



SUMMONS TO ATTEND COUNCIL MEETING

Monday, 23 January 2012 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, 13 January 2012

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 - 20
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 Debate	
To debate key issues affecting the Borough.	
<i>'It's yours, join in'</i> - Members will hear from Rachel Evans, Fountain Studios and Chair of the Brent Culture, Sport and Learning Forum and Nicholas Kent, Tricycle Theatre on cultural activity within the borough.	
6 Report from the Leader or members of the Executive	21 - 22
To receive reports from the Leader or members of the Executive in accordance with Standing Order 42.	
7 Questions from the Opposition and other Non- Executive Members	
Questions will be put to the Executive	
8 Report from the Chairs of Overview and Scrutiny Committees	23 - 26
To receive reports from the Chairs of the Overview and Scrutiny Committees in accordance with Standing Order 41.	
9 By election result	27 - 28
To note the result of the by election held on 23 December 2011.	

10 CIPFA Code of Practice for Treasury Management 2011 29 - 34

This report details the revised Code of Practice in Treasury Management.

Ward Affected: All Wards **Contact Officer:** Clive Heaphy, Director of Finance and Corporate Services
Tel: 020 8937 1424
clive.heaphy@brent.gov.uk

11 Treasury 2011/12 mid-year report 35 - 40

This report details the revised Code of Practice in Treasury Management.

Ward Affected: All Wards **Contact Officer:** Clive Heaphy, Director of Finance and Corporate Services
Tel: 020 8937 1424
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12 Changes to Part 3 of the Constitution: Contract Standing Orders 41 - 50

This report proposes some minor amendments in relation to Contract Standing Orders concerning (1) changes to the European public procurement thresholds; (2) insertion of a definition of Very Low Value contracts, in respect of which there will be less prescriptive procedural requirements; (3) minor amendments.

Ward Affected: All Wards **Contact Officer:** Fiona Ledden, Director of Legal and Procurement
Tel: 020 8937 1292
fiona.ledden@brent.gov.uk

13 Motions

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

14 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



LONDON BOROUGH OF BRENT

Minutes of the ORDINARY MEETING OF THE COUNCIL
held on Monday, 21 November 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
Ashraf	Mrs Bacchus
Baker	Beck
Beckman	Butt
Castle	Cheese
Chohan	S Choudhary
Clues	Colwill
Crane	Cummins
Daly	Gladbaum
Harrison	Hashmi
Hector	Hirani
Hossain	Hunter
John	Kabir
Kansagra	Kataria
Leaman	Long
Lorber	Mashari
Matthews	McLennan
J Moher	R Moher
Moloney	Naheerathan
Ogunro	Oladapo
BM Patel	CJ Patel
HB Patel	HM Patel
RS Patel	Powney
Ms Shaw	Sheth
Sneddon	Thomas
Van Kalwala	

Apologies for absence

Apologies were received from: Councillors Beswick, Brown, Denselow, Green, Jones and Mitchell Murray

1. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 12 September 2011 be approved as an accurate record of the meeting.

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

Councillor Powney declared a personal interest in item 5 - Executive Report, by virtue of being a member of the West London Waste Authority.

Councillor Lorber declared a personal interest in item 10 - Motions, by virtue of being a trustee and director of Friends of Barham Library.

Councillor Colwill declared a personal interest in item 7 - First Reading of the Budget, by virtue of being a member of Brent Housing Partnership and the Tricycle Theatre.

Councillor Moloney declared a personal interest in item 7 - First Reading of the Budget, by virtue of being a member of Hillside Housing Trust and the Brent Irish Advisory Service.

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

The Mayor announced that a vacancy had arisen in the Wembley Central ward after the resignation of Jayesh Mistry and that the subsequent by-election would take place on 22 December 2011.

The Mayor congratulated Councillor Beswick on being presented with a Veterans Badge from the Ministry of Defence for his services to the Armed Forces in the UK. He also reported that Councillor Beswick was taken ill during the week and was unable to attend this meeting. On behalf of the Council he wished him a speedy recovery.

The Mayor announced that he was hosting a Christmas Party on Thursday 15 December in the Blue Room Bar and Restaurant at 7.30pm. Tickets were available from his office.

In accordance with Standing Orders, the Mayor drew attention to the list of current petitions showing progress on dealing with them, which had been circulated around the chamber.

4. **Appointments to committees and outside bodies and appointment of chairs/vice chairs**

RESOLVED:

that the following appointments be made:

Committee	Appointment
Alcohol and Entertainment Licensing Committee	Councillor Thomas to fill the vacancy left by the resignation of Councillor Mistry
Call-in Overview and Scrutiny Committee	Councillor Thomas to fill the vacancy left by the resignation of Councillor Mistry
Partnership and Place Overview and Scrutiny Committee	Councillor R Patel to fill the vacancy left by the resignation of Councillor Mistry
Budget and Finance Overview and Scrutiny Committee	Councillor Oladapo to fill the vacancy for a 2nd alternate for Councillor Naheerathan left by the resignation of Councillor Mistry
Children and Young People Overview and Scrutiny Committee	Councillor Oladapo to fill the vacancy for a 1st alternate for Councillor Aden left by the resignation of Councillor Mistry
Health Partnerships Overview and Scrutiny Committee	Councillor Oladapo to fill the vacancy for a 2nd alternate for Councillor Ogunro left by the resignation of Councillor Mistry
General Purposes Committee	Councillor Naheerathan to fill the vacancy for a 2nd alternate for Councillor John left by the resignation of Councillor Mistry

5. Report from the Leader or members of the Executive

Temporary accommodation and housing benefit changes

Councillor Long (Lead member for Housing) reported that the changes to housing benefit being introduced by the Government were already having an impact on the borough. The number of homeless applications had increased by 29% over the last year and whilst those in temporary accommodation had remained stable there had been a 70% increase in those in bed and breakfast. Councillor Long stated that in January 2012 the Housing Benefit transitional arrangements would end and it was expected that hundreds of families would be approaching the Council in need.

Joint commissioning, the customer journey and transitions

Councillor R Moher (Lead member for Adults and Health) was pleased to report that, following work carried out with health partners on adult social care, agreement had been reached to create a commissioning support team. She hoped final approval would be reached soon and it appeared that Ealing and Hammersmith and Fulham were keen to join the team. She hoped this would not only save money but result in the provision of a more efficient service and provide a better deal to the customer.

Councillor R Moher reported that eight months ago the customer journey project had started which was designed to look at ways of ensuring that people were dealt

with at the first point of contact or passed to the appropriate agency. Early signs were that the new system was working well but it was too early to draw any final conclusions.

Councillor R Moher reported that agreement had been reached on the responsibility for young people with disabilities moving from children's services to adult social services at the age of 14 to enable the process of preparing for adulthood to begin sooner.

Road safety - national transport awards

Councillor J Moher (Lead member for Highways and Transportation) reported on the Council winning a prestigious national road safety award in recognition for the nearly 60% fall in the number of accidents in the borough achieved by a wide range of activities undertaken by past and present administrations. He congratulated the Transportation Unit on this achievement.

