



SUMMONS TO ATTEND COUNCIL MEETING

Monday, 21 November 2011 at 7.00 pm
Council Chamber, Brent Town Hall, Forty Lane,
Wembley, HA9 9HD

To the Mayor and Councillors of the London Borough of Brent and to each and every one of them.

I hereby summon you to attend the MEETING OF THE COUNCIL of this Borough.

GARETH DANIEL
Chief Executive

Dated: Friday, 11 November 2011

For further information contact: Peter Goss, Democratic Services Manager
020 8937 1353, peter.goss@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:

www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Apologies for absence

Item	Page
1 Minutes of the previous meeting	1 - 16
2 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.	
3 Mayor's announcements (including any petitions received)	
4 Appointments to committees and outside bodies and appointment of chairs/vice chairs (if any)	
5 Report from the Leader or members of the Executive	17 - 18
To receive reports from the Leader or members of the Executive in accordance with Standing Order 42.	
6 Questions from the Opposition and other Non- Executive Members	
Questions will be put to the Executive	
7 First Reading debate on the 2012/13 - 2015/16 budget	19 - 44
Reports from the Executive and the Director of Finance and Corporate Services attached.	
Ward Affected: All Wards	Contact Officer: Clive Heaphy, Director of Finance and Corporate Services Tel: 020 8937 1424 clive.heaphy@brent.gov.uk
8 Reports from the Chairs of Overview and Scrutiny Committees	45 - 48
To receive reports from the Chairs of the Overview and Scrutiny Committees in accordance with Standing Order 41.	
9 Changes to Part 3 of the Constitution: Contract Standing Orders	49 - 66
This report proposes some minor amendments in relation to Contract	

Standing Orders concerning the procurement of works contracts.

Ward Affected: All Wards

Contact Officer: Fiona Ledden,
Director of Legal and Procurement

Tel: 020 8937 1292

fiona.ledden@brent.gov.uk

10 Motions (if any)

To debate any motions submitted in accordance with Standing Order 45.

11 Urgent business

At the discretion of the Mayor to consider any urgent business.



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

This page is intentionally left blank



LONDON BOROUGH OF BRENT

Minutes of the ORDINARY MEETING OF THE COUNCIL
held on Monday, 12 September 2011 at 7.00 pm

PRESENT:

The Worshipful the Mayor
Councillor M Aslam Choudry

The Deputy Mayor
Councillor Michael Adeyeye

COUNCILLORS:

Aden	Al-Ebadi
Allie	Arnold
Mrs Bacchus	Baker
Beck	Beckman
Beswick	Brown
Butt	Cheese
Chohan	S Choudhary
Colwill	Crane
Cummins	Daly
Denselow	Gladbaum
Green	Harrison
Hector	Hirani
Hossain	Hunter
John	Jones
Kabir	Kansagra
Kataria	Leaman
Long	Lorber
Mashari	McLennan
Mistry	Mitchell Murray
J Moher	R Moher
Moloney	Naheerathan
Oladapo	BM Patel
CJ Patel	HB Patel
HM Patel	RS Patel
Powney	Ms Shaw
Sheth	Singh
Sneddon	Thomas

Apologies for absence

Apologies were received from: Councillors Ashraf, Castle, Clues, Hashmi, Matthews and Van Kalwala

1. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 11 July 2011 be approved as an accurate record of the meeting.

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

None declared.

3. **Mayor's announcements (including any petitions received)**

The Mayor announced that he was hosting an Eid Celebration event on 30 September 2011 and asked that members support this event by purchasing tickets.

The Mayor stated that in accordance with Standing Orders, a list of current petitions showing progress on dealing with them had been circulated around the chamber.

The Mayor welcomed Matt Gardner, the Borough Police Commander, to the meeting. He expressed his gratitude to the commander for finding the time to attend.

4. **Appointments to committees and outside bodies and appointment of chairs/vice chairs (if any)**

RESOLVED:-

- (i) that Mr Alloysius Frederick be appointed as a co-opted member of the Children and Families Overview and Scrutiny Committee for the remainder of the municipal year 2011/12, representing the Roman Catholic faith,
- (ii) that Councillor Lorber be appointed first alternate to Councillor Beck on the Standards Committee in place of Councillor Leaman.

5. **Debate**

The Mayor invited Matt Gardner, the Borough Police Commander to address the meeting. Matt Gardner thanked members for inviting him back one year after he had first attended a Full Council meeting. He stated that he would report on the progress of the Brent police partnership and comment on the disorder that had recently occurred on London's streets and elsewhere.

During the last 12 months the emphasis had been on dealing with crime and enforcing law and order. Matt Gardner stated that there was a need to bring discipline to the small number of people in the borough that did not want to live by the rules. He was getting this message across to his force and driving forward a performance culture. There had been a 10% increase in sanction detection rates. Within a peer group including Haringey, Lambeth and out of London authorities the level of detection in Brent represented the second best performance in the UK (measured against Boroughs placed in Brent's most similar group). The level of

offenders brought to justice represented the best performance within the Metropolitan Police. From public opinion surveys undertaken, the confidence in the police within Brent had risen from 34% to 77% taking Brent from the bottom three and putting it within the top five for London.

Matt Gardner referred to the appointment that day of Bernard Hogan-Howe as the new Commissioner of the Metropolitan Police and how his direction would be important in focussing the resources of the police in London. Crime was divided into two categories - victim crime and state crime where persons were found to be carrying drugs or a weapon. State crime had increased by 28% in the year end 2010/11 and was currently sitting at +48% for the current performance year 2011/12. Matt Gardner asked if councillors were aware of the number of arrests in Brent over the last year and informed them that 13183 arrests had taken place making it the third highest arrest rate in London. There were 700 police officers in Brent supported by the Police Community Support Officers (PCSOs).

The Commander referred to the use of stop and search. He understood that some young people felt aggrieved over the use of this and accepted that the police did not always get it right. But it involved a relatively small number of people and upon analysing a sample of 100 cases of stop and search he found that 84% of those stopped had a criminal record, 77% were stopped in one of the four highest crime rate wards and 60% were stopped between the hours of 14:00 and 23:59. Added to this Brent had the highest judicial outcome from stop and search in London.

Referring to the work of the Safer Neighbourhood Teams (SNTs), Matt Gardner accepted that there was a role for them to take part in community activities but he stressed not at the expense of being in uniform on the streets. The SNTs had increased their arrest rate by 62% from 567 to 919 cases in the last year and this demonstrated that they were a serious law enforcement unit within the borough. Further to this, SNT sanction detections had risen by 274%.

Matt Gardner reported that there had been a doubling of the level of resources pulled in to cover London wide events meaning less resources locally. His inspectors were held to account within a strong performance culture and there had been a drive to improve sickness rates resulting in 2,400 officer/staff days being gained and the sickness rate being the lowest in London for police officers, PCSO's and police staff. An award and recognition event had been held where 83 police officers and staff had been recognised for their work. Other issues mentioned by the Commander included the partnership work carried out with the senior officers of the Council, identifying the top 100 families in the borough causing the greatest concerns, anti-social behaviour issues and stepping up work with the Council to deal with brothels operating in the borough. This was 'work in progress'. The Commander said that he would continue with stop and search where necessary and expressed concern over the rise in the number of robberies being committed in the borough. Budget cutbacks of 20% had nearly been achieved but future funding remained uncertain.

Matt Gardner went on to refer to the civil disorder that had happened in August. He asked why there had not been riots on the streets of Brent. His view was that this was because of the unbelievably strong community spirit within Brent and because of the very effective partnership working with the Council which had been able to provide the police with additional vehicles, lift parking restrictions where needed

and maintain a 24 hour response to providing clean-up operations. There had been constant communications maintained between the police, council and other agencies and councillors had made themselves visible to reassure local people about the situation. Another factor had been the use of police intelligence with 80 search warrants being executed and 35 Brent residents identified as committing public disorder offences. The message put out to would be trouble makers had been that Brent was not the place to cause trouble because there were too many police officers on the streets.

Matt Gardner finished by particularly thanking the Leader of the Council, the Lead Member for Crime and Public Safety, the Chief Executive, the Director of Strategy, Partnership and Improvement and the Head of Community Safety. He stressed the importance of maintaining the level of partnership working seen during the disturbances.

The Mayor invited councillors to raise issues and ask questions of the Borough Commander. A point was made that many trials had to be stopped when witnesses did not attend, thereby wasting a lot of police time. It was asked if the 700 police officers in Brent referred to was a reduction from last year. Concern was expressed over the level of sanction crime, dispersal rates and the increase in robberies. The effect of partnership working and engagement with young people was recognised but it was asked if there was anything else the Council could do. A question was asked about how data on satisfaction levels was obtained and how sickness rates had been brought down. The Commander replied that wasted time at trials was an issue which he discussed with the Borough Prosecutor, there had been no decrease in the numbers of police officers and financial savings had been made by other means. He stated that sanction detection was necessary at the level indicated in a borough like Brent and dispersal zones were an effective tool in which the SNTs played a critical role. On a quarterly basis, 500 victims of crime were surveyed to gain a view on the confidence local people had in the police. Sickness rates had been brought down to an average of 5.2 days for police officers which was substantially less than the Metropolitan Police average.

It was asked if reconsideration would be given to extending the Notting Hill carnival footprint into Kensal Green. A question was asked around the release of DNA figures for those not subject to section 5 public order charges. The hope was expressed that the disturbances would be assessed over a period of time to allow a more considered analysis of what happened. It was suggested that past assurances had been given that SNTs would remain within their areas at all times but on a number of occasions they had been deployed away from their areas. The Commander replied that the carnival would not be extended into Kensal Green unless intelligence indicated a need - an issue that would be addressed centrally at New Scotland Yard. There were currently six outstanding cases where suspects were being traced through their DNA. He would be able to supply figures regarding section 5 arrests outside the meeting. He explained that it was only under exceptional circumstances when SNTs would be taken away from their area and all officers had to be mobilised during the disturbances. However it was important to allow some flexibility across neighbouring ward boundaries. The Commander stressed that he agreed 'flexing' of SNT officers across the borough into neighbouring wards. To be unable to put police and PCSO's where intelligence and crime demanded was not an effective use of his people.

Reference was made to the large number of arrests made in the borough and further explanation sought over the reasons for this. It was asked if the police felt well equipped to cover the Olympics in 2012. The comment was made that apart from the demonisation of young people another unedifying aspect of the disturbances was the public disagreement between the Home Office and the Metropolitan Police. The Commander replied that reasons for arrest ranged from shoplifting to murder and that the number of arrests was high because his police force worked hard to achieve this. He could supply a breakdown of all the arrests outside the meeting. All police leave had been cancelled for the period of the Olympics and changes to shifts would mean police officers working 12 hour days. He wanted to re-assure everyone that the event would be there to enjoy and that police resources would allow this. However, the Commander asked for it to be remembered that police resources would be stretched and that if a police presence was requested for any local events taking place during the period of the Olympics this needed to be borne in mind.

A question was asked as to how many youth gangs there were and what was done to engage with the young people involved in them. It was said that some residents' confidence in the police was undermined by their experience of receiving a poor service in response to dialling 999 and that using the 101 number had not helped. Reference was made to three muggings in Gladstone Park and the police comment that people should not go to the park alone. This seemed to be unfair advice to people who wanted to visit the park. With reference to the SNT's, it was requested that there be more effective engagement between the teams and ward councillors. The Commander replied that he did not know the exact number of gangs operating but suggested it could be 20 or more. He could not comment on what intervention might be available. Many people received a good service from dialling 999 or 101 but as he had said earlier it was not possible to deliver a perfect service. Nevertheless he felt the 101 service would get better and relieve pressure on the 999 service. The Commander added that the councillor who asked the question had asked the same question at a previous public meeting where a large majority of the audience had expressed great satisfaction with the option the '101' number offered. An arrest had recently been made in connection with the incidents at Gladstone Park. Before then it had been important to send out the right message to people before a grip on the situation had been taken. There were arrangements in place for communication from the SNTs to be channelled through the appropriate Executive Lead Member. He did not know if this had happened but there would continue to be efforts made to improve communication.

Councillor John (Leader) concluded the debate by congratulating the Borough Commander on doing a first class job during very difficult times. She referred to motions to be debated later in the meeting which showed the confidence councillors had in the local police service. Councillor John reminded members that partnership working with the police was nothing new in Brent. She expressed irritation over the number of times she heard it suggested that trouble would break out in Brent during the period of the recent disturbances. It was a measure of the community strength along with the joint action taken that meant little trouble occurred. The sharing of information had been excellent. She had attended the cctv control room to see it in operation. Feedback from a meeting of London borough leaders at the House of Commons revealed that the community action taken on the St Raphael's estate had been recognised at a London level. The police had been effective in dispelling rumours that circulated about possible trouble spots and she thanked Councillor

Beswick (Lead Member for Crime and Public Safety) for ensuring a good level of communication was maintained. Councillor John agreed that time was necessary to analyse what had happened to cause the disturbances but in the meantime she thanked all those involved in minimising the impact it had on Brent.

The Mayor thanked councillors for their contributions and thanked Matt Gardner for his attendance.

6. **Report from the Leader or members of the Executive**

(a) Items reported by the Executive

Civil disturbances - Council and partner response

The Leader referred to the earlier debate on crime and community safety and the motions to be discussed later in the meeting regarding the civil disturbances.

