reinvestment.

RESOLVED:-

- (i) that the position on the former park keeper properties on the Barham Park following the decision on the on 14 December 2009 as detailed in the joint report from the Directors Finance and Corporate Resources and Environment and Culture;
- (ii) that, subject to the appropriate Charity Commission approval, and subject to paragraph 2.3 in the Directors' report, to dispose of the houses in the open market at auction (on such terms as the Head of Property and Asset Management considers to be in the Council's best interests) and that the capital receipt generated be retained for works and improvements to Barham Park;
- (iii) that officers advertise the proposed disposal of public open space (as set out in paragraph 5.4 the report) and to proceed with the disposal unless, in the opinion of the Head of Property and Asset Management, significant

objections are received, in which case this should be reported back to the Executive for it to consider.

13. Performance and Finance review Q1 10/11

The report joint report from the Directors of Finance and Corporate Resources and Policy and Regeneration summarised the council's spending, activity and performance in the first quarter of 2010/11 and highlighted key issues and solutions to them. It took a corporate overview of financial and service performance and provided an analysis of high risk areas. The report was accompanied by appendices providing budget, activity and performance data for each service area, the Local Area Agreement, ring fenced budgets and the capital programme. Vital Signs trend data and graphs were also provided along with the council's overall budget summary.

RESOLVED:-

- (i) that the council's spending, activity and performance in the first quarter of 2010/11 be noted;
- (ii) that all directors ensure that spending is kept within budget and underperformance tackled, and that measures are taken, in consultation with relevant portfolio holders, to achieve this;
- (iii) that the virements agreed at the Executive on 26 July 2010 included in appendix F(i) to the report be noted and approval be given to the virements detailed in appendix F(ii).


14. Reference of item considered by Forward Plan Select Committee

None.

The meeting ended at 7.30 pm

A JOHN
Chair

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|  | <p>Executive 18 October 2010</p> <p>Report from the Director of Children and Families</p> |
| <p>Wards Affected: ALL</p> | |
| <p>Update on implementing the new policy for allocation of early years full time places</p> | |

1.0 Background

- 1.1 A decision was made by Executive in February 2010 to implement a new policy for the allocation of early years full time places based on need from September 2011. The policy would also apply for the first time to private and voluntary sector nurseries (PVI's). Executive also agreed to consult with parents on the impact of the new policy. Up to this decision nursery schools and primary schools with nursery classes had offered full time places based on head teacher decisions and individual school policy developed over a number of years. Future allocation of a full time place would be based on applying needs based criteria currently used for the government's 2 year old childcare subsidy.
- 1.2 Over the summer officers took the opportunity to update a previous assessment of the likely demand for and supply of fulltime places before commencing the consultation process with parents. The outcome from the assessment was that under the proposed eligibility criteria demand from parents for between 1,600 to 1,800 full-time places was likely to exceed supply of 750 to 800 places by a significant margin. The survey also revealed there were 750 children potentially eligible for a full time place but not currently in either a part time or full time place in schools or PVI's. Taken together with the rising birth rate this indicates that there could be pressure on the sufficiency of part time places in the next few years.
- 1.3 Officers now need to reconsider the proposed minimum eligibility criteria given the potential mismatch between demand and supply. This will be followed by extensive consultation with parents as some children who are currently benefitting from fulltime provision may no longer be entitled to such provision. Parents/carers will therefore need an early indication if they are to make alternative provision.

1.4 The admissions process for the September 2011 intake commences in September 2010 before the parental consultation will be completed. In light of this and the requirement to reconsider the eligibility criteria, a key part of the consultation information, the implementation of the new policy can only commence from September 2012.

2.0 Recommendation

2.1 To agree to implement the introduction of the new policy for allocating full time early years places from September 2012.

3.0 Financial Implications

3.1 Through the Dedicated Schools Grant (DSG) the Council only receives funding for a part time nursery/ early years place from the government. The extra cost of the full time places of around £2m is absorbed within the overall DSG and effectively means there is less funding to distribute to all schools through the schools funding formula.

3.2 In the current financial year 4,298 children benefit from an early place as follows:

- Schools
 - 2,543
 - 1,170 Full Time
 - 1,373 Part Time
- PVIs
 - 1,755 Part Time

This provision costs £12.2m and is funded through the DSG.

3.3 There are no financial implications for the current financial year, however, the additional staff implications outlined below will have to be considered as part of the 2011/12 schools budget process that allocates the DSG to schools and sets the centrally retained element.

3.4 Moving the implementation date of the new policy to September 2012 will impact on the 2012/13 DSG budget shares.

4.0 Legal Implications

4.1 The Authority has a statutory duty in accordance with Section 7 Childcare Act 2006 to secure free early years provision for each 3 and 4 year old in its area.

5.0 Diversity Implications

5.1 There are no diversity implications contained within this report.

6.0 Staffing Implications

6.1 Implementing and managing the fulltime place applications process will require additional staff resources. Further work is required to ascertain the full impact and this will be discussed as part of the 2011/12 schools budgeting process.

Background Papers (essential)

- i) 15 February 2010 Executive Report Introduction of Early Years Single Funding Formula and Changes to the Allocation and Funding of Early Years Full Time Places in Maintained and Private, Voluntary and Independent (PVI) Sectors.
- ii) Draft Code of Practice on Provision of Free Early Education Entitlement for 3 and 4 Year Olds – September 2009 (DCSF).
- iii) Implementing the Early Years Single Funding Formula Practice Guidance July 2009 (DCSF).

Contact Officer: John Voytel, Project Manager john.voytel@brent.gov.uk
020 8937 3468. Fax: 020 8937 3125. Email: john.voytel@brent.gov.uk

Chesterfield House, 9 Park Lane, Wembley Middlesex HA9 7RW.

Krutika Pau
Director of Children and Families

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Executive
18 October 2010

Report from the Director of Environment and Culture

Ward(s) Affected:
Alperton

Petition Against Reduced Staffing Levels at Alperton Cemetery

1.0 Summary

- 1.1 This report informs the Executive of a petition that was received from residents against the reduction of staffing levels at Alperton cemetery. They have concerns that the level of maintenance of the cemetery will reduce. The petition also states that visitors felt safe when staff were present and that already a noticeable difference in security issues has arisen.

2.0 Recommendations

- 2.1 That the Executive note the contents of the petition received concerning the security issues and levels of maintenance.
- 2.2 That the Executive note the current status of security concerned.
- 2.3 That the Executive note information on why the changes of service have occurred.
- 2.4 That the Executive does not support the reinstatement of staffing levels at the present time and officers will provide a further report after the new arrangements have been in operation for 12 months.

3.0 Petition

- 3.1 A petition has been received from residents. The petition is headed "Petition Alperton Cemetery, Brent Council has recently decided to move the workmen from Alperton Cemetery to another site. As visitors to the cemetery we would like to strongly object to this decision as we are very concerned about the maintenance of the grounds which is suffering and our safety. Many of us, some

only recently bereaved visit the cemetery alone and have felt safe knowing the staff were always nearby, now we feel vulnerable and often intimidated by groups of youths that have started loitering around the cemetery. Please reconsider this decision and bring the staff back to Alperton, the cemetery of the year 2007 which we are all very proud of”.

- 3.2 The petition has been verified as containing the signatures of at least fifty persons on the Borough’s electoral register and hence requiring the consideration of the relevant Committee,

4.0 Details

- 4.1 Alperton Cemetery was declared full to new burials in March 2010. With this in mind, as part of the Councils recent restructuring and reduction in layers of management, the decision was made to reduce the number of team leaders in the Cemetery Service and to manage the grounds maintenance aspect of Alperton Cemetery via a mobile team based at Willesden New Cemetery. This new working arrangement was introduced from April 6th 2010.
- 4.2 In April 2010, a decision was made to make further savings by reducing a further 250 posts across the council. As part of this process, the decision was made to disband the Cemetery and Mortuary service with effect from the 13th September 2010 with the grave digging and grounds maintenance element of the work transferring to the Parks Service. Linked to this, the office based cemetery staff moved from the Alperton Cemetery office to Brent House in September. This is consistent with the Councils policy of reducing the number of buildings and offices the council operates around the Borough.
- 4.5 The Parks Service is better resourced to support the mobile gang and standards of maintenance should improve under these new arrangements. The Parks Service has a good record of producing outstanding horticultural practice and Alperton cemetery will be able to benefit from that experience.
- 4.6 There has not been any reports of incidents that would cause concern to visitors but with the introduction of the new arrangements in September the Parks Warden service now visit Alperton Cemetery to add to the visits made by the Metropolitan Police Neighbourhood team and the Councils contracted security team, who are responsible for locking and unlocking the gates. The smaller gates to Alperton cemetery will, in future, also be locked at the appropriate time rather than being left unlocked.
- 4.7 In summary, officers believe that cemeteries grounds maintenance will improve under the new arrangements with the Parks Service able to offer additional support and experienced staff. Additional visits by the Park Wardens will alleviate any fears of undesirable behaviour in the cemetery
- 4.8 The area concerned has not been highlighted through information from the Borough Intelligence Unit at Wembley Police Station as a high crime area. There will be continued monitoring and any issues reported back. In addition, a

telephone contact number is displayed on the cemetery notice board for members of the public to report any concerns.

- 4.9 Officers recommend that a review be conducted during 2011 of service provision to Alperton and Willesden Cemeteries once the new arrangements with the Parks Service have bedded down. Officers will bring back any recommendations to a future Executive meeting.

6.0 Financial Implications

- 6.1 If a permanent staff team were to be reinstated at Alperton Cemetery it would cost £33,904. There is no revenue budget currently identified for this.

7.0 Legal Implications

- 7.1 There are no legal implications arising from the recommendations of this Report

8.0 Environmental Implications

- 8.1 There are no environmental implications arising from the recommendations of this Report.

9.0 Staffing/Accommodation Implications (if appropriate)

- 9.1. This is covered in the main body of the report.

Background Papers

None


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Director, Environment and Culture

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|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Director of Housing and Community Care</p> |
| For Action | Wards Affected: ALL |
| <p style="text-align: center;">Furniture Charging Policy for Homeless Households</p> | |

Appendix B is not for publication as it contains the following category of exempt information as specified in paragraph 5 of Schedule 12A of the Local Government Act 1972, namely:

Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

1.0 Summary

1.1 This report seeks Members' agreement to amendments to the existing policy for charging homeless households in relation to the removal, storage and delivery of their belongings.

2.0 Recommendations

2.1 That Members approve the proposed changes to the schedule of charges for the removal, delivery and storage of homeless households' belongings as outlined in paragraph 3.20 and to the exemptions policy as outlined in paragraph 3.25 of this report.

2.2 That Members approve that the schedule of charges and the exemptions policy as set out in paragraphs 3.20 and 3.25 of this report be implemented with effect from 29th November 2010 for all new requests for assistance and for existing goods in storage.

3.0 Detail

3.1 Background

Members will be aware that the Council has a legal obligation under the homelessness legislation to ensure the safe-keeping of homeless households' goods. This requirement applies where the Council owes one of the statutory duties toward the homeless household as set out in paragraph 5.3 below under Part VII of the Housing Act 1996.

3.2 Under the legislation, the Council has a legal obligation to take reasonable steps to prevent the loss of, or to prevent or mitigate the damage to, the personal property of homeless persons where the Council has reason to believe that there is a danger of loss or damage to those goods because of the homeless persons' inability to protect or deal with them, and in the absence of other suitable arrangements being made. The Council is also allowed to make reasonable charges to homeless applicants for removals and storage of personal property.

3.3 Most temporary accommodation provided by the Council is furnished and households can often remain in this type of accommodation for many years – waits of five to six years are common and larger sized families can wait for far longer, due to the shortage of larger properties. This means that the Council may need to store belongings for lengthy periods.

3.4 Prior to 2006, the Council's duty and powers (in relation to storing homeless households' belongings) were interpreted in a generous way, both in terms of the availability of the service to homeless applicants and by the fact that the service was provided broadly free of charge, with limited charges made for part delivery of items out of storage, and when a customer failed to attend an appointment with the contractor.

3.5 Executive Meeting – January 2006

The Executive meeting held on 16th January 2006 considered proposals to change the policy on the provision of furniture storage for homeless households. The meeting agreed that where customers were unable to make their own arrangements for storage of their belongings, (for example with a friend or relative), the following schedule of charges would apply -

| Charges | Removals / Delivery | Monthly Storage |
|-----------------------|-----------------------------------|--|
| Working Customers | Full Cost up to a maximum of £120 | £15 per container up to a maximum of £30 |
| Non-working Customers | £50 | £10 |

3.6 The report which was presented to this meeting also noted that officers would ask customers to take account of the storage period whilst they were in furnished temporary accommodation, and to consider whether it would make financial sense to make alternative arrangements or sell or otherwise dispose of their goods.

3.7 The report explained that the policy would apply to new requests only, and would not be applied retrospectively to households whose belongings were already in store.

3.8 The Executive meeting approved the recommendations and they were implemented with effect from 10th July 2006.

3.9 Executive Meeting – October 2007

In October 2007 the Executive considered further recommendations in relation to furniture charging, as part of a wider report from the Director of Finance and Corporate Resources regarding the Council's budget position and proposed savings. It was proposed that the monthly charge to customers for storage be increased to approximately 90% of the cost that the Council was then paying.

3.10 The new schedule of proposed charges (to be applied to new requests for assistance) was as follows –

| Charges | Removals / Delivery | Monthly Storage |
|-----------------------|---|--|
| Working Customers | No change (Full Cost up to a maximum of £120) | £28 per container up to a maximum of £84 |
| Non-working Customers | No change (£50) | £28 per container up to a maximum of £56 |

3.11 The report also advised Members that the existing provisions for agreeing exemptions to the policy would continue if the recommendations were agreed.

3.12 The Executive meeting approved the recommendations and they were implemented with effect from 5th November 2007.

3.13 Executive Meeting – February 2010

At the Executive meeting of 15th February 2010, Members considered a report from the Director of Finance and Corporate Resources which reviewed fees and charges for 2010/11. This report included proposals to amend the furniture charging policy, as follows –

(i) All customers, including those who had been receiving a free service, to be charged the full cost of the service.

(ii) That the charges to customers should reflect the current rates for removals and storage paid by the Council to their contractor, and should be levied at the same rate for both working and non-working customers.

(iii) That Members approved the schedule of charges as follows -

| Charges | Removals / Delivery | Monthly Storage |
|-------------------|------------------------|-------------------|
| For all customers | Up to £120 per removal | £32 per container |

- 3.14 The report noted that the proposed charges reflected the contractor costs paid by the Council, but excluded the costs incurred by the Council in administering the service. The report also stated that the proposed charges were generally lower than the rates that would be charged by private contractors to domestic customers.
- 3.15 The report explained that if the recommendations were agreed, customers would be given the opportunity to either have their personal property delivered to them, or to make arrangements for the Council to dispose of their goods at no charge, if they did not wish to pay the storage charges.
- 3.16 The report also provided Members with the outcome of a consultation exercise carried out with customers who were receiving a free service from the Council, seeking their views on the proposals.
- 3.17 The Executive meeting agreed the recommendations and they were implemented with effect from 3rd May 2010.
- 3.18 During 2009/10, the Council awarded the contract for the furniture removal, delivery and storage service to a new contractor. The new contract came into place with effect from 1st April 2010. Under the new contract, the monthly (4 weeks) storage cost per container was reduced to £21 per container, and this is the charge that is currently being made to customers.
- 3.19 Current Proposals
 Since the last set of proposals was agreed by the Executive in February of this year, a further review of the policy has been carried out. Based on this review and after obtaining confidential external legal advice following receipt of a judicial review threat on behalf of a customer regarding the affordability of the charges for non-working customers, officers consider it appropriate to ask the Executive to consider further amendments to the policy at this time.
- 3.20 It is therefore recommended that the following schedule of rates be applied with effect from 29th November 2010 to all new requests for assistance and to existing goods in storage. This includes customers whose belongings were in storage before charging was first introduced in January 2006.

| Charges | Removals / Delivery | Monthly Storage (4 weeks) |
|-----------------------|----------------------------------|---|
| Working Customers | Minimum charge £56, maximum £168 | £18 per container, up to a maximum of £36 |
| Non-working Customers | £28 | £10 per container, up to a maximum of £20 |

| Cost paid by Council | Removals / Delivery | Monthly Storage (4 weeks) |
|----------------------|---------------------|---------------------------|
| Contractor costs | £80 per container | £21 per container |

3.21 For the purposes of comparison, the rates that the Council currently pays to its contractor are summarised above. Members will note that the proposed charges to customers are significantly lower than those that the Council pays to the contractor. Non-working customers would pay 35% of the full cost for removals and just under 50% of the full cost for storage. Working households would pay 70% of the full cost for removal and approximately 85% of the full cost of storage. In addition, the Council would continue to incur administrative costs in delivering the service to customers, which are not included in the figures above. Members will note that the proposed charge of £2.50 per container per week to non-working households on benefits, is being levied after taking into careful consideration the means of the average non-working customer and that storage charges are not ordinarily covered by Housing Benefit. This is a reasonable charge on non-working households on benefits and one that the majority of non-working households will be able to afford within their limited means. Those non-working households on benefits who genuinely cannot meet this charge can apply for exemption from the charges as set out in paragraph 3.25 below.

3.22 Exemptions from the Policy

The Council is entitled to make a reasonable charge to customers for the provision of these services. For a non-working household on benefits, the storage cost will be £2.50 per container per week (the containers have a capacity of 250 cubic feet, and most households' belongings are stored in one to two of these).

3.23 However there has always been a mechanism for considering requests for an exemption to the charging policy. When a request is received, the reasons and the households' circumstances are carefully considered by a panel of senior officers before reaching a decision. This includes consideration of the issue of affordability and the household's ability to meet the charges.

3.24 As part of the implementation process for these recommendations if agreed by Members, officers will ensure that all documentation given to customers regarding the service includes an explanation as to how to request an exemption.

3.25 Exemption requests will be considered on a case by case basis, and will take into account the individual households' circumstances. Appendix A provides details of the criteria to be considered. We will also ensure that the documentation given to customers advises them to notify the Council of any change in their financial circumstances which could impact on their ability to pay.

4.0 Financial Implications

4.1 The total agreed budget for expenditure on removals & storage for 2010/11 is currently £205,700. This budget takes account of £80k additional income for 2010/11 on the basis of the savings which were expected to be made as a result of the recommendations made in the February 2010 report to Executive.

4.2 If the recommendations in this report are agreed, there will be an impact on the Temporary Accommodation budget, as the £80k additional income included in the original budget will not be achieved. It is estimated that £39k income will be achieved in 2010-11 and £54k in 2011-12. There will therefore be a shortfall of income in 2010-11 of £41k and £26k in 2011-12, and officers will seek to absorb these shortfalls within the overall Temporary Accommodation budget.

5.0 Legal Implications

5.1 Under section 211 of the Housing Act 1996, the Council has a legal obligation to take reasonable steps to prevent the loss of, or to prevent or mitigate the damage to, the personal property of homeless persons where the Council has reason to believe that there is a danger of loss or damage to those goods because of the homeless persons' inability to protect or deal with them and in the absence of other suitable arrangements being made. Under section 211(4), the Council is also allowed to make reasonable charges to homeless applicants for removals and storage of personal property as it considers appropriate to the particular case.

5.2 In paragraph 20.6 of CLG's Homelessness Code of Guidance for Local Authorities of July 2006, it gives two examples of where homeless applicants may be unable to protect their personal property. Those examples are where the applicants are ill and where they are unable to afford to have the property stored themselves. It follows that affordability is an issue that needs to be taken into account when considering levying reasonable charges for the storage and removal of property.

5.3. The Council owes a duty under section 211 of the Housing Act 1996 ("the 1996 Act") towards homeless applicants as set out above in paragraph 5.1 if the Council owes the homeless applicants one of the following duties: (a) interim duty to accommodate under section 188 of the 1996 Act; or (b) duties to persons found to be homeless or threatened with homelessness under sections 190, 193 and 195 of the 1996 Act; or (c) duties to applicants whose cases are considered for referral or referred to other local authorities under section 200 of the 1996 Act.

5.4 If a homeless applicant refuses to pay the charges set by the Council which it considers to be reasonable, the Council is entitled to discharge its duty under section 211 of the 1996 Act to hold the applicant's belongings in storage by giving notice in writing pursuant to section 212(4) of the 1996 Act and giving the reasons why the duty has been discharged. After that duty has been discharged, the Council is entitled to give notice to the applicant in writing to collect his belongings within a period of at least one month or else the belongings will become vested in the ownership of the Council leaving the Council to dispose of the belongings as it sees fit, pursuant to section 41 of the Local Government (Miscellaneous Provisions) Act 1982.

5.5 Further detailed legal implications are set out in the below the line supplementary report in Appendix B.

6.0 Diversity Implications

6.1 An equalities impact assessment in regard to these proposals has been carried out. There are no specific diversity implications arising from these recommendations.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None specific.

8.0 Background Papers

Executive

Temporary Accommodation Update (01/06)

2008/09 Budget Process Update and First Stage Savings (10/07)

Review of Fees and Charges for 2010/11 (02/10)

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Appendix A – Draft Guidance on Exemptions
Draft

Guidance to Officers Considering Exemption Requests in relation to the Furniture Charging Policy.

Summary

This document is intended to assist officers in the decision making process when considering requests for exemptions to the furniture charging policy.

Current Charges

The current charges were agreed at the Executive meeting held on 18/10/10, and are as follows –

| Charges | Removals / Delivery | Monthly Storage (4 weeks) |
|-----------------------|----------------------------------|---|
| Working Customers | Minimum charge £56, maximum £168 | £18 per container, up to a maximum of £36 |
| Non-working Customers | £28 | £10 per container, up to a maximum of £20 |

These charges are effective from 29th November 2010 onwards and apply to all new requests for assistance and to existing goods in storage. This includes customers whose belongings were in storage before a charging policy was first introduced in January 2006.

Exemption Requests

Customers can request an exemption from the charges laid out above either when they first request the Council's assistance in storing their belongings, or at any time during the period that their belongings are in storage.

Exemption requests can be made verbally or in writing.

Exemption requests will be considered by two senior managers within the Housing Resource Centre, who will arrange for the customer to be notified in writing of their decision.

Considering an Exemption Request

The proposed charge of £2.50 per container per week to non-working households on benefits has been agreed after taking into careful consideration the means of the average non-working customer in receipt of benefits. It is expected that the majority of non-working households will be able to afford this, within their limited means.

Requests for exemptions will be considered on a case by case basis, taking into consideration households' individual financial circumstances and ability to pay. Criteria to be considered include –

- Whether a household would face significant financial hardship resulting in the household having to live beyond their means if they were required to pay the charges as outlined above,
- Whether there are other exceptional factors which mean that a household cannot reasonably be expected to pay the charges as set out above. Senior officers should give proper consideration to every request for exemption on the basis of the individual circumstances of the household. It is not possible to provide an exhaustive list of what may constitute exceptional factors and may include factors such as customers' with a mental health condition or learning disability and those who are chronically sick etc.

Where senior officers are satisfied that a household cannot pay the charges as set out in the above table, consideration should also be given as to whether it is reasonable to expect them to pay a proportion of the charges, taking into account the factors outlined above.

On a request by a customer to be exempted from the charges as set out in the table above, senior officers may decide either that (i) the charges are affordable by the customer; or (ii) only a proportion of the charges are affordable by the customer; or (iii) the customer will not be required to pay the charges.

Decision Making

The decision of the two senior managers is final, and will be notified to the customer in writing and if not received by the customer, will be treated as having been given after it has been made available at the Housing Resource Centre for a reasonable period for collection by the customer or on its behalf.

Any further representations or requests for re-consideration after the decision has been notified to the customer, should be treated by senior managers as a fresh request for exemption from the charges.

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|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Director of Housing and Community Care</p> |
| <p style="text-align: right;">Wards Affected: ALL</p> | |
| <p>Section 75 Partnership Agreement – Brent Mental Health Service – Five Year Extension</p> | |

1.0 Summary

1.1 This report updates Members as to discussions with Central and North West London NHS Foundation Trust with regard to a proposed fundamental review of partnership arrangements and recommends a further 5 year extension to the current partnership arrangement between the Council and Central and North West London NHS Foundation from 1 January 2011. This proposed extension to the partnership agreement includes a Break Clause enabling either party to terminate should there be any unforeseen changes in NHS structures. It also recommends amending the existing partnership agreement to incorporate mental health services for older people.

2.0 Recommendations

- 2.1 That the Executive agree an extension of the existing partnership arrangement with Central and North West London NHS Foundation Trust for a period of 5 years from 1 January 2011.
- 2.2 That the Executive agree to the amendment of the existing partnership agreement with Central and North West London NHS Foundation Trust to incorporate the inclusion of the mental health services for older people resources into the partnership agreement.
- 2.3 That the Executive authorises the Director of Housing and Community Care, in consultation with the Director of Finance and Corporate Resources to resolve any outstanding issues with Central and North West London Mental Health Foundation NHS Trust prior to entering into the extension period detailed in paragraph 2.1.

3.0 Detail

Background

- 3.1. The report to the Executive in March 2007 set out the background, achievements and issues. These are repeated below.
- 3.2 Brent Mental Health Service (“BMHS”) was established in April 2001, bringing together the mental health services previously provided by Brent Council Social Services and Central and North West London NHS Foundation Trust (“CNWL”) under a formal Partnership Agreement pursuant to s31 Health Act 1999 (now s75 National Health Services Act 2006 (“NHS Act 2006”). It was renewed in February 2004. The management of BMHS is through a Service Director and managers employed by CNWL, an NHS Foundation Trust, with funding for these posts from the Council and CNWL placed in a pooled fund arrangement managed by CNWL. The Service Director is jointly responsible to CNWL’s Director of Operations and the Assistant Director for Community Care. The overall governance and management arrangements and pooled budget are monitored through a mental health partnership board chaired by the Director of Operations (CNWL), the Assistant Director for Community Care and the Finance Manager. BMHS provides services to Brent residents aged 16 to 65 who have substantial or critical mental health needs under the Council’s Fairer Access to Care criteria, which includes assessment, care management, social care support and accommodation services.