School places funding, A level results, fixed for the future award for young people's employability

Councillor Arnold (Lead member for Children and Families) reported that a good outcome had resulted from lobbying the Government and the Council had been allocated £25M to provide additional school places. This was the third highest sum allocated nationally. There was still a funding gap compared to what was needed but nevertheless provision could now start to be delivered.

Councillor Arnold reported that the 'O' level average points score was above the national average with more pupils taking and completing 'O' levels. Together with improved early years results the quality of Brent's schools continued to be high.

Councillor Arnold reported that she had received a cheque for £726,000 from the lottery fund to go towards improving the career prospects for looked after children and young offenders.

Waste and recycling strategy

Councillor Powney (Lead member for Environment and Neighbourhoods) reported that following the introduction of new waste collection arrangements on 3 October the rates of recycling had increased and he paid tribute to the Administration and the officers for what had already been achieved.

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

Councillor Allie asked whether the Council had any plans to alter its housing allocation scheme to give any priority to people in work given the importance of encouraging strong mixed communities in areas with lots of social housing. Councillor Long (Lead member for Housing) replied that the Council was presently out to consultation on its housing allocation policy and the issue of including employment status presented the Council with a conundrum. Councillor Allie responded by saying that a ghetto effect could arise from placing a high proportion of out of work people in areas of high social housing and by adding in a priority for those on the waiting list who were in work it would create a more mixed tenancy. He felt this should be taken account of in the Council's housing allocation policy.

Councillor Hashmi asked why parking meters did not accept some coins such as 5 pence, and why parking machines did not give change when people put in pound coins and overpaid for parking. He felt this was very inconvenient to many people who needed to park. Councillor J Moher (Lead member for Highways and Transportation) replied that most parking meters were of a standard design. If people did not have the correct money they usually had the option to pay by phone. He did not think it was a big problem for most people. Councillor Hashmi responded by saying that he had spoken to many residents who did not have a credit card and he submitted that they should not be required to pay by this means. He felt the Council must be making a lot of money from drivers who did not have the correct change for the parking meters. Councillor Hashmi stated that the technology now existed for parking time to be extended by the amount that people over paid and that this should be looked into.

Councillor Sneddon stated that everybody had noticed how the streets were getting dirtier and more littered as a result of the Council's decision to reduce street sweeping from three times a week to one or two times a week. He had been contacted by many people who lived near those areas with a high footfall pointing out the effects this was having. He added that the effect was cumulative and each time there was more litter and rubbish than before to clean up. Councillor Sneddon also felt there was a big problem with overflowing litter bins at the weekend, as the street cleaning staff were no longer around to empty the bins as often. He asked what remedial action the Council would be taking. Councillor J Moher (Lead member for Highways and Transportation) replied that the majority of the reductions had been in residential areas with a light litter drop. However, he acknowledged that a build-up of litter could occur in more built up areas. It was therefore important to educate people on the anti-social effects of dropping litter. Councillor Moher assured members that the street sweeping contract was monitored and where problem areas came to light they were dealt with. Councillor Sneddon responded by suggesting that there had to be the flexibility to target the worst areas and that consideration should be given to altering the frequency of street cleaning to better meet the need in the borough.

Councillor Lorber asked if it could be explained why nothing had been done to stop Brent Housing Partnership (BHP) purchasing new homes in Barnet as part of the settled homes initiative which could not then be used to house families in need because Brent had not obtained Barnet's permission. These homes were now on the market and had cost taxpayers thousands of pounds in purchase costs without benefitting anyone. Councillor Long (Lead member for Housing) replied by admitting that mistakes had been made by both the Council and BHP but that negotiations were still continuing with Barnet. Before these were concluded she would not be finally commenting on the matter. Councillor Lorber responded by saying that he felt the reply he had received showed complacency and that this was a fiasco that needed dealing with immediately. He pointed out that the funding from the Homes and Communities Agency should have delivered 225 new homes for people in need in Brent this year but as a result of this episode the target had been revised to 115. Losing all the money was bad enough but he felt the tragedy was that so many families in desperate need of housing had lost out. This had happened when there were three Labour councillors on the BHP board and no Liberal Democrats so it was Labour's responsibility.

Councillor Cheese asked how much the taxpayer spent on paying for the Executive members to eat out at a hotel after the end of the Awaydays this year. Councillor John replied that the question was a last resort from a political group with nothing of substance to offer. The meal had been arranged to foster good working relations between lead members and chief officers and this was not an exceptional event. Discussions at the Awaydays had centred on the biggest change faced by local government in a generation and providing the means to discuss the issues was very important. Councillor Cheese acknowledged that only light refreshment had been provided but felt that, given the budget situation and the fact that so many people were struggling, it was totally inappropriate for the Executive members to treat themselves to meals at the taxpayer's expense.

Councillor Van Kalwala stated that it was presently a terrible time for young people living with the consequences of the government's actions and asked what the Council was doing to get young people into training and work. Councillor Arnold (Lead member for Children and Families) replied that an effective vocational framework had been developed. There had been a 17% increase in the take up of training opportunities but this was below the level of comparable neighbouring boroughs. She added that the key was to enhance the supply of job opportunities through job creation schemes and apprenticeships which provided a vital route into work. Councillor Van Kalwala congratulated the Council on the work it was doing and the companies the Council was working with.

Councillor Gladbaum stated that those parents being consulted on possible nursery closures were confused, and possibly some councillors as well, because they had been told that the Early Intervention Grant was no longer ring fenced, but the MP for Brent Central who was a Government minister for Children and Families had told them it was still ring fenced. Councillor Gladbaum asked what the true position was. Councillor Arnold (Lead member for Children and Families) replied the grant was no longer ring fenced and she agreed that it did not help parents to be so misled. Councillor Gladbaum added that this confirmed what she had always thought; that the Liberal Democrats could not be trusted and said different things to different people.

Councillor McLennan referred to the London Councils' research which showed Brent would be disproportionately affected by cuts to the Local Housing Allowance, and by the cap on Universal Credit, and asked what preparations the Council was making to ensure people were protected from the coalition government's attempts at social engineering through the welfare system. Councillor Long (Lead member for Housing) replied that she was pleased to say that a proactive approach was being taken to try to protect local residents because, as the London Councils report stated, one in three Brent residents would be affected. All those families potentially affected by the changes had been written to inviting them to seek help. A grant was available from the Department for Work and Pensions but this was limited and she expressed continuing concern because it was not known if it would be possible to protect them completely from the government's actions which might force families to move out of the borough. Councillor McLennan thanked the lead member for her reply.

Councillor Naheerathan referred to the changes in local government housing finance to be introduced in 2012 and asked how tenants would benefit from the reforms. Councillor Long (Lead member for Housing) replied that reform of the

Housing Revenue Account which began under the last government was continuing and would benefit Brent as far as the consequent debt reduction was concerned but the Government had made announcements that day on right to buy discounts that threatened this. This would make it more difficult to make the reforms work for the benefit of the Council and tenants. Councillor Naheerathan thanked the lead member for her response.