Schools contracts - joint procurement of school services

Councillor Arnold (Lead Member for Children and Families) reported that the Executive had approved a framework agreement for providing cleaning services to schools which would offer schools greater choice and increase efficiency.

Consultation on schools for the future and schools places strategy

Councillor Arnold (Lead Member for Children and Families) reported that demand for school places was forecast to exceed supply over the next four years. Schools and governing bodies had been consulted on the types of schools that should be developed and their views had been fed in to the strategy to provide primary school places up to 2014/15 considered by the Executive at its last meeting.

Town centre improvement - Willesden Green

Councillor Crane (Lead Member for Regeneration and Major Projects) reported that the Council had successfully bid to the Mayor of London's 'out of London fund' and had received £1/2M. A number of projects focussed on current strategic areas had been considered for spending the money on and it had been decided to put it towards the Willesden Green project which aimed to bring back into use 20 shops and redevelop the library building to include the provision of commercial studios. It was hoped this would kick start regeneration of the area and create additional local jobs.

Park Royal business improvement district status

Councillor Crane (Lead Member for Regeneration and Major Projects) reported on the support given by the Council to the Park Royal partnership to achieve Business Improvement District (BID) status. This would result in inward investment of around £1M per annum for 5 years. The BID company was in the process of being established.

Village school temporary building

Councillor Crane (Lead Member for Regeneration and Major Projects) reported that the temporary school building had been completed on time and within budget and so was now being occupied for the start of the new school year. Rebuilding of the main school building had begun in July and was on programme.

School crossing patrols

Councillor J Moher (Lead Member for Highways and Transportation) reported that following consultation, a proposal would be put to the Executive not to withdraw any patrols at the present time. Instead, a voluntary approach would be adopted whereby discussions would be held with schools to encourage them to meet the costs in locations where it was considered a patrol was still necessary. In other areas natural wastage would be allowed to reduce the number of patrols where these were no longer needed because of improvements in road safety. He confirmed that the Council would continue to use the risk evaluation model in order to take decisions on where patrols were needed.

b. Decisions taken by the Executive under the Council's urgency provisions

RESOLVED:-

that the decisions taken by the Executive under the Council's urgency provisions relating to the following be noted:

Consideration of representations to proposals to introduce pay and display parking controls in Preston Road and Bridge Road

Removal and replacement of contaminated soil from St Raphael's and Brentfield estates

7. Questions from the Opposition and other Non- Executive Members

Councillor Kabir asked how many families were on the waiting list for social housing. Councillor Long (Lead Member for Housing) replied that there were 17289 now on the waiting list. This had recently risen from 15500 so it could be assumed there were already more than this. Councillor Kabir responded by saying that the report to the Executive in July on South Kilburn regeneration showed the impact the new 'affordable rent' model had on rents in South Kilburn. A current rent of around £88 for a 2 bedroom property increased to between £250 and £260 per week and an even greater difference for a 4 bedroom property rising from £106 to £450 per week.

Councillor Cummins suggested that a degree of localism should be applied to the allocation of section 106 planning gain monies. He felt many of the areas in which these funds were generated did not benefit from them. He asked if a review would be carried out. Councillor Powney (Lead Member for Environment and Neighbourhoods) replied that a report to be submitted to the Executive in a few months' time would cover this point. In the meantime he pointed out that the use of section 106 monies was not restricted to environment and transport schemes but could also be used on sports and arts projects. However its use was subject to legal constraints. Councillor Cummins added that he hoped to have the opportunity to have an input into the report to the Executive.

Councillor Colwill asked for an explanation on what was happening at the John Billam centre. Councillor R Moher (Lead Member for Adults and Health) explained that the intentions for the John Billam centre had not changed but fewer past residents of the Albert Road day centre would now be going to go to John Billam. This was as a result of the personalisation budget which had resulted in more

people purchasing services outside the centre. A similar thing was happening at Strathcona. This therefore presented an opportunity to look at more creative ways of using the remaining space, with one idea being the creation of a meeting hub for older people. Councillor Colwill noted the answer given.

Councillor Hunter referred to the ambition for the new Civic Centre to be the greenest building in the UK and asked what scope existed to improve the green credentials of the remaining Council stock. Councillor Powney (Lead Member for Environment and Neighbourhoods) replied that the Civic Centre was a very important component towards the Council achieving its carbon emissions target. Schools were another important element but this depended on getting the co-operation of the head teachers. The climate change steering group had already begun looking at this. Councillor Hunter felt there were other things that could be done and expressed the hope that the pressure on head teachers to improve schools would be maintained. She referred to the Council's Green Charter and felt there needed to be a clearer indication of who was responsible for the various actions and when these would be implemented. She challenged colleagues in the chamber to sign up to the green climate change pledge.

Councillor Gladbaum asked how much budget had been lost to assist with Free Schools opening. Councillor Arnold (Lead Member for Children and Families) replied that the general fund had been top sliced by £1m which had drained funding for Brent schools. The Council had challenged this action and the Minister was having to reconsider the matter. Councillor Gladbaum noted the answer she had received.

Councillor Brown asked if, under the Council's new waste collection arrangements, fallen leaves would continue to be collected for composting. Councillor Powney (Lead Member for Environment and Neighbourhoods) replied that they would not and that this matter had been discussed at a recent meeting of the Call-in Overview and Scrutiny Committee. Fallen leaves amounted to only a small percentage of the total tonnage collected and would be covered by the general waste collection arrangements. Councillor Brown felt the Council was missing out on utilising leaves for composting and if they remained on the streets they would constitute a health and safety hazard as well as look unsightly. He felt the decision not to collect them was a disproportionate action and a false economy.

Councillor Denselow asked for assurance that residents' concerns were being addressed with regard to the High Speed 2 plans. Councillor Crane (Lead Member for Regeneration and Major Projects) replied that the Executive was soon to receive a report seeking endorsement of the response to the consultation submitted to the Secretary of State. It expressed broad support for the project but with caveats. A number of concerns expressed by residents and amenity groups including concerns regarding the proposed vent shaft in Queens Park had not so far been addressed and the Council was also asking for that to happen. In addition Members had received a briefing on the project in June. Councillor Denselow noted the reply he had received.

Councillor Beck referred to the planning applications submitted for the Crest Academies and the meeting the Leader had had with those residents who had expressed concerns about the development. He asked for feedback from that meeting. Councillor John (Leader) replied that residents had attended the meeting

with a long list of concerns. It was a difficult site to develop and she felt it was a shame that an adjacent site had not been purchased which would have made the development easier. A lot of information had been given to residents and there was still time for a further meeting if necessary. The application was due to be submitted to the Planning Committee at the end of September. It was obviously not possible to pre-empt the committee's decision but Councillor John stated that she had some sympathy with some of the concerns raised. Councillor Beck noted the answer he had received.

Councillor McLennan raised concerns she had on the Taxicard scheme and asked for an update. Councillor R Moher (Lead Member for Adults and Health) replied by reminding members that there had been a moratorium placed on new Taxicard applications because London Councils had been over budget on the scheme. A review of the scheme had recommended lifting the moratorium but with those users not automatically qualifying having to undergo a mobility test and restoration of the double swipe provision. Efforts were also being made to reduce demand on the scheme. For instance, it had been found that people used it to get to hospital rather than use the hospital transport available so it was necessary to discuss with hospitals how they could improve their service. A report on the scheme would be submitted to the next meeting of the Executive. Councillor McLennan noted the reply she had received.

8. Reports from the Chairs of Overview and Scrutiny Committees

Councillor Kabir (Chair of Health Partnerships Overview and Scrutiny Committee) reported on behalf of the chairs of the overview and scrutiny committees. She first reported from her own committee which had considered the results of the Brent GP patient survey for the final quarter of 2010/11. Councillor Kabir stated that this had been an important issue for the committee, as members were not convinced that Brent residents were getting the service from GPs they deserved. Satisfaction with GP access remained below both the London and national average and the emerging GP commissioning consortia in Brent had been asked to attend the next meeting of the committee to discuss the matter. The committee had received a presentation from North West London Hospitals and NHS Brent on plans to close the paediatric assessment unit at Central Middlesex Hospital. The unit had only been open since October 2010, but the majority of cases were seen at the Urgent Care Centre at the hospital, meaning that it was an underused service. Although the case for closing it appeared strong, the committee was concerned that this would result in no paediatric consultant cover at the hospital. As a result, members asked that the trust consult informally with service users, especially sickle cell patients, before a decision was made whether to go out to formal consultation on the proposal.

Councillor Kabir reported that she and the vice-chair of the committee had met with members of Brent's Local Medical Committee (LMC). The LMC represents local GPs in discussions with NHS Brent and on issues connected to their services in the borough. She stated that she was keen for the Health Partnerships Overview and Scrutiny Committee to be informed by as many relevant groups as possible and so was pleased to have formed a relationship with a group like the Brent LMC.

The Children and Young People Overview and Scrutiny Committee had discussed a number of issues including services for children with learning and physical

disabilities (which would be a standing item for the committee), the implications of the Government's policy on academies, which included contributions from members of Brent's Youth Parliament. Their views on this issue, based on their experiences in their own schools, had been extremely useful for the committee. The committee also discussed the final report of the Youth Offending Task Group, which was approved and would be submitted to the Executive.

The Partnership and Place Overview and Scrutiny Committee had focussed on the performance of Registered Social Landlords (RSLs) in Brent and the impact of the Localism Bill on registered providers. Representatives from Stadium Housing and Octavia housing had engaged with members on a number of issues including developing further family size housing provision, the impact of changes to housing benefit, the level of rent RSLs were able to charge, changes to tenancies and housing maintenance. The Committee had received a report on Ward Working May 2010–May 2011. Discussion had covered work undertaken on outreach, communications, partnerships, consultations and the projects on which ward budgets were spent. The Committee also received a presentation on partnership working in Brent. Members were keen to focus on recent partnership projects, in particular the intelligence hub, which would enable intelligence sharing with partners and Community Based Budgeting.

The Budget and Finance Overview and Scrutiny Committee had reviewed the budget strategy 2012/13 to 2015/16. Members had explored issues relating to spending and resource assumptions, pensions and the capital programme. Members were also informed on the proposals in the local government resources review.

The One Council Overview and Scrutiny Committee had not met since the last Council meeting but was due to discuss the delivery of the Waste and Street Cleansing Review, council performance and receive an update on the Localism Bill.

Finally, Councillor Kabir reported on the 'One Community Many Voices' event the overview and scrutiny committee chairs would be hosting as part of Local Democracy Week. It was to take place on 10 October at 6.30pm at the Town Hall and would be an informal café style 'speed dating' event to allow participants to raise issues they would like overview and scrutiny to look at. All members were invited to join the event.

9. The Treasury Management Annual Report 2010/11

Members received the report on borrowing and investment activity, and performance compared to prudential indicators during 2010/11.

RESOLVED:-

- (i) that the Treasury Management annual Report set out in section 3 of the report and the Annual Investment Strategy Report set out in section 4 of the report be approved;
- (ii) that the outturn for prudential indicators set out in section 5 of the report be noted;

- (iii) that the updated position in 2011/12 set out in the report under the heading *Developments since the end of the year* be noted.

10. **Proposed changes to Area Housing Boards**

Members considered the report which proposed to move from the current area housing board structure to a model based on a more open style consultation approach which would continue to focus on scrutiny and monitoring by residents of housing service delivery but would aim to significantly increase the numbers of council tenants participating in such events.

RESOLVED:-

- (i) that the four existing Area Housing Boards (“AHBs”) be dissolved and replaced with a new structure, as outlined in the report circulated, as a forum for consultation with council tenants;
- (ii) that the new open forum structure be established with no geographical boundaries within the borough of Brent;
- (iii) that four meetings be held each year on a rotating basis in the same geographical areas as the current AHBs, e.g. Wembley at the Town Hall, Harlesden and Brentfield/St Raphael’s at Gwyneth Rickus building, South Kilburn at a new venue to be found and North Kilburn (East Brent) at Willesden Library Centre;
- (iv) that the Aims of the new structure be:
 - a) to involve customers in the provision of housing services,
 - b) to monitor the performance of housing management and contractors of BHP/Council’s housing management service and other parts of housing services,
 - c) to develop new ideas and methods for solving council housing problems,
 - d) to influence the practices and policies that determine the provision of housing services,
 - e) to consider the wider community problems and find solutions to them,
 - f) to advise BHP/council’s housing management service on local priorities for the provision of housing services and the allocation of resources,
 - g) to advise BHP/council’s housing management service in the development of its business strategy/area strategy,
 - h) to liaise with other groups and organisations.
- (v) that there be open membership to the new structure for monitoring, consultation and debate on housing issues, i.e. membership to be open to all residents in tenant or leasehold properties that are managed by BHP on behalf of the council;
- (vi) that councillors be invited to attend the open forum;
- (vii) that there be no voting rights for any attendees at the open forum;

- (viii) that the purpose of the new structure be to consult, inform and empower tenants and leaseholders in the management of their homes;
- (ix) that each year in June one representative from each registered tenants' and residents' association be put forward to join a forum organising team established by BHP/council's housing management service to seek advice on the composition of agendas, the format of the open forums and shaping outcomes from open forum sessions; the forum organising team to meet at least eight times a year and there be no voting rights for any attendees;
- (x) that meetings be organised and led by officers from BHP/council's housing management service with any person being allowed to speak during open discussions and workshops (BHP officers, BHP board members, officers from the council's housing management service and members of the forum organising team may introduce individual agenda items and may lead workshops);
- (xi) that invitations to attend the open forum be publicised in the residents' quarterly newsletters 'Partnership News'; BHP's web site; flyers; at residents association meetings; by email; personal invitations to all councillors; and by other appropriate means of communication;
- (xii) that the proposed new forum structure be called "*Talkback*";
- (xiii) that paragraphs 10.12 to 10.20 of Article 10 of Part 2 of the Council's Constitution be amended on the terms set out in Appendix 1 to the report circulated.