Achievements since Integration

- 3.3. BMHS has achieved much to the benefit of service users since the partnership began in 2001: establishing a single point of entry; joint referral criteria; single multi-disciplinary assessment; seamless service delivery to improve the care pathway; single case file; integrated multi-disciplinary workforce with joint supervision and appraisal procedures and integrated training plan, resulting in successive Investors in People (IIP) Accreditations, most recently at silver standard. The majority of the National Service Framework (NSF) targets were met through the work with the Local Implementation Team (LIT) accountable to the adult partnership board and the joint service has performed well in the key health and social care performance indicators such as assessment waiting times, hospital discharges and number of adults helped to live at home. BMHS has also undergone a number of successful reviews including a Supporting People (SP) review of its supported housing accommodation and management and the 2006 Health Care Commission review of Community Mental Health Teams, for which it received an ‘excellent’ score.

Operational Considerations

- 3.4. The integration of health and social care through BMHS has undoubtedly been a success in achieving agreed outcomes as above. As reported to the Executive on 18 March 2008, there has been a need to review partnership arrangements with CNWL with a view to developing further integration through the use of the flexibilities permitted by s75 of the NHS Act 2006. To this end, the Council and CNWL established a dedicated project group to review partnership arrangements and further integration. This work included total integration of the CNWL and Brent Council workforces either through TUPE or secondment arrangements and integration of mental health finances. The project group reported back to the project board on 9 August. These options for further integration were not favoured by the project board, due to the current financial climate, uncertainty on the future of joint commissioning arrangements and because the staff consultation process favoured

a continuation of the current devolved management arrangements. A partnership agreement is considered essential for the effective delivery of mental health services but the project board considered that at the current time an extension of the existing partnership arrangements rather than a fundamental change to partnership arrangements was a more appropriate way forward, taking into account the Change Drivers detailed in paragraphs 3.5 to 3.7. The project board did however recommend the inclusion of the older adults mental health service in any extended partnership agreement for the reasons detailed in paragraph 3.10.

Change Drivers

- 3.5 Since the outline of policy development set out below, there have been national policy developments following the General Election in May 2010. The abolition of PCTs and transfer of commissioning functions to GPs is particularly significant, and the future of joint commissioning is still to be determined.
- 3.6 Legislative changes through the Mental Capacity Act 2005 place new statutory duties on health and social care bodies in relation to people who do not have capacity and whose liberty may be restricted. There are now structures for 'deprivation of liberty' assessors and boards.
- 3.7 Previously the local authority had responsibility for carrying out Mental Health Act assessments, however the new Mental Health Act 2007: extends the function to include other professionals such as nurses, replacing the Approved Social Worker (ASW) with the new Approved Mental Health Practitioner ("AMHP") role. However the local authority remains responsible for overseeing and monitoring the implementation of the Mental Health Act by AMHPs, and currently Brent AMHPs remain social workers employed by Brent council.

Service User and Carer Involvement and Consultation

- 3.8 Brent has a solid foundation of partnership working, with the consultation and involvement of users in the development of mental health services, enabling them to influence the care and support available to them. The current BMHS partnership has used and continues to use local networks to influence and improve health and social care developments locally, through Brent Mental Health User Group; Brent Carers' Centre; the recruitment and training of BMHS staff; setting of standards; monitoring the quality of services and service developments and research; and representation on CNWL's Board of Governors.
- 3.9 The original consultation and involvement for the partnership agreement in 2001 was carried out by the Brent Local Implementation Team, Comprehensive Service Review and through Brent Council and NHS Brent's Joint Commissioning processes. Service users were very positive about the new partnership arrangements as they demonstrated transparency and continuous improvements to services and to date they continue to allow service users to highlight specific areas and where improvements on things important to them can be made.

Services for older people with mental health needs and dementia

- 3.10. Current services are provided separately through CNWL and Housing and

Community Care. A strategy has been developed to improve access to the services and provide a more integrated approach for users. At an operational level, CNWL has now created a Community Mental Health Team for older adults, including two social workers from Housing and Community Care's Older People's Service responsible for assessment and care management. This has improved liaison arrangements and provides a better multi-disciplinary approach with the CNWL older people's mental health team. This is separately managed within the Trust from the Older Adults mental health service. Both the Health Care Commission and Commission for Social Care Inspection, through external reviews, have recommended improvements are made to an integrated approach. A multi-agency strategy steering group chaired by the Assistant Director Community Care proposed that S75 flexibilities are used to create an integrated team and pooled budgets, by incorporating the 2 Approved Mental Health Practitioner staff into this agreement.

Current Situation

3.11 The Executive granted a temporary extension of the existing partnership agreement to expire on 31 December 2010. It was indicated that Officers would report back to Members by 31 September 2010 as to progress of the review of partnership arrangements. For the reasons detailed above, a further extension of the existing partnership agreement is now recommended for a period of 5 years from 1 January 2010 with a Break Clause due to uncertainty around the future of the NHS Structure.

4.0 Financial Implications

4.1 The costs of the pooled management budget are £1,557,329 of which Brent Council contributes approximately 30% amounting to £497,880.

4.2 The 2010/11 adult social care operational budget is £5,125,670 and is used to provide management of the service, community mental health teams, in house supported accommodation and social inclusion services.

4.3 The purchasing budget is £3,325,043 and is for residential care, supported accommodation costs and direct payments.

4.4 The operational budget for the two Approved Mental Health Practitioners in older adults is approximately £110,000.

4.5. The Service Director will take appropriate management action over the course of the year to ensure that the budgets do not have a deficit at the end of the Financial Year. Any forecast overspends will be reported to the S75 Partnership Board who will make joint decisions over remedial action. The Partnership Board will also determine whether any underspends may be reused and reinvested in the Service.

4.6. It is likely that the Government Spending Review on 20 October will necessitate further efficiency savings from these budgets and the Council will therefore work closely with CNWL through the Partnership Board to agree the level of savings and impact on service delivery of any future budget reductions.

5.0 Legal Implications

5.1 The National Health Service Act 2006 ("the Act") requires local authorities and NHS

bodies to work together to improve health and social care and provides for flexible funding and working arrangements to be established by agreement to facilitate this.

- 5.2 The Mental Health Partnership Agreement entered into by the Council provides that the agreement will subsist until the 31st March 2007 unless determined earlier or extended by agreement between the parties. As detailed in paragraph 3.11, the partnership agreement has been extended by renewals, to expire on 31st December 2010.
- 5.3 Standing Order 85 deals with partnership arrangements and provides that any Partnership Arrangement which includes delegation of powers shall be approved by the Executive. As the partnership agreement with CNWL involves the delegation of powers to CNWL, there is a requirement for the Executive to approve any extension.
- 5.4 As there are ongoing discussions with CNWL as to the incorporation of Older Adults staff and budgets into the partnership agreement and other consequential changes in the partnership agreement during the extension period, authority is sought to delegate powers to the Director of Housing and Community Care to resolve outstanding issues. Regulation 6.1 requires the Director of Finance and Corporate Resources approval to partnership arrangement and therefore the Director of Housing and Community Care will with him liaise prior to extending the partnership agreement.

6.0 Diversity Implications

The partnership has had a positive impact on promoting equalities and diversity issues. Service users continue to be involved and consulted in the work to promote joined up working and improve partnerships. This is an on going process carried out through a variety of consultation forums including LIT meetings and LIT Sub-groups with specific remits for women and black and minority ethnic communities. The Partnership has continued to strive for fair representation of all groups across the range of involvement activities in the planning, development, delivery and monitoring of services.

7.0 HR Implications

There are currently 140 WTE budgeted social care posts in BMHS and 2 posts in older people mental health services. There are no new HR implications for the five-year extension to the partnership agreement and the Brent Council social care staff will remain employed by Brent Council and continue to be managed through BMHS. However in line with both organisations' plans for flexible working arrangements there is a move towards increased hot desking and home working for staff.

8.0 Accommodation Implications

The Project Group reviewed accommodation implications and the Project Board recommends no change to existing arrangements which have been working well. However it should be noted that the Council may wish to move out of 36 London Road, Wembley at some point. This would impact on the CNWL/Brent Council staff working in the North West Sector Community Mental Health Team who currently lease the first floor.

Background Papers

- National Service Framework for Mental Health (1999)
- Health and Social Care Act (2001)
- S31 Partnership Agreement Executive report (2001)
- Department of Health “Shifting the Balance of Power” (July 2001)
- Partnership Renewal Executive Report (February 2004)
- Mental Capacity Act 2005
- Deprivation of Liberty Safeguards Consultation Paper 2007
- Outline Equalities Impact Assessment (February 2007)
- Brent Mental Health for Older People Strategy (draft) 2008
- S75 Partnership Agreement Executive Report (15 March 2010)


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|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Chief Executive</p> |
| <p style="text-align: right;">Ward Affected: All</p> | |
| <p>Brent Civic Centre - Authority to award contract for Design and Build contractor</p> | |

Appendices 2 & 3 of this report are not for publication

1.0 Summary

- 1.1 This report summarises the procurement process undertaken by the Council to procure a Design & Build contractor and requests authority to award a contract for the appointment of a Design & Build contractor for the new Civic Centre.
- 1.2 The development of the Civic Centre in Wembley is one of the Council's highest priority projects and is a key component of the Council's Improvement & Efficiency Strategy 2008-2012. With the appointment of the design and build contractor all the pieces will be in place to ensure the building will be ready for occupation in June 2013.
- 1.3 A supplementary report will be tabled at the meeting identifying the successful tenderer.

2.0 Recommendations

- 2.1 That the Executive awards the design and build contract for the Civic Centre to the organisation named in the supplementary report.
- 2.2 That the Assistant Director Civic Centre with the Director of Legal and Procurement be authorised to finalise the terms of appointment.

3.0 Background

- 3.1 On 19 October 2009 the Executive received a report from the Chief Executive requesting authority to procure a Design & Build contractor.

The Executive accordingly gave approval to procure a Design & Build contractor and approved pre-tender issues as required by the Council's Contract Standing Orders 88 and 89, including the evaluation criteria.

The Tender Process and Council's Contract Standing Orders

- 3.2 The Design & Build contractor has been procured using the Restricted Procedure in accordance with the EC Directive 2004/18 (the Classic Directive), the Public Contracts Regulations 2006 (the Regulations) and the Council's Contract Standing Orders. At tender stage a single stage process was adopted (with some construction tenders there is the potential to run a two-stage tender).
- 3.3 The form of contract is based on the JCT Design and Build contract 2005 (with 2007 amendments) with further bespoke amendments.

Stage One - Pre – Qualifying Stage

- 3.4 On 11 December 2009 the contract notice was placed in the Official Journal of the European Union (OJEU) to seek initial expressions of interest. The notice specified the Council's requirement to procure a Design & Build contractor and that the scope of works were to finalise the design and construct the Civic Centre.
- 3.5 Tenderers were advised the Council had employed a full design team who had completed the design up to RIBA stage E and secured detailed planning permission. It was a condition of tendering that the successful tenderer would accept a novation of the Council's current design team.
- 3.6 Tenderers were advised variant tenders would not be accepted.
- 3.7 Twenty-two organisations expressed an interest in response to the OJEU notice and they were issued with an information pack and pre-qualification questionnaire (PQQ) to complete by 12 noon on 12 February 2010. Fourteen PQQs were returned in accordance with the deadline.
- 3.8 The following assessment process was followed to decide pre-qualification:

Stage 1: All applicants were initially assessed against the PASS/ FAIL criteria to filter out non-compliant tenders. These were agreed at a joint workshop with procurement adviser present.

Stage 2: Individual scoring on the relevant sections of the PQQ was undertaken by the assessment team.

Stage 3: This involved a group review of the collated scores. The final score for each prospective bidder was achieved by consensus with procurement adviser present.

Stage 4: A recommendation on the short listed prospective bidders was prepared and submitted to the Civic Centre Programme Board for approval.

- 3.9 The six organisations that had scored the highest of the fourteen organisations that had responded to the PQQ were then invited to tender.

Stage Two – Invitation to Tender

- 3.10 Prior to issue of the Invitation to Tender (ITT) pack, two group information sessions were held with the six organisations. The first session on 29 April 2010 led by the Council's external legal advisors, Trowers & Hamlins, with representatives from Turner & Townsend (the Council's external project managers), the Council's internal Civic Centre team and procurement adviser. The purpose was to outline the Brent bespoke amendments to the standard JCT form provision within the contract to ensure these would be acceptable to the market. The second session on 27 May 2010 gave tenderers an opportunity to hear from the Chief Executive, the Assistant Director Civic Centre and members of the design team the Council's vision for the project, how the project integrates with our corporate objectives and showcase the design. Both sessions were well attended.
- 3.11 An ITT pack was issued to the six organisations to invite them to tender. The tendering instructions stated that the contract would be awarded on the basis of the most economically advantageous tender to the Council and that in evaluating the tenders the Council would use the evaluation criteria set out in the Evaluation Matrix at Appendix 1 of this report. Overall 50% of the marks were awarded for price, divided into Fixed Lump Sum Offer and Cost Profile and 50% for quality.
- 3.12 All tenders had to be returned by 12 noon on 3 September 2010.
- 3.13 A mid-tender information session was held on 21 July 2010. Prior to this date, two of the six organisations withdrew from the tender process. This enabled the four remaining organisations to meet individually with representatives of the design team to discuss any points of clarification. Representatives from Turner & Townsend, the Council's Civic Centre team and procurement adviser were also present. In addition, the Civic Centre external project managers and internal Civic Centre team responded to written queries from the tenderers.
- 3.14 Tenders from four organisations (Appendix 2) were submitted on time, and these were opened and logged in accordance with the Council's Contract Standing Order 100.

Evaluation Process

- 3.15 The general quality of the bids were of a very high standard.
- 3.16 Evaluation of all parts of the tender submission and presentation was carried out by a panel of officers. Technical advice was provided by the Council's Technical Advice Team, Turner & Townsend and Frankhams (CDM consultants) to assist the panel. In addition, redacted information of relevant sections was provided to the existing design team for comment as to whether the tenderers met the design requirements.
- 3.17 Each tenderer gave a presentation on their proposals. These presentations took place on 20 September 2010. Panel members were able to clarify any queries at the presentation meetings. The presentations were not scored but the information provided assisted the panel members in their final scoring. Panel members met on 21 & 24 September 2010 to score the quality section of the evaluation.
- 3.18 The financial evaluation, which carried a maximum percentage of 50% of the available score, was carried out by the Council's Cost Consultant from Turner and Townsend, with officers from Finance and Corporate Resources.
- 3.19 All submissions received were compliant with the terms of the invitation to tender and the general quality was high resulting in few clarifications from tenderers being required. Tenders generally demonstrated a clear understanding of the Employer's Requirements.
- 3.20 The detailed evaluation results are set out in Appendix 3.
- 3.21 Accordingly it is recommended that the tenderer identified in the supplementary report be appointed as the Design & Build contractor for the Civic Centre.

4.0 Financial Implications

- 4.1 As the contract for works exceeds £1m the Council's Contract Standing Orders requires the award of contract to be referred to the Executive for approval.
- 4.2 The costs of the design & build contract were included within the estimates of the total project cost for the business case for the Civic Centre. The construction and associated costs quoted by the recommended contractor are within those estimates. The price and technical scores for all tenderers are set out in Appendix 3. The overall costs of the project will be charged to capital and the resultant capital financing costs met from the revenue budget. These will be funded from the resultant savings accruing from the project. This includes the

release of other properties increased income and other efficiency savings from the occupation of the Civic Centre. The value of the contract recommended for award is within the construction budget approved by the Executive in October 2009.

- 4.3 A full assessment of the financial standing of each of the tenderers was made as part of the procurement process.
- 4.4 Each tenderer was asked to provide a contract price with a performance bond. The performance bond would provide the Council with financial compensation in the event of the contractor being in breach of contract or insolvent. It is optional for the Council to procure the bond, however given the value of the contract the Director of Finance and Corporate Resources has decided that the bond is to be provided by the contractor.

5.0 Legal Implications

- 5.1 The Design and Build Contractor has been procured using the Restricted Procedure in accordance with the EC Directive 2004/18 (the Classic Directive), the Public Contracts Regulations 2006 (the Regulations) and the Council's Contract Standing Orders.
- 5.2 The estimated value of the design and build contract is above the threshold in the Regulations for the application of the European public procurement regime.
- 5.3 The estimated value of the contract over its lifetime is in excess of £1m and the award of the contract is consequently subject to the Council's Contracts Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.4 In considering the recommendations, Members need to be satisfied on the basis of the information set out in the report that the appointment of the recommended contractor will represent best value for the Council and will mean that the tenderer appointed has offered the most economically advantageous tender. In order to decide on the most economically advantageous tender, tenders have been evaluated in accordance with the evaluation criteria notified to tenderers in the ITT.
- 5.5 Following the Executive meeting, the Council must observe the Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period before the appointment can be made. Therefore once the Executive has determined which tenderer should be awarded the contract, all those who expressed an interest in tendering, even if not invited to tender, will be issued with written notification of the award decision. A minimum 10 calendar day

standstill period will then be observed before the appointment is concluded, and additional debrief information will be provided to those requesting this in accordance with the Regulations. As soon as possible after the standstill period ends, the successful tenderer will be issued with an offer letter and a request to sign the Terms of Appointment to allow the contract to commence. We anticipate that this will be around 29 October 2010.

- 5.6 Following contract award, a contract award notice will need to be placed in the Official Journal of the European Union.

6.0 Diversity Implications

- 6.1 The October 2009 report to Executive stated the Invitation to Tender pack would ask contractors to demonstrate how they will interact with the Council and all residents during the construction phase, for example availability of jobs and training opportunities for the long term employed, apprentices, other job seekers and school leavers; management of expectations on disruptions, whilst clearly demonstrating how they will ensure the design and construction process respects and reflects the diversity of the borough and makes a positive statement about the Council's relationship with all of its residents.
- 6.2 Part 7 of the Invitation to Tender pack includes clear requirements for the contractor to provide an employment strategy for the site and develop a method statement that ensures a set quantity of paid employment and unpaid work experience opportunities are provided and to inform the Council and any sub-contractors of employment opportunities that will arise.
- 6.3 The evaluation criteria included a specific section on community interaction during the construction phase and ensuring the diversity of the borough is given high priority and positively reflected in the building.
- 6.4 A comprehensive equality impact assessment on the whole project was completed in November 2009 as part of the planning application. Previous internal INRAs had been taken into account but the revised assessment explored in more detail:
- The construction phase impacts
 - Inclusive design within the forthcoming design stages
 - Independent mobility within the Civic Centre and accessibility from the surrounding area
 - Access to employment and business opportunities
 - Staff management
 - Community relations
 - Post construction considerations for the management of the Civic Centre

7.0 Staffing / Accommodation issues

- 7.1 There are no implications for Council staff arising from tendering the contract.

Background papers

- Report to Executive 16 June 2008: Civic Centre Project – Approval of procurement option to design and build and Acquisition of Freehold
- Report to Executive 19 October 2009: Brent Civic Centre – Concept Design Proposals and Authority to Tender Contract for a Design and Build Contractor
- Contractor Procurement Strategy June 2009
- Council's Invitation to Tender pack
- Equality Impact Assessment November 2009

Appendices

1. Evaluation criteria

Confidential appendices

2. List of tenderers
3. Qualitative & Financial scores

Contact Officers

- Aktar Choudhury – Assistant Director Civic Centre. Tel: 020 8937 1764
- Clive Heaphy – Director of Finance and Corporate Resources. Tel: 020 8937 1424
- Fiona Ledden – Director of Legal and Procurement. Tel: 020 8937 1292

GARETH DANIEL
Chief Executive

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Appendix 1

Evaluation criteria

Cost (50%), divided into

- Fixed Lump Sum Offer
- Cost Profile

Quality (50%), divided into

- Understanding Brent's objectives for the building
- Robustness of Delivery Team and Supply Chain
- Project Delivery and Liaison
- Programme
- Community Interaction
- Quality Management
- Health and Safety
- Sustainability and BREEAM Objectives
- Risk Management

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**Report from the Chief Executive
Supplementary Report to Agenda Item 9
Executive: 18 October 2010**

Brent Civic Centre – Authority to award contract for Design & Build contractor

1.0 The purpose of this supplementary report is to give the identity of the recommended Tenderer for the construction of the Civic Centre. Recommendation 2.1 of the main report is therefore as follows: “That the Executive awards the design and build contract for the Civic Centre to Skanska Construction UK Limited.

2.0 Skanska Construction UK Ltd. (Skanska) whose registered office is in Rickmansworth is part of Skanska AB – the parent company which is based in Stockholm with worldwide sales in 2009 in excess of £13 billion. The company has one of the strongest balance sheets in the construction industry.

3.0 Skanska employ over 6000 staff and undertake over £1.5 billion of work in the UK each year. They have extensive experience of undertaking projects of a similar scale and technical complexity to the Civic Centre. Examples include:

- **Palestra London – £75 million (BREEAM Excellent)**
New build D&B project with novated consultants. Transport for London
- **50 Queen Anne’s Gate – £100 million (BREEAM Excellent)**
Ministry of Justice
- **UCLH – £61 million (BREEAM Excellent)**
Single Stage D&B project with Hopkins Architects. The project includes similar high quality concrete finishes and curtain walling to the civic centre.

4.0 Skanska have impeccable environmental credentials for delivering sustainable projects. The Sunday Times listed Skanska the Best Green Construction Company in 2010. In their tender they have demonstrated full commitment to Brent’s BREEAM Outstanding target. They see our requirements on sustainability very much aligned with their own vision.

5.0 Skanska have demonstrated an excellent understanding of Brent’s aspirations for the building, particularly with regard “delivering the project for the contract sum”; delivering “in full the Hopkins Architects Design without compromise” and the sustainability objectives. Their technical proposals were impressive and the most complete submitted. They showed an in-depth understanding of the most important elements of the construction.

6.0 An excellent construction team has been proposed under the control of a Project Director, a Gold award winner for Manager of the Year for the construction industry, with a breadth of experience of delivering high quality construction projects of similar scale and complexity. There are also similarly qualified specialists in all other key project posts. Skanska have provided a


thoughtful approach to appointing their supply chain including the use of local firms where possible.

7.0 Skanska has in-house capability across a wide range of construction activities, many of which will be utilised on the Civic Centre in key areas such as building services. This facilitates increased control and consequently greater cost certainty.

8.0 Skanska's response to the community interaction section was excellent, including a good local community plan with specific diversity and employment measures on site. There was also a good general approach to training.

9.0 The Quality Assurance section included a good, clear plan, which was project specific and responded well to all points raised by the tender response requirements. Their approach to Health and Safety fully met the tender requirements.

10.0 Skanska is committed to achieving practical completion of the building by December 2012.

| | |
|---|--|
|  <p>The logo of Brent Council, featuring a central coat of arms with a shield, a crown, and a banner, surrounded by the words 'BRENT' and 'COUNCIL' in a circular arrangement.</p> | <p>Executive 18 October 2010</p> <p>Report from the Director of Finance and Corporate Services</p> |
| <p>Wards Affected: ALL</p> | |
| <p>Revenue Budget 2010/11</p> | |

1. Summary

- 1.1 This report updates the position on the 2010/11 Revenue Budget based on forecasts for the first five months of the financial year. There is significant pressure on the budget and a number of overspends are reported. The report also asks the Executive to agree a number of virements.

2.0 Recommendations

The Executive is asked to:

- 2.1 Note the latest budget position in 2010/11.
- 2.2 Require that all directors ensure that spending is kept within budget and that measures are taken, in consultation with relevant portfolio holders, to achieve this.
- 2.3 Agree the virements in Appendix B.

3.0 Background

- 3.1 The 2009/10 outturn has now been confirmed with no adjustments to the general fund balances brought forward into 2010/11 reported in July. These amount to £8.963m of which £1,408m was committed when the budget was set.
- 3.2 Full Council agreed the 2010/11 budget on 1st March 2010. At the Executive on 14th September a report entitled '*Performance and Finance Review – Quarter 1, 2010/11*' showed a forecast net overspending against that budget of around £4.5m. Members requested a further report updating the position and setting out actions to reduce the level of overspending.

3.3 The new coalition government elected on 6th May took immediate action to reduce public sector spending and borrowing. This has seen a number of announcements impacting on spending programmes and reductions in resources in 2010/11. As part of the central government savings announced on 10th June Brent lost £6.855m of grant funding of which £5.371m related to 2010/11. These were two main sources of this funding, £2.249m of Area Based Grant and £4.606m of other grants including £3.634m of LAA Reward Grant, £390k of Housing Planning Delivery Grant, £143k of Swimming Grant and £439k from the Local Authority Business Growth Incentive scheme. At the Executive on 26th July members agreed that reductions to Brent's budget were to be made directly from the areas where the grant was being utilised to fund various services.

4.0 General Fund Revenue Budget

4.1 There are a number of general budget pressures which adversely impact on most services. These include:

- (i) Increases in activity, particularly client numbers in Adult Social Care and Children's Services, that became evident or occurred late in the previous financial year. They were therefore not part of the 2010/11 budget considerations.
- (ii) Inflationary pressures from general prices and contracts. The retail price index to which a number of major contract prices are linked, such as refuse, parking and revenues, has been above 5% for a number of months.
- (iii) In year savings driven by central government (see above in paragraph 3.3). Delivering full year savings, when the announcements were only made in June mean, will often not be possible from the area funded directly from grant. This then falls on other areas of the budget.
- (iv) The legacy of the recession continues to depress income figures and increases demand for some services. The number of housing and council tax benefit live claims has risen from 34,082 in June 2008 to over 41,000 currently.
- (v) As budgets generally become more strained the ability to subsidise areas of overspending from other parts of the budget is reduced.