Councillor Colwill stated that he had been seeking information on the current investigation at Furness Road Primary School into financial mismanagement but was disappointed he had not been able to get any information from the Children and Families Department and so felt he had to bring the matter to the attention of Full Council. He asked why opposition councillors had not received a briefing or been told that an investigation was occurring. Councillor Arnold (Lead member for Children and Families) replied that she understood all members had received a briefing on the situation at Furness School. An interim executive board for the school had been put in place and the past Head was subject to on-going disciplinary action. Councillor Colwill responded that no briefing had been provided until he had been forced to draw attention to the matter.

7. Procedural motion

Councillor Moloney moved a procedural motion.

RESOLVED:

that in respect of summons item 7 - First Reading Debate 2012/13 budget:

the Leader be permitted up to 10 minutes in which to present the reports, the Leaders of the Liberal Democrat Group and the Conservative Group be permitted up to 10 minutes each to debate the item, with a general debate to follow, in accordance with standing order 44(b).

8. First Reading debate on the 2012/13 - 2015/16 budget

Councillor John stated that the Council was at a bleak juncture in time and yet many people had not yet grasped the enormity of what local government was facing. It was not just dealing with budget reductions but having to change the way it did business. In future the Council would be a smaller organisation with less resources and delivering services in a different way. The Localism Act would make big changes and along with the local housing allowance and universal credit caps she felt this amounted to social engineering that would drive people out of central London. The universal credit cap would affect Brent the most of all London boroughs and amounted to an assault on poor Londoners. The combined effect of both caps would result in 130,000 households across London finding their rent unaffordable, of which 10,000 would be in Brent. Larger households would be more harshly affected. Councillor John also referred to the decision that benefit should be paid direct to the claimant rather than the landlord which would inevitably mean some people not paying their rent in such tough times and collection costs for the Council increasing. Councillor John stated that despite the dramatic effects of the Government's policies they were not working as could be seen by increasing youth unemployment and unemployment generally. She referred to the Labour Party's alternative plans to create jobs. In an effort to mitigate the harmful effects of

government policy on local residents, Councillor John stated that the Council was adopting the following important priorities:

- employment
- neighbourhood services
- services for young people
- social care and health
- regeneration
- diversity and democracy

Councillor Lorber stated that the situation faced by the Council was a result of the past Labour government's legacy. He backed this up by stating that there was a two year time lag behind all policy decisions meaning the current situation was the result of decisions taken by the last government. He submitted that the Council was fortunate that the previous Council administration had introduced the One Council programme which now allowed the Council to deliver a balanced budget. However, one aspect of the programme had not been delivered and he challenged the administration to reach the stated target of one manager for every six workers and by this means achieve further savings. Councillor Lorber did not feel it was all bad news by referring to a three year Council Tax freeze being made possible, a £25M award from the Government to address the shortage in school places and low interest rates meaning the cost of the Council's borrowing was cheaper. He criticised the administration for believing it knew better and did not listen to the views of local people. He referred to the cuts to the library service and school crossing patrols which affected young people and the cuts in street cleansing which had resulted in overflowing litter bins. He suggested it was time to stop producing the Brent magazine and asked why festivals organised by local people had had funding cut but the Council retained a festivals team which was more expensive to maintain. Councillor Lorber also asked why buildings were being kept empty when voluntary sector partners were looking for premises. He referred to paragraph 5.3 of the Executive's report and asked how it could produce proposals that were at the same time both comprehensive and targeted. He ended by challenging the Council to deliver services that the people wanted.

Councillor HB Patel stated that the administration was saying that it was not elected on a programme of having to make massive cuts, however the choice was between dreaming of what was wanted or striving to achieve the dream. He said that everyone knew before the last elections that massive cuts in public expenditure were going to be needed because the previous government had overspent. What was needed was a coherent programme for how to achieve the cutbacks required. He felt it was not a coherent approach to shut libraries in the face of strong community opposition and asked that this be reconsidered. Councillor Patel referred to the government grant to support a freeze in Council Tax and how this had been used to increase reserves rather than support services and how the Council intended to do the same again for 2012/13. He felt that if the grant was accepted it and the existing reserves should be used to maintain services. Councillor Patel referred to the proposal for councils to collect and retain their business rates which would make it more important to support businesses to grow. He felt a simple solution would be to stop penalising people with parking charges. He ended by adding that more resources needed to be put into maintaining pavements and roads, street cleansing and providing hot meals for the elderly.

It was submitted that the budget plan would seek to deliver a fair, safe and secure future for residents. It was welcomed that the Council would look to address issues around employment and providing jobs. It provided financial prudence by ensuring adequate reserves but at the same time delivered savings through the One Council programme. The Government had decided to cut hard and fast and by doing so had targeted those that could least afford it. The clarity of the Executive's vision was welcomed. The importance of looking after those in care was stressed and it was felt to be important to take an active approach that would protect vulnerable people. It was stated that for the last two years the administration had been forced to make millions of pounds of cuts because of decisions taken by the Government. The damage this was inflicting was becoming increasingly unbearable. More young people were out of work than two years ago. In the circumstances, it was submitted that that it was essential for the Council to maintain services and that through the leadership provided by the Executive this was being done despite having to find further cuts. Concern was expressed over the current overspend and the projected budget gap shown in table 2 of the Director of Finance and Corporate Service's report and it was stated that this would be subject to scrutiny over the coming months. It was felt the priority needed to be to strengthen local communities.

Reference was made to the £2.6M provided by the Government to freeze the Council Tax and the view was supported that this should be used to protect front line services and not to increase the level of reserves. It was also suggested that the monies returned from the Icelandic banks was in effect a windfall and could be used in the best way possible to protect front line services, including libraries. Decisions made by the last government on caring for the ill and elderly were criticised and it was felt that assurance was needed that the social services were working efficiently. The budget was about making decisions on how resources were allocated and it was submitted that more resources were needed for street cleaning with the view that litter bins were overflowing being supported. It was also pointed out that certain areas with a heavy footfall such as around Dollis Hill station, needed more frequent targeted sweeping. The view that residents should be listened to more and consequently resources targeted more toward the services wanted by residents was supported.

A view was submitted that the real problem lay in the level of borrowing by the last government in order to save the banks. This had nothing to do with the current government and cuts had to be made to avoid the country being bankrupt. However, an alternative view put forward was that the downturn in the world economy had started on Wall Street through bad investment decisions and so it was spurious to blame the last government.

Criticism was levelled at the Government's funding to keep the Council Tax down which was seen as a means of eroding the underlying revenue position of the Council for future years. It was submitted that residents should expect to pay a fair rate for a fair level of service. The Council had significantly reduced its staff numbers and Appendix A of the report of the Director of Finance and Corporate Service's showed the level of premature retirement costs being met. The view that the present time was very worrying was echoed.

A plea was made for councillors to stand up for the interests of Brent which had seen its budget slashed by 28 % when other councils had only been required to save in four years what Brent had saved in one year.

RESOLVED:

that the broad budgetary priorities set out in the report from the Executive be noted and the issues raised in the First Reading debate be referred to the Budget and Finance Overview and Scrutiny Committee.