11. **Motions**

11.1 **Democratic decision making in Brent**

Councillor Hunter moved the motion circulated in her and Councillors Lorber, Brown and Beck's names. She submitted that the present decision making structure of the Council provided no opportunity for debate and concentrated power into the hands of ten councillors and the Chief Whip. There was now a chance to change things under the Localism Bill. Whilst the strength of the present system was the speed of decision making, Councillor Hunter felt it distanced other councillors from those decisions and that overview and scrutiny often only took place after the event. She felt there was a need for a healthy debate on issues before decisions were taken and in this way it would engage the expertise of all members of the Council.

Councillor John felt there was an assumption that the old committee system was better when in fact power was concentrated in the hands of the chairs of committees, who now effectively formed the Executive. Other councillors had little influence and were locked into attending many meetings instead of being out in their communities meeting with local residents. Councillor John felt backbench members had ample opportunity to influence Council policy and decision making especially through their involvement in scrutiny task groups. She feared a return to the committee system would incur extra costs and in any case pointed out that the final form of the Localism Bill was far from clear.

Councillor Kansagra submitted that the old committee system was more democratic and that those in opposition had no power or authority to change decisions. His view was that opposition and backbench councillors were reduced to being advocates for local residents. Councillor Kansagra felt that decision making needed to be taken at the lowest level possible.

The motion was put to the vote and declared LOST.

11.2 **Supporting Cricklewood and its residents (Outer London Fund)**

Councillor Lorber moved the motion circulated in his and Councillors Leaman, Matthews and Brown's names which was put to the vote and declared CARRIED.

RESOLVED:-

- (i) that the Council welcomes the award of £500,000 to Willesden Town Centre from the Outer London Fund (first round) and thanks and congratulates all those who played a part in securing this funding which would benefit Willesden residents;
- (ii) that it be noted that the Cricklewood Improvement Programme has developed a bid to the Outer London Fund (second round) which if successful, would deliver funding to improve the environment and benefit the local economy in Cricklewood;
- (iii) that the fact that this bid received support from Barnet Council and Camden Council, which along with Brent Council serve the Cricklewood area, be welcomed;
- (iv) that the members of the Cricklewood Improvement Project be thanked for the voluntary effort that they have contributed in order to improve and enhance the area and congratulates them on their hard work;
- (v) that the Cricklewood Outer London Fund bid be given the full backing of the Council.

11.3 **August riots**

Councillor Lorber moved the motion circulated in his and Councillors Allie, Brown and Beck's names which was put to the vote and declared CARRIED.

RESOLVED:-

- (i) that the events of 6 to 10 August 2011 be noted with concern and distress, including the death of Richard Mannington Bowes in Ealing following an assault; the injuries to two police officers hit by a car in Fulton Road, Wembley and the damage to property and disorder in Kilburn and Harlesden;
- (ii) that the actions of all those who participated in disorder, looting and other illegal activity be condemned;

- (iii) that it be noted that the disorder in Brent was less than that in many other areas and welcomes the restraint, responsibility and community spirit demonstrated by most Brent citizens;
- (iv) that tribute be paid to the police, emergency services, council staff and members of other organisations who worked to stop and prevent violence and disorder on Brent streets, often at personal risk and for long hours.

11.4 Stop and search

Councillor Lorber moved the motion circulated in his and Councillors Allie, Brown and Beck's names which was put to the vote and declared CARRIED.

RESOLVED:-

that good relations between the police and the community they serve are important; the legitimate concerns some members of the community have about the use of stop and search powers be recognised; the work of the Youth Parliament and others to improve communication between the police and young people be welcomed and the commitment of the Borough Commander to treat this issue seriously be welcomed.

11.5 Libraries - working with the community

Councillor Lorber moved the motion circulated in his and Councillors Brown, Beck and Castle's names which called for the Council to suspend the library closure programme and work with interested local groups to secure the future of the six libraries under threat. The motion was put to the vote and declared LOST.

11.6 Civil disorder

Councillor HB Patel moved the motion circulated in his name. He expressed his regret that the riots took place and resulted in people dying and getting injured. The outcome had presented the country with a huge financial cost and he felt that it had shown the difference between what people needed and what they wanted. Most looting had been driven by people wanting more and not by any need. Councillor Beswick stated that everyone had a right to be free from crime and free from the risk of crime. He referred to the absence of both the Prime Minister and the London Mayor, both away on holiday, when the disturbances broke out and criticised their slowness to return. He referred to the Justice Secretary, Kenneth Clark's comments that the youth element were a feral underclass. Councillor Beswick questioned where the leadership had been during the crisis. He stated that misinformation had been given out that there was trouble in Brent and it took the council working with community leaders to correct this. He felt that there was a lack of morality typified by MPs fiddling their expenses while London burned. Councillor Lorber felt a moment of reflection was needed so that findings of fact could be considered. It was clear that the police had misjudged the situation in Tottenham that had led up to the riots and he felt that unfortunately it could not be assumed that such rioting would not happen again. History showed that rioting was a frequent event in relatively recent times. All that could be done was to work in partnership with the other agencies to try to prevent it happening. Councillor Lorber

felt one aspect the troubles had highlighted was the need for a responsible press which did not mislead people in the hunt for a good story.

The motion was put to the vote and declared CARRIED.

RESOLVED:-

- (i) that this country has epitomized freedom under the rule of law and sets a raw model for much of the rest of the world; unfortunately, the riots of last month were a blemish and traumatized the country, as lawless thugs roamed the streets, looting and burning shops, businesses and houses in several parts of London and other cities instilling fear and a feeling of insecurity in all;
- (ii) that praise be given to the resilience, calm and community spirit exhibited by the residents of this borough in such atrocious circumstances;
- (iii) that congratulations and sincere thanks be expressed to the police and fire authorities in Brent and throughout the country for handling the horrific events effectively and with speed; the council also notes and expresses thanks to the Courts for the subsequent swiftness of the justice dispensed;
- (iv) that everyone be assured that adequate measures will be in place for dealing with any such criminal acts in the future, as these acts are deplored, inexcusable and totally intolerable and this council deplores the criminality of the rioting thugs.

11.7 Response to civil disorder

Councillor Beswick moved the motion circulated in his name. He referred to part of the Borough Commander's presentation which referred to partnership working and stated that the police could not deal with crime on their own. This included councillors standing up for their communities and this was demonstrated by the leadership shown by the Leader of the Council. Relevant councillors and officers were called on and the Chief Executive made contact with partner agencies. Councillor Beswick wanted it put on record the Council's appreciation of the efforts of all those involved which included contributing to the efforts of other boroughs and other police forces from outside London coming to help. Councillor Kansagra added his congratulations to the efforts of the police, council officers and fellow councillors who had all worked to keep Brent safe. However, he felt councillors needed to be kept better informed of what was happening and he felt that he had not been kept as informed as he would have liked.

RESOLVED:-

that the deepest gratitude be expressed to the many staff and partners whose timely, coordinated and dedicated approach to public service ensured that residents of this borough were protected from the terror of civil disorder suffered elsewhere in London during August 2011, including Brent's police, safer neighbourhood teams, fire service, health service, cleaning contractors and council staff.

11.8 Cuts to police budgets

Councillor Hirani moved the motion circulated in his name which was put to the vote and declared CARRIED.

RESOLVED:-

that, despite pre-election promises to protect frontline services, it be noted that irresponsible Government cuts to police budgets will mean the loss of police officers, SNT sergeants, and the end of the safer neighbourhoods ward guarantee; in light of recent civil disturbance these cuts which threaten the safety of Brent residents be condemned; and to note that Ken Livingstone has promised to preserve police numbers in Brent and across London when he is re-elected Mayor of London.

11.9 **School places**

Councillor Gladbaum moved the motion circulated in her name which was put to the vote and declared CARRIED.

RESOLVED:-

that it be noted with concern that the supply of school places in the borough is insufficient to meet demand, meaning that over the next four years there will be a deficit equivalent to 15 forms of entry; to further note that it will cost over £50million to meet demand in the short term, so that Government funding of £500million for the whole of London is woefully insufficient; to note that at the August meeting of the Executive a commitment was made to actively lobby for adequate funding, and as a first step in achieving this calls on Brent Central's government minister to stand up for this borough's children so that every one of them has a place to go to school.

12. **Urgent business**

None.

The meeting closed at 9.27 pm

COUNCILLOR M ASLAM CHOUDRY
Mayor

FULL COUNCIL – 21 NOVEMBER 2011


Report from the Executive

Items to be reported by the Executive

The Leader has given notice that the Executive will report to Council on the following items:

- i. Temporary accommodation & housing benefit changes
- ii. Joint commissioning, the customer journey, and transitions
- iii. Road Safety – National Transport Awards
- iv. School Places funding; A level results; Fixed for the Future funding award for young people's employability
- v. Waste & Recycling Strategy

This page is intentionally left blank

	<p style="text-align: center;">Full Council 21 November 2011</p> <p style="text-align: center;">Report from the Executive</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p>The First Reading of the 2012-2013 Budget Priorities for the Administration</p>	

1.0 Summary

- 1.1 This report sets out the Administration's priorities for the financial year 2012/13 to 2014/15 and should be read in conjunction with the Council's Borough Plan 'Brent Our Future 2010-14' and the concurrent report of the Director of Finance & Corporate Services.

2.0 Recommendation

- 2.1 The Council is recommended to consider the broad budgetary priorities set out in this report alongside the Director of Finance and Corporate Services' paper and debate them as set out in Standing Orders 25A and 44.

3.0 Introduction

- 3.1 The format of this report has evolved again to reflect the three year approach to setting the Council's priorities and to budgeting in line with the Government's Comprehensive Spending Review.
- 3.2 We therefore deem it prudent to review our costs and savings over the period of the spending review. This being particularly pertinent with the level of savings we now have to find.

4.0 The Context

- 4.1 This report is written at a very bleak juncture in the economic cycle which affects Brent Council and residents, not only in a shrinking resource allocation with which to provide services but also with rapidly increasing need and demand, rapid rises in unemployment and changes to the benefit regime which have put ever greater stress on local residents whilst simultaneously degrading the Council's capacity to ameliorate such stress.
- 4.2 The Council has over the last year been forced to take a number of difficult decisions as to which services to support and improve and which to discontinue or limit. There have been some predictable high profile instances where citizens have objected to the curtailment of a service they particularly value. This is understandable; this Administration did not seek election on a platform of massive cuts. However the front-loaded 26% target set by Government over the life of the Spending Review means that major cuts in services are inevitable and as the size of the Council organisation will shrink, the content of what it does will also inevitably be curtailed.
- 4.3 The Administration, through its 'One Council Programme' has therefore put service improvement, efficiency and transformation at the front and centre of all its initiatives. Whilst the Council may be doing less what it does do will be more effective, targeted and of higher quality. The vast majority of savings sought are being achieved through the 'One Council Programme'; in 2010/11 the programme achieved £11.8m in operational savings, in 11/12 it is on target to deliver £39m from existing and completed projects and £59.6m for 2013/14. Given the projected gap this is not enough though and a further 15 projects will be launched this year, covering all aspects of the Councils' activity.
- 4.5 The projects in this programme are becoming increasingly 'transformational' in nature. Therefore although our budget strategy is driven by necessity nevertheless we will use the adversity to drive forward improvements for what we do to support residents as the leeway to make savings for efficiency becomes less obvious.

5.0 The Priorities

We believe we have a responsibility to re-order our priorities to reflect the unprecedented difficult times faced by our residents. We therefore propose the following:

- 5.1 That by the time of the budget in February we bring forward a package of measures, with other public, private and voluntary sector partners to address the acute issues of employment and employability which face so many of our fellow citizens;
- 5.2 That we take another look at the services and quality of life that people can expect in their neighbourhoods. It was our 2002-6 Administration that brought in the

successful and popular policy of Ward Working; and it is now time to look again at neighbourhoods in a practical and meaningful way and to set out a coherent set of actions which is a Brent rather than Central Government approach to localism;

- 5.3 That we concentrate on producing proposals that offers a comprehensive and targeted approach to working with young people and youth;
- 5.4 That we pursue vigorously the integration of social care and NHS health services to provide a better, seamless and more focused set of services provided to local people and use the transfer of Public Health to Local Government control to make a reality of a concentration on prevention;
- 5.5 That we work even harder to bring forward the regeneration of our Borough and adopt a strategy for our property which makes it integral to the economic renewal of Brent.

6.0 Conclusion

- 6.1 We are rightly proud of our Borough, its diversity and the strength of its communities. In the next four years in the face of the onslaught on public sector resources we will prioritise our activities to strengthen those communities and make sure that whilst we have to make major savings there is a commensurate concentration on service quality.