4.2 A summary of the latest 2010/11 budget position is included in Appendix A. This is based on the first 5 months of the financial year and takes a prudent view of the likely outturn and the impact of any actions to reduce the deficit. However, it highlights a serious position with a forecast overspend of up to £5,574m.

The table below sets this out in summary.

| | Latest Budget £'000 | Forecast £'000 | Variance £'000 |
|--|--------------------------------|---------------------------|---------------------------|
| Children and Families | 57,953 | 60,008 | 2,055 |
| Environment and Culture | 47,506 | 48,194 | 688 |
| Housing & Community Care: | | | |
| o Housing | 26,018 | 26,066 | 48 |
| o Adult social care | 89,113 | 92,613 | 3,500 |
| Finance & Corporate Services/Central Units | 25,752 | 25,752 | 0 |
| Service Area Total | 246,342 | 252,633 | 6,291 |
| Central items | 46,890 | 46,173 | (717) |
| Area Based Grants | (26,355) | (26,355) | 0 |
| Total council budget | 266,877 | 272,451 | 5,574 |
| Application of balances | (1,408) | (6,982) | 5,574 |
| Total after application of balances | 265,469 | 265,469 | 0 |

4.3 The main issues in individual services areas are as follows:

- Children and Families. The major overspending for this budget in 2010/11 is the cost of placements for children in care and the associated legal costs. The children's placement budget is currently projected to overspend by £2.0m, with legal costs £500k over budget. This is being partially offset in other budgets. The number of looked after children rose sharply in March 2010 to 374 children having been running at about 350 throughout the year. Much of the increase was for children in the age range 0-12 with high numbers of these being the subject of court proceedings. Although the number of children coming through this year has returned to previous levels the financial commitment brought forward from 2009/10 will have to be funded in this financial year and beyond.

The disproportionate use of independent foster carers compared with in-house still remains an area of concern. Apart from on-going controls on non-essential expenditure the One Council Programme is promoting and supporting a number of initiatives to increase in-house foster parents, develop preventative solutions and to return looked after children to mainstream support. These will all have a positive impact on the budget.

- Environment and Culture. There are a number of general pressures linked to the factors described in paragraph 3.3.
 - (i) The loss as associated with the withdrawal of government grant has led to pressures in Sports, Planning and StreetCare where

expenditure had been made or committed before the announcement. The likely overspends are:

| Service | £000 |
|--------------------|-------------|
| Sports | 135 |
| Planning | 140 |
| StreetCare | 53 |
| Directorate | 5 |
| Total | 333 |

- (ii) Loss of income, mainly associated with the economic downturn and the pressures on the housing market adds further significant problems.

| Service | £000 |
|--|-------------|
| Planning fee income | 200 |
| Land charges | 100 |
| StreetCare skip & hoarding licences | 55 |
| Total | 355 |

Restrictions on discretionary spending have been imposed since June. Close controls on overtime and the recruitment of permanent, temporary and agency staff have also been in place since the start of the financial year. It is proposed to achieve reductions to balance the budget by setting targets and fresh budget limits for all services.

Those services forecasting a surplus will be required to deliver these. This affects five services and amounts to a total contribution of £235k.

Those services facing overspends will be required to make a contribution to the resolution of those problems. It is proposed that targets be set for those services to recover one third of the deficit. The balance of the deficit will then be recovered in proportion to net revenue budgets.

- Housing and Community Care

- (i) The government has put caps on housing benefit with a £280 per week cap on one-bedroom properties and £400 per week on 4-bedroom or larger properties. This change was notified just before the start of the financial year. This will impact on the temporary accommodation budget. Current estimates are a net overspend of £48k.
- (ii) Adult Social Care recorded a net overspend of £2.8m in 2009/10. This was actually mitigated by one-off underspendings which will not be available in 2010/11 although £1.3m of growth was added to the budget. These spending pressures continue into this financial

year with overspendings forecast in the 4 main client groups - older people, learning disabilities, physical disabilities and mental health. Current forecasts suggest that the level of overspend in 2010/11 is likely to be around £3.5m. There are a number of factors including under budgeting in previous years, client numbers rising and the severity of support being required, costs rising above inflation, budget savings in 2009/10 not being delivered and expected income levels not being achieved. The Transformation Programme, which is a key project within the One Council Programme, is seeking to generate efficiencies while increasing choice and service quality for clients. It will be crucial that this is able to deliver to help ensure that the budget is brought back into balance in the medium term. A range of initiatives are being pursued including restricting inflation with care home providers and a joint procurement exercise with the WLA for homecare providers which seeks to save £900k in a full year.

- 4.4 The forecast for central items is for a £717k underspend. This is made up of an underspend of £223k on concessionary fares where the final settlement agreed for 2010/11 was lower than expected. In addition there is an underspend on savings on the reduction of 50 management posts where the savings achieved have over exceeded original estimates by £294k. There is also an underspend on premature retirement compensation of £200k from a reduction in the number of fund members as reflected in the 2009/10 outturn. The target saving from the overall One Council Programme is on target to be achieved.
- 4.5 Members have already agreed a number of 2010/11 budget virements. Additional virements are set out in Appendix B. These changes will be reflected in the second quarter monitoring report.
- 4.6 The report presents a significant forecast overspend that needs to be reduced. Any overspend will be the first call on the 2011/12 budget which is already a very difficult year due to reductions in resources for central government. Members are asked to agree that officers and portfolio holders seek ways to reduce the overspend and report back to the Executive.

5.0 Financial implications

- 5.1 These are set out in the body of the report.

6.0 Legal implications

- 6.1 The Director of Finance and Corporate Services is satisfied that the criteria in the scheme of virements and transfer are satisfied in respect terms in the report.

7.0 Diversity implications

7.1 This report has been subject to screening by officers and there are no direct diversity implications.

8.0 Background documents

8.1 Report to Executive 26th July 2010, Budget Strategy 2011/12 to 2014/15.

Report to Executive 16th September 2010, Performance and Finance Review Quarter 1 2010/11.

9.0 Contact officers

Mick Bowden (Deputy Director, Finance and Corporate Resources) Brent Town Hall, Forty Lane, Wembley Middlesex, HA9 9HD 020 8937 1460

CLIVE HEAPHY


Director of Finance and Corporate Services

2010/11 CURRENT BUDGET

| | 2010/11 Original Budget | 2010/11 Latest Budget | 2010/11 Latest Forecast | 2010/11 (Under)/ Over Spend |
|---|-------------------------------|-----------------------------|-------------------------------|--------------------------------------|
| | (1) | (2) | (3) | (3) - (2) |
| | £'000 | £'000 | £'000 | £'000 |
| Service Budgets | | | | |
| Finance & Corporate Resources/Central/BT | 25,792 | 25,752 | 25,752 | 0 |
| Children & Families | 60,145 | 57,953 | 60,008 | 2,055 |
| Environment & Culture | 48,859 | 47,506 | 48,194 | 688 |
| Housing & Community Care | | | | |
| - Housing | 27,665 | 26,018 | 26,066 | 48 |
| - Adult Social Care | 88,288 | 89,113 | 92,613 | 3,500 |
| Sub-Total | 250,749 | 246,342 | 252,633 | 6,291 |
| Central Items | | | | |
| Capital Financing Charges/Net Interest/Capitalisation adjustment | 22,389 | 22,389 | 22,389 | 0 |
| Levies | 10,576 | 10,576 | 10,576 | 0 |
| Premature Retirement Compensation | 5,344 | 5,537 | 5,337 | (200) |
| Insurance Fund | 1,800 | 1,800 | 1,800 | 0 |
| Civic Centre | 1,668 | 1,668 | 1,668 | 0 |
| Freedom Pass | 1,532 | 223 | 0 | (223) |
| Efficiency Programme/Income generation initiative, pay award adjustment | (4,365) | (2,787) | (2,787) | 0 |
| Management Posts | (2,014) | 294 | 0 | (294) |
| Other Costs | 7,776 | 7,190 | 7,190 | 0 |
| Total Central Items | 44,706 | 46,890 | 46,173 | (717) |
| Area Based Grants | (28,578) | (26,355) | (26,355) | 0 |
| Contribution to/(from) Balances | (1,408) | (1,408) | (1,408) | 0 |
| Total Budget Requirement | 265,469 | 265,469 | 271,043 | 5,574 |
| Balances B/Fwd 31.03.2010 | 8,908 | 8,963 | 8,963 | |
| Contribution to/(from) Balances | (1,408) | (1,408) | (1,408) | |
| TOTAL BALANCES | 7,500 | 7,555 | 7,555 | |
| 2010/2011 (Under)/Over Spend | | | 5,574 | |
| Balances Carried Forward | | | 1,981 | |

BUDGET VIREMENTS - 2010/2011 - Quarter 2

| Detail | Children & Families | Environment & Culture | Housing & Community Care | Business Transformation | Central | Finance & Corporate Resources | Central Items |
|--|------------------------|--------------------------|--------------------------------|----------------------------|----------|-------------------------------------|------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| E- Recruitment - Business Transformation Saving | | | | (150) | | | 150 |
| Total | 0 | 0 | 0 | (150) | 0 | 0 | 150 |

| | |
|---|--|
|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Directors of Policy and Regeneration and Housing and Community Care</p> |
| <p style="text-align: right;">Wards Affected: ALL</p> | |
| <p>Council response to NHS White Paper <i>Equity and Excellence – Liberating the NHS</i></p> | |

1.0 Summary

- 1.1 The government white paper, *Equity and Excellence – Liberating the NHS*, was published on the 12th July 2010. The white paper sets out a radical set of proposals for change within the NHS, including significant structural change and an overhaul of health service commissioning arrangements in England. Primary Care Trusts and Strategic Health Authorities are to be abolished. GP commissioning consortia will be established as statutory bodies and will be responsible for commissioning the majority of health services.
- 1.2 GP commissioning consortia are to be overseen by an NHS Commissioning Board, which will allocate NHS resources to GP commissioners, hold GP commissioners to account for their performance and quality and also commission community services, such as dentistry and pharmacy as well as specialist services such as maternity services and prison health services.
- 1.3 Local government is to be given an enhanced role within health service commissioning. It is proposed that local Health and Wellbeing Boards, led by elected councillors, are created to ensure joined up commissioning of local NHS services, social care and health improvement. The boards will provide a strategic overview and promote integration between health and adult social care, children's services and safeguarding. Public health and health improvement functions are to be transferred to local authorities. Councils will become responsible for a ring-fenced public health budget of around £4bn a year. This will be allocated to authorities based on population health need.
- 1.4 Simplified and extended powers will be introduced to enable joint working between health commissioners and local authorities. Local authorities will lead on Joint Strategic Needs Assessments and on local commissioning plans. The council will also have powers to refer issues relating to service reconfiguration to the Secretary of State for Health and the NHS Commissioning Board if it does not feel the changes are in the best interest of patients or the borough.

- 1.5 The changes to the health service and the way that services are commissioned will inevitably have an impact on the council's services, particularly those jointly commissioned with the NHS. Officers have already begun discussions with GP commissioners to start building working relationships in preparation for changes to commissioning structures. It is important that the Executive is aware of the proposed changes to health services and responds on behalf of the council to the consultation documents released by the Government to accompany the white paper.
- 1.6 In addition to publishing the White Paper, the government has released four consultation papers. They are:
- Transparency in outcomes – a framework for the NHS
 - Increasing democratic legitimacy in health
 - Commissioning for patients
 - Regulating healthcare providers
- 1.7 This report sets out the council's response to the consultation document *Local democratic legitimacy in health*, which has the greatest relevance for the council. There are elements within the *Commissioning for patients* paper which have also been addressed in the response, although this and the other consultation papers are primarily aimed at GPs and the wider NHS.
- 1.8 The Executive should endorse the council's response to the NHS White Paper. Members will be kept informed of developments within this area of policy in the coming months. A Health Bill will be put before parliament in due course, but Brent intends to be proactive and put in place arrangements that reflect the council's enhanced role in health service commissioning, not least by establishing a shadow health and wellbeing board. Further reports will be brought to the Executive when necessary.

2.0 Recommendations:

- (i). The Executive endorses the council's response to the *NHS White Paper, Equity and Excellence – Liberating the NHS*, included at appendix 1 to this report.

3.0 Details

- 3.1 The white paper, *Equity and Excellence – Liberating the NHS*, published on the 12th July 2010, set out the coalition government's vision for the NHS in England. The proposals contained within it, if implemented, will deliver some of the most radical reforms to the NHS since its formation. The key proposals in the white paper are:
- Patients should be given greater choice over the provider of their treatment and the type of treatment they receive
 - An independent NHS Commissioning Board will be established to oversee health commissioning in England
 - All acute trusts will become foundation trusts by 2013, giving them greater freedoms
 - Health service commissioning will be transferred to GPs. PCTs and SHAs will be abolished.
 - Public health budgets and responsibilities will be transferred to local authorities
 - Councils will be given the responsibility to promote integration and partnership working within health and social care services

- 3.2 These changes will be made at a time of unprecedented financial pressure. The NHS is going to have to make up to £20bn of efficiency savings by 2014, including reductions in management costs of 45%. The timetable for implementing the reforms to the health service is also very tight. Because of the fluid environment in which these changes will take place the council has already taken proactive steps to address some of the proposals, particularly the changes to commissioning arrangements. For instance, informal discussions have already been held with GPs to discuss the implications of the white paper.
- 3.3 Much of the focus since the White Paper was published has been on the changes to health service commissioning, creating GP commissioning consortia and abolishing Primary Care Trusts. This is understandable given the scale of the changes, but there are also considerable implications for local government that need to be understood and addressed. Local government will have a regulatory role with regard to health and social care commissioning through the establishment of Health and Wellbeing Boards that will be responsible for:
- Promoting integration and partnership across areas, including through joined up commissioning plans across the NHS, social care and public health, children's services and safeguarding;
 - Assessing the needs of the local population and leading the preparation of the statutory joint strategic needs assessment;
 - Supporting joint commissioning and pooled budget arrangements, where all parties agree this makes sense; and
 - Undertaking a scrutiny role in relation to major service redesign
- 3.4 The government is consulting on the establishment of Health and Wellbeing Boards and whether there should be a statutory requirement for upper tier local authorities and GP commissioning consortia to work together on health and wellbeing issues. The council supports both proposals as it believes this will be the best way to ensure partners come together to deliver health services that people in Brent need. The boards should be considered a forum for mutual influence, giving local authorities influence over NHS commissioning and corresponding influence for NHS commissioners in relation to health improvement, reducing health inequalities and social care.
- 3.5 Assuming Health and Wellbeing Boards are set up as the government intends, GP commissioners will have a duty to be members. The boards would bring GPs together with elected members (who will decide who chairs the board), representatives from adult social care, children's services, public health and patient representatives. GPs might be unfamiliar with this kind of collaborative working, but it is something the council is keen to develop. Indeed, in the consultation response Brent has argued that there should be a mutual duty of cooperation between local authorities and GP consortia to ensure GPs work in partnership with local government. At present the proposals are too one-sided with local government being expected to ensure partnership working takes place. Clearly this has to be the responsibility of local government and GPs if partnership working is to succeed.
- 3.6 The Health and Wellbeing Board is one of the ways in which the council will influence health and social care commissioning. There are other levers open to the council to influence commissioning and ensure that there is collaboration with GPs. The Health and Wellbeing Board will be able to refer proposals for major service changes to the NHS Commissioning Board and the Secretary of State if it does not believe that the changes are in the best interest of the borough. Whilst there will be mechanisms in

place to try to resolve issues locally, it is an option open to Boards once they are up and running. GP commissioners will need to ensure that Health and Wellbeing Boards are supportive of their plans, that they meet the strategic needs of the borough and that they are in patients' best interests. Indeed, in the consultation response Brent argues that board approval for commissioning plans should be mandatory. The council hopes to develop strong working relationships with GPs to avoid situations where a referral to the secretary of state becomes necessary. Overall Brent Council supports the proposals within the White Paper for joint working and collaboration between health, social care and local government.

- 3.7 Before GP commissioning can begin, commissioning consortia need to be established and satisfy the NHS Commissioning Board that they are robust enough to take on the risks associated with commissioning. The council and NHS Brent are already working with local GPs to understand how they wish to do this in Brent. It is a concern to the council that GP commissioning consortia boundaries may not match borough boundaries. Brent has benefited from having a co-terminous PCT and it is important that the GP commissioning consortia established in the borough are consistent with our boundaries to ensure local population needs are met, whether this is by a single consortium or multiple consortia. Brent does not support the idea of Brent practices joining consortia based in another borough.
- 3.8 Councils will assume responsibility for public health functions once the Health Act is implemented. The transfer of public health and health improvement responsibilities to local government will strengthen links with other services that make a real difference to peoples' health such as housing, planning, regeneration, sports and leisure etc. However, local government will need funding to follow the function if it is to deliver a comprehensive public health service.
- 3.9 It could be argued that the separation of public health from the NHS will mean the NHS no longer sees 'health' as its responsibility, only health care, and it will focus on treating ill health, not preventing it. Brent Council believes that GPs will have a critical role in promoting good health, not just treating ill health. GPs have many opportunities to offer interventions to prevent ill health such as smoking cessation services, which are likely to be run by the local authority. Partnership working to ensure these services are delivered to the people who need them most will be crucial. GPs will see patients at times when they may be open to change – before an operation, after a health scare, when they are feeling ill, or are pregnant. Opportunities to deliver ill health prevention messages and services will only be taken if the NHS sees ill health prevention as part of its core business.
- 3.10 Overall, Brent's response to the White Paper consultation focuses on a number of key themes. We believe that integrated working and a whole system approach to health and social care is crucial. Genuine steps have to be taken to ensure health and social care services are integrated and are working together for mutual benefit. This means creating an outcomes framework that is requires local government and the NHS to work together to deliver. Statutory Health and Wellbeing Boards, with a duty for local government and GPs to work together will help to achieve these aims. Similarly, Brent supports co-terminosity of borough boundaries with GP consortia so that GPs have an interest in the outcomes of that borough and not diverted by the requirements of working in multiple boroughs.

Conclusions

- 3.11 The opportunities that the white paper, *Equity and Excellence – Liberating the NHS*, provides local government are multiple and there is little doubt that if implemented

through the forthcoming Health Act as intended Brent's role in healthcare commissioning will be broadened and strengthened. This is to be welcomed. That said there are risks in the government's proposals that the council needs to be cautious of, not least the passing of £80bn of public money to untested GP consortia. Within every local authority area existing arrangements for joint commissioning and integrated services will be tested and services could suffer during the transition period. Work will need to continue with NHS Brent and GPs to manage the transition period as new commissioning arrangements are put in place.

4.0 Financial Implications

- 4.1 The financial implications of the NHS White Paper are still not completely clear. We are unsure whether funding for HealthWatch will be provided by central government. Without this there will be a cost to the council which is not currently budgeted for. At the moment, the budget for commissioning LINKs is £185,000 a year and this is paid for from the Area Based Grant. This funding is in place until 31st March 2011.
- 4.2 Public health responsibilities are to transfer to local government but we are unclear as to the level of funding that will be given to each council. We know that £4bn will be shared between authorities, with allocations based on health need. NHS Brent will spend £2,443,000 on public health in 2010/11, and receive income of £563,000. However, it's not clear what services are included in these amounts and these figures are being clarified. The Public Health White Paper due later this year should have more detail on the services that will become the responsibility of local government.
- 4.3 Consideration also needs to be given to the financial implications of providing commissioning support to a GP commissioning consortia. Should the council choose to do this, we would need to demonstrate that this was revenue neutral, but preferably, that it generated income for the council or ongoing savings greater than the cost of providing commissioning support.

5.0 Legal Implications

- 5.1 The publication of the Health Bill with the detailed legal provisions is awaited shortly and this will set out the specific legal implications which are the Government seeks to implement. The Legal and Procurement Department will review the impact of the legislation on its Constitution and any existing contracts with the PCTs under the NHS Act 2006 once it is clear which provisions will pass into legislation.

6.0 Diversity Implications

- 6.1 None

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 None

Background Papers

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Equity and Excellence: Liberating the NHS - Consultation Response

Overview

Brent Council has serious reservations about the proposals in the White Paper in relation to GP commissioning. We agree that local government should be given an enhanced role within health service commissioning, responsibility for providing a strategic overview of commissioning in boroughs and promoting integration between health and adult social care, children's services and safeguarding. Councils should play an active role in health services and it is encouraging that public health services will be brought back under local government control. Local government already provides a number of services that have a huge impact on the health and wellbeing of the population, such as housing, leisure and sport services, planning and regeneration services. Bringing these services closer to public health and mainstream health services has the potential to improve integration, be good for patients and lead to better health outcomes for our population. We urge the government to clarify the level of resource to be allocated to local authorities to meet the proposed public health duties. We also recommend that public health budgets are not ring-fenced so as to enable councils to use the resources to greatest local effect.

We do not support proposals to give GPs responsibility for the bulk of health service commissioning. We have serious concerns about giving untested GP consortia responsibility for spending £80bn of public money at a time when considerable cuts are being made to public spending. This proposal leaves GPs and the health service open to unacceptable levels of financial risk. There is also no clear evidence that giving GPs responsibility for commissioning will lead to improved clinical outcomes.

The reorganisation of the NHS could cost up to £3bn, whilst up to £20bn is to be taken out of the NHS budget by 2014. £3bn is a huge amount of money to spend on restructuring services when there are significant cuts being made to public sector spending. The council believes that at this time the NHS and patients would be better served if more effort was put into making the current system work more efficiently than redesigning health service commissioning and at the same time trying to take £20bn out of NHS budgets.

Brent Council is also concerned about the way that GP commissioning consortia could emerge. We are not convinced it would be in patients' best interests if they develop around the organisational structures of existing primary care trusts given that the White Paper was supposed to signal the end of PCTs. This would also bring into question the need to spend £3bn on reorganising only to recreate a broadly similar structure. The letter from the Secretary of State for Health to GPs on 24th September 2010 encourages GPs to take on more commissioning responsibilities in shadow form and to work with PCTs to make this happen. Our worry is that working with PCTs based on current structures will become the default option, as GPs look for support to help them commission services.

On the other hand, we do not want GP consortia to develop across borough boundaries or to be made up of geographically distant GP practices. This will not help partnership working or integration between health and social care; it would almost certainly lead to deeper division between health and social care services. At present the government is leaving the development of consortia to GPs themselves and not providing clear guidance on issues such as the size of consortia or geographical location. We believe that the government should explicitly guide GPs into forming consortia based around local government boundaries.

We have concerns that patient choice, particularly in primary care or care provided from community settings may be compromised by the government's plans. GPs will be commissioning acute and primary care services. As more services are moved into community settings, GPs will also be directly providing a greater range of services and potentially commissioning from themselves or other practices within consortia. This may have implications for patient choice, as GPs direct patients towards services in which they have a financial interest. There need to be procedures in place to ensure patients' are aware of their rights and that GPs are open about the choices available to patients.

Despite the council's opposition to some of the White Paper proposals, we appreciate that if these changes do take place we need to make sure that health and social care services in Brent are not adversely affected and that we build positive working relationships with GPs. Brent council is committed to improving the health and wellbeing of local people and will continue to work collaboratively with health service partners.

Brent Council's substantive response to the White Paper consultation questions is set out below.

Response to *Local democratic legitimacy in health*

Each consultation document contains a number of questions relating to the policy proposals. Brent's response addresses the relevant questions in each consultation paper.

Q1. Should local HealthWatch have a formal role in seeking patients' views on whether local providers and commissioners of NHS services are taking account of the NHS Constitution?

Response – Brent Council encourages and supports patient and public involvement in health and social care services and welcomes proposals for the establishment of a local HealthWatch. It is important that commissioners and providers of NHS services take account of the obligations contained in the NHS Constitution and ensure that there is a way for patients to bring matters of concern to commissioners if they are not receiving the services that they want, need or are entitled to. An effective patient and public involvement organisation should already feel empowered to seek and express the views of patients in relation to the provision of NHS services whether or not they have a formal role in ensuring that providers and commissioners take account of the NHS Constitution. The council is not convinced that this needs to be formalised. It is something that HealthWatch should be doing without legislation to require it.

Local HealthWatch will need to ensure the views of all patient groups are taken into account especially hard to reach or seldom heard groups. For example, the views of children and young people to be considered. Brent has an effective, vibrant and dynamic Youth Parliament which is represented at Children's Trust level and supports the work of the

Children and Families Overview and Scrutiny Committee. HealthWatch will need to connect with groups such as this to capture the full range of patient views.

Q2. Should local HealthWatch take on the wider role outlined in paragraph 17, with responsibility for complaints advocacy and supporting individuals to exercise choice and control?

Response - The proposal to give HealthWatch responsibility for the complaints advocacy service, to be commissioned by local authorities or National HealthWatch makes sense. If HealthWatch is to be the organisation that people go to with issues relating to health and social care services, then giving them a complaints advocacy role would complement their broader remit. However, it is important that people can continue to use other advocates, such as the CAB or specialist advice and support services and that their legitimacy to support patients is recognised by the NHS. The roles and responsibilities of the local HealthWatch and NHS Patient Liaison Services should also be clarified.