9. **Reports from the Chairs of Overview and Scrutiny Committees**

Councillor Van Kalwala introduced the report by pointing out the change from reporting to the meeting orally to producing a written report. He asked members to read the report before them and thanked everyone who had contributed to the work of overview and scrutiny outlined in the report.

10. **Changes to Part 3 of the Constitution: Contract Standing Orders**

The report before members proposed some minor amendments in relation to Contract Standing Orders concerning the procurement of works contracts.

RESOLVED:

that the Constitution be amended to incorporate the changes to Contract Standing Orders shown in Appendix 1 of the report submitted.

11. **Motions**

11.1 **Waste and recycling success**

Councillor Powney moved the motion circulated in his name by stating that although the new waste and recycling arrangements were a money saving exercise they had also proved to be a good project by achieving a substantial increase in recycling and benefiting the environment. He referred to the circulated amendment to the motion by the Liberal Democrats which he submitted showed them to be on the wrong side of the debate by constantly criticising the arrangements instead of providing constructive comment.

Councillor Lorber stated that, contrary to what Councillor Powney had said, everyone agreed about the need to increase recycling, but not on how to go about it. He referred to the different colour bins being filled with the wrong material because the Council had failed to get the correct messages across to local residents. This contributed to the worsening condition of Brent streets and he challenged the administration to carry out a consultation with residents on what they thought of the current street sweeping arrangements to test if they viewed them as a success or failure. Councillor Lorber moved an amendment to the motion which sought to remove reference to the success of the new arrangements being attributed to the Council's leadership. Following a vote the amendment was declared LOST.

Councillor Colwill felt that the information contained in the public information leaflet was informative and that the new arrangements appeared to be working satisfactorily at the moment. However he expressed concern at the poor level of cleanliness in the Kingsbury area.

RESOLVED:-

that the remarkable early success of the new waste and recycling arrangements introduced by Brent's Labour administration be noted, which in its first month has achieved:

- a 50% improvement in recycling rates in one month;
- recycling rates of 45%;
- a 41% reduction in landfill waste;

to also note that landfill causes a litany of environmental problems, including contributing to climate change; and that accelerated landfill taxes mean these measures will save Brent taxpayers millions of pounds;

to note that the Labour Group was elected on a manifesto commitment to introduce measures aiming to double the recycling rate to 60%, that the Council's opposition group have campaigned against increased recycling, and that Labour is the only party in Brent committed to recycling;

that Environment and Neighbourhood Services officers be congratulated on their tireless work to implement the new scheme, and the leadership of this Council for showing the vision and commitment to implement policies which will make Brent one of the greenest boroughs in Britain.

11.2 Fairs fare

Councillor J Moher moved the motion circulated in his name. An amendment to the motion was moved by Councillor Lorber which sought changes to the motion which included removing reference to welcoming the proposed fare package.

Following a vote the amendment was declared LOST. The motion was put to the vote and declared CARRIED.

RESOLVED:-

to note that Conservative Mayor of London, Boris Johnson has chosen to increase bus, tube and train fares above inflation for the fourth year running, introducing four year average fares increases amounting to 33% - hugely above the inflation rate of 13.9% over the same period;

to note that Boris Johnson's fare increases have meant the cost of a single bus fare using Oyster has risen by 56% - from 90p in 2008 to £1.40 in 2012; a zone 1-6 travel card has increased in cost by 22% - costing Brent residents £509 a year more to get to work;

to note that if elected Mayor of London, Ken Livingstone has promised to cut tube fares by 5% in October 2012 and that he has also committed to freezing fares in 2013 and not increasing fares by more than inflation after that and that these plans do not involve reductions in service or investment;

to note that under Ken Livingstone's fares plans, the average commuter in London and Brent would stand to be on average £800 better off over the next four years;

to note that a reduction in fares will reduce the cost of the Freedom Pass to London boroughs;

that Council welcomes Ken Livingstone's proposed fare package, which will cut the cost of travel for thousands of commuters here in Brent and put ordinary Londoners, struggling with the cost of living first.

11.3 **School places**

Councillor Crane moved the motion circulated in his name. An amendment to the motion was moved by Councillor Lorber seeking to insert reference to the role of the Minister of State for Children and Families.

Following a vote the amendment was declared LOST. The motion was put to the vote and declared CARRIED.

RESOLVED:-

that the Leader, Executive and Council officers be congratulated in their successful lobbying campaign to secure government funding to address the serious shortage of school places in the Borough.

to note that:

- the allocation of nearly £25m is the third highest of any authority in the country, and acknowledges the relentless pressure on school places in the Borough;
- lobbying central government was adopted as formal Council policy by the Council's Executive in August 2011;
- in line with this policy, the Leader of the Council wrote to the Minister of State for Children and Families highlighting the shortage of school places in Brent.

to further note that the allocation is insufficient to meet the long term needs of Brent's schoolchildren and to congratulate the Council leadership for pursuing further lobbying to secure additional funding, and calls on central government to recognise the basic right to education of Brent's children and young people.

11.4 **Climate change**

Councillor Powney moved the motion circulated in his name. Following a vote the motion was declared CARRIED.

RESOLVED:-

to note that climate change is the greatest threat to the future of our planet and that urgent action is needed if we are to reverse its effects;

to also note that there are alarming signs that the effects of global warming are already underway, with storms, floods and droughts happening more often around the world;

that Council recognises that while climate change represents a serious threat to our planet it is also presents a significant opportunity to build a clean energy economy in the UK and secure thousands of jobs across the country;

to note the measures being undertaken by Brent Council to reduce its impact on climate change, including the move to the Civic Centre, the introduction of emissions based parking permits, the setting of a carbon emissions target and reducing emissions from landfill;

that the Government be called on to show real leadership at the forthcoming UN climate change conference in Durban by pushing the EU to commit to a second period of the Kyoto Protocol, as a route towards a global deal to reduce greenhouse gas emissions and delivering on climate finance to help poorer countries deal with the effects of global warming.

11.5 Brent library service

Councillor Lorber moved the motion circulated in his name and the names of Councillors Ashraf and Brown by firstly paying tribute to the hundreds of residents for the campaign they had supported to save the six libraries that had been closed and urged that the administration listen to their voices. He submitted that a policy of closure rather than transformation was being pursued. He referred to the planned closure of the Willesden library for up to two years while the site was redeveloped during which time alternative premises would be needed and criticised the decision to be closing nearby libraries now. Councillor Lorber felt that some boroughs smaller than Brent had shown the way in keeping open more libraries by co-locating them in buildings with other facilities.

Councillor Kansagra supported the motion and stated that he felt the libraries could be saved. He referred to the site of Preston library which he understood the Council had plans for but which he submitted should include the provision of local services, including a library.