ANN JOHN
LEADER OF THE COUNCIL

This page is intentionally left blank



Full Council
21 November 2011

**Report from the Director of
Finance and Corporate Services**

Wards Affected:
ALL

**First Reading Debate on the 2012-13 to 2015-16 Budget
and Medium Term Financial Plan**

1.0 Summary

- 1.1 This report, together with the separate report on this agenda on the priorities of the administration, meets the requirement in the Constitution (Standing Order 24(b)) that:

'The Executive shall present a report from the Director of Finance and Corporate Services to Full Council setting out the financial position of the Council, financial forecasts for the following year and the possible expenditure priorities of the Executive. There shall then be a debate on the issues raised in that report held in accordance with Standing Order 44 hereinafter called a "First Reading Debate".'

- 1.2 The record of the 'First Reading Debate' assists the Leader of the Council and the Chair of the Budget and Finance Overview and Scrutiny Committee in shaping the budget. The role of the Budget and Finance Overview and Scrutiny Committee is to assist the budget process by providing detailed input during the Executive's development of its budget proposals. This includes scrutiny of the Executive's budget proposals prior to the Executive's recommendations on the budget being agreed at its meeting on 13 February 2012, as well as further consideration after the Executive's recommendations have been made. Final decisions on the budget and the level of Council tax for 2012-13 will be made at Full Council on 27 February 2012.
- 1.3 This report has been written on the basis of the best information available to the Council at this stage. Assumptions regarding external funding for 2012-13 are based on the provisional settlement for Brent announced in December 2010. Figures for later years are based on the figures set out in the October 2010 Spending Review (SR10).

- 1.4 The remaining three years of the spending review period will see a continued reduction in public spending generally. Budgets relating to local government were amongst the most affected both in terms of the value of reductions in funding and also the front-loaded nature of those reductions.
- 1.5 In addition, the ongoing impact of the recession and concerns about the prospects for future economic recovery mean that underlying assumptions about pay and price increases, interest rates, service pressures and other items within the Council's medium term financial strategy will need to be kept under close review.
- 1.6 This report is structured as follows:
- Section 2 Recommendations
 - Section 3 Background to the 2012-13 to 2015-16 budget
 - Section 4 General Fund revenue budget issues in 2012-13
 - Section 5 Schools Budget
 - Section 6 Housing Revenue Account
 - Section 7 The capital programme
 - Section 8 Timetable
 - Section 9 Financial implications
 - Section 10 Legal implications
 - Section 11 Diversity implications

2.0 Recommendation

- 2.1 Full Council is recommended to consider the issues set out in this report when it holds its 'First Reading Debate' for the purposes of Standing Order 25(a).

3.0 Background to the 2012-13 to 2015-16 budget and medium term financial plan

- 3.1 The 2011-12 budget was agreed at Full Council on 28 February 2011. Key features of the budget agreed for 2011-12 were:
- A General Fund budget requirement of £267.9m;
 - No Council tax increase for Brent services leading to a Band D level of £1,058.94;
 - No overall Council tax increase, including the GLA precept, leading to a Council tax for Band D properties of £1,368.76;
 - Reserves of £9.7m for 2011-12, which was at the lower end of the range of £9.5m to £12.5m recommended by the Director of Finance and Corporate Services based on an assessment of financial risks and to enable effective medium term financial planning;

- Financial projections for future years based on the assumptions that balances would remain within the £9.5m to £12.5m range and Council tax increases would range between 0% and 3.5%.
- 3.2 Based on budget monitoring information to the end of September 2011, the Council now has a forecast overspend of £1.8m as set out in Appendix A.
- 3.3 If no actions were to be taken to address underlying causes of the overspend, the Council would be projected to have balances at 31st March 2012 of £8.3m, which is below the target set in the 2011-12 budget. Therefore a programme of actions is underway to eliminate the forecast overspend without recourse to the use of reserves.
- 3.3 The financial forecasts included in the 2011-12 budget report have formed the background for work on the 2012-13 to 2015-16 budget carried out over the past few months.
- 3.4 The underlying assumptions in the current medium term financial strategy were set out in the budget report to the Executive in July and have been updated for the latest information. The resulting projected budget gap is set out in Table 1 below. This assumes that:
- a. A balanced budget would need to be primarily delivered through the delivery of the One Council programme.
 - b. 'inescapable growth' would be contained within a total contingency for growth of up to £5m per annum;
 - c. Council tax would not be increased for four consecutive years

Table 1: Projected Budget Gap

	Budget gap (0% Council tax each year):			
Year	2012-13 £m	2013-14 £m	2014-15 £m	2015-16 £m
July Executive				
Annual	10.9	5.5	25.2	25.9
Cumulative	10.9	16.4	41.6	67.5
Latest Projections				
Annual	4.4	6.4	22.5	16.1
Cumulative	4.4	10.8	33.3	49.4

- 3.5 The gap reported above has reduced since that reported in July, principally because of reduced forecasts for growth in future years, reduced redundancy costs and factoring in increased funding from the New Homes Bonus.
- 3.6 The figures shown above are based on a 0% Council tax increase assumption on each of the next four years. Clearly when Government funding is falling

year-on-year this exacerbates the gap and an alternative scenario based on Council tax rises from 2012-13 would be:

Table 2: Projected Budget Gap with Council Tax Increase

Year	Budget gap (2.5% Council tax each year from 2012-13):			
	2012-13 £m	2013-14 £m	2014-15 £m	2015-16 £m
Latest Projections				
Annual	4.4	1.1	19.7	13.1
Cumulative	4.4	5.5	25.2	38.3

4.0 General Fund revenue budget issues for 2012-13

Budget gap

- 4.1 Appendix B shows that the current net budget gap between forecast expenditure and resources for 2012-13 is £4.4m after taking into account savings already being delivered in 2012-13 based on the decisions taken by the Council in February 2011.
- 4.2 Further measures that can be taken to reduce the gap are as follows:
- Identifying additional savings:* As referred to above services are identifying actions as part of managing the budget for 2011-12. Where these are permanent changes this will provide ongoing benefit with full year effects to the budget position for 2012-13 and later years.
 - Central items:* Details of central items in the budget are included in Appendix C. The provision made in future years is still subject to fundamental review and updated information. Increases in these items include additional borrowing costs to fund the capital programme, increased costs of concessionary fares, future increases in the carbon tax and continuing rises in the levy that the Council pays to the West London Waste Authority reflecting principally the impact of land-fill tax.
 - Fees and Charges:* The budget currently assumes an increase in fees and charges of 2% for many services. Members will wish to consider some rises in specific areas.
 - One Council Programme:* Given the scale and long-term nature of the funding challenge facing the Council an incremental approach to budgeting is no longer sustainable and a priority-based approach is more relevant for the future. The One Council Programme sets out a planned and rational approach to the challenge and contains the key projects which are highly complex, often cross-organisational and where there opportunities exist for high levels of savings. A number of projects have already delivered savings to support the budget and it is expected that the programme will deliver the majority of savings over the medium term and

these will be factored into the budget to help ensure that a balanced budget is agreed.

Inescapable growth

- 4.3 The current medium term financial strategy contains a provision for inescapable growth for 2012-13. Assessments of the sums required are still being undertaken but it is clear that pressures in the following areas will have an impact in 2012-13:
- Grant reductions including those relating to housing benefit administration, social care training, unaccompanied asylum seekers,
 - Adult Social Care – increase the number of cases of young people transitioning into to adult care.
 - Environment and Neighbourhood Services – contractual price increases
 - Housing – increase in temporary accommodation costs arising from the changes in the housing benefit regime.

Council tax increase

- 4.4 As a result of the freeze in council tax for 2011-12 the Council is currently in receipt of a grant of £2.6m per annum up to and including 2014-15.
- 4.5 On 3 October 2011 the government announced a further one-off grant, for 2012-13 only, of £2.6m predicated on the basis that the council does not increase council tax for 2012-13. Each 1% in Council tax equates to approximately £1m of Council spending and members should note that the failure to increase Council tax over a number of years will erode the Council's underlying revenue position in the longer term.
- 4.6 The figures for council tax do not include the precept that will be set by the GLA. The Mayor will issue his consultation on the proposed GLA precept – which covers the Metropolitan Police, London Fire and Emergency Planning Authority, and Transport for London, as well as the GLA itself – in December 2011 and his budget proposals will then go through a process of scrutiny by the Greater London Assembly. The final precept will be decided in February 2012. At this stage, the indications are that, as in 2011-12, the Mayor will be seeking to freeze the GLA precept in 2012-13.
- 4.7 The level of council tax increase for the Council is affected by the extent to which the council tax base has changed between 2011-12 and 2012-13 and the estimated balance on the Collection Fund. The assumptions in Appendix B are that the Council tax base will increase by 1.2% and that there will be a surplus on the Collection Fund of £0.8m.

Government funding decisions

- 4.8 The Government has proposed the replacement of formula grant by a system linked to the retention of locally raised business rates from 1 April 2013.

Based on the current proposal it is likely that the transitional arrangements will not significantly alter the funding received by councils in the first two years of the new arrangements. Therefore forecasts of funding beyond 2013 are still based on formula grant projections.

- 4.9 Within the next month the government is expected to confirm the formula grant and specific grants that the Council will receive for 2012-13. Based on previous announcements it is anticipated that the level of formula grant will reduce by £13.1m in 2012-13 and by a further £13.4m by 2014-15.

Longer term position

- 4.10 The Council reviews its spending requirements and associated resource projections, over a three or four year period. This ensures effective service development and resource usage and prevents the Council from having to make significant adjustments to its spending plans each year. It is important therefore that when members consider budget issues, account is taken of their longer term impact including the impact of interest and other revenue costs arising from capital programme decisions. This also means recognising that the use of one-off resources, such as balances or one-off grants, whilst acting as a palliative in one year of the budget cycle, can cause problems in future years.
- 4.11 The severity of the resource cuts implies that significant savings will need to be made throughout the whole spending review period in order to close the resource 'gap' identified in section 3. Given the uneven profile of the cuts in funding it is essential that budget planning addresses the medium term, rather than dealing with the year ahead in isolation.
- 4.12 Further work needs to be carried out on the potential impact of demand and other growth pressures after 2012-13, the savings that will be delivered as part of the One Council Programme and other projections through to 2015-16. This work will be reflected in an updated medium term financial strategy which will be included in the budget report to Council in February 2012.

5.0 Schools Budget

- 5.1 The Schools Budget is funded directly from a Dedicated Schools Grant (DSG) which is ring-fenced and does not appear as part of the Council's overall budget requirement. The result is that, for 2011-12, £236.5m of the Council's spending through the schools budget is treated separately from spending on other General Fund services. Schools are also allowed to build reasonable levels of reserves which are also ring-fenced.
- 5.2 The government announced in the last Spending Review that schools spending was a priority area and, although overall Department for Education (DfE) funding fell by almost 11%, allocations of DSG to local authorities were unchanged on a per pupil basis for 2011-12. Key policy objectives included the pupil premium, academies and free schools. The government has

launched a further consultation regarding all areas of school funding. Until the outcome of this is announced the level of DSG for Brent for 2012-13 onwards is uncertain. Key policy areas include:

- **Distribution of the £2.5bn Pupil Premium:** this new specific grant is targeted on pupils from deprived backgrounds. Each pupil known to be eligible for free school meals attracts £488 of funding which goes to all schools including academies via the local authority. Local authorities also receive pupil premium funding of £488 for looked after children in 2011-12. A premium will also be paid for children whose parents are currently in the armed forces as recorded on the January 2011 School Census. For 2011-12 this has been set at £200 per eligible pupil. The overall pupil premium allocation for Brent was £5.258m in 2011-12. Recently the Government announced that the total national funding available for the Pupil Premium is set to double next year and will rise to £1.25bn in 2012-13 and rise again in 2014/15 to £2.5bn. Information is still awaited on the distribution of resources in 2012-13.
- **Academy Funding:** the Government undertook a further review of the method of calculating the level of funding transferred from a local authority to a newly formed academy school. There is a potential for a local authority to lose significant amounts of its central education budget for each school that transfers to academy status. Previous guidance provided by the DfE suggested that the amount transferred could be up to £900k per secondary school. In 2011/12 a general top-slice from a local authorities funding settlement was applied to fund these transfers to academies. The consultation carried out sought responses on whether another general top-slice should be undertaken or a transfer from each local authority is undertaken based on the specific schools in that area that become Academies. Until the outcome of this consultation is known it is difficult to assess the impact on individual local authorities.
- **Consultation on School Funding Reform:** The Government announced its intention to radically reform education funding potentially from 2013-14 onwards and launched a major consultation. The consultation covered proposals relating to:
 - The national funding system and the government method for allocating funding to individual local authorities
 - The Schools Block System
 - The Schools Block Formula Content
 - Central local authority services and defining responsibilities
 - Future arrangements for funding academies
 - Children and young people with special educational needs

- Early years
- Pupil premium
- Timing for implementation of reforms

The results of the consultation are due in late autumn 2011. One previous proposal to move to a national funding formula for schools that would have eliminated the current arrangements whereby local authorities run their own funding formulae was dropped as part of the consultation.