In developing this wider role for HealthWatch, consideration needs to be given to the existing signposting, information and advocacy services provided by Local Authorities to reduce duplication and ensure a more consistent message to consumers. In the case of Children's Services, there is already a requirement to have a Children's Information Service which provides signposting to a range of services for children and families and is only missing the advocacy component of the HealthWatch type role described in the White Paper. Integration of such services could reduce cost, duplication and deliver a consistent consumer message.

HealthWatch should support patients to exercise their right to choice when selecting which health services to use. However, it is important that health service practitioners inform patients of their right to choose providers. When GPs begin to commission services this will become especially important, to avoid scenarios where patients are automatically referred to services in which the GP has a financial interest. There needs to be checks in the system to ensure patients are being informed by practitioners of their right to choose service providers.

Q3. What needs to be done to enable local authorities to be the most effective commissioners of local HealthWatch?

Response – Local authorities are concerned that there won't be sufficient funding to commission HealthWatch services. Funding was provided to commission Local Involvement Network Services but it is not clear whether additional resources will be provided to commission the new service. At present funding for LINKs ends in March 2011. It is not reasonable to expect local authorities to fund a new patient and public involvement service, with enhanced duties such as complaints advocacy, in an environment where local government funding is being reduced. There needs to be clarity from central government about how they intend to fund HealthWatch once the current LINK funding comes to an end. It would also be helpful for the government to clarify working arrangements for LINKs after April 2011, assuming HealthWatch won't be established by then.

In terms of the commissioning framework and guidance for HealthWatch, Brent believes that boroughs should be able to make their own arrangements to suit local needs and would not want legislation and guidance to be overly prescriptive. We would want to be able to facilitate integration with existing services providing similar services to HealthWatch and have flexibility in how these services are provided. Clarification of the roles and responsibilities of National HealthWatch would also be helpful as the consultation paper includes little detail on this.

Q4. What more, if anything, could and should the Department do to free up the use of flexibilities to support integrated working?

Response - Brent Council believes that there are a number of things that Department of Health can do to support integrated working between health and social care and develop a whole system approach to care. Firstly, health and social care agencies need to be incentivised to work in an integrated fashion. This means designing performance indicators (assuming they continue to exist) that work to promote integration between the two systems. The way that services are funded needs to be changed so that health and social care agencies benefit from changes and improvements to the system. Operating in a financial silo, as the NHS currently does, means that there is little incentive to make improvements to services that result in savings to social care budgets. This has to change and funding needs to be allocated to localities for health and social care so that the benefits (and risks) of service changes are shared. This should lead to closer integration of services, particularly if spending plans are agreed by health and wellbeing boards.

There is also legislation in place that currently allows joint working and integration between health and social care services (Section 75 of the National Health Service Act 2006 for example). It is assumed that existing legislation will be modified to reflect GPs new role in commissioning health services.

Q5. What further freedoms and flexibilities would support and incentivise integrated working?

Response – The bureaucracy of developing pooled budgets to support joint commissioning initiatives has proven problematic in the past due to the risks for either or both organisations. Generally, both LA and NHS organisations have expressed concerns about being fixed into pooled budget arrangements which are perceived to be difficult to end or are in place for too long. Therefore, we propose that commissioning responsibilities for specific care groups could be delegated where appropriate to allow a single organisation to be responsible for the commissioning, procurement and performance management of the service. Delegation will allow increased freedom for a single organisation to progress towards integrated models of care while enabling flexibility for either organisation to review the delegated arrangements to determine whether they continue to be fit for purpose at the end of each contract period.

Q6. Should the responsibility for local authorities to support joint working on health and wellbeing be underpinned by statutory powers?

Response – Statutory powers for local government to support joint working with the NHS on health and wellbeing would be welcomed, but might not lead to deeper integration of health and social care services unless it was underpinned by a statutory responsibility for local government and GP commissioners to work in partnership. Brent Council is concerned that under the government's proposals the onus would be on local government to use its existing skills and experience to support joint working, but in contrast to the duty for GP consortia to work with colleagues in the wider NHS and social care there would be no requirement for GP commissioning consortia to work with local government. Efforts to promote joint working could be frustrated by the unwillingness of GP commissioners to participate, no matter how much effort the local authority puts into to integration. Indeed, there are concerns in local government that the NHS does not engage sufficiently or seriously with local partnership arrangements. As highlighted in Sir Ian Kennedy's report – "Getting it right for children and young people" (21 Sept 2010), despite the concerted effort at policy level to raise the profile

of children and young people's services, this is not matched by the results at operational level due to a culture within the NHS that results in barriers to change and improvement.

The best way to ensure clarity around the expectations for partnership working would be to introduce a mutual duty of cooperation between local authorities and GP consortia. A statutory requirement upon NHS partners to cooperate and work jointly with the Local Authority would serve to strengthen the requirement Brent Council hopes that the government reconsiders this proposal to make it a more balanced and not just rely on local government to make partnership working effective.

Q7. Do you agree with the proposal to create a statutory health and wellbeing board or should it be left to local authorities to decide how to take forward joint working arrangements?

Response – Brent Council agrees with the proposal to establish a health and wellbeing board and is putting in place plans for a shadow health and wellbeing board to begin meeting before the end of 2010. The shadow board will be integrated within our Local Strategic Partnership structure and will engage GP commissioners, public health colleagues, patients group's, representatives from the local acute trust as well as elected members and council officers to work on health and social care issues in Brent.

The council believes that health and wellbeing boards will be the best way to ensure partners come together to deliver health services that people in Brent need. We agree that the boards should be considered a forum for mutual influence, giving local authorities influence over NHS commissioning and corresponding influence for NHS commissioners in relation to health improvement, reducing health inequalities and social care. Without the formal role of a health and wellbeing board and GPs requirement to engage with it, Brent is concerned that opportunities for genuine integration could be missed and that health and social care commissioning becomes fragmented within boroughs.

As we have stated previously, Brent Council would like the government to ensure that GP commissioning consortia are co-terminous with borough boundaries. This is crucial to help integrate health and social care services and not lead to further divisions between the two. If boundaries are not co-terminous the council believes that any consortia with an interest within Brent, even if it covers one or two practice areas, should have a duty to work with the Brent health and wellbeing board. The council believes that there should be full representation from all GP commissioning consortia within Brent's boundaries on its health and wellbeing board.

Q8. Do you agree that the proposed health and wellbeing board should have the main functions described in paragraph 30?

Response – Brent Council has no objections to the functions proposed for the health and wellbeing boards. However, we do think that there are additional functions that could be added to their role. We would like health and wellbeing boards to be responsible for approving GP consortia commissioning plans to ensure they meet the boroughs health needs and the wider strategic plans for health and social care. If the health and wellbeing board is not satisfied that consortia's overall commissioning intentions are in line with the borough's JSNA and in the best interest of patients, the plans could be referred to the NHS Commissioning Board.

The White Paper proposes that councils will assume responsibility for public health functions. If this happens, health and wellbeing boards will need to work with GP commissioners to ensure that commissioning plans reflect the importance of public health and health promotion work. There is a risk that the separation of public health from the NHS will mean the NHS no longer sees 'health' as its responsibility, only health care, and it will focus on treating ill health, not preventing it. Brent Council believes that GPs have a critical role in promoting good health, not just treating ill health. GPs have many opportunities to offer interventions such as smoking cessation services as they see patients at times when they may be open to change – before an operation, after a health scare, when they are feeling ill, or are pregnant. Opportunities to deliver ill health prevention messages and services will only be taken if the NHS sees ill health prevention as part of its core business and this need to be reflected in the NHS outcomes framework. Working in partnership to ensure these services are delivered to the people who need them most will be crucial. The health and wellbeing board will be the best forum for local authorities to engage GPs on these issues. The government should also consider whether the Directors of Public Health should have a role within the governance of GP commissioning consortia to ensure better integration between health care and public health.

Q9. Is there a need for further support to the proposed health and wellbeing boards in carrying out aspects of these functions, for example information on best practice in undertaking joint strategic needs assessments?

Response – Guidance is always helpful on such issues, but Brent does not think that detailed advice on carrying out a JSNA is needed. The council and NHS Brent have already prepared one JSNA (in 2008) and plans to refresh this document in 2011. The council also believes that rather than government set out in details how health and wellbeing board should function, it should be for members of health and wellbeing boards locally to agree terms of reference and working arrangements.

Q10. If a health and wellbeing board was created, how do you see the proposals fitting with the current duty to cooperate through children's trusts?

Response - Sir Ian Kennedy's report (Sept, 2010) sets out nine recommendations which are briefly summarised below:

1. To bring about a more holistic approach to their overall welfare, policy for health wellbeing and public services relating to children and young people should be brought under one government department. Sir Ian's suggests, but does not insist, that this might be a newly conceived Department of Public Health.
2. Government and national organisations must agree on their respective responsibilities and align services to meet them.
3. Funding for services to children and young people, including the transition to adulthood should be separately identified and allocation to the government department referred to in (1) above.
4. There should be a dedicated Local Partnership for children's health in every local authority area. The report alludes to Children's Trusts as potentially the ideal vehicles for the type of change proposed.
5. This Local Partnership should be locally accountable.
6. The Local Partnership should be able to require a Children's and Young People's Plan to be drawn up and implemented.
7. This plan must set out the agenda for children's health and healthcare.

8. This plan must integrate the children's health and healthcare agenda into the overall plan for all services provided by the Local Partnership.
9. The Local Partnership must ensure that the views of children and young people are sought and taken into account.

Recommendations 4-9 from the Kennedy report reflect current Children's Trust's arrangements. It is therefore important that the proposals set out in the White Paper do not create unnecessary layers of bureaucracy or duplication of existing mechanisms. However, it must also weigh the risk of destabilising existing structures that are effective and delivering measurable improvements in outcomes for children and young people. The White Paper's proposals for health and well being boards may well be the ideal opportunity to strengthen the requirements upon the NHS to ensure sufficient representation, engagement and interest.

It is likely that some form of local partnership focusing on outcomes for children and families will continue. In order to achieve the aim of integrating health services effectively, a strong link between health and children's/family services will be required. Children's health and well being will continue to be a key part of the children's agenda and it will be important to ensure that there are clear lines of accountability with well defined responsibilities for the health and well being board and the children's trust or equivalent partnership arrangements. There is a real and significant risk that the children's/family health agenda could be covered by both, causing duplication, or be given less focus as part of the wider health agenda without a children's board to champion children and families needs.

It is therefore clear that the interfaces between the health and wellbeing boards, the children's trust and local safeguarding children board merit further consideration. The consultation paper indicates that the health and well being board has some role/accountability over children's safeguarding in a broader sense, which appears to duplicate the role of the children's trust and the role of the director of children's services. The government should clarify roles and responsibilities in this area.

Q11. How should local health and wellbeing boards operate where there are arrangements in place to work across local authority areas, for example building on the work done in Greater Manchester or in London with the link to the Mayor?

Response – Brent believes that individual boroughs are best placed to determine local need and establish arrangements to ensure there is joined up working between health and social care services. Brent is already working on a sub-regional procurement project in adult social care services with other west London boroughs, an excellent example of cross borough working that will deliver better services to local people. The Mayor of London does not currently have any policy powers in relation to health we would not want to see this change. Whilst we appreciate that the Mayor has a strategic overview of health inequalities in the capital Brent Council does not see a role for the Mayor or his representatives in local health and wellbeing boards unless he is given significant public health responsibilities (clarification on the services to be transferred to the Mayor would be helpful). Cross borough working arrangements between health and wellbeing boards, where this is necessary, should be agreed by the boroughs affected. We do not believe that there is a role for the Mayor in this. Our preferred option is also for boroughs and GP commissioning consortia boundaries to be co-terminous. We think that this is in the best interest of patients and reduces the need for overly complicated partnership arrangements.

Q12. Do you agree with our proposals for membership requirements set out in paragraph 38 - 41?

Response – Brent Council broadly agrees with the suggested membership of the health and wellbeing boards.

Q13. What support might commissioners and local authorities need to empower them to resolve disputes locally, when they arise?

Response – Brent Council believes that if GP commissioners and the local authority establish good working relationships then most disputes relating to commissioning should be resolved locally without need to refer them to the NHS Commissioning Board or the Secretary of State for Health. There is an acceptance that referral should be the very last resort and we would assume that if local arrangements are working well then there would be very few referrals as has been the case with referrals from overview and scrutiny committees to the Independent Reconfiguration Panel. If local authorities are regularly referring issues to the NHS Commissioning Board this would be a fairly obvious sign that local arrangements are not working and that relationships have broken down. It is up to councils and health service commissioners to ensure that this doesn't happen.

GP commissioners will need to commit to working with health and wellbeing boards and the government should legislate to ensure this happens. It is vital that they use the boards to test commissioning ideas at an early stage to ensure that there is agreement from all sides. Brent has already argued that if GPs become lead commissioners of health services there should be a duty on them to be members of health and wellbeing boards, and this issue gives further weight to this argument. The NHS Commissioning Board may wish to supply mediators to help GP commissioners and local authorities come to a mutually acceptable position and prevent any referral becoming necessary.

Q14. Do you agree that the scrutiny and referral function of the current health OSC should be subsumed within the health and wellbeing board (if boards are created)?

Response – The transfer of statutory health overview and scrutiny powers to health and wellbeing boards will mean that there is a weakening of accountability for health and social care services. One of the strengths of the overview and scrutiny function is its separation from decision making. Health and wellbeing boards are to be responsible for coordinating health and social care commissioning in the borough. They are to have executive powers. Therefore they should not be responsible for scrutinising health and social care commissioning decisions, as there is a conflict of interest and a lack of independent scrutiny. It is important that health scrutiny committees are still able to scrutinise commissioning decisions to ensure these are made in the best interest of patients.

The government should also consider how GPs will be covered by scrutiny arrangements. As independent contractors with the NHS, GPs are not currently subject to overview and scrutiny from local authorities. Will this loophole be closed so that they have to co-operate with scrutiny functions once they become health service commissioners?

Q15. How best can we ensure that arrangements for scrutiny and referral maximise local resolution of disputes and minimise escalation to the national level?

Response – Please refer to the answer to question 13 above.

Q16. What arrangements should the local authority put in place to ensure that there is effective scrutiny of the health and wellbeing board's functions? To what extent should this be prescribed?

Response – Brent Council has reviewed its overview and scrutiny arrangements and set up a Health Partnerships Scrutiny Committee that will scrutinise the borough's effectiveness in tackling health inequalities and partnership working in health and social care. This appears to fit into government thinking on the role of overview and scrutiny in the new health service landscape. It is important that crucial areas such as health inequalities and public health continue to be scrutinised independently by elected members. We do not necessarily think that there needs to be a statutory requirement to have a health scrutiny committee as is currently the case, but that most councils will set up local arrangements to best meet their needs. Health scrutiny committees should also have the powers to scrutinise commissioning decisions, even if referral powers are transferred to health and wellbeing boards. Oversight of the boards will remain important to ensure there is independent, democratic accountability in health and social care commissioning decisions.

Q18. Do you have any other comments on this document?

Response – The recommendations made by Sir Ian Kennedy (Sept 2010) should be considered in the context of the White Paper proposals given the significant and serious concerns highlighted in respect of the NHS, its ability to work effectively in partnership internally and with external agencies and specifically in relation to children's services.

Following on from this, if GP Consortia will not commission services provided by GPs, where does the responsibility for safeguarding lie with regard to GP provided services? This aspect requires further clarification regarding processes and commissioning levels given that Public Health Departments will be transferred to the Local Authority and GP contracts will be managed by the National NHS Commissioning Board.

The consultation paper suggests that maternity and newborn care services will be commissioned by the National NHS commissioning board as well as specialist services to ensure choice across a range of settings and services. However, it is not clear how it will be ensured that these services remain responsible to local need. Further clarity is required on why the NHS commissioning board would take the lead role for commissioning maternity services given that many aspects of maternity services need to be commissioned locally, particularly antenatal and postnatal care. Brent Council would argue that all services should be commissioned at the local level unless there are compelling financial or clinical reasons for it to be done at a regional or national level.

Finally, with regard to Public Health, the definition of public health will need to be redefined in line with its new broader remit. For example, in the context of children's services, public health service could be defined as those provided by health visitors, community midwives and school nurses. Therefore an underlying assumption could be that such roles come under the auspices of local government to better support delivery of integrated services that promote health and well being, provide early intervention and preventative support.

Response to *Commissioning for patients*

Q9. Are there other activities that could be undertaken by the NHS Commissioning Board to support efficient and effective local commissioning?

Response - The Commissioning Board should ensure that local commissioning is undertaken with due regard to public health and preventative medicine and with the active involvement of Directors of Public Health and health and wellbeing boards.

Q11. How far should GP consortia have flexibility to include some practices that are not part of a geographically discrete area?

Response – Brent is firmly of the view that local people would be best served if their GP practice was part of a consortium with firm links to the borough and that preferably consortia boundaries in Brent matched the borough's boundaries. Indeed, we would like the government to ensure consortia boundaries match borough boundaries. We do not think that practices will be well served in terms of quality and support if they are part of a consortium that is primarily based in another borough or geographically distant to Brent. It is also not good for patients. If practices are based away from their consortium but a patient is referred for specialist treatment provided by another practice in that consortium they may face a long journey to receive that service. This isn't going to be in patients' best interests. If GP consortia and Health Watch boundaries do not make sense to local people how can they be expected to engage with them? Equally, if the boundaries of a consortium straddle more than one local authority area this could lead to a greater dislocation of public health and social care provision, again with the greatest impact being felt by patients.

Q12. Should there be a minimum and/or maximum population size for GP consortia?

Response – It is crucial that GP commissioning consortia are sustainable and have the capability and capacity to become effective commissioners and manage the financial risks that will come with the responsibility for spending NHS budgets. Brent believes that consortia will need to be commissioning health services for at least 100,000 patients, but it is more important that consortia are robust organisations able to deliver and commission excellent health services than it is to be overly prescriptive on the population size they need to serve.

Q13. How can GP consortia best be supported in developing their own capacity and capability in commissioning?

Response – Brent Council believes that there is a role for local government in supporting GP commissioning consortia and we are pleased that this option is mentioned explicitly in the White Paper. Local authorities are already experienced commissioning organisations and many will have the skills and capacity to support GPs in their commissioning work. For example, councils are able to provide skills such as demographic analysis, contract negotiation, performance monitoring and financial management. The key issue for Brent is that GPs themselves are able to choose the support they want to develop their own capacity and capability and are not forced into replicating existing systems by current NHS organisations, which is what we feel will happen as the proposals currently stand. GPs should be able to engage local government, PCTs, the private sector or the third sector in their own time to consider the support they need. The government should ensure that attempts to replicate existing structures of support through reformed PCTs does not become

the default position for consortia. The whole purpose of the White Paper was to radically change the way that health services are commissioned, not to replicate the existing system.

That said we are also cautious about private sector involvement in health service commissioning. We do not think that profit should be the driving force in health service provision, but why else would private sector firms be looking to support GP consortia? Our worry is that patients will receive inappropriate services if the private sector supports consortia, as GPs are encouraged to seek low cost solutions to save commissioning budgets, when this might not be in the best interest of patients.

Q14. What support will GP consortia need to access and evaluate external providers of commissioning support?

Response – It is a concern to Brent Council that support for GPs to evaluate external providers of commissioning support may come from existing PCTs. Not only is there a potential conflict of interest as PCTs reform themselves as social enterprises to provide this support, the transition period could also be difficult as the NHS makes the management savings required of it, whilst supporting GPs. At the very least, GPs should receive advice and guidance on evaluating commissioning support from organisations that are not bidding to provide that support to eliminate the potential for conflicts of interest. Strategic Health Authorities or the NHS Commissioning Board may be best placed to provide support to GPs.

Q17. What are the key elements that you would expect to see reflected in a commissioning outcomes framework?

Response – Brent Council believes that a commissioning outcomes framework should not just reflect health services commissioned by GPs, but needs to be used to help integrate health and social care services to deliver a whole system approach to care. Any framework which enhances the silos that separate health and social care will be detrimental to the overall care of people in Brent. The reorganisation of health service commissioning presents the department with an opportunity to enhance the link between health and social care by making this explicit in the outcomes framework. This includes factors such as shared objectives and targets that health and social care will be expected to deliver together. We would also expect to see key public health indicators including smoking and obesity prevalence to help focus GPs on preventing ill health.

Q18. Should some part of GP practice income be linked to the outcomes that the practice achieves as part of its wider commissioning consortium?

Response - There are a number of ways in which GPs can be incentivised, but Brent would want to see incentives that are consistent with reducing ill health and improving health inequalities in the borough. We would not support proposals that would lead to GPs retaining commissioning budgets if they are not fully spent. This could encourage under referring to the acute sector even when patients require specialist treatment and might work against broader borough objectives. Brent believes that in order to foster joint working and closer integration between primary care, social care and public health, GPs need to be incentivised in a way that compliments the borough's aims for social care and public health. This includes broad objectives like increasing life expectancy and reductions in morbidity, which should be reflected in consortia commissioning. Linking GP incentives to underspending in their budgets may not be in patients' best interests. The government should involve public health and social care professionals in discussions with GPs about the most appropriate way to

incentivise and reward GPs. The rewards system for GPs and the proposed health framework also needs to compliment the wider adult social care and wellbeing framework.

Q19. What arrangements will best ensure that GP consortia operate in ways that are consistent with promoting equality and reducing avoidable inequalities in health?

Response – Brent Council has already argued that through the development of health and wellbeing boards, GP commissioners and the council should be working in partnership to develop a whole system approach to health and social care service provision. This can be further strengthened through the implementation of GP incentives that complement the broader aims of social care and public health. In Brent reducing health inequalities is a priority for both the council and PCT. Effective partnership working between GPs and the council will be crucial if progress in any progress is to be made in this area of work. Therefore, our argument that there should be a mutual duty of cooperation between local authorities and GP consortia would be of benefit to help reduce health inequalities – this isn't something that can be achieved by local government or the NHS alone.

Q24. How can GP practices begin to make stronger links with local authorities and identify how best to prepare to work together on the issues identified above?


Response – Since the White Paper was published Brent Council has been proactive and engaged groups of GPs to discuss the issues connected to GP commissioning, to see what help and support GPs will need and also to consider how the council and GPs will work together from now on. Although the council has reservations about GP commissioning building these informal relationships is an important first step that needs to be taken in preparation for more formal partnerships that are likely to follow once the Health Bill has passed through parliament.

As we have already stated, in preparation for the creation of health and wellbeing boards, Brent is going to put in place shadow arrangements and we would expect GPs to participate in these. Although there will be no requirement for them to do so, it would indicate a willingness to work in partnership with the local authority in the longer term. The sooner that local government and GPs can begin discussing issues relating to health and social care, the more likely that objectives such as integrated working becomes a reality. It will also help us better understand our respective needs and ambitions for health and social care. We hope that the Department of Health will encourage GPs to begin working with local government as soon as possible, including participation in shadow arrangements in the lead up to the abolition of PCTs.

Joint working and integrated commissioning is to become increasingly important as the amount of funding available for health and social care reduces. Services for vulnerable groups are particularly important as they may not be the first priority for GP commissioning consortia. Brent Council believes that local government could take a lead role in commissioning services where it has considerable experience and a proven track record in commissioning, such as mental health, health and wellbeing of homeless people, services for children and young people and services for people with learning disabilities. In some areas, local authorities may wish to delegate commissioning responsibilities to GP commissioning consortia if they have the capacity and expertise to do so. Equally, they may wish to delegate commissioning to sub-regional or supra-regional commissioning groups. In either case this should be for local decision.

Perhaps the greatest challenge to the new NHS will be how to put prevention at the heart of the NHS. The new structures for health and social care will place responsibility for health care and ill health prevention into separate organisations with different outcome frameworks. There could also be different geographical boundaries between organisations that will have to work together. Failing to engage primary care effectively in preventative medicine will impose burdens to the public in terms of ill-health, to GP consortia in terms of a heavier work load and the NHS as a whole in terms of unnecessarily high costs. Ensuring that the two new services (public health and health care) work together effectively must be of the highest priority. As we have already said, proposals for the NHS Outcomes Framework should be reviewed to include specific public health indicators, especially for smoking and obesity which have a huge impact on peoples' health and cost to the NHS.

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|---|---|
|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Director of Policy and Regeneration</p> |
| For Information | Wards Affected: ALL |
| Annual Complaints Report 2009/2010 | |

1.0 Summary

- 1.1 This report provides information about complaints against Brent Council considered by the Local Government Ombudsman, comments on the Council's performance under its own corporate complaints procedure, and reports on developments in the Council's complaint handling. The annual reports on the operation of the statutory children's and adult social care complaints process are presented with this report to give Members a comprehensive picture of complaints made against the Council.

2.0 Recommendations

- 2.1 This report is for information only.

3.0 Detail

Complaints made to the Local Government Ombudsman

- 3.1 In total the Local Government Ombudsman's Advice Team received 147 enquiries and complaints about Brent Council in 2009/10. Over a third of them related to housing matters. Of those, 74 were accepted for investigation. The rest were either referred back to the Council to be dealt with under our internal complaints process ('premature complaints'), or general advice was given to the complainant.
- 3.2 The Local Government Ombudsman (LGO) made decisions on 77 complaints, the same number as in 2008/09.