Councillor Powney referred to the legal judgement on the Council's decision which had found in the Council's favour on all aspects. He expressed regret that the Council had been taken to court but having been so it was forced to defend its decisions. He submitted that by 2014/15 the Council would have more books in its libraries which would mean they could provide a better service and attract more visitors. In addressing the points contained in the motion, Councillor Powney replied that he could not comment at this time on the use of the Cricklewood and Kensal Rise library buildings, that the importance of bringing the closed library buildings back into use was an important one, that the closure of the libraries had not discriminated against any group of people and that the Council had discussed with local groups the future running of some libraries and so this did not need to be done again. Councillor Powney explained that 97% of Brent residents lived within 1.5 miles of one of the remaining libraries and the other 3% lived within 1.5% miles of a library within a neighbouring borough. The Council had a duty to meet the cost of redundancy arising from the closures and that he expected that other boroughs

would choose to reduce the stock and the opening hours of their libraries in order to make savings but that Brent had chosen a better way forward.

Following a vote the motion was declared LOST.

11.6 Police Community Support officers

Councillor Lorber moved the motion circulated on behalf of himself and Councillors Brown and Beck which sought to request the Executive to use the money saved by the delay in filling Police Community Support Officer posts for crime reduction measures. Following a vote the motion was declared LOST.

11.7 Dirty streets

Councillor Lorber moved the motion on behalf of himself and Councillors Ashraf, Beck and Brown which sought to ask the Executive to take action to clean up the streets of Brent. Following a vote the motion was declared LOST.

11.8 Police numbers

Councillor Kansagra moved the motion circulated in his name by referring to a leaflet distributed in the Queensbury area which he felt wrongly suggested that police were being withdrawn from the area and crime was rising. The suggestion that crime and the fear of crime was increasing was caused by the circulation of wrong statistics and scaremongering. Councillor Kansagra submitted that police numbers were being maintained and he called for an apology to be made to the residents of Queensbury. Councillor Kansagra reminded members that the Council had recently congratulated the Borough Commander on the performance of the police.

Councillor Lorber felt care needed to be taken when discussing crime and the fear of crime. He referred to a recent photo opportunity by the GLA Assembly member for Brent and Harrow wearing a 'Not Another Drop' t-shirt when the Council had recently cut the funding to this campaign. He expressed an interest in the number of additional Police Community Support Officers recruited to the borough which had recently been reduced. The remaining posts had only recently been recruited to and this had accrued an underspend which he felt could be used to support other initiatives in the area of crime reduction.

Councillor John stated that no apology would be made when the figures showed crime increasing in Brent and across London. She felt the summer riots should have given the Mayor of London pause for thought. Ken Livingstone had introduced the safer neighbourhood service when he was Mayor and if the funding had not been reduced the Council would not have had to reduce the number of PCSOs. Councillor John stated that policing was important to the borough and reducing the service was not acceptable.

Following a vote the motion was declared LOST.

11.9 Libraries

Councillor Kansagra moved the motion circulated in the name of the Conservative Group which sought to call upon all councillors with a library in their ward threatened with closure to express their support for the SOS campaign. Following a vote the motion was declared LOST.

11.10 **Regeneration funding**

Councillor Kansagra moved the motion circulated in the name of the Conservative Group. An amendment was moved by Councillor Lorber on behalf of the Liberal Democrat Group which was accepted. Following a vote the amended motion was declared CARRIED.

RESOLVED:-

that the news that Brent is to receive a portion of the £50million distributed by the Mayor of London to boost regeneration and rejuvenate town centre's in time for the 2012 Olympic Games be welcomed;

to note that this money will be spent on improving Willesden Green High Road and will include re-vamping empty shop fronts, encouraging new business into the area and installing new street furniture which will improve the quality of life of many;

that this Council believes that this will be a major step forward in stimulating economic growth in Willesden and thanks the Mayor of London for his valid and welcome contribution to the future of Brent.

12. **Urgent business**

None.

The meeting closed at 9.20 pm

COUNCILLOR M ASLAM CHOUDRY
Mayor

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LONDON BOROUGH OF BRENT

Minutes of an EXTRAORDINARY MEETING OF THE COUNCIL
held on Monday, 21 November 2011 at 9.20 pm

PRESENT:

The Worshipful the Mayor
Councillor M Aslam Choudry

The Deputy Mayor
Councillor Michael Adeyeye

COUNCILLORS:

Aden	Al-Ebadi
Allie	Arnold
Ashraf	Mrs Bacchus
Baker	Beck
Beckman	Butt
Castle	Cheese
Chohan	S Choudhary
Clues	Colwill
Crane	Cummins
Daly	Gladbaum
Harrison	Hashmi
Hector	Hirani
Hossain	Hunter
John	Kabir
Kansagra	Kataria
Leaman	Long
Lorber	Mashari
Matthews	McLennan
J Moher	R Moher
Moloney	Naheerathan
Ogunro	Oladapo
BM Patel	CJ Patel
HB Patel	HM Patel
RS Patel	Powney
Ms Shaw	Sheth
Sneddon	Thomas
Van Kalwala	

Apologies for absence

Apologies were received from: Councillors Beswick, Brown, Denselow, Green, Jones and Mitchell Murray

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

None declared.

2. **Procedural motion**

Councillor Moloney moved a procedural motion.

RESOLVED:

that the Leader or a representative of each political group be invited to speak for up to three minutes each and at the conclusion of the contributions a vote shall be taken on the motion submitted and any amendments submitted.

3. **Motion - School crossing service**

Upon receiving a requisition from five members of the Council, the Mayor had called the Extraordinary Council meeting to consider the motion submitted on the school crossing service.

In moving the motion, Councillor Lorber stated that he had wanted overview and scrutiny to consider the decisions of the Executive because he was not sure how many councillors understood what had been agreed. He felt it was confusing and, in describing the outcome, asked what it was thought the response would be when a school crossing patrol was removed. He believed there to be four vacancies at the present time but was unsure when the new scheme was due to become operational. Councillor Lorber felt it would have been better if he had been allowed to call-in the decisions so that non-Executive members could properly discuss the issues in the way it was envisaged when overview and scrutiny was introduced. He felt the overview and scrutiny process was not used properly in Brent and if it had been on this occasion it would have come up with a better result than the Executive had.

Councillor HB Patel stressed the importance of the school crossing service in looking after young children who did not have much road sense. He submitted that the schools would not support the funding of the service and so it was important that the Council did. He supported the view that the proposals should have been subject to greater scrutiny and expressed support for the motion before the meeting.

Councillor J Moher stated that he would have been happy to discuss the proposals at overview and scrutiny but the terms of the request had not passed the protocol for calling-in decisions. He reminded the meeting that the views of those that had responded to the consultation and from fellow councillors had resulted in the proposals being changed, but not abandoned. Each location had been looked at and where it was clear that road safety improvements meant there was no longer a need for a crossing patrol it would be withdrawn. This would also help with the current recruitment difficulties experienced. Schools were being asked if they would share in the provision of patrols and these discussions were continuing at a senior level. Councillor Moher stated that the motion pretended that the Council had not listened to the views of local people when in fact it had and for that reason he opposed it.

The motion was put to the vote and declared LOST.