- 5.3 The council is required to consult the Schools Forum, which consists of representatives of the different schools sectors and includes head-teachers and governors, on the setting of the Schools Budget. The Schools Forum will be considering this at its meetings in December through to February. There is a requirement that the year on year increase in the central element of the Schools Budget (which includes Special Education Needs) cannot be greater in percentage terms than the increase in funding delegated to schools, unless the agreed by the Forum. A key issue that will need to be addressed is the current forecast cumulative deficit on the Schools Budget of £7.2m as at 31 March 2012. This has arisen from continued increases in expenditure on pupils with Special Educational Needs. A full recovery plan has been approved by the Schools Forum and is in place to deliver savings in this area of expenditure and use part of the overall DSG to eliminate this deficit by 2014/15.
- 5.4 Final decisions on the allocation of the Schools Budget will be taken by the Executive in February 2012.

6.0 Housing Revenue Account

- 6.1 The Housing Revenue Account (HRA) covers the activities of the Council as landlord for approximately 9,000 freehold dwellings and 200 leasehold dwellings. The HRA is separate from the General Fund and is ring-fenced – i.e. HRA expenditure is met from HRA resources, which primarily consist of government subsidy (HRA Subsidy) and rents and not from Council tax or other General Fund resources
- 6.2 From April 2012 the HRA subsidy system will no longer be in place and from that date the HRA will be self-financing. In return the Council will receive a one-off settlement in lieu of the ongoing subsidy. The settlement figure will be confirmed in January 2012 but will be approximately £185 million, compared to the subsidy received of £8.5 million.
- 6.3 The rent increase for Council dwellings takes account of the government's guidelines on convergence between rents charged by Councils and Registered Social Landlords (mainly housing associations). In 2011-12, this resulted in an average rent increase of 6.1%. The government guidelines for rent increases in 2012/13 are awaited but based on the September inflation

figure it is anticipated that this would imply a rent increase of more than 7% for that year.

- 6.4 The HRA forecast outturn for 2011-12 is in line with the original budget.
- 6.5 In February 2012 the Executive will decide on the rent increase to be applied in 2012-13. The HRA budget will be agreed by Full Council in on 27 February 2012 as part of its consideration of the overall Council budget report.

7.0 Capital Programme

- 7.1 The capital programme is a four year rolling programme which is up-dated each year. The current 2011-12 to 2014-15 capital programme was agreed as part of the overall 2011-12 budget process in February 2011 and has been up-dated to reflect changes subsequently reported to the Executive. This includes accounting for slippage of previous years' spending into 2011-12.
- 7.2 The capital programme for 2011-12 to 2014-15 reflects the priorities of the Borough Plan, asset management plans and any amendments required arising from the new departmental structures. The capital programme will also be extended to include the 2015-6 financial year.
- 7.3 The key challenges for the development of the capital programme are:

To revisit the estimated sources of funding, taking into account:

The recent announcement on basic needs funding for school places, and

the continuing impact of the economic downturn on other contributions such as reduced levels of developer contributions arising from a slowing of major development projects.

The ongoing need to provide additional school places across the borough and address other school capital needs

In the light of the above to ensure that the up-dated capital programme delivers the Council's key priorities within the resources available.

The capital programme is currently based on the assumption that borrowing that falls on the General Fund will be at the level set out in the Council's medium term financial strategy.

Such a strategy does increase borrowing costs each year at a time when revenue resources are falling leading to interest costs taking up an increasing share of total revenue resources. Members could decide to reduce that borrowing as a way of helping bridge the budget gap in 2012-13 and beyond through the reduction of borrowing costs as referred to in paragraph. Achieving this would mean either reductions in the capital programme or the

identification of alternative funding sources other than borrowing from those already identified.

7.4.1 Borrowing levels currently included in the capital programme are as follows:

	2011-12 £000	2012-13 £000	2013-14 £000	2014-15 £000
Unsupported Borrowing	22,322	5,541	5,526	3,730
Unsupported Borrowing – Self Funded	53,172	36,652	17,616	200
Total Borrowing	75,494	42,193	23,142	3,930

The elements of borrowing for which the costs are borne centrally and for which measures could be taken to reduce the revenue budget gap are the supported and unsupported borrowing. The borrowing costs from the Self Funded elements of unsupported borrowing are met from service revenue budgets respectively and reflect committed schemes for which there is budgetary provision.

In order to consider the potential to reduce the levels of borrowing incurred to fund the capital programme it will be necessary to first define the level of grant that will be made available via the local government settlement, the extent of other funding sources and contributions available and those schemes where there is a continuing commitment to fund or a statutory requirement to make provision. Members will then be able to consider the level of any funding gap arising, the total level of borrowing affordable to the General Fund revenue budget and the prioritisation of schemes within the existing 4 year capital programme and how that should roll into 2015-16.

8.0 Timetable

8.1 The timetable for finalising the 2012-13 budget is attached as Appendix D. The key dates are:

- release of the Mayor's consultation on the GLA budget in mid-December 2011;
- administration's draft proposals issued early February 2012;
- GLA budget agreed in mid-February 2011;
- Executive decides recommendations to Full Council on budget at meeting on 13 February 2012;
- Full Council decides budget on 27 February 2012.

8.2 The Budget and Finance Overview and Scrutiny Committee will be scrutinising the budget at various stages of this process: prior to the administration's draft proposals being issued; after the proposals have been issued, with their discussions feeding into Executive consideration of the budget proposals on 13 February; and following the decisions of the Executive on 13 February, feeding into the Council budget debate. Last year

the Overview and Scrutiny Committee invited a range of members to its meeting preceding the Executive's consideration of the budget proposals and the intention will be to follow the same approach this year.

- 8.3 Party Groups are also encouraged to invite the Director of Finance and Corporate Services to brief their members in advance of the budget decision making process.

9.0 Financial Implications

- 9.1 The report is entirely concerned with financial implications which have far reaching consequences for the Council's services in future years.

10.0 Legal Implications

- 10.1 The Council's Standing Orders contain detailed rules on the development of the Council's budget. Some elements of these rules are required by the Local Authorities (Standing Orders) (England) Regulations 2001 but a number are locally determined.
- 10.2 In the case of the Council's annual budget, including the capital programme, the Executive is required under the Constitution to present a report to Full Council setting out the financial position of the Council, financial forecasts for the following year and their expenditure priorities. This report, together with the separate report on this agenda on the priorities of the administration, sets out the required information. There will be a debate on the issues raised herein and in the separate report, which will be conducted in accordance with Standing Order 44.
- 10.3 Following the First Reading Debate, a record of the debate will be sent to the Leader and to Chair of the Budget and Finance Overview and Scrutiny Committee. The Budget and Finance Overview and Scrutiny Committee will meet and produce a report setting out its view of the budget priorities and any other issues it considers relevant. This report will be submitted to each Executive Member and each Group Leader in order to inform budget proposal discussions. Prior to being agreed by the Executive, the Executive's budget proposals will be sent to members of the Budget and Finance Overview and Scrutiny Committee which will consider the proposals and submit a note of its deliberations and comments on the proposals to the Executive. The Executive will take into account the issues raised at the First Reading Debate and the note of the deliberations and comments from the Budget and Finance Overview and Scrutiny Committee in making its budget recommendations to Full Council.
- 10.4 The final proposals will be submitted by the Leader to a special meeting of Full Council for consideration and determination no later than 10th March in accordance with Standing Order 34. There is a statutory dispute procedure set out in Standing Order 25 to deal with circumstances where there is a disagreement between the Council and Executive on the budget proposals

but this only applies where the budget setting meeting takes place before the 8th of February.

11.0 Diversity Implications

11.1 Prioritisation and decision making as part of the budget process are tied into the Council's corporate strategy, individual strategies and service development plans. The priorities within these reflect the Council's commitment to tackling discrimination and disadvantage as part of its Comprehensive Equality Plan (CEP). In addition, services are required to carry out Impact Need and Requirements Assessments where it is considered that individual growth and savings proposals could have an equality impact. The impact of budget decisions is monitored through the Council's performance monitoring systems. Members need to bear in mind the diversity implications of any proposals they put forward as part of the First Reading Debate.

12.0 Background Papers

Budget Report – Full Council 28 February 2011
Budget Strategy 2012-13 - 2015-16 – Executive 18 July 2011

13.0 Contact Officers

Clive Heaphy / Mick Bowden
Brent Town Hall
020 8937 1424 or 020 8937 1460
e-mail address: clive.heaphy@brent.gov.uk or mick.bowden@brent.gov.uk

CLIVE HEAPHY
Director of Finance and Corporate Services

FULL COUNCIL
21 NOVEMBER 2011
FIRST READING DEBATE
BUDGET 2012/13 – 2015/16

I N D E X

Appendix A	2011-12 Council Budget
Appendix B	Financial Forecast 2012-13 - 2015-16
Appendix C	Analysis of Central Items - 2011-12 – 2015-16
Appendix D	Timetable for 2012-13

This page is intentionally left blank

2011/12 LATEST REVENUE BUDGET COMPARED WITH FORECAST OUTTURN Appendix A

	2011/12 Original Budget (1)	2011/12 Current Budget £'000 (2)	2011/12 Latest Forecast £'000 (3)	2011/12 (Under)/ Over Spend (3) - (2) £'000
Service Budgets				
Adult Social Services	92,155	91,973	92,471	498
Children & Families	57,831	56,724	56,840	116
Environment & Neighbourhoods	42,567	39,953	40,135	182
Regeneration & Major Projects				
- Housing	23,297	22,334	22,333	(1)
- R&MP	(1,323)	4,245	4,245	0
	21,974	26,579	26,578	(1)
Corporate				
Finance and Corporate Services	13,864	14,357	14,507	150
Legal and Procurement	1,567	1,567	1,704	137
Strategy, Partnerships and Improvement	2,896	4,511	4,511	0
Chief Executives	732	732	732	0
Customer and Community Engagement	7,348	7,040	7,240	200
	26,407	28,207	28,694	487
Service Total	240,934	243,436	244,718	1,282
Central Items				
Capital Financing Charges	25,359	25,359	25,359	0
Levies	2,238	2,238	2,238	0
Premature Retirement Compensation	5,148	5,148	5,148	0
Insurance Fund	1,800	1,800	1,800	0
New Homes Bonus	(1,250)	(1,065)	(1,065)	0
Regeneration	1,250	0	0	0
One Council Programme	(31)	(81)	(81)	0
Remuneration Strategy	229	229	229	0
South Kilburn Development	900	900	900	0
Affordable Housing PFI	1,159	1,159	1,159	0
Schools Refurbishment	1,500	0	0	0
Carbon Tax	227	227	227	0
Redundancy & Restructuring	6,354	6,354	6,354	0
Inflation Provision	2,520	2,520	2,520	0
Centrally Held Cost Pressures	2,000	2,100	2,600	500
Government Grants	(25,999)	(25,999)	(26,004)	(5)
Other Items	1,051	1,064	1,064	0
Total Central Items	24,455	21,953	22,448	495
Contribution to/(from) Balances	2,500	2,500	2,500	0
Total Budget Requirement	267,889	267,889	269,666	1,777

Balances B/Fwd 31.03.2011	7,261	7,261	7,580
Contribution to/(from) Balances	2,500	2,500	2,500
TOTAL BALANCES	9,761	9,761	10,080
2011/2012 (Under)/Over Spend			1,777
Balances Carried Forward			8,303

This page is intentionally left blank

Financial Forecast 2012/13 - 2015/16					
	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
<u>Service Area Budgets (SABs)</u>					
Children & Families	57,703	57,703	57,703	57,703	57,703
Environment and Neighbourhood Services	42,567	42,567	42,567	42,567	42,567
Adult Social Services	92,361	92,361	92,361	92,361	92,361
Regeneration & Major Projects	21,768	21,768	21,768	21,768	21,768
Corporate					
- Central Units	12,466	12,466	12,466	12,466	12,466
- Finance & Corporate Services	13,864	13,864	13,864	13,864	13,864
	240,729	240,729	240,729	240,729	240,729
<u>Savings</u>					
Identified Service Savings	0	(2,617)	(2,617)	(2,617)	(2,617)
Identified One Council Programme Savings	(31)	(8,841)	(14,755)	(14,755)	(14,755)
	(31)	(11,458)	(17,372)	(17,372)	(17,372)
<u>Cost Pressures for Service Areas</u>					
Cost Pressures	2,000	7,000	12,000	17,000	22,000
Bad Debts		1,600	1,400	1,900	2,400
Inflation Provision	2,520	5,670	9,970	15,570	21,270
	4,520	14,270	23,370	34,470	45,670
<u>Other Budgets</u>					
Central Items	46,170	45,793	46,861	47,338	50,423
<u>Grants & Balances</u>					
Government Grants Unallocated	(23,414)	(24,155)	(24,155)	(24,155)	(24,155)
Council Tax Grant	(2,585)	(5,175)	(2,575)	(2,575)	0
Contribution to/(from) Balances	2,500	2,239	0	0	0
	22,671	18,702	20,131	20,608	26,268
Total Budget Requirement	267,889	262,243	266,858	278,435	295,295
Plus Deficit on the Collection Fund	1,006	(800)	0	0	0
Grand Total	268,895	261,443	266,858	278,435	295,295