The following table shows the outcomes of the complaints decided by the LGO with a definition of each category.

| | |
|--|----|
| Formal report: None issued | 0 |
| Local settlement: Decisions by letter discontinuing investigation because action has been agreed by the authority and accepted by the LGO as a satisfactory outcome for the complainant | 7 |
| No maladministration: Decisions by letter discontinuing investigation because the LGO has found no, or insufficient, evidence of maladministration | 33 |
| Ombudsman's discretion: Decisions by letter discontinuing an investigation in which the LGO exercises discretion not to pursue the complaint, typically because there is no, or insufficient, injustice to warrant pursuing the matter further. | 24 |
| Outside jurisdiction: Cases which were outside the LGO's jurisdiction | 14 |
| Total: excluding premature complaints | 77 |
| Premature complaints: Complaints referred back to the council to consider under our own procedure | 36 |

3.3 Complaints to the LGO have fallen year on year and are now only a quarter of the number dealt with by the LGO in 1999/2000 – demonstrating a significant and sustained improvement both in service delivery and customers' satisfaction with the Council's complaint handling. The following table shows the steady decrease over past decade

| | Complaints decided by the LGO | Complaints referred back as premature | Total |
|---------|--------------------------------------|--|--------------|
| 1999/00 | 286 | 42 | 328 |
| 2000/01 | 238 | 128 | 366 |
| 2001/02 | 98 | 124 | 222 |
| 2002/03 | 83 | 104 | 187 |
| 2003/04 | 95 | 102 | 197 |
| 2004/05 | 110 | 72 | 182 |
| 2005/06 | 104 | 82 | 186 |
| 2006/07 | 131 | 61 | 192 |
| 2007/08 | 112 | 63 | 175 |
| 2008/09 | 77 | 44 | 121 |
| 2009/10 | 77 | 36 | 113 |

3.4 Continuing the trend of recent years, just over 40% of the complaints investigated by the LGO were housing matters. The other main categories of complaint were those about the Environment and Culture service (25%) and Revenues and Benefits (18%).

The following table shows the breakdown of LGO complaints across departments.

| | Local settlement | Normal | Ombuds discretion | Outside jurisdiction | Total excl premature complaints | Premature complaints |
|------------|------------------|-----------|-------------------|----------------------|---------------------------------|----------------------|
| Bus Trans | 0 | 0 | 0 | 3 | 3 | 0 |
| Central | 0 | 0 | 1 | 0 | 1 | 0 |
| C & F | 0 | 5 | 2 | 0 | 7 | 0 |
| E & C | 0 | 10 | 5 | 4 | 19 | 5 |
| BHP | 2 | 5 | 6 | 1 | 14 | 10 |
| Housing | 2 | 7 | 5 | 3 | 17 | 8 |
| Comm care | 1 | 1 | 0 | 0 | 2 | 0 |
| Rev & Bens | 2 | 5 | 4 | 3 | 14 | 11 |
| Total | 7 | 33 | 23 | 14 | 77 | 36 |

3.5 For the third year running, the LGO did not issue any formal reports against the Council. Seven complaints resulted in local settlements. This represents just 11% of the complaints decided by the LGO which were within his jurisdiction and reflects extremely well on the effectiveness of the Council's complaints procedure in providing prompt and suitable redress when things go wrong. (The average local settlement rate nationally was 26.9 %.) Only £1,370 compensation was paid as a result of these seven complaints. In all other cases the LGO found no reason to criticise the Council's actions.

3.6 The complaints which resulted in local settlements were as follows:
Homelessness

The complaint was from a resident who approached the Council as homeless just before going into hospital, saying that he would be homeless on discharge. The issue was whether the Council should have treated the man as homeless and potentially in priority need. The Council's stage 3 investigations relied on an officer's recollection that the complainant had said that he could go to stay with friends, but there was no written record of that statement and the complainant denied making it. The LGO concluded that the Council should have decided that the person was homeless and in priority need and therefore offered him interim accommodation. The LGO asked the Council to pay £300 compensation and to remind officers of the need to ensure that the Council's homeless prevention strategies did not stand in the way of people being able to make formal homeless applications. The Housing Resource Centre introduced new procedures to prevent a recurrence.

Council house repairs

Two complaints resulting in local settlements came about as a result of Brent Housing Partnership's delays in rectifying leaks. In one case the LGO asked the Council to increase the compensation already paid from £580 to £750 to reflect the fact that the tenant had had to live in temporary accommodation longer than necessary. In the other case Brent Housing Partnership offered to replace carpets and floor covering in recognition of the excessive delay in carrying out refurbishment work. The LGO found that to be a suitable outcome.

Housing benefit

The Council failed to send the complainant (a landlord) £750 to which he was entitled and which represented several months housing benefit for his tenant. The LGO asked the Council to pay £50 compensation.

Council Tax recovery

Two local settlements resulted from the Council's failure to deal with complainants' requests to repay arrears by instalment, contrary to the policies contained in the anti-poverty strategy. The LGO acknowledges that the strategy itself is a good one but he has previously issued two formal reports in 2007, criticising the Council for not having regard to its own strategy when recovering Council Tax debts. In one case the LGO asked the Council to pay £300 compensation and, in the other, to pay £50 in addition to the £350 already awarded. Given that the LGO has already issued two formal reports finding maladministration causing injustice because of the Council's failure to have regard to its own policy designed to protect the vulnerable, the Revenues and Benefits service needs to be vigilant in ensuring that the anti-poverty strategy is observed in order to avoid further adverse findings by the LGO.

Adult social care services

The complainant was going through a severe crisis and the Council agreed, exceptionally, to store his possessions at an office. However there was no proper procedure in place and no inventory was taken. A year before the complainant approached the LGO, the Council offered £500 compensation for items that the complainant claimed had been lost, but the complainant refused to accept the money. The LGO asked the Council to offer the complainant the compensation again. Another complaint, investigated under the Council's internal complaint procedure, highlighted the inadequate procedures which were in place and the Director of Housing and Community Care was asked to review them.

- 3.7 The LGO made formal written enquiries into 46 complaints and the Council replied in an average 21.9 days, well within the LGO's timescale of 28 calendar days.

The Local Government Ombudsman's Annual Review

- 3.8 Each year the LGO publishes an Annual Review commenting on each authority's performance on complaints made to his office and on general complaint handling arrangements.
- 3.9 In his Review for 2009/10 the LGO once again commented positively on the Council's continued prompt and thorough responses to his enquiries and on the Council's complaint handling generally. The LGO said "*The Council continues to respond well to our enquiries on complaints and we obtain local settlements at a rate far below the average across all authorities. In my view this reflects very well on the Council's complaint handling arrangements.*"
- 3.10 The full text of the LGO's Annual Review can be found on the LGO's website www.lgo.org.uk or the Council's Intranet and Internet sites www.brent.gov.uk/complain.

Comparison with other London councils

- 3.11 Brent Council was 19th among the 32 London boroughs in terms of the raw number of complaints decided by the LGO. However only two councils (Sutton and Merton) had a lower percentage of local settlement decisions (10.5% and 10.7% against Brent's 11.1% and a national average of 26.9%). Eight London councils achieved a shorter average response time than Brent but none of those matched Brent's achievement in terms of outcomes. The Council's response times has improved year on year since 2006 but further gains could be made if all responses were sent electronically to the LGO's office.

Complaints considered under the Council's complaints procedure

- 3.12 The table below shows the numbers of complaints received at each stage of the Council's corporate complaints procedure. (* figure includes OSS)

| | Stage 1 | | Stage 2 | | Stage 3 | | Total | |
|------------------|---------|-------|---------|-------|---------|-------|-------|-------|
| | 08/09 | 09/10 | 08/09 | 09/10 | 08/09 | 09/10 | 08/09 | 09/10 |
| Housing | 391* | 257 | 87* | 81 | 30* | 37 | 508 | 375 |
| Comm Care | 177 | 40 | 16 | 2 | 3 | 3 | 196 | 45 |
| BHP | 805 | 848 | 180 | 181 | 43 | 55 | 1028 | 1084 |
| Rev & Bens | 487 | 826 | 82 | 70 | 32 | 30 | 601 | 926 |
| E & C | 664 | 690 | 93 | 83 | 37 | 35 | 794 | 808 |
| C & F | 150 | 168 | 22 | 10 | 6 | 4 | 178 | 182 |
| Central services | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Bus Trans | n/a | 55* | n/a | 4* | n/a | 1* | n/a | 60* |
| Total | 2674 | 2884 | 480 | 431 | 151 | 167 | 3305 | 3482 |

The increase in complaints received reverses the downward trend of the past two years. The most marked increases are in the numbers of Stage 1 complaints received about Brent Housing Partnership – a 5.3% increase, largely about repair issues, and a 69.6% increase in Stage 1 complaints received about the Revenues and Benefits service following increased Housing Benefit applications at a time when the service was being restructured. However, the effectiveness of the complaint handling arrangements in those two services in resolving matters for customers is demonstrated by the fact that the number of stage 2 complaints did not increase.

- 3.13 The Council has a target of replying to 85% of all complaints within the relevant timescale. The following table shows the percentage of complaints responded to at each stage within this target:

| | Stage 1 Within 15 working days | | Stage 2 Within 20 working days | | Stage 3 Within 30 working days | |
|-----------------------|-----------------------------------|---------|-----------------------------------|---------|---|---------|
| | 2008/09 | 2009/10 | 2008/09 | 2009/10 | 2008/09 | 2009/10 |
| Housing | 80 | 74 | 68 | 64 | * the small numbers of complaints dealt with at Stage 3 | |
| Community Care | 63 | 50 | 50 | *100 | | |
| BHP | 88 | 94 | 68 | 86 | | |
| Revenues and Benefits | 94 | 84 | 96 | 76 | | |

| | | | | | | |
|-------------------------|-----|-----|-----|-----|---|-----|
| Environment & Culture | 79 | 79 | 71 | 68 | make comparison between service areas meaningless | |
| Children & Families | 62 | 60 | 75 | 31 | | |
| Central services | n/a | n/a | n/a | n/a | | |
| Business Transformation | n/a | 95 | n/a | 100 | | |
| All | 78 | 77 | 71 | 75 | *50 | *36 |

Performance is very patchy across departments and between units within departments. Only Brent Housing Partnership and Business Transformation met the target at Stages 1 and 2. Performance in every other department fell since 2008/09. The performance at Stage 3 deteriorated considerably over previous years. This was in part the result of a reduction of 0.5 posts in the corporate complaints team but reflects the amount of work necessary to investigate a complaint thoroughly at Stage 3. It is in everybody's interests that complaints are dealt with promptly. Delays in responding make it more likely that the complainant will be dissatisfied with the outcome, and more likely to escalate their concerns to the next level. Crucially, the LGO considers that twelve weeks is sufficient for a council to consider a complaint through all stages of its complaint procedure, and is more likely to accept a complaint for investigation if this timescale is exceeded. Measures to improve performance in this area are being introduced.

3.14 The next table shows the percentage of complaints escalating through the stages of the complaints procedure. The target at Stage 1 was reduced to 15% as from 1 April 2010 to encourage greater emphasis on resolving matters at the earliest possible opportunity. That initiative has had limited success and alternative approaches are being considered

NB. There is a problem with escalation percentages in that they can make the problem appear greater than it is – eg. 1 out of 3 Stage 2s going to Stage 3 is 33% but only 1 complaint. This comment also applies to para 3.15 below – 1 complaint goes to Stage 3 and is upheld is 100%

| | % complaints escalating from Stage 1 to Stage 2 (Target: 20% 008/09 15% 2009/10) | | % complaints escalating from Stage 2 to Stage3 (Target 20%) |
|-----------|---|----|--|
| Housing | 08/09 | 22 | 33 |
| | 09/10 | 33 | 35 |
| Comm Care | 08/09 | 9 | 19 |
| | 09/10 | 35 | n/a |
| BHP | 08/09 | 22 | 24 |
| | 09/10 | 21 | 29 |

| | % complaints escalating from Stage 1 to Stage 2 (Target: 20% 008/09 15% 2009/10) | | % complaints escalating from Stage 2 to Stage3 (Target 20%) |
|------------|---|----|--|
| Rev & Bens | 08/09 | 15 | 39 |
| | 09/10 | 17 | 47 |
| E & C | 08/09 | 14 | 40 |
| | 09/10 | 12 | 41 |
| C & F | 08/09 | 15 | 27 |

| | | | |
|-----------|-------|-----|-----|
| | 09/10 | 7 | 38 |
| Central | 08/09 | n/a | n/a |
| | 09/10 | n/a | n/a |
| Bus Trans | 08/09 | n/a | n/a |
| | 09/10 | 6 | 29 |

3.15 The rate of escalation between complaint stages needs to be considered together with the percentage of complaints upheld at each stage, which is illustrated in the next table.

| | Stage 1 | | Stage 2 | | Stage 3 | |
|------------|---------|---------|---------|---------|---------|---------|
| | 2008/09 | 2009/10 | 2008/09 | 2009/10 | 2008/09 | 2009/10 |
| Housing | 32 | 21 | 24 | 24 | 46 | 32 |
| Comm Care | 49 | 33 | 60 | 33 | 0 | 39 |
| BHP | 68 | 69 | 43 | 66 | 39 | 45 |
| Rev & Bens | 42 | 49 | 38 | 45 | 42 | 62 |
| E & C | 47 | 50 | 37 | 45 | 24 | 5 |
| C & F | 59 | 57 | 75 | 50 | 33 | 50 |
| Central | n/a | n/a | n/a | n/a | n/a | n/a |
| Bus Trans | n/a | 74 | n/a | 100 | n/a | 100 |

A relatively high percentage of complaints about housing and revenues and benefits matters are upheld to some extent at all stages of the procedure. This contrasts with the pattern for complaints about Environment and Culture where very few are upheld. This reflects the higher proportion of complaints about the merits of decisions, for example on planning applications, rather than about administrative and service failures.

3.16 The final table shows the compensation paid under the complaints procedure.

| Compensation | Year | Stage 1 | Stage 2 | Stage 3 | LGO | Total |
|--------------|---------|---------|---------|---------|-------|--------|
| Housing | 2008/09 | 1,567 | 6,445 | 3,068 | 1,650 | 12,730 |
| | 2009/10 | 1,470 | 4,818 | 8,880 | 350 | 15,518 |
| Comm Care | 2008/09 | 13,458 | 3,050 | 0 | 0 | 16,508 |
| | 2009/10 | 24,673 | 1,500 | 0 | 500 | 25,273 |
| BHP | 2008/09 | 32,058 | 20,666 | 4,455 | 375 | 57,554 |
| | 2009/10 | 26,558 | 15,010 | 7,360 | 170 | 49,098 |
| Rev & Bens | 2008/09 | 6,600 | 9,916 | 1,125 | 0 | 17,641 |
| | 2009/10 | 7,594 | 6,360 | 5,399 | 350 | 19,703 |
| E & C | 2008/09 | 505 | 2,792 | 1,475 | 1,000 | 5797 |
| | 2009/10 | 535 | 955 | 400 | 0 | 1890 |
| C & F | 2008/09 | 525 | 350 | 1,000 | 0.00 | 1,857 |
| | 2009/10 | 23,538 | 20,472 | 0 | 0 | 44,010 |

| Compensation | Year | Stage 1 | Stage 2 | Stage 3 | LGO | Total |
|-------------------------|---------|---------|---------|---------|-------|---------|
| Central | 2008/09 | 0 | 0 | 500 | 0 | 500 |
| | 2009/10 | 0 | 0 | 0 | 0 | 0 |
| Business Transformation | 2008/09 | n/a | n/a | n/a | n/a | n/a |
| | 2009/10 | 610 | 275 | 212 | 0 | 1097 |
| Total All services | 2008/09 | 54,173 | 43,219 | 11,623 | 3,025 | 112,587 |
| | 2009/10 | 84,978 | 49,390 | 22,251 | 1,370 | 157,989 |

- Overall, the amount of compensation has increased by 40% over last year. However, this includes a small number of large payments made by the Children and Families and Community Care services to recompense complainants for services or financial support which ought to have been provided. It is better that such compensation payments are made as a result of the Council's investigation of the complaint rather than following an investigation by the LGO or costly legal proceedings.
- 3.17 The complaints procedure remains a relatively quick and cheap method of resolving grievances, avoiding the attendant high costs of court proceedings and the office time needed to deal with LGO complaints.
- 3.18 The Council's policy remains to provide redress at the earliest possible stage of the complaints procedure and, to support that policy, we adopted a target of paying 60% of all compensation at Stage 1. Other than the Community Care service where one large payment was made at Stage 1, no department achieved the target. Brent Housing Partnership, Business Transformation and Children and Families paid over 50% at the first stage, whereas the figures for the Housing, Environment and Culture and Revenues and Benefits services achieved only 9.4%, 28.8% and 38.5% respectively. The approach to settling complaints at the earliest stage is being reviewed in the light of this performance.
- 3.19 The cost of investigating complaints is high, particularly at the second and third stages of the process as increasingly senior managers become involved. Ways of reducing costs by improving performance at the first stage of the complaints procedure are being developed as part of the Council's restructuring strategy. This has also been the focus of the training provided during the year.
- 3.20 Increasingly, complaints are being made on line or by email – for example almost half of all complaints about the Environment and Culture department were made electronically. Complaint management is more streamlined, quicker and cheaper when complaints can be handled electronically. The Council should continue to encourage customers to use this channel wherever possible, whilst retaining a high quality personal service for people who do not have internet access or, through vulnerability, need to be able to speak directly to an officer
- 3.21 It has remained difficult to capture equalities information about complainants as many complainants prefer not to provide this personal monitoring information. Online complaints provide the highest return. Without this data it is impossible to profile complainants, and to identify accurately whether any sections of the community are either under- or over-represented. Work is continuing to try and improve the collection rate and also to plot complaints by post code in conjunction with the work being done on the Council's evidence base.
- 3.22 Overall, the increase in complaints made under the Council's process coupled with the patchy performance against targets is a cause for concern and is being addresses as part of the Council's restructuring strategy.

Developments in complaint handling

Developments in the Local Government Ombudsman service

- 3.23 There have been two major extensions to the LGO's jurisdiction which will have significant impact on the Council.
- 3.24 The Apprenticeships, Skills, Children and Learning Act 2009 gave the LGO increased jurisdiction to investigate complaints by parents and pupils about state schools. The LGO is piloting the arrangements in a number of authorities with the intention that by September 2011 the LGO's jurisdiction will be extended to all state schools in England.
- 3.25 In preparation for this major change, the Children and Families department have already delivered some training to school governing bodies but more work will be needed once the LGO has issued guidance about the delivery of this new service.
- 3.26 The Health Act 2009 extended the LGO's powers to investigate complaints about privately arranged and funded adult social care. These powers will begin to come into effect in October 2010. Provision of care that is arranged by an individual and funded from direct payments comes within this new jurisdiction and it is expected that many complaints will involve the actions of both the council and the care provider. The LGO is currently developing information-sharing agreements with the Care Quality Commission and with councils in their role as adult safeguarding leads and service commissioners.
- 3.27 This extension of the LGO's powers is likely to have implications for the Council and work is underway to ensure that it is equipped to deal with this new challenge.

Learning and development

- 3.28 The corporate complaints team has continued to provide training and guidance across the Council under the corporate learning and development programme. In the early part of 2009/10 the priority was to prepare staff in the Housing and Community Care department for the changes in the statutory complaint process which were introduced on 1 April 2009. Four briefing sessions for managers were held and the LGO delivered training in Effective Complaint Handling in Adult Social Care to two groups of staff.

In addition the corporate complaints team delivered training on Effective Complaint Handling and Dealing with LGO complaints, as well as continuing to attend every corporate induction day. Take up of training events has been inconsistent and some planned sessions had to be cancelled. The approach to complaints handling training is currently being reviewed.

Learning from complaints

- 3.29 Complaints provide a valuable window on service delivery and many service improvements have been identified in this way in the year, for example:

- strengthening the procedures to deal with removal of untaxed vehicles and the associated complaints process
- introduction of a new protocol for deploying cameras to capture anti-social behaviour
- training for homeless persons officers on how to consider applications from people in permanent accommodation, the need to focus on the Code of Guidance timescales and meet the duty to provide interim accommodation
- advice to housing benefit assessment officers on how to respond when told that a tenant is rent arrears of over eight weeks
- working with Legal Services to devise a suite of model clauses about complaint handling to use in all contracts on procured services

Internal audit of corporate complaints process

- 3.31 The Annual Report for 2008/2009 outlined the key recommendations arising from the internal audit of the corporate complaints procedure. Some of these recommendations have been implemented. Others have been reviewed in the light of events since the audit was carried out.
- 3.32 An updated action plan is attached to this report at Appendix A.

Priorities for 2010/11

- 3.33 The key priority for 2010/11 is to ensure that appropriate complaint management arrangements are in place across departments in line with the Council's restructuring strategy. This will include reviewing the operation of the corporate complaints policy, and the associated targets and service standards, to focus on improving standards and reducing complaints activity by ensuring that service improvements identified are implemented.

4.0 Financial Implications

- 4.1 The corporate complaints procedure remains a relatively quick, cheap and effective way of resolving grievances, avoiding time-consuming investigations by the Local Government Ombudsman or court proceedings with their attendant high costs.
- 4.2 During the rest of 2010/11, the Council's complaints handling arrangements will be restructured with the aim of improving performance and reducing costs. The emphasis will be on improving performance in dealing with complaints at the earliest stage to reduce escalation, and on ensuring that service delivery issues identified are resolved to avoid further complaints and improve the service overall.

5.0 Legal Implications

- 5.1 There are no legal implications arising from this report.

6.0 Diversity Implications

- 6.1 The Council's complaints procedure covers all areas of the Council's service delivery and is available to everyone who lives in, works in or visits the Borough and all service users.

7.0 Staffing Implications

- 7.1 There are none at present but the restructuring of the complaints handling arrangements may identify resource issues.

Background Papers

Local Government Ombudsman's Annual Review 2008/09

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Phil Newby

Director of Policy & Regeneration

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|  | Executive 18 October 2010 Report from the Director of Finance Corporate Services |
| For Action | Ward Affected: All |
| Authority to award contracts for banking services, card acquiring and bill payment services | |

Appendices 2 and 4 of this report are not for publication

1.0 Summary

- 1.1 This report requests authority to award three contracts for the provision of Banking, Card Acquiring and Bill Payment services as required by Contract Standing Order 88. This report summarises the procurement process undertaken by the Council to procure suppliers to provide the services and, following completion of the evaluation of tenders, recommends to whom the contract should be awarded.

2.0 Recommendations

- 2.1 That Members award a contract for the provision of banking services for five years with an optional two year extension to National Westminster Bank Plc, to commence on 1 April 2011.
- 2.2 That Members award the contract for Card Acquiring for 5 years 3 months with an option to extend for 2 years to National Westminster Bank Plc to commence on 2 January 2011.
- 2.3 That Members award a contract for Bill Payment Services for 5 years with an option to extend for two years to allpay Limited to commence on 1 April 2011.

3.0 Background

- 3.1 The Executive gave authority to tender three contracts for the provision of Banking, Card Acquiring and Bill Payment services on 19th October 2009. The Banking Service contract provides for a comprehensive banking service to the Council. The current Banking Service contract commenced in 2004 and is due to expire on 31 March 2011. The Card Acquiring contract enables

the Council to accept payment by credit and debit card. The current contract commenced in January 2006 and is to expire in January 2011. The Bill Payment Services contract enables the Council to use bar codes on its invoices so customers can pay at retail outlets and Post Offices. The current contract was awarded in January 2007 and is due to expire on 31 March 2011. Further details regarding all these contracts can be found in the Executive report dated 19 October 2009 (see Background Papers).

The Tender Process and Council's Contract Standing Orders

- 3.2 All the three contracts were to be procured using the Open Procedure (single stage process) in accordance with the Public Contract Regulations 2006 (the "EU Regulations") as required by the Executive.
- 3.3 On 11 December 2009 the contract notice was placed in the Official Journal of the European Union (OJEU) to seek initial expressions of interest. The notice specified the Council's requirement to procure providers for Banking, Card Acquiring and Bill Payment Services, in three separate lots for each of the services. The decision to procure the contracts as separate lots but as part of single procurement process was made as Officers considered that the Council may achieve economies by letting more than one contract to the same service provider, with tenderers being asked to indicate any discounts that apply if being appointed for more than one lot, or all three lots. In the event, no tenderer offered a discount based on being awarded more than one lot.
- 3.4 Expressions of interest were invited, to be received by 12 February 2010. Seven organisations subsequently expressed an interest in tendering for 1 or more of the lots.
- 3.5 The Open Procedure does not allow any negotiations once the Invitation to Tender has been issued and through out the process to contract award. Due to the complexity and regulatory requirements of these services, a draft contract containing the terms and conditions for the relevant lot was sent to each organisation who expressed interest in tendering, for comment. The intention of this was to determine any common issues that could result in non compliant tenders being returned. All the organisations were advised that the purpose of doing this was for clarifications purposes only and that the Council was not bound to accept their changes.
- 3.6 Several clarification issues were raised by organisations in connection with all three contracts. Following full consideration of clarification issues, a contract was then issued to all organisations who had expressed an interest in tendering, the council observing time limits required under EU Regulations.
- 3.7 The Invitation to Tender pack which included a qualification questionnaire and tender documentation was sent to all seven organisations expressing an interest in tendering on 26 February 2010. The tendering instructions stated that contracts would be awarded on the basis of the most economically advantageous tender to the Council and that in evaluating the tenders the Council would use the evaluation criteria and weightings for each lot set out in the Evaluation Matrix at Appendix 1 of this report.
- 3.8 During the tender period, several clarifications were raised in respect of all the three lots. These were recorded and distributed to all the tenderers in writing. Due to the number and complexity of clarifications received from the tenderers , and two of the tenderers requesting an extension of time to submit

their tenders , it was agreed to extend the tender time from 26 April 2010 to 12 noon on May 7.