The meeting closed at 9.30 pm

COUNCILLOR M ASLAM CHOUDRY
Mayor

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FULL COUNCIL – 23 JANUARY 2012

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:

1. Willesden Green Redevelopment Project
2. Cross borough working on sports and leisure facilities
3. Waste and recycling
4. School places
5. Update on Customer Contact Project
6. New Civic Centre

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**Full Council
23rd January 2012**

**Report from the Director of Strategy
Partnership and 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 and covers the period since the last Full Council Meeting in November 2011.

2.0 Detail

One Council Overview and Scrutiny Committee

- 2.1 Arrangements for the future of Brent Housing Partnership were discussed at the committee's meeting on 22nd November. Members were particularly keen to hear more about the future relationship between the optimised ALMO and the council. Questions focussed on governance arrangements, staff efficiencies, management arrangements and issues relating to the Housing Revenue Account. Members also raised issues relating to the impact of changes on customer satisfaction and complaints.
- 2.2 The Annual Complaints Report provided an overview of the complaints received and investigated under the Corporate Complaints procedure, by the Local Government Ombudsman and social care complaints dealt with under specific legislation. The committee heard about proposals to reduce the complaint procedure from three to two stages. Questions were raised about the impact of further savings on the number of complaints the council receives and how the proposed two stage procedure would operate.

Meeting
Date

Version no.
Date

- 2.3 The committee also received a report on the One Council Programme which included information on the status of the Programme, programme and project management and risks, issues and dependencies. More detailed information was provided about each of the projects within the programme including projects that are currently in development.
- 2.4 The committee is due to meet again on 25th January 2012 when the Future Customer Services project and Project Athena will be discussed.

Children and Young People Overview and Scrutiny Committee

- 2.5 The Children and Young People Overview and Scrutiny Committee met on the 8th December 2011. Members considered reports on the following issues:
- 2.6 Results of Safeguarding Inspection – The committee considered the results of the Council’s Safeguarding and Looked After Children Teams Ofsted inspection. Members have asked for a further report on the action plan arising from this in March 2012 and have recommended the report is presented to the Executive for them to “own” the council’s response to the inspection and to ensure they are fully informed of the follow up work that is taking place.
- 2.7 Adoption Services in Brent – A report was presented to members following the publication of adoption performance information by Government which raised concerns about the timeliness of adoption in Brent. It was noted that performance has improved in 2011, from the figures reported in the Government’s information.
- 2.8 Review of policy for the provision of early years full time places – Members still have concerns relating to the admissions procedure for full time early years places in schools, and how to ensure that places will be offered to those most in need. As a result, the issue has been referred to the Executive for its consideration.
- 2.9 The committee is meeting next on the 2nd February 2012. Reports will be considered on the Youth Offending Team Inspection results and Special Educational Needs – Additional Resourced Schools.

Partnership and Place Overview and Scrutiny Committee

- 2.10 This committee used its meeting on 13th December meeting to focus on tackling employment issues in Brent. Representatives from two of the three Department of Work and Pensions Work Programme providers, JobCentre Plus and the College of North West London attended the meeting. Members explored issues relating to how the Work Programme providers would operate focusing on:
- Engagement and collaboration with the college, BACES, the council and the voluntary sector
 - Referrals from areas with the highest levels of unemployment and how they will work with clients that are difficult to place.

- Ongoing information relating to the performance / success of the Work Programme initiative in Brent as compared with other London boroughs

- 2.11 This committee will continue to focus on this issue and invite the Work Programme providers to a meeting early in the next municipal year.
- 2.12 The next meeting of this committee on 9th February will be looking at policing priorities in Brent and the draft Crime Strategy.

Health Partnerships Overview and Scrutiny Committee

- 2.13 The Health Partnership Overview and Scrutiny Committee met on the 29th November. Items considered by members included:
- 2.14 Plans for the future of North West London NHS Hospitals Trust and Ealing Hospital Trust – Members considered the Outline Business Case for the merger and the timetable for this process up to July 2012. Members still have some concerns about this and will be meeting with representatives of the Hospital Trusts on the 24th January.
- 2.15 Mental Health Rehabilitation Provision in Brent – CNWL NHS Foundation Trust and NHS Brent intends to close Fairfield House in 2012. Members will visit Fairfield and Rosedale House to get a better understanding of the services provided there and to see what the implications of this decision will be for patients.
- 2.16 AandE at Central Middlesex Hospital – The committee heard from NWL Hospitals NHS Trust on their decision to close AandE services overnight at Central Middlesex Hospital. The chair of the committee has written to the trust expressing the committee’s disappointment at the way this issue was handled, particularly communication with stakeholders and patients.
- 2.16 The Khat task group is currently finalising its report and this will be considered by the committee at its next meeting on 7th February 2012.

Budget and Finance Overview and Scrutiny Committee

- 2.17 The Budget and Finance Overview and Scrutiny Committee has met on two occasions since the last chairs’ report. On November 8th the committee received a presentation which provided an overview of budget issues relating to the Environment and Neighbourhoods Department. This included budget pressures, levels of income and the department’s One Council projects. The committee also received a presentation on the Medium Term Financial Strategy 2112/13 to 2015/16. Members’ discussions focussed on key risks to setting a balanced budget and the impact of the proposed business rate reform.
- 2.18 On December 6th the committee focussed on the One Council Programme and the way it fits in with the Medium Term Financial Strategy.

2.19 The committee will be meeting on the 11th January 2012 to hear from the Director of Regeneration and Major Projects and will finalise its first interim report.

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

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Senior Policy Officer
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LONDON BOROUGH OF BRENT FULL COUNCIL – 23 JANUARY 2012

WEMBLEY CENTRAL BY-ELECTION HELD ON 12 DECEMBER 2011 - RESULT

Candidate/party	Number of votes
DAVDA, Madhuri (Conservative)	349
FRANCIS, Martin (Green)	130
PERVEZ, Afifa (Liberal Democrat)	1022
SHETH, Krupa (Labour)	1402 ELECTED

The elected member has signed the Declaration of Acceptance of Office.

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	<p style="text-align: center;">Council 23 January 2012</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p style="text-align: center;">CIPFA Code of Practice for Treasury Management (2011)</p>	

1. SUMMARY

- 1.1 This report details the revised Code of Practice in Treasury Management

2. RECOMMENDATIONS

- 2.1 Full Council is recommended to approval the revised Treasury Policy Statement

3 DETAIL

- 3.1 The first CIPFA Code of Practice in Treasury Management was issued in 1996 with the objective of improving the recording and reporting of treasury management activities. As required under the Code, Full Council approved the last (2009) revision of the Code of Practice issued in September 2010, following the revision of procedures in the light of the Icelandic banking crisis.

2011 REVISED TREASURY MANAGEMENT CODE OF PRACTICE

- 3.2 The 2011 Code of Practice and Guidance Notes have been issued following the enactment of the 2011 Localism Bill which gives local authorities general powers of competence and instituted housing reform. The revised Code follows previous Codes that have been adopted by the Council. Public sector organisations are required to adopt four clauses as set out in Appendix 1 as part of their standing orders, financial regulations, or other formal policy documents appropriate to their circumstances – the Council has previously adopted these clauses.