Financial Forecast 2012/13 - 2015/16					
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Budget Gap at 0% and 2.5% Council Tax Increase					
Reductions required if Council Tax increase is 0% in each year		(4,400)	(10,816)	(33,286)	(49,405)
Reductions required if Council Tax increase is 2.5% in each year		(4,397)	(5,496)	(25,150)	(38,344)
Formula Grant	165,911	152,845	151,011	139,383	139,383
The Formula Grant has been calculated based upon best estimates within the Spending Review					
Council Tax Calculation for 2.5% increases					
Brent Council Tax Requirement 97,252 in 2011/12, 98,398 in 2012/13 and assuming 0.8% increase for 2013/14 and 0.7% for future years.	1,058.94	1,085.40	1,112.58	1,140.39	1,168.92
% Increase in Brent part of CT	0.0%	2.5%	2.5%	2.5%	2.5%
Balances					
Balances Brought Forward	7,261	9,761	12,000	12,000	12,000
Underspends/(Overspends)	0	0	0	0	0
Contribution to/(Use of Balances)	2,500	2,239	0	0	0
Balances Carried Forward	9,761	12,000	12,000	12,000	12,000

CENTRAL ITEMS 2011/12 -2015/16					
	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
Coroners Courts	235	235	235	235	235
LGA	49	49	49	49	49
London Councils	179	170	170	170	170
LGIU Subscription	20	20	20	20	20
West London Alliance	30	30	30	30	30
Copyright Licensing	24	24	24	24	24
External Audit	474	474	474	474	474
Corporate Insurance	340	360	380	400	420
Capital Financing Charges	25,359	25,563	26,603	28,104	29,668
Levies	2,238	3,089	3,986	4,973	6,058
Premature Retirement Compensation	5,148	5,277	5,409	5,544	5,683
Remuneration Strategy	229	229	229	229	229
South Kilburn Development	900	1,500	1,500	1,500	1,500
Insurance Fund	1,800	1,800	1,800	1,800	1,800
Freedom Pass Scheme Growth	0	1,257	2,083	2,955	3,875
Affordable Housing PFI	1,159	1,188	1,217	1,248	1,280
Council Elections	100	100	100	100	100
Carbon Tax	432	576	720	864	1,008
New Homes Bonus	(1,250)	(2,765)	(3,765)	(4,765)	(5,765)
Regeneration	1,250	1,065	1,065	1,065	1,065
Redundancy and Restructuring Costs	6,354	4,354	3,354	1,054	1,054
Procurement Income	(480)	(480)	(480)	(480)	(480)
Schools Refurbishment	1,500	1,500	1,500	1,500	1,500
Other Items	80	178	158	245	426
TOTAL	46,170	45,793	46,861	47,338	50,423

This page is intentionally left blank

SERVICE AND BUDGET PLANNING TIMETABLE FOR 2012/13 BUDGET PROCESS

Date	Action
September	Initial service planning and budget guidance issued
19 September	Report to Executive on Performance and Finance Review 2011/12 – 1 st Quarter
September/ October	Work on formulating draft budgets
October	First stage budget meetings between F&CS and service areas
October/ November	Continue to develop proposals for achieving 4 year budget targets
2-3 November	Second service and budget planning away-days - issues to be considered as part of First Reading debate
8 November	Budget and Finance Overview and Scrutiny Committee receives and considers the issues within the 1 st reading debate
Mid-November	Service areas and units begin process of developing service plans
21 November	Full Council. First reading of Policy Framework and Budget
Late November	Confirmation of 2012/13 funding from central government
Early December	'Star Chamber' meetings
7 December	Schools Forum meets to agree in principle funding formula and budget issues
12 December	Report to Executive on Performance and Finance Review 2011/12 – 2 nd Quarter
12 December	Executive sets Collection Fund Surplus/Deficit
15 December	Release of the Mayor's consultation draft GLA budget
Late December	Consultation with residents, businesses, voluntary sector, partner agencies and trade unions on budget proposals.
December/ January	Oracle framework for loading 2012/13 budget established and agreed figures loaded on the system.
December/ January	Budget and Finance Overview and Scrutiny Committee collects evidence and discusses 1 st interim report
16 January	General Purposes Committee agrees Council Tax base
25 January	Greater London Assembly considers draft consolidated GLA budget
End of January	Members agree budget proposals to be presented to February Executive.
1 February	Schools Forum meets to agree the recommended Schools Budget
9 February	Greater London Assembly's final consideration of consolidated

**SERVICE AND BUDGET PLANNING TIMETABLE FOR 2012/13 BUDGET
PROCESS**

Date	Action
	budget.
13 February	Executive considers and announces administration's final budget proposals, agrees fees and charges for the following year and agrees savings/budget reductions for the HRA budget report as well as the overall average rent increase.
16 February	Budget and Finance Overview and Scrutiny Committee receives the outcome of Executive's budget report and agrees a final report
27 February	Full Council agrees budget
March	Service areas return completed budget book papers
16 March	Budgets to be loaded on oracle
Late March	Service plans and corporate budget book published



Full Council
21 November 2011

**Report from the Director of
Strategy, Partnership &
Improvement**

For Action

Wards Affected:
ALL

Report from the Chairs of Overview and Scrutiny

1.0 Summary

- 1.1 This report provides a summary of the work of the overview and scrutiny committees in accordance with Standing Order 14.

3.0 Detail

- 3.1 This report provides a summary of the work of the overview & scrutiny committees since the last Full Council meeting in September 2011.

The Budget & Finance Overview & Scrutiny Committee

- 3.2 The Budget & Finance Overview & Scrutiny Committee has met twice since the last chairs' report. In September the committee received a presentation which provided a financial overview of the Children and Families Department. This included information on budget pressures, savings and actions being taken to deal with those pressures. Members' questions focussed on the cost of Special Educational Needs provision and school places.
- 3.3 The October meeting received a presentation on Adult Social Care budget issues. Members discussed the areas that key savings could be found such as commissioning, redesigning services and job roles, providing more community support and managing demand.

Meeting
Date

Version no.
Date

- 3.4 The Committee has also received regular updates from the Director and Assistant Director of Finance and Corporate Services on the council's budget the proposals in the Local Government Resources Review.

Health Partnerships Overview & Scrutiny Committee

- 3.5 This committee met on the 20th September and considered items on maternity services at Northwick Park Hospital, the new Joint Strategic Needs Assessment for Brent and the Brent LINK annual report.
- 3.6 The committee also received an update on the proposed merger between North West London NHS Hospitals and Ealing Hospital Trust. This is looking increasingly likely and will be subject to further scrutiny in the coming months, possibly in partnership with councillors from Ealing and Harrow who are also affected by this change. The merger is being explored as neither hospital trust is sustainable in the medium term as separate organisations because of financial and clinical service pressures. The committee also endorsed the proposal from North West London Hospitals to close the Paediatric Assessment Unit at Central Middlesex Hospital because of the lack of patients it is seeing, the impact this is having on staff who are becoming "de-skilled" and because of the financial loss the service is making. The majority of children presenting to Central Middlesex Hospital are successfully treated at the Urgent Care Centre on site.

Partnership & Place Overview & Scrutiny Committee

- 3.8 The main focus of this committees meeting held on 12th October was crime in Brent. Members received a report on Anti Social Behaviour in Brent and how the Local Joint Action Groups (LJAGS) were operating since being set up in May 2011. The committee discussed the latest Metropolitan Police Service performance information and agreed a number of key areas / targets that the committee will monitor. During a discussion on local and national policing issues members requested an early look at the draft Crime Strategy when it is produced.
- 3.9 At its next meeting the committee intends to focus on tackling employment issues in Brent and has invited representatives of the DWP Work Programme providers, Job Centre Plus and the College of North West London to attend.

Children and Young People Overview & Scrutiny Committee

- 3.10 The Children and Young People Overview & Scrutiny Committee met on the 6th October and considered the review of the policy for provision of Early Years full time places in schools. The committee was not satisfied with the safeguards to ensure the most vulnerable pupils benefit from a full time place and have asked for a further paper in December 2011 which will hopefully address their concerns. The committee is keen to be kept abreast of the work that is going on to address the shortfall of primary school places in the borough, and had a discussion on the strategy to address the shortage up to

2014/15. Members were also given an overview of the provisional 2011 Education Standards in Brent schools, which showed a largely positive result. A more detailed report will come to the committee in the new-year.

One Council Overview & Scrutiny Committee

- 3.11 In September the One Council Overview & Scrutiny Committee received a report on the implementation of the Waste and Street Cleansing Review. Member's questions focussed on the practicalities of the roll out and how the changes were being communicated to residents.
- 3.12 The Performance & Finance Review for quarter 4 report was also discussed with Members of the committee paying particular attention to areas deemed to be of high risk and to issues relating to data quality.

One Community Many Voices

- 3.13 As part of Local Democracy Week Overview & Scrutiny hosted a consultation event at the Town Hall. The One Community Many Voices event held on the 10th October aimed to:
- To provide an opportunity for members, partners and community / voluntary groups to network and gain a better understanding of each other's roles
 - To share and discuss ideas and issues in the borough
 - To provide an opportunity for those attending to inform the council's overview & scrutiny work programme
 - To form the main part of the council's contribution to Local Democracy Week.
- 3.14 This is a café style 'speed dating' event allowed participants to move around the tables and displays, express their opinions, and network. Table top discussions were chaired by either a Chair or Vice Chair of an overview & scrutiny committee and focussed on the following subjects:
- Children & Young People
 - Health & Social Care
 - Employment, Skills and Economic Opportunity
 - Environment & Sustainability
- 3.15 Around 70 participants attended what was a very lively session. Feedback from the session will be sent to all participants. Each of the committees will also have the opportunity to discuss the feedback in order to inform their work programmes.

4.0 Financial Implications

4.1 None

5.0 Legal Implications

5.1 None

6.0 Diversity Implications

6.1 None

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 None

Background Papers

Contact Officers

Phil Newby
Phil.Newby@brent.gov.uk

Jacqueline Casson
Senior Policy Officer
Jacqueline.casson@brent.gov.uk



Council
21 November 2011

Report from the Director of Legal and Procurement

For Action

Wards Affected:
All

Changes to Part 3 of the Constitution: Contract Standing Orders

1.0 Summary

1.1 This report proposes some minor amendments in relation to Contract Standing Orders concerning the procurement of works contracts.

2.0 Recommendations

Members are asked to:

2.1 Agree to amend the Constitution to incorporate the changes to Contract Standing Orders as shown at Appendix 1.

3.0 Detail

3.1 Amendments are being proposed to the Contract Standing Orders section of Standing Orders to reflect a revised practice in seeking quotations for Low Value Works Contracts. Low Value Works Contracts are those works contracts valued at between £20,000 and £500,000. By contrast, Low Value contracts for either supplies or services are contracts valued at between £20,000 and the EU tendering threshold for supplies and services, currently £156,442. For Low Value contracts, only three quotes need to be sought. The purpose of this amendment is to ensure that for works contracts above the value of £156,442, there is formal approval from the Director of Legal and Procurement as to whether a quotation process is appropriate. If approval is not granted then a full tender process will have to be followed. There is also a consequential amendment to the definitions section.

3.2 Accordingly Members are asked to approve the changes to contract standing orders set out in appendix 1 (shown as tracked changes to Standing Orders 82 and 86).

Meeting
Date

Version no.
Date

4.0 Financial Implications

4.1 There are no financial implications arising from this report.

5.0 Legal Implications

5.1 The legal issues are dealt with in the body of the report.

6.0 Diversity Implications

6.1 There are no diversity implications arising from this report.

Background Papers

Brent Constitution

Contact Officers

Should any person require any further information about the issues addressed in this report, please contact Deborah Down on telephone number: 020 8937 1543, or email: Deborah.down@brent.gov.uk.

Fiona Ledden

Director of Legal and Procurement

PART 3

STANDING ORDERS

CONTRACT STANDING ORDERS**82. Definitions**

The following definitions shall apply throughout these Contract Standing Orders:

Approved List	A list of contractors that meet the Council's minimum financial and technical criteria for specified types of services, supplies or works contracts.
Chief Officer	The officers defined as such in Standing Order 7(c) being the Chief Executive, Service Area Directors and Corporate Directors.
Collaborative Procurement	Any arrangement between the Council and any other body under which the other body undertakes a procurement process with or on behalf of the Council.
Contract Register Officer	The officer appointed to maintain the contract register.
Contract Value or Estimated Value	The contract's value or estimated value for the contract term excluding VAT.
E-Auction Facility	A web-based facility which enables the electronic submission of prices for a Tender.
Electronic Tender Facility	A web-based facility which enables the electronic despatch and receipt of Tender documents.
Electronic Tender Time Box	The feature within an Electronic Tender Facility which stores received Tenders and prevents viewing of them until after the appointed closing date and time.
European Procurement Legislation	The relevant EU Directives and corresponding UK Regulations including the Public Contracts Regulations 2006 as amended or replaced from time to time.
Framework Agreement	An agreement for a specified term under which contracts for the provision of particular services, supplies or works can be entered into ("called off") on agreed terms.
High Value Contract	Any contract that exceeds the values stated for Medium Value Contracts

Low Value Contract	In the case of contracts for services and supplies and for civil engineering works, a contract with an estimated value over the life of the contract (including any period of extension(s) anticipated by the contract) of up to the amount which is the current threshold for services and supplies contracts under the European Procurement Rules (which is currently £156,442). In the case of a contract for works (except civil engineering works), a contract with an estimated value over the life of the contract (including any period of extension(s) anticipated by the contract) of up to £500,000, provided that the contract is classified as a contract for works and not services by the European Procurement Rules.
Medium Value Contract	In the case of contracts for services or supplies, a contract with an estimated value over the life of the contract (including any period of extension(s) anticipated by the contract) of between the amount which is the relevant threshold for services or supplies contracts under the European Procurement Legislation (which is currently £156,442) and £500,000. In the case of a contract for works, a contract with an estimated value of between £500,000 and £1,000,000.
Member	An elected member of Brent Council.
Monitoring Officer	The Director of Legal and Procurement.
Official Order	An order for services, supplies or works to the Council issued by an authorised officer using the Council's official order form.
OJEU	The Official Journal of the European Union.
Tender	An offer or bid or tender from a party to provide services, supplies or works to the Council including any offer, bid or tender which is subject to negotiation.
Tender Acceptance	An acceptance in writing of a Tender.