- 3.9 The council received tenders from four different organisations for the three contracts (see Appendix 2); two tenders were received for the Banking lot; two tenders were received for the Card Acquiring lot; and three tenders were received for the Bill Payment lot.
- 3.10 The Open Procedure has no separate pre-qualification stage, however Officers used the information provided by tenderers in a qualification questionnaire to assess issues such as financial viability, technical ability business probity, etc of the tenderer to ensure suitability to deliver the contract .
- 3.11 Following the assessment of matters outlined in paragraph 3.10 above, the Senior Category Manger within the Strategic Procurement Unit checked each tender for compliance. The tenders received for the Bill Payment Services lot were compliant. None of the tenders received for either the Banking or Card Acquiring lots were compliant however. Each tender that was received for these lots made specific reference to changing or seeking further negotiation to the conditions of contract.
- 3.12 The lack of compliant bids received for both the Banking and Card Acquiring lots was raised with the Councils Legal Services Unit. In accordance with the EU Regulations, should no compliant bids be received during the Open Procedure, then it is possible to instead use the Negotiated Procedure without the need to readvertise.
- 3.13 All the tenderers who submitted tenders for the Banking and Card Acquiring lots were advised of the council's intention to this change to the Negotiated procedure in writing; however it was made clear that the conditions of the contract only were subject to negotiation and only to the extent that the conditions of contract would not be substantially altered. Officers subsequently had discussions with the tenderers regarding suggested changes to the conditions of contract before receiving final offers from tenderers,.
- 3.14 Evaluation of all parts of the tender submission for all three lots was carried out by a panel of officers. Each panel member evaluated the tenders independently, thereafter the panel then met to review their scores and to reach a consensus. This was overseen by the Strategic Procurement Unit.
- 3.15 Each tenderer was invited to a clarification session and to give a short presentation on their proposals. These sessions took place on 13th and 14th of July 2010. Panel members asked a series of pre set clarification questions at the end of the session. Prior to the presentations all tenderers were advised that these presentations would not be scored as part of the tender process but merely used to clarify the tenders received. The tenderers were advised that the clarifications responses could result in their scoring being revisited.
- 3.16 The presentations and clarifications sessions did raise the need for the panel to issue some further clarifications. These were raised with a return date of August 6.

- 3.17 The clarifications were all received back on time and the panel decided then that there was no need to re-visit the scoring.
- 3.18 The detailed evaluation results for each of the three lots are set out in Appendix 3. The estimated pricing for each contract based on predicted usage is set out in Appendix 4. It will be noted from Appendix 3 that the most economically advantageous tender for both the Banking and Card Acquiring lots is Tenderer 3 namely National Westminster Bank Plc which is part of the Royal Bank of Scotland of UK Corporate Banking, 9th Floor, 280 Bishopsgate, London. The most economically advantageous tender for the Bill Payment lot is Tenderer 4, namely allpay Limited of Whitestone Business Park, Whitestone, Hereford.

4.0 Financial Implications

- 4.1 As the contract price for both Card Acquiring and Bill Payment Services exceeds £500k, the council's Contract Standing Orders require the award of contract to be referred to the Executive for approval. The estimated contract price for the Banking contract is under £500k and therefore Chief Officers do have delegated powers to award this contract. As the Banking Services contract formed part of the same procurement exercise however, Executive authority is sought to award this contract also.
- 4.2 A full assessment of the financial standing of each of the tenderers was made as part of the procurement process.
- 4.3 The value of the three contract recommended for award is within the budget detailed in the report to the Executive of 19 October 2009.

5.0 Legal Implications

- 5.1 The estimated value of each of the three contracts over their lifetime is in excess of the EU threshold for services contracts and the nature of the services means they fall within Part A of the EU Regulations. The procurement of these contracts is therefore governed in full by the EU Regulations.
- 5.2 The estimated value of the contracts for both Card Acquiring and Bill Payment Services exceeds £500k and the award of the contracts is consequently subject to the Council's Contracts Standing Orders in respect of High Value contracts and Financial Regulations. As a result Executive approval is required for the award of these contracts. The estimated value of the contract for Banking services is under £500k and is consequently subject to the Council's Contracts Standing Orders in respect of Medium Value contracts and Financial Regulations but for the reasons given in paragraph 4.1, Executive authority is also sought for the award of this contract also.
- 5.3 As outlined in paragraph 3.2, all three contracts were to be procured using the Open Procedure (single stage process) in accordance with EU Regulations. Despite attempts to ensure compliance with tender instructions by seeking views from organisations before final contract terms and conditions were issued to organisations, only tenders for the Bill Payment contract were found to be compliant. Whilst Officers continued the procurement of the Bill Payment contract using the Open Procedure, this was not possible in relation to the Banking and Card Acquiring contracts as all tenders received in

connection with these contracts were irregular. As a result, Officers chose not to discontinue the procurement and re-tender under the Open Procedure but instead invite all organisations that originally submitted tenders under the Open Procedure to negotiate under the negotiated Procedure. This is permitted in accordance with Regulation 14 of the EU Regulations provided that the original terms of the proposed contract offered in the discontinued procedure have not been substantially altered. It is understood that final offers received from organisations did not have the effect of substantially altering the original terms of the proposed contract.

- 5.4 In considering the recommendations, Members need to be satisfied on the basis of the information set out in the report that the appointment of the recommended service providers will represent best value for the Council and will mean that the tenderer appointed has offered the most economically advantageous tender. In order to decide on the most economically advantageous tender, tenders have been evaluated in accordance with the evaluation criteria notified to tenderers in the ITT.
- 5.5 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of a mandatory minimum 10 calendar day standstill periods before the contracts can be awarded. Therefore once the Executive has determined which tenderers should be awarded contracts, all those who expressed an interest in tendering, will be issued with written notification of the award decision. A minimum 10 calendar day standstill period will then be observed before the appointment is concluded, and additional debrief information will be provided in accordance with the EU Regulations.
- 5.7 Following contract award, a contract award notice will need to be placed in the European Journal.

6.0 Diversity Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staffing / Accommodation issues

- 7.1 There are no implications for Council staff arising from tendering the contract as the services are currently outsourced.

Background papers

- Report to Executive 19 October 2009:- Authority to Tender

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Award of contract for banking, card acquiring and bill payment Services

Appendix 1- Evaluation Criteria

Banking Services

| Evaluation Criteria | Weighting (%) |
|--|----------------------|
| Price | 40% |
| The qualitative aspect consists of the following breakdown: | 60% |
| <ul style="list-style-type: none"> • Service delivery approach as set out in the service specification requirement. | 30% |
| <ul style="list-style-type: none"> • Risk management | 10% |
| <ul style="list-style-type: none"> • Continuous improvement | 20% |

Card Acquiring

| Evaluation Criteria | Weighting (%) |
|--|----------------------|
| Price | 60% |
| The qualitative aspect consists of the following breakdown: | 40% |
| <ul style="list-style-type: none"> • Service delivery approach as set out in the service specification requirement. | 12.5% |
| <ul style="list-style-type: none"> • Risk management. | 15% |
| <ul style="list-style-type: none"> • Continuous improvement | 12.5% |

Bill payment

| Evaluation Criteria | Weighting (%) |
|---|----------------------|
| Price | 45% |
| The qualitative aspect consists of the following breakdown: | 55% |

| | |
|---|-----|
| <ul style="list-style-type: none"> • Service delivery approach as set out in the service specification requirement | 30% |
| <ul style="list-style-type: none"> • Risk management | 5% |
| <ul style="list-style-type: none"> • Continuous Improvement | 20% |

Quality Criteria

The above qualitative criteria will be evaluated by officers from the Council from the submissions made by tenderers, using the following scoring methodology.

| Score | Assessment |
|-------|---|
| 0 | Totally unacceptable. Response supplied in method statement totally fails to grasp / reflect core issues and requirements. |
| 1 | Poor. Response supplied in method statement reflects a very limited understanding of core issues and requirements. |
| 2 | Acceptable. Response supplied in method statement reflects adequate understanding of core issues and requirements. |
| 3 | Good. Response supplied in method statement reflects good understanding of core issues and requirements. |
| 4 | Very good Response supplied in method statement reflects very good understanding of core issues and requirements. |

Pricing Criterion

The pricing schedules will be evaluated by the Council's Central Finance division using the arithmetic mean method; an example is set out below. In achieving the most economic advantageous tender the pricing evaluation will be based on the total price for each lot.

TENDER EVALUATION

| | Bidder 1 | Bidder 2 | MEAN |
|---------------|-----------|--------------|-----------|
| Pricing | £ 462,491 | £ 479,727.00 | £ 471,109 |
| TOTALS | 462,491 | 479,727.00 | £ 471,109 |

| | | | |
|---|-----|----|------------------|
| % Difference between actual and mean | | | |
| Pricing | -2% | 2% | |
| TOTALS | -2% | 2% | |
| If mean 50 deduct 1 point for each % point above | | | |
| Point added to score each percentage point below mean | | | |
| Pricing | 52 | 48 | |
| TOTAL | 52 | 48 | |
| Multiply Price Score by agreed weighting | | | Weighting 40% |
| Pricing | 21 | 19 | |
| TOTAL | 21 | 19 | |

Scores for the qualitative criteria scores will be converted into percentage scores and combined with the financial percentage scores to reach final percentage scores for each tenderer.

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Appendix Three

Lot 1- Banking

| Organisation | Service delivery | Risk Management | Continuous Improvement | Total Quality | Price | Total Combined Score |
|--------------|------------------|-----------------|------------------------|---------------|--------|----------------------|
| Tenderer 3 | 24.32% | 7.56% | 11.64% | 43.52% | 17.60% | 61.12% |
| Tenderer 1 | 20.56% | 6.33% | 11.31% | 38.20% | 22.40% | 60.60% |


Lot 2 – Card Acquiring

| Organisation | Quality – Service delivery | Risk Management | Continuous Improvement | Total Quality | Price | Total Score |
|--------------|----------------------------|-----------------|------------------------|---------------|--------|-------------|
| Tenderer 3 | 26.48% | 5.87% | 14.15% | 46.50% | 21.20% | 67.70% |
| Tenderer 1 | 23.81% | 4.62% | 9.99% | 38.42% | 18.80% | 57.22% |

Lot 3- Bill Payment

| Organisation | Quality – Service delivery | Risk Management | Continuous Improvement | Total Quality | Price | Total Score |
|--------------|----------------------------|-----------------|------------------------|---------------|-------|-------------|
| Tenderer 2 | 16.05% | 5.74% | 4% | 25.79% | 19.2% | 44.99% |
| Tenderer 1 | 19.8% | 7.6% | 9% | 36.40% | 21.6% | 58% |
| Tenderer 4 | 25.15% | 9.15% | 17% | 51.30% | 19.2% | 70.50% |

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|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p> |
| <p style="text-align: right;">Ward Affected: Queensbury</p> | |
| <p style="text-align: center;">The redevelopment and leasing of the Eton Grove Nursery and Youth and Community Centre</p> | |

Appendix 1 is not for publication

1.0 SUMMARY

- 1.1 This report seeks to inform Members as to the results of the tender for the redevelopment of the Eton Grove Nursery, Youth, and Community Centre and to seek their approval for the proposed redevelopment of the existing site and the granting of a long lease.

2.0 RECOMMENDATIONS

- 2.1 That the Council agree to the redevelopment proposals of the existing site of the Eton Grove Nursery and Youth and Community Centre as set out below, subject to compliance with the procedures in respect of the disposal of public open space as set out in paragraph 2.2 and also to the grant of planning permission and other requisite consents.
- 2.2 That the Executive authorise the Director of Environment and Culture to commence and comply with the procedure, as set out in Section 123(2A) of the Local Government Act 1972 by publishing a public notice, in the local newspaper on two consecutive publication dates of the Council's intention to dispose of public open space comprising the Eton Grove Nursery and Youth and Community Centre and in particular to consider any objections made to the disposal, and unless there are objections received, which in his opinion are significant, to implement the proposed disposal. If such objections are received then a further report should be brought back to the Executive for consideration.
- 2.2 That the Head of Property and Asset Management be authorised to agree the necessary terms as shall be in the best financial interests of the Council for the leasing of the completed development.

3.0 DETAIL

- 3.1 The existing building is situated in the Eton Grove Open Space, which is located off Rugby Road and Eton Grove NW9. The Eton Grove

Open Space is located in the centre of the ward, being a potential hub for the community. The building was originally built during World War II to accommodate the Air Raid Wardens. The property has since been used as a community facility and a nursery.

- 3.2 The site to be developed is hatched black on the enclosed site plan (See Appendix 2).
- 3.3 The building was closed on the 31st July 2008 following the eviction of the previous nursery provider for non payment of rent. Since then officers have been looking at various options for the building, including leasing it to other nursery providers and community groups. Nursery providers were contacted over the following months to ascertain their interest in leasing the existing building, but none wanted to rent the property due to the prohibitive cost of bringing its condition up to current OFSTED standards.
- 3.4 In July 2009 the Technical Team of the Property and Asset Management Unit, (P&AM), produced a feasibility study into the cost of refurbishing the building. The study concluded that £211,000 would be needed to be spent by the Council to bring the building up to a lettable condition. As a result of this study, it was realised that the building could not be let to any local community group due to their inability to meet the financial cost of bringing it up to statutory compliance. Nor can the Council pay for the work due to financial constraints. The building is of single storey brick construction with a flat concrete roof and was cheaply built. Spending money on the building will be an extremely poor investment, perhaps prolonging the life by a further short period. It is now about 70 years old and is at the end of its economic life.
- 3.6 The condition of the empty building has now steadily deteriorated, being made worse due to constant vandalism. It has since been boarded up and had a security door installed to try to ensure that the vandals cannot enter the building. It has become an eyesore and blights this open space.
- 3.7 P&AM concluded that the only means of getting the building refurbished or the site redeveloped, would be by offering it to commercial nursery providers or community organisations on a long leasehold basis, with a substantial rent-free period. This to be achieved by way of an open market non-binding tender.
- 3.8 P&AM consulted the Parks Service, the Sports Service, the Children and Families Department, Ward Councillors and the Friends of Eton Grove to ascertain a consensus as to what facilities would be required from such a newly refurbished or redeveloped building. It was agreed it should provide a community space, a nursery and sports changing rooms.
- 3.9 The sports changing rooms forming part of the redevelopment will, on completion, be handed over to the Parks Service, who will manage them in their entirety.

- 3.10 There is a significant need for nursery provision in the area. It is the policy of the Children and Families Department to support the establishment of purpose built good quality nurseries across the Borough. The proposal to replace the nursery on this site and develop new community and sports facilities could assist Brent Council in meeting the strategic objectives SO2, SO5, SO8, SO9, and SO12, as set out in its Local Development Framework Core Strategy. The childcare, sports and community facilities that are to be provided in the proposed new development together with the recently refurbished children's play area, the Multi Games Area (MUGA) that is to be installed and the soon to be refurbished tennis courts, meets the council policy focus of developing Intergenerational Facilities. Under this policy, it is envisaged that people of various ages are able to congregate in the same location, even if they are undertaking different activities.
- 3.11 The Borough's Planning for Sport and Active Recreation Facilities Strategy identifies that a priority for future provision is to install pitches and changing facilities for football and cricket at Eton Grove to meet unmet demand in the area. At present, there are no changing facilities within the park to allow for the provision of these sports to take place. The installation of the MUGA and the new tennis courts together with the proposed changing rooms will enhance the status of this open space and will provide much needed local amenities for the local residents, including the youth in this part of the borough.
- 3.12 The Council sent out a Consultation Document on the 22nd December 2009 to 48 local and national OFSTED registered commercial nursery providers. The document asked them for expressions of interest for the redevelopment or refurbishment of the property for the provision of a nursery, self-contained changing rooms and an element of community use for evenings and weekends.

The Consultation Document was also sent to the Brent Association for Voluntary Action (BrAVA) and Community Matters, (a national umbrella organisation for community and voluntary organisations throughout the country), for distribution to their members and other community organisations. An advert asking other interested parties to contact the Council was also placed in the Wembley Observer on the 17th December 2009. The same advert was also placed on the Property and Asset Management Unit's web page and BRAINwaves community website. The deadline for the Expressions of Interest to be received was extended from the 1st February 2010 to the 15th February 2010.

- 3.13 Eleven expressions of interest were received. Three from community organisations and nine from nursery providers, private companies and individuals. The tender document was sent out on the 10th May 2010 with a closing deadline of the 25th June 2010.
- 3.14 One tender bid was received from an organisation Pivot Point Community Development Foundation (PPCDF). This organisation is a subsidiary of the Wembley Family Church (WFC), which is a registered charity. The WFC has been established for over 30 years

and is a founding member of SWAY (Sudbury, Wembley and Alperton Youth Project). PPCDF is the voluntary and community organisation arm of the WFC and is the community regeneration subsidiary of the WFC. PPCDF runs computer-training sessions, counselling sessions, youth activities and provides other social provisions for the community.

- 3.15 PPCDF's proposals, (See Appendix 3), include the provision of a day nursery for 85 children aged from 6 months to 5 years old. They are also proposing to provide a computer suite, training areas for the unemployed, meeting areas, café, youth engagement area and office space. They will also provide the changing room facilities for the Parks Service as specified in the tender document. Their proposals exceed the Council's expectations and criteria with regard to the provision of the facilities. However, the design and final provision of the facilities are subject to Planning Consent and Building Regulation Approval.
- 3.16 The proposed nursery development will be the only full service, (8.00am – 6.00pm), day-care provision in the ward of Queensbury that will provide baby places, (i.e. 0-2 years old), for parents. None of the other nurseries provides baby places of which there is a substantial deficit in Brent. Every nursery in Brent that has baby places is full and has a waiting list. The nearest nursery catering for babies is in the Fryent Ward at Budding Learners, Slough Lane NW9. They provide the only baby places available in the Kingsbury locality and this is some distance from Eton Grove.

In the Kingsbury Locality alone, according to the Brent Council Childcare Sufficiency Assessment that the Children and Families Department published in March 2009, a population of 2,156 children age 0-2 existed in the Kingsbury Locality representing 20% of the Brent population in that age category. This statistic on its own demonstrates a need for more baby places in the locality and specifically in the Queensbury Ward. From the same report the population of 1,396 children age 3-4 were estimated to exist in Kingsbury locality in 2009. Brent has a young and rising population. A key issue for the Children and Families Service Department in its forward planning for childcare places over the next few years is that a more than adequate number of good quality childcare places be made available in the borough to meet the needs of its rising population.

- 3.17 The redevelopment proposals of the site will bring benefit to the area in encouraging grandparents to attend the nursery with their grandchildren and at the same time participate in any community events being undertaken at the community hall, or at the open space. It is clear that this development is much needed in the area, the nursery provider, as an anchor community business in Eton Grove will lead to a proper and sensitive regeneration of the open space. It will provide some economic benefit to the area through local employment in the nursery, the provision of a community service that allows parents to look for employment that they otherwise may not have the resources to do.

This proposed development meets the objectives of 4.93 of the Local Development Framework Core Strategy (LDF), which says the “council will look to secure contributions to improve its existing open spaces” i.e. this proposal is seeking substantial investment from the community partner selected to develop this proposal. Under 5.16 of the LDF, “Development which is ancillary to the main use of the site as open space, or is an essential facility for outdoor sport and recreation, cemeteries, or other uses, which preserves the open space is generally considered appropriate”. This proposed development meets these criteria.

- 3.18 An Agreement for Lease will be drawn up for the development period and upon satisfactory completion of the works the Council would grant a 111 year lease at a peppercorn rent.

4.0 CONSULTATION

- 4.1 A meeting organised on the 27th July 2010 by the Neighbourhood Working Team at the Eton Grove Open Space was attended by local residents, the Friends of Eton Grove, Ward Councillors and the Police from the local Safer Neighbourhoods Team. All parties expressed support for the proposals. A further meeting was arranged with the local residents on the 5th August 2010 under the auspices of the Friends of Eton Grove. It was attended by local residents, the local Police, Brent Council’s Park Service, Sports Service and a Council Sustainability Officer. At this meeting, further widespread support was expressed for the proposals.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The Council is requesting that Pivot Point Community Development Foundation provide an insurance policy that would cover the completion of the building work should the Foundation go out of business whilst the construction work is being undertaken.

6.0 LEGAL IMPLICATIONS

- 6.1 The land shown in the plan at Appendix 1 is currently controlled and managed by the Parks Service and currently forms part of the public open space.
- 6.2 Accordingly, in order to grant a long lease of that part of the Eton Grove Nursery and Youth and Community Centre redevelopment site, to comprise a children’s nursery and community space, it is necessary to publish a notice of the proposed disposal in a local newspaper. The changing rooms forming part of the redevelopment will, on completion, be retained and managed as part of the Eton Grove Open Space.
- 6.3 The procedure to follow in order to bring this about is set out in Section 123 of the Local Government Act 1972 (the LGA 1972). Under Section 123(2A) of the LGA 1972, the Council cannot dispose of any land consisting of or forming part of public open space unless before disposing of the land, they cause notice of their intention to do

so. The Council has to specify the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated and consider any objections to the proposed disposal, which may be made.

- 6.4 The Council has the power under Section 123 of the Local Government Act 1972 to dispose of land in its ownership. However, save when this is for a lease of less than 7 years it must obtain the best consideration reasonably obtainable unless it obtains the consent of the Secretary of State to disposal at a lesser value. However, the Secretary of State has issued a general consent under which the Council can dispose of land at an undervalue of up to £2million provided it considers that the disposal will promote the social, environmental or economic wellbeing of its area or part of its area. The value of the land to be incorporated in the PPCDF lease is clearly substantially less than £2m, and officers consider that the disposal will clearly promote the social, environmental and economic wellbeing of the Council's area by allowing the provision of a nursery and community and sports changing rooms.
- 6.5 Subject to the grant of Planning Consent and the grant of all other requisite approvals by OFSTED in respect of use as a children's nursery changing rooms and community space, it is proposed that an Agreement for Lease will be drawn up to include terms for wider community use and the future monitoring of the activities within the completed development.
- 6.6 The property will not allowed to be used as a church or hold religious services, as this is a prohibited by Planning Regulations.
- 6.7 The opening of a nursery in the Eton Grove Community Centre will assist the Council in discharging the statutory duty set out in section 6 of the Childcare Act 2006 to secure sufficient childcare places in their area to meet the needs of working parents and parents who want to take up training that will help them get work.
- 6.8 In some cases, local authorities entering into development agreements with organisations developing land has led to challenges that the local authority concerned is in breach of the European public procurement regime. This is because although any works contract is let by the developer, the degree of specification by the local authority in the development agreement means that it is treated as a works contract let on behalf of a contracting authority under the procurement regulations. However in this case the works contract at £800,000 is well below the threshold for the application of the regulations in any event.

7.0 DIVERSITY IMPLICATIONS

- 7.1 The Head of Diversity Jennifer Crook has approved the Equalities and Diversity criteria as set out in the tender document of which the Pivot Point Community Development Foundation have shown their commitment to fulfill such criteria in all its aspects. These criteria will be enshrined in the lease and subject to monitoring.

- 7.2 The lease will contain covenants that will ensure that the nursery and community provision will be open for use by all members of the community and community groups. This will be in accordance with Brent Council's equalities and diversity policies and criteria.

8.0 STAFFING/ACCOMMODATION IMPLICATIONS

- 8.1 Accommodation for community and nursery use, together with the provision of sports changing rooms will be provided within the borough.
- 8.2 There are no staffing implications.

9.0 BACKGROUND PAPERS

Feasibility Report for the proposed Refurbishment of the Kingsbury Youth and Community Centre, produced by P&AM Technical Team July 2009.

Brent Council Childcare Sufficiency Assessment that the Children and Families Department published in March 2009.

Tender documents

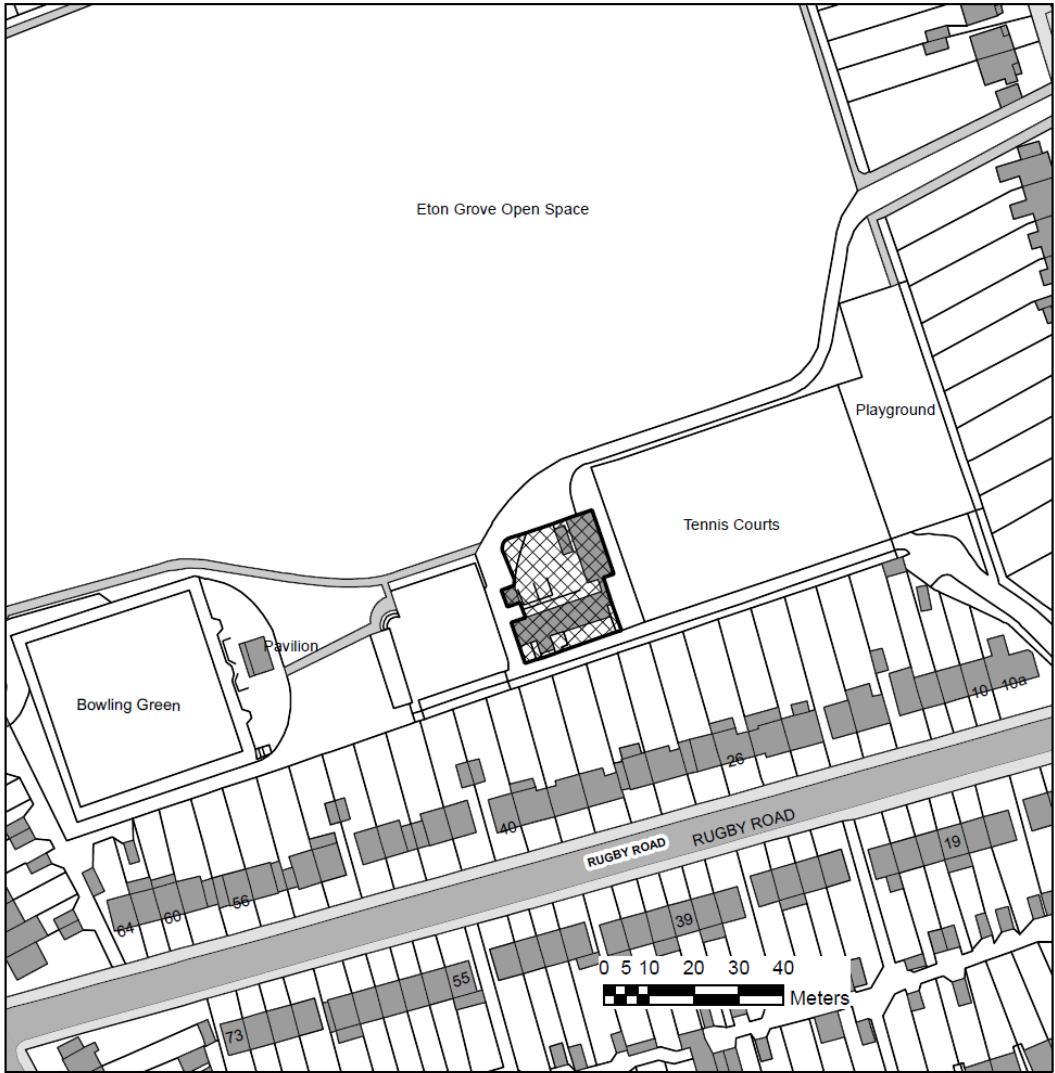
Contact Officers:

James Young, Deputy Head of Property and Asset Management, Ext: 1398

CLIVE HEAPHY
Director of Finance and Corporate Services

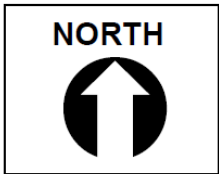
EXECUTIVE COMMITTEE

**Youth & Community Centre, Eton Grove,
Kingsbury NW9 9LD.**



**Premises shown edged
and cross hatched black.**

Plan for information purposes only.