- 3.3 CIPFA also recommends that the Treasury Policy Statement of the high level policies adopted by Full Council, should follow the wording set out in Appendix 2. The only change from the previous wording is to add the words in bold ('and any financial instruments entered into to manage these risks') in the management of risk. At present there are no plans to use new instruments / derivatives in the management of risk. Not only has the use of derivatives previously been seen as ultra vires for local authorities, but there is felt to be a lack of expertise for effective management.
- 3.4 The more detailed Treasury Management Practices (TMP) set out in Appendix 3 remain as in 2009. However, authorities should make reference to their high level approach to borrowing and investment in their Treasury Management Policy Statement. Also, TMP4 (Approved instruments, methods and techniques) should refer to the use of derivatives if this was proposed. The detailed TMPs will be revised in 2012. There is also a requirement to set out the Council's high level approach to borrowing and investment.
- 3.5 The other practical changes to treasury management activity and reporting will be seen in the Treasury Management Strategy agreed as part of the budget process. First, there should be a new treasury indicator, upper limits on the proportion of net debt to gross debt in the forthcoming year and following two financial years, to highlight where an authority may be borrowing in advance of its cash requirement. Second, the treasury management implications of housing self financing reform, where the housing revenue account (HRA) will be given increased flexibility to manage the housing stock. The Department for Communities and Local Government will repay approximately £200m Public Works Loans Board debt owed by Brent Council, to place the HRA on a sound basis. The changes will affect such areas as:
- a) The remaining council debt will be split between the HRA and the General Fund in such a way as to cause no detriment to the General Fund.
 - b) Instead of one loans pool, there may be up to three pools to ensure that debt is clearly identified.
 - c) If the council has not taken long term loans to pay for capital expenditure, the HRA may be credited with the benefit of the use of cheaper finance.
 - d) The HRA should be consulted in taking new long term loans / debt restructuring.

4. FINANCIAL IMPLICATIONS

These are covered in the report.

5 DIVERSITY IMPLICATIONS

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

6 STAFFING IMPLICATIONS

None

7 LEGAL IMPLICATIONS

There are no legal implications arising from the report.

8 BACKGROUND

Report to Full Council – Treasury Management Annual Report 2010/11 –
September 2011

Persons wishing to discuss the above should contact the Martin Spriggs,
Exchequer and Investment Section, Finance and Corporate Resources, on 020
8937 1472/74 at Brent Town Hall.

CLIVE HEAPHY
Director of Finance and Corporate Services

Clauses to be adopted by the Council

- a) This organisation will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement (TMPS) stating the policies and objectives of its treasury management activities
 - suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and the TMPs will follow the recommendations contained in Sections 6 and 7 of the Code.

- b) The full council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- c) This organisation delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Director of Finance. The Director will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- d) This organisation nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Authorities are required to refer to their high level approach to borrowing and investment. For Brent Council this is: At a time of market volatility and very low short term interest rates, to minimise risk and costs by reducing the level of cash balances available to lend to the market.


CIPFA also recommends that an organisation's treasury management policy statement adopts the following forms of words to define the policies and objectives of its treasury management activities:-

- 1 Treasury management is 'the management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
- 2 Brent Council regards the successful identification, monitoring and control of risk to be the prime criterion by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the authority, **and any financial instruments entered into to manage these risks.**
- 3 Brent Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

APPENDIX 3

TREASURY MANAGEMENT PRACTICES

TMP1	Risk management
TMP2	Performance measurement
TMP3	Decision making and analysis
TMP4	Approved instruments, methods and techniques
TMP5	Organisation, clarity and segregation of duties, and dealing arrangements
TMP6	Reporting requirements and management information arrangements
TMP7	Budgeting, accounting and audit arrangements
TMP8	Cash and cash flow management
TMP9	Precautions against money laundering
TMP10	Staff training and qualifications
TMP11	Use of external service providers
TMP12	Corporate governance

	<p style="text-align: center;">Council 23 January 2012</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Services</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p>Treasury 2011/12 Mid – Year Report</p>	

1. SUMMARY

- 1.1 This report updates members on recent treasury activity.

2. RECOMMENDATION

- 2.1 Full Council is asked to note the 2011/12 Treasury mid-year report as also submitted the Audit Committee and Executive.

3 DETAIL

- 3.1 The CIPFA Code of Practice on Treasury Management (2009) requires that treasury activities should be reported to Full Council at mid-year, as well as at year-end. Activities are also reported to the Audit Committee on a quarterly basis. CIPFA has very recently issued a revised Code of Practice that reflects additional flexibility in the treasury management area given to local authorities.
- 3.2 Financial markets have been turbulent during the period June – November, with stock markets falling sharply. Concerns about the euro area, a potential Greek debt default, worries about the USA debt ceiling, and slowing growth in the developed markets have all undermined confidence. Investors have sought safe financial havens, so that medium and longer term interest rates have fallen in the favoured markets – USA, Germany, Switzerland and UK being among the beneficiaries. More sinister has been the tightening in credit markets as USA banks avoid lending to European banks perceived to be vulnerable to Greek and other weaker European country debt. Increasingly, both European and USA institutions have deposited money with their central banks rather than lend it on the market (the ‘wholesale’ market), leading to rising interest rates, some shortages and bank reliance on their central banks.

Although the situation is not yet as severe, there are worrying similarities to the 2008 credit crunch, with Dexia bank requiring support from the French, Dutch and Belgian authorities. Central banks have taken action to ease the flow of credit to banks, but confidence remains fragile.

- 3.3 In October, the credit rating agencies reduced the long term ratings below acceptable values for a number of UK banks – Royal Bank of Scotland, National Westminster, Lloyds, and Bank of Scotland – which led to these banks being suspended from the List. This leaves only three banks on the Brent Treasury Lending List – Barclays, HSBC and Santander UK (which is only eligible for overnight and call deposits).

Lending

- 3.4 In these circumstances, there have been no attempts to widen the existing Brent Treasury Lending List. At present, only UK banks are included (as well as government institutions, other local authorities and AAA rated money market funds). When making deposits, maturity dates are kept short (one month, though the one year option remains open), and available balances are held in money market funds or, increasingly, the Debt Management Office.
- 3.5 As the Lending List is so constrained, consideration is being given to the use of overseas banks (non-European) of suitable quality, provided that the sovereign ratings are sufficient. The number of money market funds in use, and the amount to be deposited in each money market fund is also currently under review, with a view to ensuring proper diversification.
- 3.5 Members will be aware that the contract for Aberdeen Asset Management to manage an external treasury fund of £23m, mainly invested in certificates of deposit (CDs, which usually have about one year duration), was terminated in July 2011. An era of very low interest rates meant that there were limited opportunities for the house to add much value. Further, the market turmoil led to concerns that banks may find themselves in difficulty. Finally, the capital programme involves major expenditure on such items as the Civic Centre and Brent Housing Partnership – it is much cheaper at present to fund such items from balances where possible rather than borrow at rates that are 4% above short term rates.
- 3.6 The council made two deposits with Icelandic banks in 2008 – Heritable Bank (£10m) and Glitnir Bank (£5m). Heritable Bank was placed in administration, with Ernst & Young acting as administrator. To date, the council has received £6.5m, with £1.5m paid in 2011/12. Ernst & Young anticipate as their main case that creditors will receive 86% - 90% of their deposit – this has risen since 2009.
- 3.7 The local authority case that they be treated as preferred creditors for their deposits with Glitnir Bank was successful at the District Court level in Iceland. The Icelandic Supreme court has recently confirmed this view, so that it is likely that the deposit will be repaid early in 2012. The council has worked with the Local Government Association and other local authorities to fund action in the Icelandic courts.