83. Contracts exempt from Contract Standing Orders

The following contracts are exempt from Contract Standing Orders:-

- (a) individual agency contracts for the provision of temporary staff;
- (b) employment contracts;

- (c) contracts relating to an interest in land.

84. General Requirements

- (a) Every contract entered into by the Council shall be entered into pursuant to or in connection with the Council's functions AND shall be procured in accordance with all relevant domestic and European legislation and unless for good operational and/or financial reasons the Executive (or, if appropriate, the General purposes Committee) agrees otherwise with these Contract Standing Orders and the Council's Financial Regulations.
- (b) In addition to the powers of the Executive in paragraph 84(a) to grant an exemption from the requirement to procure in accordance with these Contract Standing Orders, the Director of Finance and Corporate Services is also able to grant such exemptions:
 - (i) on grounds of extreme urgency
 - (ii) where the exemption sought is in relation to the requirement to obtain 3 written quotes under Standing Order 86(b).The Director of Finance and Corporate Services shall only exercise his / her authority under this paragraph (i) following legal advice that there is no breach of domestic or EU law or the Council's own procedures in the exercise of the authority (ii) where there are good operational and / or financial reasons for doing so.
- (c) Chief Officers shall ensure in undertaking any contract procurement that:-
 - (i) fair, transparent and auditable processes are followed at all stages;
 - (ii) tender exercises are conducted appropriate to the nature of the contract being procured;all tenderers are treated equally and fairly;
- (iv) these Contract Standing Orders are complied with; and
- (v) the Contract Database is kept updated at all times as set out in Standing Order 110.
- (d) Contract tendering procedures are contained in the Council's Contract Procurement and Management Guidelines which shall be updated and amended from time to time to comply with these Contract Standing Orders. Advice on any of the requirements of these Contract Standing Orders shall be sought from the Director of Legal and Procurement or Director of Finance and Corporate Services as appropriate.
- (e) For the avoidance of doubt these Contract Standing Orders apply to:-
 - (i) the appointment of consultants; and
 - (ii) the establishment of Framework Agreements.
- (f) Subject to paragraph (a) and (b) above and Standing Order 97 (Mandatory Approved List), all medium and high value contracts shall be entered into and procured in accordance with the formal tendering procedures set out in these Standing Orders.

85. Partnership Arrangements and Collaborative Procurement

- (a) No Partnership Arrangements may be entered into unless they are approved by the Director of Finance and Corporate Services and a formal agreement covering the arrangements is signed by the parties.
- (b) Any Partnership Arrangement or Collaborative Procurement which includes delegation of powers shall be approved by the Executive (or where relevant Full Council).
- (c) Any Collaborative Procurement shall comply with these Standing Orders and Financial Regulations unless;
 - (i) agreed otherwise in writing by the Director of Finance and Corporate Services and the Director of Legal and Procurement; or
 - (ii) in the case of a High Value Contract the agreement of the Executive is obtained under Standing Order 84(a).

For the purposes of this Standing Order the contract value shall be calculated on the estimated value of the Council's part of the contract only.

- (d) Any agreement between the Council and one or more other body which includes any payment by the Council in respect of the costs of carrying out a Collaborative Procurement shall comply with these Standing Orders unless agreed otherwise in writing by the Director of Finance and Corporate Services and the Director of Legal and Procurement.

86. Contracts not subject to full tendering requirements

- (a) Certain contracts as set out in this Standing Order listed below, are not subject to the full tendering requirements of these Contract Standing Orders but are subject to any other relevant parts thereof.
- (b) No formal tendering procedures apply to Low Value Contracts (as defined in Standing Order 82 above with different thresholds applying for works contracts as opposed to supplies and services contracts) except that at least three written quotes must be sought and the quotes sought and/or obtained shall be recorded. Advice must be sought from the Council's procurement officers about how to select the three organisations to be invited to quote and how to structure the quotation process. In the case of Low Value Contracts for works which are valued at above the relevant threshold for supplies or services contracts under the European Procurement Rules (currently £156,442), approval of the Director of Legal and Procurement is required to use a quotation process in accordance with this Standing Order 86(b); if approval is not given then such a works contract requires the following of a tender process under Standing Order 96. Low Value Contracts do however require formal approval for award according to Standing Order 88(a) from a duly authorised officer within the relevant Council department.
- (c) Contracts which are procured using the corporate Approved List in accordance with the rules prescribed pursuant to Standing Order 97 are not subject to full tendering requirements.
- (d) Subject to the proviso below no formal tendering procedures apply where contracts are called off under:

- (i) a Framework Agreement established pursuant to these Standing Orders; or
- (ii) a Framework Agreement established by another contracting authority , where call off under the Framework Agreement is approved by the relevant Chief Officer to include confirmation that there is budgetary provision for the proposed call-off contract PROVIDED that the Director of Legal and Procurement has advised that participation in the Framework Agreement is legally permissible. Advice from the Director of Legal and Procurement must be obtained each and every time a call off under another contracting authority's Framework Agreement is recommended by the relevant Chief Officer.

SAVE THAT any high value contract may only be awarded on the approval of the Executive as required by paragraph 2.5 of Part 4 of the Constitution.

- (e) Subject to complying with any relevant parts of the European Procurement Legislation, Tenders need not be invited nor quotes sought:
 - (i) where for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the services, supplies or works may only be provided by a particular provider or where there is only one provider who would be able to provide the services, supplies or works required PROVIDED that advice is sought from the Director of Legal and Procurement and in the case of High Value Contracts approval is sought from the Executive (or, if appropriate, the General Purposes Committee); or
 - (ii) in cases of extreme urgency where there is an immediate danger to life or limb or property and only to the extent necessary to procure services, supplies or works necessary to deal with the immediate urgent situation PROVIDED that advice is sought from the Director of Legal and Procurement; or
 - (iii) for contracts providing individual personal services such as individual care arrangements or individual special educational needs provision and for the avoidance of doubt this exemption does not apply to any framework agreements or call off contracts that will facilitate the award of individual contracts providing such personal services.

87. Provision of goods, services and works by the Council

- (a) The Local Authorities (Goods and Services) Act 1970 ("the Act") provides that local authorities may enter into contracts to provide goods and services to public bodies defined as such by the Act. Section 96 of the Local Government Act 2003 provides that local authorities may do for a commercial purpose anything which they are authorised to do for the purpose of carrying on any of their ordinary functions provided this power is exercised through a company within the meaning of Part 5 of the Local Government Act 1989.
- (b) Before entering into arrangements under either of these provisions, officers must comply with the relevant requirements of Financial Regulation 6.3 of Part 6 of the Constitution.
- (c) Authority to enter into arrangements under either of these provisions must be agreed by the Executive (or if appropriate the General Purposes Committee) where:

- (i) the contract value would exceed £150,000 per annum; or
 - (ii) the gross cost to the Council of providing the relevant goods, services or works under the contract is estimated to exceed £150,000 per annum calculating the full costs over the term of the contract (including any period of extension(s) anticipated by the contract);
 - (iii) where a company is to be set up for the purposes of the arrangements.
- (d) In all cases advice shall be sought from the Director of Legal and Procurement and the Director of Finance and Corporate Services prior to entering into any such arrangement and/or prior to seeking approval by the Executive.

88. Authority to go out to tender and enter into contracts

- (a) Chief Officers have delegated to them power to invite expressions of interest, agree shortlists, invite Tenders, negotiate, award, and terminate contracts in accordance with paragraph 2.5, of Part 4 of this Constitution. No individual Member may enter into a contract on the Council's behalf.
- (b) Where approval to invite expressions of interest is required from the Executive (or if appropriate the General Purposes Committee or Pension Fund Sub-Committee) the Executive, the General Purposes Committee, or the Pension Fund Sub-Committee as the case may be shall receive and consider a report setting out the pre-tender considerations specified in Standing Order 89 and shall give such approval or approvals as it considers necessary.
- (c) Where approval to award, or terminate a contract is required to be obtained or is in any event sought from the Executive (or the General Purposes Committee or Pension Fund Sub-Committee), the Executive, the General Purposes Committee or the Pension Fund Sub-Committee as the case may be shall receive and consider a report setting out all relevant information necessary to enable it to give such approval or approvals as it considers necessary.
- (d) Chief Officers are responsible for ensuring that the relevant category manager in the Corporate Procurement Centre is notified of all proposed procurements exceeding £20,000 in value. The role of the category manager under this Standing Order 88 is to advise on appropriate procurement routes, ensuring that the service department takes legal advice as necessary.

89. Pre-Tender Considerations

In procuring any contract Chief Officers shall, where appropriate, consider the following matters prior to inviting Tenders:

- (i) the nature of the services, supplies or works contract to be tendered;
- (ii) the estimated value;
- (iii) the contract term and any period of extension(s) anticipated by the contract;
- (iv) the tender procedure to be adopted including whether any part the procedure will be conducted by electronic means and whether there will be an e-auction;
- (v) the procurement timetable;
- (vi) the evaluation criteria and process;
- (vii) any business risks associated with entering the contract;
- (viii) the Council's Best Value duties;
- (ix) any staffing implications including TUPE and pensions; and

- (x) the relevant financial, legal and other considerations.

90. Estimated contract value

Chief Officers shall ensure that an estimated contract value is prepared and recorded prior to commencement of a tender exercise. Such estimate shall be calculated on the basis of the value of the contract over the life of the contract including any period of extension(s) anticipated by the contract whether or not a one off service, supply or work. Where a contract has no fixed term the value of the contract shall be calculated as if the term of that contract was 48 months.

91. Small Lots

The estimated value of contracts split into lots shall be calculated using the total value of all lots. Contracts must not be split into lots to avoid competitive tendering.

92. Procurement by consultants

Where consultants are appointed to undertake tendering on the Council's behalf they shall be instructed to comply with Contract Standing Orders and to refer to the Contract Procurement and Management Guidelines as appropriate. No consultant shall make a decision as to whom to award a contract nor enter into contracts on the Council's behalf. Appropriate arrangements shall be implemented to monitor any procurement managed by consultants.

93. Appointment to the Evaluation Panel

For High Value Contracts the Director of Legal and Procurement and the Director of Finance and Corporate Services shall, if he/she considers it appropriate, be part of or appoint a representative to the evaluation panel or shall advise the panel as he/she sees fit.

94. Prior Information Notice

Chief Officers should ensure that a Prior Information Notice is published in OJEU as soon as possible after the commencement of each financial year detailing the intended total procurement for the year for services, supplies and works contracts to be tendered which are subject to European Procurement Legislation.

95. Inviting Tenders for Contracts Subject to Full EU Rules

Where a services (Part A services), supplies or works contract is above the EU threshold then Tenders shall be invited in accordance with European Procurement Legislation using the open, restricted, negotiated or competitive dialogue procedure by placing a notice in OJEU no later than any other advertisement placed in any other publication.

96. Contracts for Part B Services and Contracts not Subject to EU Rules

- (a) Where a contract is for a Part B service or is below the EU threshold then Tenders shall be invited in accordance with:-
 - (i) any requirements in the European Procurement Legislation relating to Part B Services if appropriate;
 - (ii) these Contract Standing Orders; and

(iii) the requirements of either (b) or (c) below.

(b) Single Stage Tender

Tenders shall be invited by way of public notice published in at least one local newspaper and at least one relevant trade journal stating the nature of the contract being tendered and stating the last date when Tenders will be accepted which shall not normally be less than 21 days after the date that the notice was first published. The estimated value of the contract may also be included.

(c) Two-Stage Tender

(i) Expressions of interest shall be invited by public notice in at least one local newspaper and at least one relevant trade journal stating the nature of the contract being tendered stating the last date when expressions of interest will be accepted which shall not normally be less than 21 days after the date that the notice was first published.

(ii) Persons or bodies wishing to express an interest shall be sent a pre-qualification questionnaire to be completed and returned to the Council by the date specified in the notice.

(iii) The response to the pre-qualification questionnaire shall be used to evaluate whether the person or body meets the Council's minimum technical capacity and financial standing requirements and has relevant experience, and whether they should be included in a shortlist.

(iv) Tenders shall be invited from those persons or bodies who have been included in the shortlist.

97. Approved List

(a) The Council has agreed the use of a corporate Approved List. The Director of Legal and Procurement in consultation with the Director of Finance and Corporate Services may prescribe the rules on how the Corporate Approved List shall be compiled, used, monitored and reviewed and may amend such rules periodically.

(b) The use of the corporate Approved List shall be mandatory for all Low Value Contracts for services and supplies and for all Low and Medium Value contracts for works where a relevant corporate Approved List category exists, unless an exemption is granted pursuant to the rules prescribed under (a) above.

(c) The Council has agreed the use of a Small Works and Services Approved List. The Director of Legal and Procurement in consultation with the Director of Finance and Corporate Services may prescribe the rules on how the Small Works and Services Approved List shall be compiled, used, monitored and reviewed and may amend such rules periodically.