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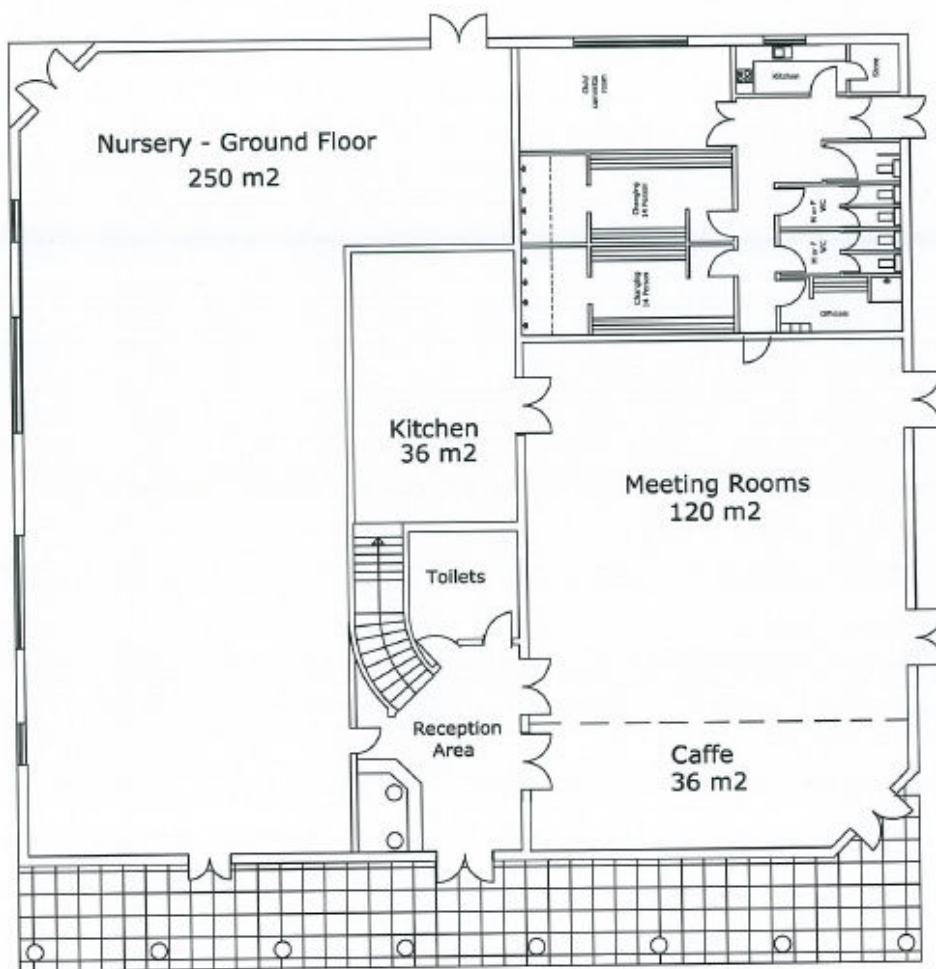
Eton Grove Nursery London NW9 9LD

Ground Floor

596 m² Ground Floor Area
74 m² Covered space
670 m² Total

09 June 2010

Option 2

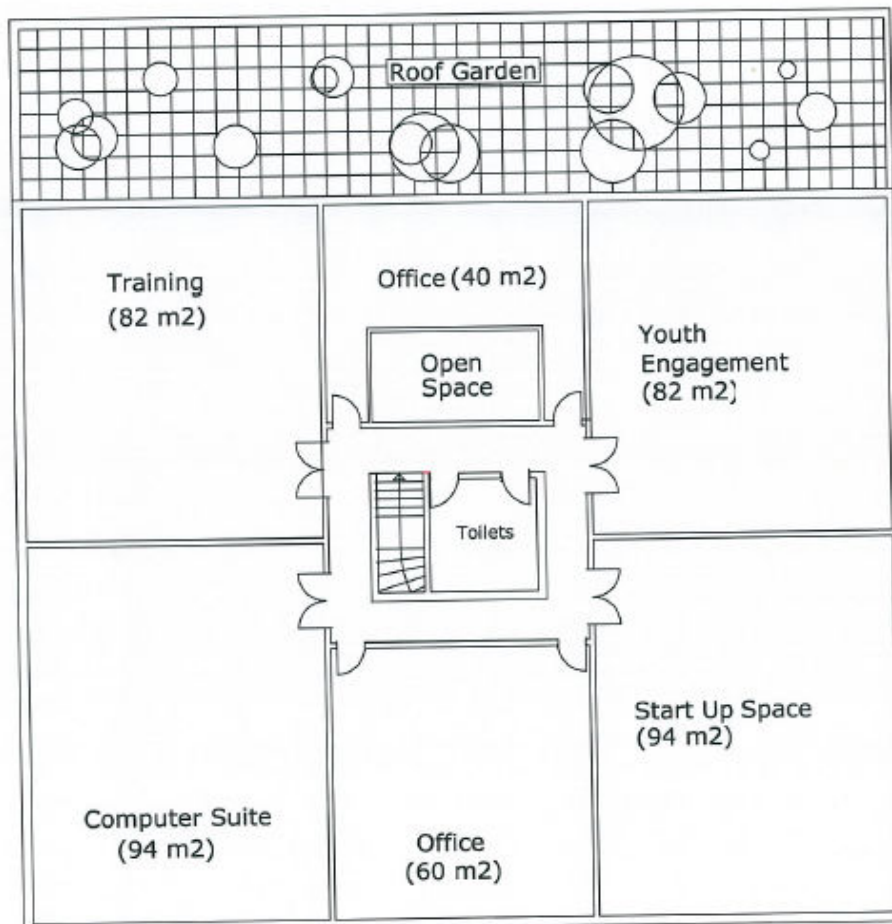


Ground Floor (560m²+110m²=670m²)


Eton Grove Nursery London NW9 9LD

First Floor

10 April 2010



First Floor (500m²)

| | |
|---|--|
|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p> |
| <p style="text-align: right;">Wards Affected: All</p> | |
| <p style="text-align: center;">Authority to appoint to a framework for leaseholder right to buy insurance and to award a call-off contract</p> | |

Appendix 1 of this report is not for publication

1.0 Summary

- 1.1 This report relates to the appointment of an insurance provider to the West London Alliance (WLA) framework in respect of Right to Buy insurance for leaseholders and the award of a contract to that supplier by Brent Council.
- 1.2 The proposed contract would be available from 1st November 2010 and this report summarises the process undertaken in tendering the framework and, following the evaluation of the tenders, recommends appointment to the WLA framework and the award of a Brent contract. .

2.0 Recommendations

- 2.1 That the Executive appoints Acumis to the WLA single-provider framework for leaseholder right to buy insurance with effect from 1st November 2010, with the framework running for a period of 3 years.
- 2.2 That the Executive awards a contract to Acumis for the provision of insurance to Brent right to buy leaseholders for a period of 3 years commencing 1st November 2010.
- 2.3 The Executive notes the observations made by leaseholders set out in paragraph 3.20 below and Appendix 3 in response to the leaseholder consultation notice dated 20 August 2010 regarding the proposal to award the contract to Acumis as set out in paragraph 2.2

3.0 Background Detail

- 3.1 On 15th March 2010 the Executive approved a report from the Director of Finance and Corporate Resources requesting authority to tender for a framework for Leaseholder Insurance for use by the West London Alliance authorities (Brent, Hillingdon, Harrow, Hounslow, Hammersmith & Fulham and Ealing).
- 3.2 The appointed organisation will be the sole provider on a framework for the WLA Councils' Right to Buy Leaseholders Insurance. It is not known how many other authorities will be interested in calling off this framework other than Brent.
- 3.3 Private dwellings (consisting of flats and maisonettes) sold under lease by the Council under the Right to Buy scheme require leaseholders to pay a share of the costs in the form of service charges. These charges are for maintaining the structure and shared parts of the block as well as our costs for providing services, to include buildings insurance. Under each lease the Council has to maintain buildings insurance. The cover is for usual householder's buildings insurance covering the usual perils to include fire and subsidence. The current policy has a small deductible (excess payable by the leaseholder) on claims relating to water damage and a £1,000 deductible on subsidence claims. The deductible is paid by the leaseholder in the event of a claim. Currently, the insurance policy covers 3,462 flats, and the current method of charging premiums is on the number of bedrooms. In the event of the property being sold the cover carries on as the lease provides that the freeholder (the Council) arranges cover. During the proposed three year term, insurance will be provided for further properties sold to tenants under the Right to Buy scheme. The framework to be tendered is to be specifically for buildings insurance for properties sold under the Right to Buy scheme and will not include insurance for other Council properties including those in the same building as insured properties. The Council remains the freeholder and as such is responsible for the exterior of the buildings where the properties are located. Contents insurance is arranged separately by the householder.

The Tender Process and Council's Contract Standing Orders

- 3.4 The new insurance arrangements have been procured using the Restricted (two-stage) tendering procedure in accordance with the European Public Contract Regulations 2006.

Stage One - Pre – Qualifying Stage

- 3.5 The process commenced on 29th March 2010 when a contract notice was placed in OJEU (*Official Journal of European Union*). The notice specified the Council's requirements and that the framework could also be used by other Councils who are part of the West London Alliance.

- 3.6 Four organisations expressed interest. They were issued with a pre-qualifying questionnaire (PQQ) to complete by 31st May 2010. Four PQQ's were returned.
- 3.7 The PQQ's were evaluated on the ability to meet the following criteria:
- Appropriate financial and liquidity capacity through Standard and Poor's rating (or equivalent) and evaluation of last set of audited accounts.
 - Technical capacity of evidence of last 3 years in underwriting the classes of insurance in the contract notice.
- 3.8 The four respondents to the PQQ met the above criteria and were invited to tender on 30th June. Details of the Tenderers are as set out in Appendix 1 (not for publication).

Stage Two – Invitation to Tender

- 3.9 An Invitation to Tender Pack (ITT) was issued to the four organisations to formally tender. The tendering instructions stated that appointment to the framework would be on the basis of the most economically advantageous offer to the Council and that in evaluating the tenders the Council would have regard to the following factors (*relative weighting in brackets*).
- Price (50%)
 - Quality (50% consisting of)
 - Ability to meet the specification (30%)
 - Customer Care (10%)
 - Service Levels (10%)
- 3.10 In evaluating price, the profile of Brent's current leaseholder stock was used as a sample for the tenderers to price against. Accordingly the tenderers were asked to complete a pricing schedule consisting of:
- (a) Types of property in Brent (eg 1 bed flat, 2 bed flat)
 - (b) Price for one years cover for each type of property
 - (c) Numbers within Brent of each type of property
 - (d) Total cost per type of property (b x c)
 - (e) Total annual contract price (calculated by adding together the Total Cost (d) for each type of property)
- 3.11 During the tender process all tenderers raised few questions which were responded to immediately by emailing all parties by blind copy. All tenders had to be returned by 4th Aug. They were all returned on time.

Evaluation Process

- 3.12 One of the tenderers submission returned did not adhere to the Form of Tender by amending the document to state that they could not agree to all the conditions within the Instructions to Tender. All the other submissions had completed the Form of Tender in its entirety, this was

deemed as non compliant, and not evaluated. The organisation was notified of this.

- 3.13 The tender evaluation was carried out by a panel of officers from the Council's Insurance and Procurement Sections., plus an officer from Brent Housing Partnership.
- 3.14 The price tendered by Tenderer 3 was significantly lower than those tendered by Tenderers 1 and 2. The financial scores achieved by each tenderer as a percentage is shown in the table below. The actual premium levels to be charged by Tenderer 3 are in the Financial Implications section below. The premium levels tendered by all tenderers are in Appendix 2.
- 3.15 A breakdown of the evaluation of the "quality" criterion is shown in Appendix 2. For "Ability to meet the Specification" officers were assessing whether the tenderers were able to provide insurance cover that met the Council's Specification. For "Customer Care", officers evaluated the tenderers' complaints procedures and the availability of risk management advice. . For "Service Levels", officers evaluated back office support that would assist in responding to the Council's queries.
- 3.16 In the qualitative assessment, two (tenderers two and three) of the tenderers scored maximum marks for the Customer Care and Claims Handling criterion. Both had an excellent complaints procedures and provided risk management advice. Both had well-qualified UK based staff providing back office support. In relation to "Ability to meet the Specification", all the tenderers scored the same amount of marks. Under "Service Levels, Tenderer 1 scored lowest as they are a broker with limited delegated authority thus not being able to provide the same service levels as tenderers two and three.
- 3.17 A summary of the evaluation scoring for price and quality is detailed below.

Summary Tender Evaluation Table

(Please refer to Appendix 2 for the full evaluation score of Price and Quality).

| | Price Score | Non Price Score | Total Score |
|------------|-------------|-----------------|-------------|
| Tenderer 1 | 23% | 38% | 60% |
| Tenderer 2 | 25% | 38% | 63% |
| Tenderer 3 | 27% | 40% | 67% |

- 3.18 Therefore it is recommended that Tenderer 3 (Acumis) be appointed to the WLA framework for Leaseholder "right to buy" properties insurance from 1st November 2010 for 3 years.
- 3.19 It is also recommended that the Council call-off a three year contract from the framework so as to appoint Acumis as its provider for a period of 3 years from 1st November 2010.

Leaseholder Consultation

3.20 Details of the legal requirements of the leaseholder consultation process are set out in paragraphs 7.4 and 7.5 below. The purpose of complying with the leaseholder consultation legislation is that the Council can recover the full costs of the insurance of the leasehold “right to buy” properties from the leaseholders. If the leasehold consultation legislation is not complied with, the Council will only be able to recover £100 per annum from each leaseholder towards the cost of the insurance contract. BHP served the initial required consultation notice on leaseholders as part of the first stage of the initial consultation process on 9 February 2010 advising that the contract for insurance in respect of the leasehold properties was being tendered through a public procurement exercise. After the tenders were evaluated, BHP served a further notice as part of the second stage of the leaseholder consultation process on 20 August 2010 to inform them who the Council intends to award the insurance contract following the evaluation of the tenders in the procurement exercise and inviting them to make observations. That further notice expired on 20 September 2010. Details of the observations and queries made by leaseholders in response to the leaseholder consultation notice dated 20 August 2010 and the responses from BHP on behalf of the Council are set out in Appendix 3.

4.0 Call-off arrangements for Other WLA Boroughs

This is a single-provider framework. The Council will enter into a framework agreement with the recommended insurance provider. Each Council, including Brent, that wants to call-off from the framework and so use the recommended provider as its insurer will enter into a further call-off contract with the insurer. For each call-off contract the insurer will issue an insurance schedule and standard policy conditions. Although the other WLA boroughs were not involved in the evaluation of the framework, they are aware that the framework was being procured and will be able to make their own judgement as to whether to make a call-off.

5.0 Extension of Current Contract

The current contract was awarded in 2007 to Aspen, and the original term expired on 31st July 2010. The contract with Aspen has therefore been extended by 3 months to allow the new contract to take effect on 1st November. The need for this extension was not envisaged in March 2010 when the procurement of a new contract was considered by the Executive, as it was anticipated that the procurement could be completed and reported back to the July Executive. The extension is within the authority of the relevant Chief Officer under the Constitution. However under EU procurement law, such an extension is classified as a new contract. Fortunately there are no adverse implications on this, because the 3-month new contract / extension will have a value of around £135,000, below the EU tendering threshold.

6.0 Financial Implications

The cost of the London Borough of Brent's Leaseholder Right to Buy Insurance is £2,095,445.80 over a three year period. The total annual cost is therefore £698,481.93. This compares with a cost of £540,000 for the current contract – an increase of £158,481.93 (29.34%). The increase is due to two factors one of which is the overall increase in the cost of this type of cover. Although there is considerable capacity in the market for householders insurance there are a small number of providers specialising in leaseholders insurance which is evidenced by the number of submissions received for this tender. The second factor relates to our claims experience which has increased year on year during the present arrangement. The current insurers have taken some steps to improve the situation but these have not had time to work through in improved figures. The full cost of this insurance is recharged to leaseholders and, therefore, the budget impact is neutral.

7.0 Legal Implications

- 7.1 Under the EU public procurement regime, insurance contracts are classified as contracts for services. The value of these contracts over their lifetime is higher than the EU threshold for Services. Insurance contracts are also classified as Part A services and so the award of the contracts is governed by the full impact of the Public Procurement regime as set out in the Public Contracts Regulations 2006. The award is also subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations. A High Value contract is one over £500,000 and as such the Executive is required to make the award in accordance with Contract Standing Orders.
- 7.2 The Council's power to purchase insurance is mainly under section 111 of the Local Government Act 1972 as being ancillary or incidental to its main functions although there are some specific express powers to insure. In considering the recommendation of this report, Members need to satisfy themselves that an award of contract to the recommended tenderer will ensure best value for the Council.
- 7.3 This contract was advertised after amendments to the 2006 Regulations came into effect, giving unsuccessful tenderers increased remedies should they wish to challenge how a procurement was carried out. Assuming that Members agree to the recommendation, the Council must observe the 2006 Regulations (as amended) relating to the observation of a mandatory minimum 10 calendar day standstill period **before** the contract can be awarded. Therefore once the Executive has determined which tenderer should be awarded the contract, each tenderer will be issued with written notification of the contract award decision, together with its score in the evaluation and that of the successful tenderer, as well as the relative advantages of the successful tenderer. A minimum 10 calendar day standstill period will then be observed before the contract is concluded – this period will begin the day after all tenderers are sent notification of the award

decision – and additional debrief information will be provided to unsuccessful tenderers if requested. As soon as possible after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the contract can commence.

7.4 With regard to leaseholder consultation requirements relating to service charges, the consultation requirements are set out in regulation 5(2) and Schedule 2 of the Service Charges (Consultation Requirements) (England) Regulations 2003 (S.I. 2003/1987) governing long term agreements in excess of twelve months where public notice is required. These provisions take effect in these circumstances because the contract for the insurance of these leasehold Right to Buy properties is for a term of more than twelve months and the expected contribution from each leaseholder is likely to be more than £100.00 per annum. If the consultation requirements are not followed, the maximum that could be recovered in service charges in respect of the insurance contract would only be £100.00 per annum per leaseholder. If the consultation requirements are complied with, the Council and Brent Housing Partnership (BHP), as the Council's managing agent, will be able to recover the costs of the insurance contract from the leaseholders of the Right to Buy properties. There is a two stage process regarding consultation with leaseholders and the first stage is described in paragraph 6.8 of the report that was presented to Members on 15 March 2010 which gave authority to officers to invite tenders in respect of the contract for the provision of insurance in respect of the leasehold "right to buy" properties.

7.5 The first stage of the consultation process is set out in paragraph 6.7 of the report to the Executive of 15 March 2010 seeking authority to tender for the insurance for the leasehold "right to buy" properties. The second stage of the consultation process involves the preparation of a proposal on behalf of the Council regarding entering into the insurance contract relating to the Right to Buy properties and serving a notice on the leaseholders and resident(s) association(s) giving notice in writing of the Council's proposal. The proposal needs to give details of the proposal relating to the proposed insurance contract including the parties to the proposed contract, the duration of the contract, and other details as set out in paragraph 4 of Schedule 2 of the above-mentioned 2003 Regulations. The notice must set out the proposal in writing and invite the making, in writing, of observations relating to the proposal and specify the address to which such observations may be sent, that they must be delivered within the "relevant period", which is 30 days beginning with the date of the notice, and the date on which the "relevant period" ends. Where observations are made by those persons and organizations which receive such a notice, the Council must have regard to those observations. Where observations are made by those persons and organizations which receive such a notice, the Council must have regard to those observations. Also, within 21 days of receipt of the observations, BHP (on behalf of the Council) must state its response to the observations must by notice in writing to the persons by whom the observations were made. Once this process is completed, the contract can be signed by the Council and the successful tenderer.

By completing this consultation process, Brent Housing Partnership, on behalf of the Council, will be able to recover the costs of the provision of the insurance pursuant to the contract from the leaseholders. The Notice relating to the second part of the leaseholder consultation process was served by BHP on 20 August 2010 and expired on 20 September 2010.

8.0 Staffing Implications

8.1 None

9.0 Diversity Implications

9.1 Officers have screened the proposals in this report, and believe that there are no diversity implications

10.0 Background Information

Invitation to Tender pack

Contact Officers

Karen Dobson – (senior category manager)
Richard Walsh – (insurance manager)
Procurement and Risk Management Unit
Brent Town Hall Annexe, tel: 0208 937 1163

Clive Heaphy
Director of Finance and Corporate Services

| Bidder | | | |
|----------------------------|------------------|--|--------------|
| EVALUATION OF PRICE | Weighting | | Price |
| PRICE EVALUATION | 50% | | £767,179.00 |

| EVALUATION OF QUALITY | Weighting | Max Score | Evaluators Score |
|--|------------------|------------------|-------------------------|
| ABILITY TO MEET SPECIFICATION | 30% | 4 | 3 |
| CUSTOMER CARE TO INCORPATE CLAIMS HANDLING | 10% | 4 | 4 |
| SERVICE LEVELS | 10% | 4 | 2 |

GRAND TOTAL

| Tenderer 1 | | | Tenderer 2 | | | |
|---------------------------------|-------|--------------------------|-------------|---------------------------------|-------|--------------------------|
| Percentage Diff from Mean | Score | Score after weighting | Price | Percentage Diff from Mean | Score | Score after weighting |
| -5% | 45% | 23% | £729,905.46 | 0% | 50% | 25% |

| | Score | Score after weighting | Evaluators Score | | Score | Score after weighting |
|--|-------|--------------------------|---------------------|--|-------|--------------------------|
| | 23% | 23% | 3 | | 23% | 23% |
| | 10% | 10% | 3 | | 8% | 8% |
| | 5% | 5% | 3 | | 8% | 8% |

| | |
|------------|------------|
| 60% | 63% |
|------------|------------|

| Tenderer 3 | | | |
|-------------------|--|--------------|----------------------------------|
| Price | Percentage Diff from Mean | Score | Score after weighting |

£698,481.93

5%

55%

27%


Mean

£731,855.46

| Evaluators Score | Score | Score after weighting |
|-------------------------|--------------|----------------------------------|
| 3 | 23% | 23% |
| 4 | 10% | 10% |
| 3 | 8% | 8% |

67%

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|  | <p style="text-align: center;">Executive 18 October 2010</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p> |
| For Action | Wards Affected: ALL |
| <p style="text-align: center;">Authority to award a contract for the provision of a Managed Print Service</p> | |

Appendices 6, 7 & 8 are not for publication

1.0 Summary

- 1.1 This report relates to the provision of a managed print service covering all office printing and all printing currently undertaken by the Print Shop. The report summarises the process undertaken in tendering this contract and, following completion of the evaluation of the tenders, requests approval from the Executive for the award of the contract.
- 1.2 The managed print service is expected to deliver estimated savings against current costs of a minimum of £2.7 million over 6 years.

2.0 Recommendations

- 2.1 That Members award a contract for a managed print service contract to Xerox (UK) Ltd to start on 3rd January 2011 to last for a period of 4 years with the option to extend the contract for a further 2 years.

3.0 Detail

The Current Situation

- 3.1 The Council's current print infrastructure is archaic, expensive, unmanageable and totally inappropriate for a modern organisation. It cannot support hot desking, it cannot provide a One Council uniform print service at a standard cost and most of the current devices are energy inefficient.
- 3.2 Printing is carried out on over 500 devices including networked printers and scanners, standalone photocopiers and faxes. This gives a staff to printer ratio of about 7:1 but this is not common across the council. These devices have been purchased or leased on an ad hoc basis from around 15 suppliers

over a number of years. They are of differing ages and have different facilities. The majority cannot print double sided or colour and there is no standardisation of toners and other consumables. Paper is separately ordered by service areas for all devices but most paper is ordered through the council's corporate contract.