- 3.8 The list of current deposits as at 30th November is attached as Appendix 1. Note that since that date increasing use has been made of the government's Debt Management Office.

Borrowing

- 3.9 The 2011/12 treasury management budget assumed that the council would borrow long term around October 2011 to fund the capital programme. Although it has become apparent that the capital programme has not progressed as quickly as anticipated, the council borrowed £20m from the Public Works Loans Board in September. The loan was at 2.34% for ten years, with £2m to be repaid in equal instalments each year. It was felt that rates were very low following the flight to safety to UK markets outlined above, and that the loan would protect the council should the wholesale market (lending between banks and financial institutions) become more difficult.
- 3.10 It is anticipated that the council will require additional long term loans (around £30m) later in the financial year or early in 2012/13, depending on the progress of the capital programme.

Changes to the Housing Revenue Account (HRA)

- 3.11 The Department for Communities and Local Government (DCLG) has announced changes to the Housing Revenue Account to allow councils more freedom in the management of their housing stock. From a treasury management viewpoint, the changes have a number of aspects:-
- a) The DCLG will repay around £200m of the council's PWLB debt (currently £509m in total), to reduce the HRA share of debt to the level calculated by the DCLG self-financing model.
 - b) The overall impact of the changes is intended to be neutral for the general fund.
 - c) In future, HRA debt will be accounted for separately from general fund debt, leading to amended accounting arrangements.
 - d) The views of those managing the HRA will need to be taken into consideration in future debt repayment / restructuring activity, as the HRA Business Plan will include debt considerations.

Prudential Indicators

- 3.12 The Council has complied with its various Prudential Indicators, such as interest rate exposure, maturity structure for fixed rate borrowing, and authorised limit and operational boundary for external debt.

Budget implications

- 3.13 The treasury budget is likely to be underspent in 2011/12 as a result of lower interest rates and borrowing later than planned.

4. FINANCIAL IMPLICATIONS

These are covered in the report.

5 DIVERSITY IMPLICATIONS

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

6 STAFFING IMPLICATIONS

None

7 LEGAL IMPLICATIONS

There are no legal implications arising from the report.

8 BACKGROUND

Annual Treasury Strategy – Report to Full Council (and the Audit Committee) as part of the Budget Report – March 2011.

Persons wishing to discuss the above should contact the Exchequer and Investment Section, Finance and Corporate Resources, on 020 8937 1472/74 at Brent Town Hall.

CLIVE HEAPHY
Director of Finance and
Corporate Services

MARTIN SPRIGGS
Head of Exchequer and Investment

Brent treasury lending list

1 The current loans outstanding as at 30th November 2011 are:

Name	Amount £m	Yield %	Lending Date	Maturity Date
Global Treas. Fund (RBS)	7.5	Var.	Call	
Morgan Stanley cash reserve	1.3	Var.	Call	
Heritable bank	3.5	0.0	15.08.08	14/11/08
Glitnir	5.0	0.0	15.09.08	12/12/08
Northern Trust global fund	0.1	Var.	Call	
Thameside	4.4	0.5	17.10.11	14.11.11
Santander UK	2.9	0.28	25.11.11	19.12.11
Santander UK	<u>5.5</u>	0.27	30.11.11	02.12.11
Total	<u>30.2</u>			

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Council
23 January 2012

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 (1) changes to the European public procurement thresholds; (2) insertion of a definition of Very Low Value contracts, in respect of which there will be less prescriptive procedural requirements; (3) minor amendments.

2.0 Recommendation

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 Under the European public procurement regime, there are certain thresholds which trigger the application of the relevant procurement procedures. These thresholds are expressed in euros. Every two years there is a revaluation exercise to convert the prescribed euros figure as set out in the legislation into pounds sterling. This is relevant for Contract Standing Orders, because the threshold above which supplies and services contracts have to be tendered under the EU regime is also the trigger for the following of a tendered as opposed to a quotation process under Brent's own procedures. Therefore the pounds sterling figure is stated within Contract Standing Orders. As the two-yearly revaluation took effect on 1st January 2012, Members are requested to agree to the insertion of the revalued figure in the relevant places within Contract Standing Orders.
- 3.2 In addition, Contract Standing Orders have previously had a threshold of £20,000 below which a contract does not require the following of a formal written quotation

Meeting
Date

Version no.
Date

procedure. It is proposed to reinstate this by the insertion of a new definition of Very Low Value Contracts in the definitions section in Standing Order 82. A new provision at Standing Order 86(aa) then gives the procedural requirements for contracts below this threshold of £20,000 on the basis of recommended good practice.

- 3.3 In addition there are other minor changes. Firstly there is removal of a distinction between civil engineering contracts and other works contracts (mainly building) in the definitions section (SO 82). Secondly Standing Order 83 clarifies that although individual agency contracts for the provision of temporary staff are exempt from Contract Standing Orders, it is currently mandatory for all such contracts to be placed through the Council's corporate agency staff arrangements ie Comensura. Thirdly, there is correction of a cross-referencing error in Standing Order 87(b).
- 3.4 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, 83, 86 and 87).

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 (**in alphabetical order**):

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 (under which different thresholds apply for services / supplies and construction /

	works).
Low Value Contract	<p>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 £20,001 and up to the amount which is the current threshold for services and supplies contracts under the European Procurement Rules (which is currently £173,934).</p> <p>In the case of a contract for construction or works: a contract with an estimated value over the life of the contract (including any period of extension(s) anticipated by the contract) of between £20,001 up to £500,000, provided that the contract is classified as a contract for works and not services by the European Procurement Rules.</p>
Medium Value Contract	<p>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 £173,934) and £500,000.</p> <p>In the case of a contract for construction or works, a contract with an estimated value of between £500,000 and £1,000,000, provided that the contract is classified as a contract for works and not services by the European Procurement Rules.</p>
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.
Very Low Value Contract	A contract or commitment with a value from £0 to £20,000.

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 (**although it is mandatory to place such contracts through the Council's corporate agency staff arrangements, currently Comensura**);
- (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.
- (aa) No formal procurement procedures apply to Very Low Value Contracts apart from a requirement to secure best value. For Very Low Value Contracts, the best way to demonstrate best value is by the seeking of three quotes or using an Approved List (where one exists), however this is not mandatory and it is open to a duly authorised officer to approve another procurement route. As with all**

Council procurement there is a mandatory requirement to keep an auditable record to demonstrate compliance and value for money.

- (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 **£173,934**), 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 in 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.

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