(d) The use of the Small Works and Services Approved List shall be mandatory for all Low Value Contracts for services supplies and works where a relevant Small Works and Services Approved List category exists, unless an exemption is granted pursuant to the rules prescribed under (c) above.

98. The Invitation to Tender

(a) The invitation to tender shall include the following details:-

- (i) a description of the services, supplies or works being procured;
 - (ii) whether the Council is of the view that TUPE will apply;
 - (iii) the tender timetable including the tender return date and time, which must allow a reasonable period for applicants to prepare their Tenders;
 - (iv) a specification and instructions on whether any variants are permissible;
 - (v) the Council's terms and conditions of contract;
 - (vi) the evaluation criteria including either weightings or the order of importance;
 - (vii) pricing schedules, if appropriate, and instructions for completion;
 - (viii) whether the tenderer is required to price separately if the tenderer were required to offer a comparable pension and/or parent company guarantee and/or a performance bond;
 - (ix) form and contents of method statements, if any, to be provided;
 - (x) whether or not Tenders are to be submitted electronically;
 - (xi) the rules and method for submitting Tenders;
 - (xii) where Tenders are to be received electronically via the Electronic Tender Facility a requirement that tenderers submit a signed hard copy of the form of tender, undertakings and any other original documentation upon request;
 - (xiii) whether or not an e-auction will be conducted; and
 - (xiv) any further information which will inform or assist applicants in preparing their Tenders.
- (b) Except in the case of electronic tendering the invitation to tender shall state that no Tender will be considered unless contained in a plain sealed envelope and endorsed "Tender" followed by the subject to which it relates. In all cases the invitation to tender shall specify whether and, if so, to what extent the terms of the contract or any part specified will be subject to negotiation between the parties.

99. Form of Tender

- (a) All Tenders shall be required to be submitted on the Council's form of tender which shall include the following details:
- (i) a statement that the Council will not be bound to accept any Tender;
 - (ii) a section where the tenderer shall state whether their Tender is priced on the basis of TUPE applying or not;
 - (iii) except in the case of the negotiated contracts, a statement that formal acceptance of the Tender by the Council will, until such time as a written contract can be executed, bind the parties into a contractual relationship; and

- (iv) except in the case of an e-auction, the price and whether this would be different if the tenderer were to offer a comparable pension and/or a parent company guarantee and/or a performance bond.
- (b) Except in the case of electronic tendering, no Tender shall be considered unless it is contained in a plain sealed envelope and endorsed "Tender" followed by the subject to which it relates. In the case of electronic tendering, Tenders must be submitted and opened in accordance with the requirements of Standing Order 101.

100. Receipt and Opening of Tenders

Except in the case of electronic tendering via an Electronic Tendering Facility for which the rules in Standing Order 101 shall apply, the receipt and openings of Tenders shall be conducted as follows:

- (a) All High Value Contract Tenders shall be addressed to the Council's Democratic Services Manager and the Tender shall remain in the custody of the Democratic Services Manager until the time appointed for its opening.
- (b) High Value Contract Tenders shall be opened and Tender details recorded by an authorised representative of the Democratic Services Manager and at least one other officer.
- (c) Medium Value Contract Tenders shall be addressed to the relevant Chief Officer and the Tender shall remain in the custody of the Chief Officer until the time appointed for its opening.
- (d) Chief Officers and the Democratic Services Manager shall make appropriate arrangements for the receipt, storage and opening of Tenders by an officer of appropriate seniority which ensures that each tenderer is treated fairly and equally and ensures probity.

101. E-Tendering and E-Auctions

The following rules apply to the use of an Electronic Tender Facility and/or an E-Auction Facility regardless of the value of the contract being procured:

- (a) Invitations to tender may be despatched and Tenders received by electronic means via an Electronic Tender Facility. Except in the case of e-auctions no other form of electronic tendering shall be permissible. All e-tendering must comply with European Procurement Legislation where applicable.
- (b) Tenders received electronically via the Electronic Tender Facility must be held in an Electronic Tender Time-Box until after the appointed closing date and time.
- (c) Tenders held in an Electronic Tender Time Box must all be opened at the same time by an authorised officer in Procurement Strategy and Risk Management after the appointed closing date and time for the Electronic Tender Time Box has passed and the Tender details recorded.
- (d) Where any original Tender documentation is to be submitted in hard copy instead of electronically as part of the tender process using an Electronic Tender Facility, such documentation shall be addressed to the Head of

Procurement Strategy and Risk Management and the Tender documentation shall remain in the custody of the Head of Procurement Strategy and Risk Management until the time appointed for its opening. At the time appointed for the opening of Tenders held in the Electronic Tender Time Box, the hard copy Tender documentation shall be opened and the details recorded by an authorised representative of the Head of Procurement Strategy and Risk Management and at least one other officer.

- (e) In appropriate cases the submission of prices or values of quantifiable elements for a Tender may be conducted by e-auction using an E-Auction Facility.
- (f) Tenders conducted by e-auction must comply with any specific European Procurement Legislation where applicable and must follow the usual process for the invitation, submission and evaluation of Tenders (including Standing Order 100 except that the submission of prices and/or values may occur via an online auction.
- (g) Except with the prior written approval of the Director of Finance and Corporate Services, electronic tendering may only be undertaken using the Council's Electronic Tender Facility or E-Auction Facility operated by Procurement Strategy and Risk Management.
- (h) Where tendering has been conducted by electronic means, Chief Officers shall ensure that signed hard copies of the form of tender, parent company guarantee undertakings and performance bond undertakings are obtained from the successful tenderer prior to award of contract.

102. Late Tenders

- (i) Late Tenders shall not be considered except in special circumstances and only then if no other Tenders have been opened and only with the prior written approval of the Chief Executive or the Monitoring Officer on receipt of a written request specifying the special circumstances and why acceptance of a late Tender is justified. Any written approval shall be kept with the record of Tenders received. Except in these cases, any envelope containing a late Tender will be opened for the sole purpose of identifying the applicant and will be returned to them immediately.
- (ii) If Tenders are to be received electronically via an Electronic Tender Facility or by an E-Auction Facility, late Tenders will not be accepted after the appointed closing date and time for the submission of Tenders via the Electronic Tender Time Box or the submission of Tender prices via the E-Auction Facility. If original hard copy Tender documentation (per Standing Order 101(d)) is submitted late, the Tender shall be regarded as a late Tender and Standing Order 102(i) will apply.

103. Record of Tenders and Contracts

- (a) The relevant Service Area Director shall maintain a record of all Tenders invited and received by them, of all contracts entered into and Framework Agreements concluded on behalf of the Council and shall record the reasons for awarding the contract to or concluding a Framework Agreement with a tenderer and the reasons for non-acceptance of a Tender or the rejection of a contractor who has not been included in a Tender short list or Approved List.

- (b) For contract award procedures conducted by electronic means, appropriate information shall be kept to document the progress of the procedure.

104. Tender Evaluation

- (a) Tenders subject to European Procurement Legislation shall be evaluated in accordance with the relevant regulations and the instructions to tender. All other Tenders shall be evaluated in accordance with the criteria and procedures set out in the invitation to tender. In both cases Tenders shall be evaluated in accordance with these Standing Orders save where there is a conflict with any European Procurement Legislation in which case that legislation shall prevail.
- (b) Tenders for all contracts (except works or energy supply contracts where lowest price was pre-determined to be the appropriate criteria) shall be evaluated and awarded on the basis of the most economically advantageous offer to the Council.

105. Departure from Tender Documents

- (a) Subject to paragraph (b) below where the Council has included non-negotiable terms and conditions with its instructions to tenderers then Tenders may only be accepted on those terms unless any revisions are notified to all tenderers prior to the tender return date.
- (b) Where contract terms and conditions are non-negotiable then no variations to them may be made after Tenders are received without the prior written approval of the Director of Legal and Procurement.
- (c) Post-tender negotiations are only permissible where the instructions to tender specified the areas to be subject to negotiation and in the case of contracts which are subject to European Procurement Legislation only where the contract was advertised pursuant to the EU negotiated procedure. In all other cases only clarification points or ambiguities may be raised with tenderers.

106. Bonds and Guarantees

Chief Officers shall ensure that sufficient security for the due performance of High Value Contracts is taken and for other contracts where such security is considered be in the best interests of the Council.

107. Notification of Tender Decision, Standstill Period, Debriefing and Acceptance

- (a) Subject to the specific exceptions in the European Procurement Legislation, where the Contract is subject to the full application of the European Procurement Legislation (being a Part A Services contract, public works contract, public supplies contract or Framework Agreement above the relevant EU threshold) a mandatory standstill period of at least 10 calendar days must be observed between notifying all tenderers in writing of the award decision and the actual award of contract. The standstill period shall commence on the day after the written award notification is sent to all tenderers and the written notification must comply with the requirements of the European Procurement Legislation. If an unsuccessful tenderer requests further information, such information must be provided in accordance with the European Procurement Legislation.
- (b) If a legal challenge to the procurement process or award decision is brought during a mandatory standstill period the contract must not be awarded and tender

acceptance must not be communicated to the successful tenderer without the prior written approval of the Director of Legal and Procurement.

- (c) Tender acceptance must not be communicated to the successful tenderer until after the expiry of any mandatory standstill period. Where Standing Order 107(a) does not apply, tender acceptance shall be communicated to the successful tenderer as soon as possible and where possible within 5 working days of the decision being made. Tender acceptance must be in writing and as a minimum must detail the date of the decision and the decision-maker.

108. Contract Award Notice

Chief Officers shall ensure that a contract award notice is published in OJEU within 48 days of the award of any contract where required by European Procurement Legislation.

109. Letters of Intent

Letters of intent shall only be used as follows:

- (a) where the Council's form of tender has not included a statement that until such time as a formal contract is executed the Council's written acceptance of a Tender shall bind the parties into a contractual relationship; or
- (b) exceptionally where a contractor is required to provide services, supplies or works prior to written acceptance by the Council and only then with the prior written approval of the Monitoring Officer.

110. Contracts Register

- (a) A register of all contracts placed by the Council to the value of £20,000 or more over the term of the contract shall be maintained by the Contract Database Officer within the Corporate Procurement Centre. Such register shall for each contract specify the name of the relevant Council's Service Unit, the contractor, the services, supplies or works to be provided, the contract value and contract term and where relevant any provisions for extension. Details of all such contracts awarded must be reported to the Contract Database Officer within two weeks of award and in the required format.
- (b) Chief Officers shall also ensure that for all contracts on the database, all contract extensions and variations, early terminations, assignments and novations are notified to the Contract Database Officer and to the relevant category manager in the Corporate Procurement Centre.

111. Contract Terms and Conditions

Chief Officers shall ensure that contracts are drafted as appropriate to the nature of the services, supplies or works to be provided and contain provisions to protect the Council's overall interest. Advice shall be sought from the Director of Legal and Procurement as appropriate.

112. Extension and Variation of Contract

- (a) Contracts subject to European Procurement Legislation may be extended in compliance with relevant legislative provisions. Contracts may be extended in accordance with the provisions for extension contained in the contract if the parties agree and if the relevant Chief Officer is satisfied that the extension will

achieve best value and is reasonable in all the circumstances. Any such extension that will last for more than one year shall be notified to the Director of Legal and Procurement and the Director of Finance and Corporate Services. All extensions (of any duration) shall be notified to the Contracts Register Officer.

- (b) Retendering of contracts shall be timetabled to ensure handovers can be effected at the end of the contract term. Where any retendering is delayed or is unsuccessful then temporary arrangements may be agreed by the relevant Chief Officer.
- (c) Any temporary contractual arrangements necessary to cover periods between a contract expiring and a new contract commencing shall be kept to a minimum term possible and retendering shall be commenced or re-commenced as soon as is reasonably possible.
- (d) Chief Officers have delegated to them power to extend, vary or renegotiate contracts in accordance with paragraph 2.5 of Part 4 of this Constitution. Where approval to extend, vary or renegotiate a contract is required to be obtained or is in any event sought from the Executive (or the General Purposes Committee or Pension Fund Sub-Committee) the Executive, the General Purposes Committee or the Pension Fund Sub-Committee as the case may be shall receive and consider a report setting out all relevant information necessary to give such approval or approvals as it considers necessary.

113. Early Termination of Contract

High Value Contracts may only be terminated by the Executive, the General Purposes Committee or the Pension Fund Sub-Committee as appropriate. Medium Value Contracts may only be terminated:

- (a) by agreement between the Council and the Contractor; or
- (b) in accordance with the termination conditions of the contract

and provided that in either case the financial and legal implications or other relevant circumstances have been taken into account.

114 Assignment and Novation of Contract

- (a) Contracts may be novated or assigned provided that the novation or assignment would not breach European Procurement Legislation. Chief Officers have delegated to them the power to novate or assign contracts pursuant paragraph 2.5, of Part 4 of this Constitution provided that the novation or assignment does not substantially alter the terms and conditions of the contract and provided that the relevant Chief Officer is satisfied that the new contractor meets certain standards
- (b) Where approval to novate or assign a contract is required to be obtained or is in any event sought from the Executive (or the General Purposes Committee or Pension Fund Sub-Committee) the Executive, the General Purposes Committee or Pension Fund Sub-Committee as the case may be shall receive and consider a report setting out all relevant information necessary to give such approval or approvals as it considers necessary.

This page is intentionally left blank