- 3.3 In the past individual sections have had complete freedom to set up expensive photocopier contracts so annual lease charges vary significantly from contract to contract and in most cases there is a page charge in addition. There is currently a ban on new and the renewal of photocopier leases.
- 3.4 The Council is currently printing around 21 million sheets of paper per year on networked devices which includes separately leased photocopiers, where 'printing' covers printing, photocopying, and faxing. An additional 2 million sheets per year minimum are printed on non-networked photocopiers to give a total of 23 million sheets per year. 14% of the total is colour printing, 6% is double sided, however most of the current printers are black and white single sided only. Where colour printing is available it can rise to nearly 50% of the total print where colour printing can be up to seven times more expensive than b/w. Where double sided printing was available it only accounted for around 20% of the total print.
- 3.4 Research by independent document management consultants (Newfield IT), estimate that for unmanaged print services in a public sector organisation the total cost is £450 per employee per year. This equates to around £1.35 million per year on printing for the Council. Our own current estimate for the total printing cost is over £1 million per year including paper but excluding energy and office space costs. This includes identified photocopier leases of £560,000 pa for 96 devices.
- 3.5 For the leased photocopiers and printers that have been purchased outright the consumables are separately purchased by individual service areas. There are a multitude of different devices from different suppliers so there is no standardisation or common ordering across the council or savings with bulk purchase.
- 3.6 Since there is no common method of purchasing/leasing equipment and consumables or of recharging for printing, for most staff the true total cost of printing is not visible.
- 3.7 The Print Shop is located at the Town Hall and carries out bulk printing and prints jobs that require special finishing. It is only used by a few departments most of which are based at the Town Hall. However there are problems with turn round times for delivery of print to other council offices so the service is underutilised. The equipment and software needs to be upgraded and the service needs to be fully integrated with the office printing environment.
- 3.8 Summary of the problems of the current print environment:

- There is no restriction on colour printing or enforcement of double sided printing
- There is no monitoring of printing so sections and individuals are unaware of the amount of print they are producing.
- With a range of devices, suppliers and contracts there is no common cost of printing across the council or any savings by standardising on devices and consumables. With no common pricing across the council it is not possible for sectional print budgets to be established and controlled.
- The age and variety of devices means that many devices are energy hungry and the toners they use are ecologically poor both for the chemicals they use and for their disposal.
- The Print Shop is underutilised and without an upgrade to hardware and software will remain underutilised.
- It cannot support hot desking and flexible working is difficult.
- It cannot support a secure print service
- It is totally inappropriate for the Civic Centre with its flexible working environment and low energy requirements.

Benefits of a Managed Print Service

- 3.8 The Corporate Management Team received a report in January 2010 about printing and agreed to the procurement of a managed print service.
- 3.9 All service areas will be covered by the new service including the Brent Housing Partnership. Schools would have the option of using the contract.
- 3.10 The winner of the contract will take over management of all existing devices, the outstanding photocopier leases and the management of the Print Shop. All print devices will eventually be replaced by modern low energy multi-functional devices (MFDs) from a single supplier which can print, photocopy, scan and, if required fax. They will use modern toner technology which is more efficient in the use of toner and uses less harmful chemicals.
- 3.11 There will be a significant reduction in the number of devices. This will partly be due to replacing separate printers, photocopiers, scanners and faxes with one MFD, but there will also be policy to increase the ratio of staff to printers. This will obviously depend on the particular council site and usage of different teams, but could be over 20:1 in modern open plan offices. Staff-printer ratios will be constantly monitored to provide an optimum service to the council.
- 3.12 The managed print service will provide a One Council service and support flexible working, secure printing and the low energy requirements of the Civic Centre.
- 3.13 The new managed print service will be controlled by a corporate print policy which was approved by CMT in January 2010. This has the aim of providing a generic high standard of printing across the council while reducing printing and the total cost of printing. Its major policies are:
- The managed print service will affect everyone in the Council who prints

- There will be a charge by the supplier to the Council based on each sheet of paper printed (a “click charge”)
- There will be an internal click charge to service areas which will recover the supplier costs, paper costs and infrastructure and ITU support costs i.e. the full cost of printing.
- No individual will have their own private printer or be allowed to separately install a printer
- There will be a significant reduction in the number of devices
- Existing separate photocopier leases will not be renewed and no new ones allowed to be set up.
- MFDs will default to black and white and double sided
- MFDs are a corporate resource useable by all staff. ‘Pull printing’ software will enable printing from any device on the network in any building
- All print will be identified to the person who requested the print job and the internal click charge will be charged to the responsible section regardless of which printer is used.
- Comprehensive monitoring of printing will enable targets to be set to reduce total printing and identify expensive print jobs (for example single sided colour).
- Large print jobs will automatically divert to a new central Print Facility which will have a strict SLA for the turn round of jobs.

3.14 A modern managed central Print Facility and despatch service will be established at the current site at the Town Hall and will eventually be moved to the Civic Centre. As part of the procurement process, one member of staff at the print shop was identified as likely to transfer under TUPE.

3.15 The supplier will monitor on-line all devices, provide support and supply all consumables except paper.

4.0 The Procurement Process

4.1 It was decided that the most straightforward procurement route was under a pre-existing framework agreement established in accordance with the Public Contracts Regulations 2006. The framework agreement awarded by Office for Government Commerce (OGC) Buying Solutions that covers the requirement of this contract is RM450 Multifunctional Products & Services.

4.2 The suppliers listed on the Framework have been assessed and pre-qualified by OGC through a rigorous tendering and evaluation process and give the Council the assurance that each supplier provides a managed print service at competitive prices and full compliance with the EU Regulations. These suppliers are listed in Appendix 8.

4.3 A Capability Assessment was sent via the OGC Buying Solutions web site to all suppliers shown on the framework agreement. Six suppliers responded stating they were capable and were able to meet the requirements of the contract. Supplier F did not respond. A Tender Evaluation Panel (TEP) was established with representatives from all Service Areas.

- 4.4 The Council gave a presentation of requirements to the six capable suppliers and all were invited to take part in a mini-competition under the framework agreement. The suppliers had to provide a written response to a series of questions based on a high level specification, provide indicative costings and to make a presentation of their solution to the TEP. From this first stage a short list of two would be drawn.
- 4.5 Under the rules of the OGC framework, the Council had to use the evaluation criteria and weightings specified by the Framework Agreement. These rules require the following high level split as well as more detailed sub-criteria (see appendices 1 and 3):

| Evaluation Criteria | Weighting |
|----------------------------|------------------|
| Price | 60% |
| Quality | 40% |

- 4.6 The detailed evaluation methods and the sub-criteria are given in Appendix 1.
- Supplier D withdrew before the deadline and supplier E withdrew on the day of the supplier presentations leaving suppliers A, B, C and G.
- The scoring by the TEP of the remaining suppliers is given in Appendix 2. In view of these scores suppliers A and B were shortlisted and invited to participate in the second stage of the mini-competition. (OGC guidance for this framework indicated the use of a two-stage approach with two tenderers being taken forward to the second stage).
- 4.7 The second stage required the shortlisted suppliers to provide a written response to a detailed service specification, a fully costed proposal based on predicted print volumes supplied in the tender documentation and a detailed presentation of their proposal to the TEP.
- 4.8 For Stage 2 the overall evaluation criteria remained the same but there was a small change in the percentage weightings within the sub-criteria. These are given, along with the Stage 2 scoring process in Appendix 3.
- 4.9 A summary of the financial bids from the two suppliers are given in Appendix 6. Although the total predicted print volumes were supplied it was up to the individual supplier, based on their experience, to suggest the split between office and central printing, predict the percentage of colour and the uptake of double sided printing. For both suppliers the figures given in the line 'Total from bid' are the figures the suppliers gave in their Costing Spreadsheet submission. The additional costs are costs taken from their written submissions and from clarifications. These have been added to the bid costs to make the two submissions compatible.
- 4.10 Supplier A proposed differing click charges for office and Print Shop printing, the Print Shop charges being higher. These click charges decrease over the six years. They assume that by year 6, despite the higher charge, about 90%

of print will go to the Print Shop. TUPE costs were not separately identified. In addition to the costs identified there are disposal costs and possible additional move costs for existing devices. There were some optional software costs that may add to the final contract.

Supplier B's costing were more detailed. They assume that by year 6 40% of all print would go through the Print Shop. The click charge is the same for office and Print Shop printing and remains constant over the contract but there is a £50,000 annual management charge for the Print Shop. TUPE costings were separately identified. All printer moves and disposals are included in the costs.

Both suppliers said they would just recharge the existing leases at cost and not charge any management costs to the council.

For these indicative costs Supplier A's cost over 6 years is £3.5 million while supplier B's costs are £3.3 million.

- 4.11 The final scoring is shown in Appendix 4. This shows that supplier A scored 76.8% while supplier B scored 88.6%. Significantly supplier B scored best for both Price and for Quality and therefore it is recommended that the contract is awarded to supplier B – Xerox (UK) Ltd for a period of 4 years with the option to extend for 2 years.

5.0 Financial Implications

- 5.1 Current unmanaged print costs are shown in Appendix 5. Potential cost savings of a managed print service compared to current estimated costs are shown in Appendix 7.
- 5.2 The table in Appendix 7 part b) sets out projected spending against estimated current spending.
- 5.3 The savings principally arise as a result of leases for current photocopiers and printers falling out and not having to be replaced. The cost of these leases is £560k currently but will reduce to £46k by 2013/14 and zero by 2014/15. There are also savings in future years from assumptions about reduced use of printing and increased use of double sided instead of single sided printing.
- 5.4 The current devolved nature of budgets makes it difficult to identify all existing costs. The current estimated spending shown above is considered a prudent estimate. Actual spending is thought likely to be higher than this meaning the saving from the move to the new contract will be greater than shown.
- 5.5 In order to capture the saving within the council's budget, it is proposed to centralise all current lease costs and reduce budgets by an equivalent amount. This means that future savings from leases dropping out will be captured as part of the annual budget process. The saving from this is estimated at £39k in 2012/13, a further £475k in 2013/14 and £46k in 2014/15.

5.6 Savings from reduced use of printing will be monitored and captured within annual budget rounds.

6.0 Legal Implications

6.1 The contract being recommended for award has been procured from a framework agreement set up by the Office for Government Commerce. A contract of this value would otherwise have been subject to the full tendering requirements of the EU public procurement regime. Use of a framework agreement that has itself been tendered in accordance with the EU procurement rules is an exemption from the standard requirement. As a result, the procurement process can be quicker and less costly in terms of officer time.

6.2 The essence of a framework agreement is that the suppliers are invited to express interest in being on the framework, and are then approved for issues such as financial capacity and technical ability. A further tender exercise is then undertaken amongst the approved companies using indicative pricing and assessment of service delivery to appoint a number of companies to the framework.

6.3 Under Contract Standing Orders, a proposal to use a framework set up by a third party needs prior approval. This is set out in Standing Order 86(d). Firstly the Chief Officer has to recommend award, and then the Director of Finance and Corporate Resources has to approve. The Borough Solicitor also has to confirm that use of the framework is legally permissible, checking that the owner of the framework procured it according to the EU rules and that it covers the service that the Council needs. These approvals were obtained before the procurement process started.

6.4 As the contract proposed for award is a High Value Contract under Contract Standing Orders (exceeding £500,000 in value), then Executive approval is required for award.

7.0 Diversity Implications

7.1 Part of the shortlisting evaluation covered accessibility and supplier B, the successful tenderer, scored the highest. During implementation the project team will consult with the council's Disabled Staff Forum on the setting up of the MFDs.

8.0 Staffing/Accommodation Implications

8.1 The Print Shop service is currently run by two staff. The manager is due to retire so only one member of staff may transfer under TUPE regulations. The relevant details of this staff member were passed to tenderers so that associated costs could be included in any submission.

8.2 A managed print service would enable flexible working, free up accommodation space due to the reduction of the number of devices and meet the energy requirements for the Civic Centre.

9.0 Comments of Union

The following are the comments of Unison regarding the proposal to TUPE the Print Shop function. The issues raised are answered in the body of the report.

As a Trade Union, Unison supports the need for efficient, responsive and high quality public services and believes that the transformation of public services can be achieved by using different strategies, which avoid the negative impact of marketisation and privatisation.

Unison believes the focus should be on in-house improvement.

The privatisation of public services means that public service principles and values are eroded as business practice and commercial values dominate service delivery.

The privatisation of Public Services leads to the fragmentation of service delivery, reducing democratic accountability and transparency.

Employees who are TUPE'd to private employers often have problems with preserving the continuity of their terms and conditions of employment. New starters taken on after the transfer are not covered by TUPE and are often employed on worse pay and conditions. This creates a two tier workforce and negatively impacts on the staff who have been TUPE'd.

Contract monitoring is often not as rigorous and comprehensive as it should be.

Financial savings in the privatisation of public services are often exaggerated. A greater share of public spending is often absorbed by transaction costs – the cost of management consultants, lawyers, managing the procurement process and managing and monitoring contracts. This diverts resources from frontline services.

10.0 Background Papers

Tender documents for both stages.

11.0 Contact Officers

Tony Ellis, Assistant Director of Information Technology
020 8937 1400

Director of Finance and Corporate Resources

- APPENDIX 1** The Shortlisting Evaluation Scoring Process
- APPENDIX 2** Shortlisting Stage Scoring
- APPENDIX 3** The Stage 2 Evaluation Scoring Process
- APPENDIX 4** Stage 2 Scoring
- APPENDIX 5** Current Costs of the LBB Unmanaged Print Service

The following appendices are not for publication:

- APPENDIX 6** Shortlisted Suppliers' Bids (NOT FOR PUBLICATION)
- APPENDIX 7** Managed Print Service Costs Based on Xerox Bid and Estimated Savings (NOT FOR PUBLICATION)
- APPENDIX 8** Suppliers on the RM450 Framework (NOT FOR PUBLICATION)

APPENDIX 1 The Shortlisting Evaluation Scoring Process

1 Evaluation criteria

Bids will be evaluated for Stage 1 on the basis of the most economically advantageous proposal using the following criteria. Each criterion has been assigned a weighting to reflect the relative importance of such criterion to the Evaluation Panel members.

| Evaluation Criteria | | Weighting |
|---------------------|---|--------------|
| a) | Price | 60% |
| Quality | b) Product Range | 8% |
| | c) Managed or Extended Services | 9% |
| | d) Maintenance, Support, Training & Performance | 10.5% |
| | e) Identification of Requirements | 5% |
| | f) Management of Product Fleet | 3% |
| | g) Communication | 2% |
| | h) Sustainability and Environment | 1% |
| | i) Management of the Contract | 1.5% |

2. Detailed description of evaluation

a) Evaluation of 'Price'

At Stage 1, there are five sub criteria under 'Price' and a total weighting of 60% of marks. These are as follows:

| | | |
|---|--|-----|
| 1 | Total Cost (Click charge + implementation) | 35% |
| 2 | Outsource of Print Shop | 10% |
| 3 | Additional costs associated with the Civic Centre relocation | 5% |
| 4 | Proposals for profit sharing | 5% |
| 5 | Energy & Efficiency of MFDs | 5% |

There are then nine questions relating to these five sub criteria in the Shortlisting Questionnaire document.

At this stage in the process, it is not feasible to request specific pricing models and therefore the evaluation will focus on indicative costs (excluding the Print Shop and the Civic Centre move) the methodology of pricing and how the costs are arrived at will be evaluated based on a 6 month roll out programme.

Total Cost will be evaluated via Questions 1 (20%), Question 2 (5%) and Question 9 (10%) to provide a weighted score out of 35.

The methodology given for arriving at that figure, as well as the Indicative Cost will be evaluated jointly. That is to say that the methodology and the accuracy of the Total Cost figure provided will be given equal weighting so as to prevent bidders distorting the process by quoting an unrealistic click charge.

Indicative Costs for the Outsourcing of the Print Shop (Question 3) and Additional Costs of Civic Centre Relocation (Question 4) will also be assessed using the methodology above and weighted as per the above table.

Profit Sharing (Questions 5 and 6) and Energy & Efficiency (Questions 7 and 8) will be assessed in the manner used to assess Qualitative aspects of the proposals and more detail is contained within Section 3.3b of this document.

b) Scoring of Qualitative Criteria

At Stage 1 there are 15 sub-criteria spread across the 8 qualitative evaluation criteria, with a total weighting of 40% of the marks (see Evaluation Criteria for Shortlisting Stage document). There are eighteen questions relating to these 15 sub-criteria.

These eighteen questions (and Questions 5 & 6 and Questions 7 & 8 from the Price section) in the Shortlisting Questionnaire document will all be assessed on the basis of the tenderer's completed Method Statements and supporting evidence.

Scores will be awarded against each sub-criterion using the following marking regime:

| Assessment | Score | Interpretation |
|-------------------|--------------|--|
| Unacceptable | 0 | Fails to meet requirement - major omissions/weaknesses |
| Weak | 1 | Limited evidence of ability to meet requirement - omissions/weaknesses in key areas |
| Adequate | 2 | Meets requirement but with some minor omissions/weaknesses |
| Good | 3 | Fully meets requirement |
| Excellent | 4 | Fully meets requirement demonstrating added value in proposals for delivery of service |

Each evaluation sub-criteria may attract up to a maximum of 4 marks, the mark awarded will be multiplied by the weighting for each of the Qualitative sub-criteria to provide a total score out of the maximum score possible of 120.

The achieved Qualitative score will then be divided by 120 (maximum marks) and multiplied by 40 (total maximum Qualitative score) to give a final weighted score.

c) Minimum requirements

Included in the Evaluation Criteria for Shortlisting document are four minimum requirements sections, which will be evaluated by Technical Members of the IT Unit. These sub sections are on a pass / fail basis, so to say that if a bidder is judged not to meet this minimum standard in any one of the four areas detailed below, they will be adjudged to have failed the process altogether, and will not be further evaluated.

- Product Range, compatibility with Brent IT infrastructure (technical questionnaire)
- Admin of Orders & Invoices, e-invoicing
- Security and Standards, conformance with Corporate Security standards, Accessibility standards and certified for ISO 14001 or equivalent.
- Sustainability & Environment

All questions for these categories must score 2 or more (as per above table) and the overall score must be a minimum of 75% of the total score possible for that section, i.e. where there is only one question in a section, a minimum of 3 out of 4 must be scored (see first two examples below)

- Sustainability & Environment Q27 of Shortlisting Questionnaire – Minimum score: 3
- Admin of Orders & Invoices, e-invoicing Q10 Security Questions – Minimum score: 3
- Compatibility with Brent IT Infrastructure Q1 – Q27 Technical Questions & Q1 – Q8 Unix Questions – Minimum score: 105
- Security and Standards Q1 – Q9 Security Questions – Minimum score: 27

d) Scoring for Qualitative Criteria and 'Price'

The scores for Price will be added to those for the Qualitative aspects to provide a total percentage score, the scores will then be ranked and the two highest scoring bidders recommended for invite to Stage 2 of the process.

APPENDIX 2 Shortlisting Stage Scoring

| Criteria | Max Score % | Supplier A | Supplier B | Supplier C | Supplier G |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Price | 60% | 34.1 | 41.8 | 31.2 | 20.4 |
| Quality | 40% | 28.7 | 37.1 | 26.6 | 25.7 |
| Total | 100% | 62.8 | 78.9 | 57.8 | 46.1 |
| | Rank | 2 | 1 | 3 | 4 |

Suppliers A and B shortlisted for the second stage of the mini competition.

APPENDIX 3 The Stage 2 Evaluation Scoring Process

1. Stage 2 Evaluation Criteria

Bids will be evaluated for Stage 2 on the basis of the most economically advantageous proposal using the following criteria. Each criterion has been assigned a weighting to reflect the relative importance of such criterion to the Evaluation Panel members.

| Evaluation Criteria | | Weighting |
|---------------------|---|------------|
| a) | Price | 60% |
| Quality | b) Product Range | 6% |
| | c) Managed or Extended Services | 10% |
| | d) Maintenance, Support, Training & Performance | 9% |
| | e) Identification of Requirements | 6% |
| | f) Management of Product Fleet | 3% |
| | g) Communication | 2% |
| | h) Sustainability and Environment | 1% |
| | i) Management of the Contract | 3% |

3.3 Detailed description of evaluation

a) Evaluation of 'Price'

At Stage 2, there are five sub criteria under 'Price' and a total weighting of 60% of marks. These are as follows:

| | | |
|---|--|------|
| 1 | Total cost (Click charge + implementation) | 35% |
| 2 | Outsource of Print Shop | 15% |
| 3 | Additional costs associated with the Civic Centre relocation | 2.5% |
| 4 | Management of existing photocopier leases | 2.5% |
| 5 | Energy & Efficiency of MFDs | 5% |

Bidders are required to complete tab 5 of the Pricing Document which contains more detail. The completed schedule will provide a total estimated cost for print via a click charge for the maximum 6 years, this total figure will be the figure evaluated. A maximum of 35 marks are available for this element of Total Cost and they will be

awarded as per the Cost Formula below. All calculations will be verified by a Finance Officer.

The 15% for Outsource of the Print Shop will be evaluated via the proposed total cost method as well. Additionally, there is a further weighting of 10% contained within the qualitative criteria and this 10% will be awarded via the response to detailed specification document.

Additional costs associated with the Civic Centre move, Management of existing photocopier leases and Energy & Efficiency will be assessed in the manner used to assess Qualitative aspects of the proposals and more detail is contained within Section 3.3b of this document.

Cost formula

- The 'Price' uses proportional scoring system to award the full score to the lowest price. The remaining bids will be awarded scores to reflect their individual value in relation to that of the lowest price.
- For example, where the total contract price for Bid X is £1,000 and for Bid Y £500, Bid Y receives the maximum score of 50% and Bid X a score of 25% calculated as follows:

$$\frac{\text{Lowest price bid (Bid Y)}}{\text{Bid X price}} \times \text{Weighting} \qquad \frac{£500}{£1,000} \times 50\% = 25\%$$

$$\frac{\text{Lowest price bid (Bid Y)}}{\text{Bid Y price}} \times \text{Weighting} \qquad \frac{£500}{£500} \times 50\% = 50\%$$

b) Scoring of Qualitative Criteria

At Stage 2 there are 16 sub-criteria spread across the 8 qualitative evaluation criteria, with a total weighting of 40% of the marks (see Evaluation Criteria document). There are 45 questions relating to these 16 sub-criteria.

These 45 questions contained with the Detailed Specification document will all be assessed on the basis of the bidders completed Method Statements and supporting evidence.

Scores will be awarded against each sub-criterion using the following marking regime:

| Assessment | Score | Interpretation |
|-------------------|--------------|--|
| Unacceptable | 0 | Fails to meet requirement - major omissions/weaknesses |
| Weak | 1 | Limited evidence of ability to meet requirement - omissions/weaknesses in key areas |
| Adequate | 2 | Meets requirement but with some minor omissions/weaknesses |
| Good | 3 | Fully meets requirement |
| Excellent | 4 | Fully meets requirement demonstrating added value in proposals for delivery of service |

Each evaluation sub-criteria may attract up to a maximum of 4 marks, the mark awarded will be multiplied by the weighting for each of the Qualitative sub-criteria to provide a total score out of the maximum score possible of 120.

The achieved Qualitative score will then be divided by 120 (maximum marks) and multiplied by 40 (total maximum Qualitative score) to give a final weighted score.

c) Scoring for Qualitative Criteria and 'Price'

The scores for Price will be added to those for the Qualitative aspects to provide a total percentage score, the scores will then be ranked with the highest scoring bid recommended for contract award.

APPENDIX 4 Stage 2 Scoring

| | Criteria | Max % | Supplier A | Supplier B |
|--------------------|--|------------|---------------|---------------|
| PRICE | Total Cost (click charge and implementation) | 35 | 33.0 | 35.0 |
| | Outsource of Print Shop | 15 | 10.1 | 15 |
| | Civic Centre Relocation | 2.5 | 1.5 | 2.5 |
| | Management of Existing Photocopier Leases | 2.5 | 2.5 | 2.5 |
| | Energy & Efficiencies of MFDs | 5 | 3.8 | 3.8 |
| | Total Price Score | 60 | 50.8 | 58.8 |
| QUALITY | Product Range | 6 | 4.0 | 5.1 |
| | Managed or Extended Services | 10 | 6.6 | 6.8 |
| | Maintenance, Support, Training & Performance | 9 | 6.3 | 7.3 |
| | Identification of Requirements | 6 | 2.8 | 3.2 |
| | Management of Product Fleet | 3 | 2.1 | 2.4 |
| | Communication | 2 | 1.3 | 1.6 |
| | Sustainability and Environment | 1 | 0.8 | 0.8 |
| | Management of the Contract | 3 | 2.1 | 2.6 |
| | Total Quality Score | 40 | 26.0 | 29.8 |
| TOTAL SCORE | | 100 | 76.8 | 88.6 |

APPENDIX 5 – Current Costs of the LBB Unmanaged Print Service

Existing Unmanaged Print Service Estimated Costs per year

| <u>VOLUMES</u> | Full Year Costs |
|---|----------------------------|
| | |
| | 23,000,000 |
| Colour | 20% |
| Duplex | 10% |
| Sheets of Paper | 25,564,500 |
| <u>CURRENT PRINTING & PAPER COSTS</u> | |
| Print Shop Staff Costs | £90,600 |
| Outstanding Lease Costs | £560,500 |
| Print Cost | £322,000 |
| Paper Costs | £94,589 |
| Current Annual Costs | £1,067,689 |
| <u>CURRENT ITU SUPPORT COSTS</u> | |
| Printer maintenance costs | £10,000 |
| IT Costs (Service Desk, support etc) | £20,000 |
| Total LBB ITU Costs | £30,000 |
| <u>TOTAL CURRENT UNMANAGED PRINT SERVICE COSTS</u> | |
| | £1,097,689 |